



Corporate Social Responsibility: A New Edge of Corporate Governance in India (With special reference to JSW Steels Ltd., Torangallu)

Nayak Subhakanta

Bhuwarka Group of Companies, Bhuwarka Centre, No. 71, 3rd Cross, Residency Road, Bengaluru – 25, Karnataka, INDIA

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Abstract

Corporate Social Responsibility (CSR) has gradually been focused more stringently in the corporate governance in India. An attempt is made in the present piece of work to study and understand the development of CSR in Indian corporate sector and contemporary approach in the corporate governance of the nation. Further the study aims at to examine the nature and process of various CSR initiatives undertaken by JSW Steel Ltd, India's largest steel manufacturing company in private sector and it's impact on the targeted beneficiaries. Since it was an exploratory study, data collection was made adopting qualitative research methodology i.e, through both primary and secondary source. The study, however, suggests that the contemporary CSR practices of JSW Steel are based on an integrated approach of legal and moral obligation towards social development which had created a positive socio-economic impact on the community/local populace only.

Keywords: CSR, Corporate governance, philanthropy, Inclusive development, alignment, women empowerment.

Introduction

Corporate Social Responsibility (CSR) has assumed a great significance in today's corporate governance in India. The age old companies Act, 1956 replaced by the companies Act, 2013 has focused CSR with a different approach making it legal obligation towards society for certain categories of corporate bodies discarding the previous notion of philanthropic model. The responsibility of inclusive development of the people and society lies with the Government in a welfare nation like India was an idea during early days. Inclusive development refers to the socio-economic wellbeing of its present and future citizens including ecological balance between development and environmental sustainability. But due to liberalization of economy, all resources of the society are controlled by the capitalists represented by the national and multinational corporate giants'. As a result, the country has been inflicted with great economic disparity and ecological imbalance due to vulnerable exploitation of the resources for optimization of their individual profits and consequential human induced environment hazards. It is felt that the government alone cannot ensure the inclusive development of the people and society which urged for the corporate bodies and business community to address the said challenges especially in a country as diverse in India. It has also been experienced that being conscious of above fact, the big corporate houses from public and private sector in India like coal India Ltd., NALCO Ltd., TATA Group, Aditya Birla Group, Reliance Industries Group and O.P. Jindal Group etc. have integrated the Corporate Social Responsibility with their business philosophy and have been committed for improvement in the quality of life of the people and environmental sustainability in the community around which they operate through various CSR initiatives. To induce more

commitment as well as to enforce this social responsibility of the corporate houses for nation building, the government of India has institutionalized the concept of CSR as the legal obligation of the business communities towards society replacing the old notion of philanthropy model through amendments in its corporate governance rules.

It is relevant to understand the concept of corporate social responsibility before examining its nature and process in the area under the present study: Corporate Social Responsibility (C.S.R) is also called as Corporate Citizenship which is a form of corporate self-regulation integrated into a business model¹. A corporate or company is considered as an entity in law and there by viewed as a citizen in the society unlike human being who born, grows and earns in the society and discharges certain responsibility towards the wellbeing of members of his family and the society at large. A corporate, as a citizen, should understand that its own well-being is linked with the well being of all stake holders i.e. promoters and share holders, employees, suppliers, clients, institutions and government those have patronized their establishment, present and future citizens of the community around which they operate and so on². C.S.R is based on the "trusteeship concept" where by business houses are looked upon as trustees of the resources they draw from society and thus are expected to return them back to the society in many ways for its development³.

C.S.R has also been viewed as the commitment of business to contribute to sustainable economic development, working with employees, their families, and the local communities⁴. As such, the corporation or business houses while engaging in exploitation of the resources for optimization of the profit of their share holders should also pay due concentration and act

responsibly for the developmental needs and concerns of the society around which they operate⁵. According to Mr. N.R Narayan Murthy, the co-founder of Infosys, CSR encompasses the ideas of corporate governance, sustainable wealth creation, corporate philanthropy and advocacy for the goals of the community⁶. CSR and business ethics, thus, focuses primarily on capacity building, empowerment of communities, inclusive socio-economic development including environmental sustainability, development of under developed regions, and upliftment of the underprivileged sections of the society⁷.

During early days, CSR was considered much more in terms of a philanthropic model. Companies and business houses concentrated to make high profit out of their business fulfilling their statutory payment in the forms of taxes etc and sometimes they used to donate or spend certain share of their profits to charitable causes/ social development. Subsequently the neo-liberal development model emphasized and projected CSR as a mandatory social responsibility of the corporate and therefore kept the concept from the ideas of philanthropy, charity, generosity and the like. The Govt. of India has also made efforts to institutionalize the above notion of thought through it's various corporate governance regulatory rules like, Companies Act, 2013 and Mines and Minerals (Development and Regulation) (Amendment) Bill, 2014. Therefore, CSR is extremely important for sustainable development of all stake holders i.e. all people on whom the business has an impact including the society at large. Being conscious of the above fact, the progressive corporate houses of the country have integrated their CSR policies with their business philosophy which functions as a built-in, self regulatory mechanism whereby their business monitors and ensures it's due compliance with spirit of the existing laws, ethical standards, and international norms.

In the light of above theoretical orientation, an attempt has been made in the present piece of work to study and understand the development of CSR concept in India and the contemporary approach in the corporate governance of the nation. Besides above, the study also concentrates on examining the nature and process of various CSR initiatives undertaken by JSW Steel Ltd, Torangallu, India's largest integrated steel manufacturing company in private sector and it's social responsibility performance.

Methodology

The selection of area under study to JSW steel Ltd., Torangallu is well reasoned for the following grounds. JSW steel Ltd., is the India's largest integrated steel company in private sector owned by the JSW Groups under the flagship of O.P.JINDAL Group of Companies having installed capacity of 14.3MTPA. The net worth of the company is Rs.7002.67 Crores at the end of March 2014 and the consolidated profit for the fiscal year 2013-14 is Rs.745.74 Crores as per audited financial statement of the company for the year ended 31st March 2014 (Source:- Directors report in 20th annual report of the Company) . The

Company is also listed in Bombay stock exchange bearing code no BSE: 500228 and National stock exchange bearing code no NSE: JSW STEEL.

The JSW Steel Ltd., (Vijayanagar Works) is located at Torangallu (Ballari) in the state of Karnataka (India) spreading over 3700 Acres of land having an employee's strength of 11099 only (Wikipedia, the free encyclopedia). As claimed by the industry management, the CSR initiatives of the company covers micro level engagement as well as macro development programmes that leaves a positive impact on the socio-economic well being of the locality where the industry is located.

The present study is primarily having exploratory nature. The author, thus, preferred to adopt the qualitative research methodology and collected data both through primary and secondary source. The primary source includes observation, in depth interview with the senior management leaders of CSR wing of JSW steels Ltd., the people of the community around which the company operates and few public officers of the Ballari district, connected with environment protection. The sample size for interview was 50 numbers only and convenient sampling method was used for selection of the respondents/cases. On the other hand, secondary source includes the published and unpublished papers of other writers and content analysis of the data collected from the official records/papers of JSW steels Ltd. and their web site etc.

Results and Discussion

On the basis of the information/data collected from various sources as indicated in methodology chapter, following findings have been emerged out of this present study.

Development of the CSR concept at Indian context and Contemporary approach in corporate governance: The concept of CSR and involvement of corporate sector in social development is not new in India. In India, Corporate Social Responsibility can be traced back to early 20th century which was started by the business houses in the form of charity and traditional philanthropy. Sponsoring for the development activities were predominantly influenced by the Gandhian ethical economic model and business houses like Tatas, Birlas and Bajajs etc., were used to allocate funds and other resources for developmental activities at their respective area of operation. Indian Oil Corporation right from it's inception in the year 1964 has been found focusing their CSR initiatives to enrich the quality of life of the community and preserve ecological balance through extending financial support to various health care projects, social, culture and educational programs for upliftment of the underprivileged section of the society and developing techno-economically viable and environment-friendly products⁸. The liberal model of economy subsequently supported by Milton Friedman during the period 1970-1990 advocated for the business houses to concentrate on wealth

creation only and not to get involved with development activities limiting their CSR to Tax- paying and donation to charitable trusts⁹. But, the above school of thought had a little impact on the Indian business enterprises who realized correlation between growth/development of society and their business growth. Thus, the post 1990 period experienced an tremendous voluntary involvement of corporate houses to address the issues and concerns of rural development and upliftment of the disadvantaged group of society like infrastructure development, poverty eradication, education, health care, and environment sustainability and enhancement of employability etc¹⁰.

Further, the neo-liberal model of economy during the period of 21st century characterized by privatization and globalization of earth's resources warranted the need for institutionalization of such social responsibility of the corporate sector through the nation's corporate governance rules. Accordingly, the companies Act, 2013 which replaced the age old companies Act, 1956 has made spending and reporting on CSR mandatory for certain class of business enterprises. Section-135 of the Act specifies that the companies having net worth of Rs.500 crores, or turnover of Rs.1000 crores at least, or net profit of Rs.5 crores or more required to constitute a CSR committee of the Board comprising of three or more directors, out of which at least one director should be an independent director which will formulate and recommend to Board, a CSR policy and the activities to be undertaken by the company as specified in schedule VII along with the budget for expenditure for the referred CSR initiatives. Under this Act, the specified classes of companies are supposed to spend minimum two percent of average net profit earned during preceding three years of the implementation year. The Act, however made it mandatory for the Board to specify the reasons for non-utilization of the said amount in it's annual report in case the company fails to spend the specified amount for CSR activities.

Further schedule VII of the companies Act, 2013 has also widened the ambit of CSR activities which includes: Eradicating hunger and poverty. Promotion of education, gender equality and empowering woman. Reducing child morality and improving maternal health. Combating HIV/AIDS, malaria and other diseases. Ensuring environment sustainability. Employment enhancing through vocational skills development and social business projects. Contribution to Prime Minister's National Relief Funds or any other funds set up by the central Govt. or state Govt. for socio-economic development and relief, and funds for welfare of the SC/S-Ts OBCS, Minorities and women. However, the above said amended provisions were effected from the financial year 2014-15. Besides the above piece of legislation, the government of India is expected to introduce a bill in the Indian Parliament in the name and style of The Mines and Mineral (Development and Regulation) (Amendment) bill, 2014 seeking amendment of the existing Mines and Minerals (Development and Regulation) Act, 1957 with a view to regulate the corporate behavior of the companies

involved in mining operation and activities for spending on CSR activities. The proposed bill suggests for inserting a separate section namely "9B" after section 9A in the principal Act which provides as follows:

i. Section "9B. In all districts affected by mining related operations, the state government shall, by notification, establish a trust to be called the District Mineral Foundation, as a non-profit body. ii. The composition and functioning of the District Mineral Foundation shall be regulated in such manner as may be prescribed by the state government. iii. The object of the District Mineral Foundation shall be to work for the interest and benefit of persons, or areas, affected by mining related operations in such manner as may be prescribed by the state Government. iv. The holder of mining leases or a prospecting license-cum-mining lease shall pay annually to the District Mineral Foundation of the districts in which the mining operations are carried on- In case of minerals other than minor minerals, such percentage of royalty shall be paid during the financial year as may be prescribed by Central Government; and In case of minor minerals, such amount as may be prescribed by the state government; which within such time and in such manner as many be prescribed by the state Government¹¹.

Thus, the spirit and nature of CSR in contemporary India has been focused with an integrated approach of moral and legal obligation of business houses towards social cause.

Nature and process of CSR initiatives undertaken by JSW Steel Ltd., Torangallu: The CRS initiatives of the company are mainly conducted under the aegis of JSW foundation, an Independent Trust chaired by Mrs. Sangita Jindal right from the establishment of the Jindal Vijaynagar works at Torangallu in the year 1994. The primary stake holder in the company's CSR activities is the local populace in an around 15KM radius of its area of operation. Some of the notable CSR activities covered in community development initiatives include establishment and running of schools, sponsoring the mid-day meal program for the students there by enhancing attendance in the schools, operating primary health center, conducting special camps for health check-up, up gradation of government run health centers, local employment generation, organizing self help groups for local women to start in individual and group enterprises, sanitation drive in collaboration with government's total sanitation campaign and promotion of arts etc.

Approach and method of implementation of CSR initiatives: The company has adopted a corporate social responsibility policy duly approved by its Board of Directors with effect from 27th May 2014, which strives to address the issues related from antenatal stage of life up to the reproductive age of 45 years in theme " **Janam se Janani Tak, JSW Aap ke saath**" through a process of social inclusion. The said CSR policy of the company envisages that JSW steel is committed to: i. Allocate at least 2% of its average net profit made during the three immediately preceding financial years towards CSR, as per the categories

mentioned in schedule VII of the Companies Act 2013. ii. Transparent and accountable system for social development and conducting periodic assessment. iii. Concentrate on community needs and perceptions through social processes and related infrastructure development. iv. Provide special thrust towards empowerment of women through a process of social inclusion. v. Spread the culture of volunteerism through the process of social engagement.

The primary focus of the company's CSR initiatives, as per the respondents, foster on the complete life cycle approach where the women are empowered in such a way that they become strong and positive force of change through the following recommended interventions. i. Efficient maternal and child care services. ii. Enhance access to improved nutrition services. iii. Early child hood education/pre-primary education. iv. Completion of primary and secondary education. v. Access to adolescent reproductive and sexual health and rights. vi. Enhancing the output of present occupation. vii. Employability and Vocational education. viii. Responsible parenthood.

The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee comprising of three Directors including one independent director namely Mr. M Rao, Dr. Vinod Nowal and Mr. Jayant Acharya which finalize all CSR interventions/ projects and its budget basing upon the recommendation of the local CSR Committee at plant location. Further, a location committee on CSR has been constituted at Vijaynagar plant location of JSW Steel comprising of the senior plant management staff and Chief of the CSR cell under the headship of the chief executive officer of Vijaynagar works. Before commencement of any financial year, the local CSR cell convenes a meeting of plant PR department personnel, senior management staff and the elected members of the Gram Panchayats around the Plant location to finalize different CSR interventions basing upon needs of the community and the CSR budget approved by the CSR committee of the Board (Source: Website of the company). In the line with above noted approach and strategy, CSR location committee chalks out the annual plan of CSR interventions in the field of health care, education, livelihood, vocational education, women empowerment and environment sustainability within the ambit of CSR projects listed in the CSR policy of the company duly approved by the Board of Directors and recommends to the CSR committee of the Board which reviews and finalize the same. All the CSR activities have been undertaken in the villages in immediate vicinity of the plant location within 15KM radius defined as Direct Influence Zone (DIZ) and certain programs of such interventions may be expanded beyond this geographical purview as defined as Indirect Influence Zone (IIZ) i.e. beyond 15 KM radius and within the district of Ballari. (Source: CSR policy of the company). The company's CSR budget for the financial year 2014-15 has been estimated at about Rs.25.15 crores for their vijaynagar works and about Rs. 41 crores for it's all locations taking into account 2% of the average net profit for

the preceding three years (Source: CSR cell of the company, vijayanagar works).

Process of CSR projects implementation: The annual CSR activities are administered and implemented through two agencies such as CSR cell of JSW Steel and JSW foundation. As observed, CSR department of JSW steel usually takes up the activities related to civil works involving construction of buildings, roads, and other infrastructure related projects. On the other hand, JSW foundation administers all other projects either by itself or in collaboration with government, NGOs/Civil societies or any other institution having relevant expertise and experience in the concerned field (source : CSR policy of the company). Interactions with the CSR team members of the company revealed the fact that before the financial year 2014-15, JSW Foundation in consultation with the plant management and CSR team used to finalize and undertake the set of CSR activities every year as per the CSR budget approved by the Board of Directors for that specific financial year. Further, it was revealed that the implementing agency and the plant CSR team involve the people's representatives of the locality, Gram Panchayat and local administration during pre and post implementation period of the CSR initiatives for smooth project implementation. It is also observed that from this current financial year 2014-15, the CSR cell of the company through the JSW Foundation and some other NGOs have been implementing the approved CSR interventions for the year under the active supervision of mission leaders ensuring the stake holders engagement for which the company has signed the MOU with the JSW Foundation and the concerned NGOs in the respective projects. The CSR cell only undertakes the interventions under the rural infrastructure project independently through it's civil departments as observed.

Project monitoring and Social Audit Mechanism: While enquiring about the mechanism for monitoring the CSR activities under implementation and its social audit during its post implementation period, it was revealed from the respondents that monitoring of CSR projects are being taken up as per following manner: i. Monthly meeting by the respective CSR location in charge to monitor the progress. ii. Quarterly monitoring by the location head. iii. Half-yearly monitoring by Apex committee of the JSW Foundation and by the CSR committee of the Board. iv. Yearly monitoring by the Board of Directors of the company.

JSW Steel Ltd., Vijayanagar works (Torangallu) also makes periodical survey (social audit) on the post implementation effect of the specific projects on the community through outside agencies and takes up necessary remedial measures as per the observation of the said impact study during subsequent years. During data collection, it was revealed that Innovative to Initiatives, an NGO in Dharwad was entrusted to study and submit their report on quality of life survey (Impact of CSR activities undertaken by JSW Foundation on the community) around surrounding villages of the JSW Steel, Vijayanagar,

during the year 2009-10 and 2010-11. Further, during the year 2014, JSW Steel Ltd had made the impact study in the community around its Vijayanagara works through Tata Institute of Social Sciences, Mumbai, where in Prof. S. Siva Raju of TISS had suggested various measures for enhancing the quality of corporate social responsibility initiatives of the company.

CSR Performance of JSW Steel Ltd.: Herrman's model of CSR performance is based on four important issues i.e. setting standards, monitoring compliance with standards and exposing abuses, creating binding legal obligations, and enforcing those binding laws¹². On the other hand, bulk of academic literature also suggests that stringent enforcement of CSR laws and legislation has a very limited possibility to bring desired result during this era of liberalization due to the influence of market based economy and the global business entities over the government's policy making process. Thus, the scholars belong to this school of thought emphasize on the need to sensitize corporate and business classes towards evolving a culture of sustainable development and empathy towards nature and environmental vulnerable section of the society¹³. However, in the present study an integrated approach has been adopted collaborating the essence of above noted two approaches for effective CSR performance of the business houses with a notion that the corporate houses should ensure compliance of the CSR laws of the country along with a commitment to create positive socio-economic impact on the targeted beneficiaries (local populace and society at large) So, we have assessed the CSR performance of JSW steel examining the following three parameters: i. Attitude and conviction of the company for proper compliance of CSR provisions under the companies Act, 2013. ii. The socio-economic impact of the CSR activities on the targeted beneficiaries. iii. Alignment of CSR activities on the environmental sustainability.

Compliance of CSR provisions under the companies Act, 2013: The board of Directors of the company has constituted a CSR committee under the sec-135 of the companies Act, 2013 comprising of three members of Directors as discussed earlier out of which one director is independent director. The company has also adopted a CSR policy with effect from 27th May 2014 duly prepared and approved by the CSR committee and the Board of Directors respectively and placed in company's website. The study reveals that a set of CSR projects indicating details of its interventions have been inserted in the CSR policy for the implementation period of three years commencing from 2014-15 which qualify as CSR initiatives as specified in schedule VII of the Act.

It has also been observed that the Directors of the company for the first time in their annual report for the year ending as on 31st March 2014 reported about their CSR in a separate column recording the expenditure incurred during the year 2013-14 without indicating the reasons for not spending the amount i.e. 2% of the average net profit of the immediate 3 years. The analysis of the CSR rules prepared under sec-135 of the

companies Act, 2013 reveals that amended provisions would be effected from 2014-15 and the reporting will be done through directors report in the prescribed format regarding details of their CSR initiatives, expenditure made on CSR and the reasons on failure to spend 2% of the average net profit towards CSR and the same will be put off on the company's website. Further, the amended Act as analyzed, does not make mandatory for spending 2% of average net profit on CSR; rather it makes mandatory for giving reasons only in the directors' report on failure to spend the amount of 2% of the net profit as said above. Moreover, as per data collected the company has undertaken various CSR initiatives under its approved CSR policy during the current financial year 2014-15 and the CSR budget for the said year is Rs.-25cores only for their vijaynagar works for the current financial year. Further, the JSW Steels Ltd has taken up an integrated CSR activities for its all locations for which Rs. 41.00 crores i.e 2% its net profit to be spent on CSR as revealed. Moreover it was learnt during interaction with the senior executives of of the CSR wing, the CSR chief of the Vijayanagar works (Totangallu) has already sent the CSR reports of last 03 quarters of the current financial year to their corporate office, Mumbai and the corporate office of JSW Steel Ltd after the end of the 4th quarter of this year will make comprehensive report on CSR in the prescribed format which will be submitted to the Registrar of the companies with a disclosure on its website.

Socio-economic impact of the undertaken CSR activities on the community: JSW Steels Ltd. right from its establishment at Torangallu has under taken various CSR activities for socio-economic development of the targeted beneficiaries i.e, the inhabitants of the locality where the industry is situated. Since the CSR initiatives for the current year (2014-15) are under implementation the author has studied and analyzed the effectiveness of the CSR activities of the previous years to assess its socio-economic value on the quality of life of the local inhabitants. The author has thus , made an attempt to answer the following questions analyzing the data collected through focus group discussion with the senior executives of CSR team and the people of the community, participatory observation, content analysis of various reports prepared by JSW Foundation and the Impact study reports of various social agencies and TISS on JSW CSR initiatives. i. Whether the CSR initiatives were under taken according to the need of the local community?, ii. How does the company ensure the participation of the local people for implementation of the CSR initiatives??, iii. Have the under taken CSR initiatives resulted any improvement in the quality of life of the local community???

However, the study reveals that while JSW steel Ltd. Initially established its Vijayanagar Plant at Torangallu in the district of Ballari (Karnataka) during the year 1994, it was a drought prone area due to erratic rainfall resulting low agricultural output. The livelihood of the people of the region was mostly dependent upon agriculture and rearing cattle. Communication and infrastructure facilities were poorly developed. Education and

health care facilities were rarely available in that locality. Thus, the company felt that it should not remain in the Island of Prosperity amidst a sea of poverty and with this guiding principle, it initiated its various social development activities to address the needs and issues of the people living in the locality around the plant.

It is also further revealed from the interactions with the respondents that the company through its plant CSR team and its social development wing (JSW Foundation) has formulated and taken up all CSR initiatives in consultation with the people representatives of that area/Gram panchayat. The company during the process of implementation of its CSR interventions in various project do emphasizes on the stakeholders' engagement as reported.

However, the socio-economic impact of few CSR initiatives of the company already undertaken during previous years have been analyzed and reproduced below.

Education: JSW steel has taken up various initiatives to improve the quality of education in the locality. The company is running two English medium schools affiliated to CBSE and one PUC college affiliated to state board of higher council, where in quality education is imparted. As informed by the Chief of the CSR cell, 80% of the seats and 20% of seats are reserved for the children of the employees and community respectively. The tuition fees of the pupils hail from the surrounding villages is borne by the company from its CSR budget. Besides above government schools in the neighboring 19 villages are being provided with computer Aided Learning centers in association with Azim Premji Foundation. In partnership with Akshara Foundation, the JSW Foundation initiated 11 Balawadi Centers to enhance learning skills through 25 mobile libraries and accelerated reading programme, assisting 875 slow learners in the surrounding 20 villages. 267 schools drop-outs pupils were admitted back to the schools from 20 villages providing scholarship to the needy children, distributing books, uniforms and conducting various competitions.

The data has supplemented to the fact that in order to arrest the drop outs in the schools, JSW Foundation in collaboration with the well renowned ISKCON, has set up a state-of-the-art kitchen unit to provide mid-day meal for school children under its 'Akshaya patra' scheme. The company is bearing the expenditure of Rupees One Crore per annum as required to cater meals for 14000 children in Ballari district covering 228 schools. This initiative provides children with nutritious and hygienic food. The report of JSW Foundation reflects that 922867 children have already been benefitted by mid day meal so far. The company also organizes visits for the village children to the steel plants and summer camps for all round development of the children. About 240 children from 8 villages benefitted from summer camp. Five schools of the nearby

villages have been supported with five additional teachers by the company, as observed.

Health Care: It was observed that the company has set up a primary health centre in the name and style of "Sanjeevani Hospital" which caters health care services to its employees, their family members and the local inhabitants free of cost. Besides above, thousands of local people belonging to weaker section of the society have got special health care benefit out of special camps for health check up conducted by the company time to time. As per the records of the JSW Foundation, 385017 numbers of patients from the periphery have been covered and benefitted from the said mobile health camps.

Empowering rural women: As revealed from the study, socio-economic empowerment of local women is one of the core areas of CSR activities of the company. Following initiatives are being taken up to improve the socio-economic standard of the rural women in the vicinity of plant location.

Mahila Diary Development Groups (MDDG): As informed by the respondents, 25 numbers of women self-help groups from surrounding 11 villages have been organized for the economic empowerment of the women. These groups are being provided revolving fund for purchase of dairy animals and setting up of other micro-enterprise units. Special focus is rendered to encourage widows and devadasis to be a part of the group and get benefit from the revolving fund. This initiative is undertaken in collaboration with the Karnataka State Veterinary Department and Kurekappa farm. These MDDG have also taken up the contract of garbage handling and nursery rising. However, this initiative has not only provided self employment to the rural women of the nearby villages, but also supports them for substantial income generation.

Setting up Rural BPO: Non-voice BPO is established by JSW Foundation in association with a leading BPO consultant for training of village women in IT related work and providing them opportunity to increase their chances to earn better livelihood. 186 rural women are working in two shifts and another 100 women are under training as observed.

Heavy Machinery Operation: Women are also being trained in garbage handling, mini transport Vehicles, nursery raising, operating heavy earth moving machines and cranes to enhance the women's employability in locality. As per the records of JSW Foundation, 1534 number of rural women have got benefitted so far through this initiatives.

Jatropha Cultivation: About 120,000 saplings of this bio-diesel plant are being sown over an area of 120 acres, an activity conducted by involving rural women. The company plans to put up an extraction plant to motivate farmers of surrounding villages to cultivate Jatropha and increase their income.

Textile Training: JSW Foundation in collaboration with the State and Central Government has setup a textile training centre for rural women in designing and stitching. More than 100 rural women have benefited out of this project to improve their livelihood. The interaction with the senior executives of JSW CSR wing revealed that these rural women have been earning Rs. 4000 to Rs. 5000 per month.

Sanitary Napkin Making: This project under the name of Suraksha is being implemented through an NGO in the premises of OPJ centre wherein about 100 rural women have been trained and engaged in sanitary napkin making. As revealed, they are able to earn in the range of Rs. 4000 to Rs. 4500 per month which substantially supports to their livelihood.

Village Infrastructure Development: Vaddu, a nearby village having a population of about 12,000 spread across 2,500 households has been adopted by JSW steels Ltd to be developed as a model Village. Accordingly, the company has been providing all modern amenities to the village that are similar with an urban set-up in the sphere of infrastructure, communication, educational facilities, sanitation, health care and employment generation, cultural development etc. As such various development activities have been identified and implemented for improving the physical, educational, environmental, social and economic conditions of the village. It was found that the company recognizes the fact that with the growth in population and living standards, the scope of new facilities and improvement in existing ones keep expanding. So, the company as claimed by its CSR team, is already in the process of developing integrated plans to address these emerging needs.

NTTF Vocational Training to the Rural Youths: JSW Steel Ltd through its JSW Foundation provides vocational training to the youths of the surrounding villages in multi skill mechanical maintenance and electrical maintenance. 129 youths had been trained who were working with associate companies of JSW Steel Ltd during year 2011¹³. 171 youths are undergoing training at present. Focus group discussion with the present batch of students and the trainers reveals that majority of the respondents were satisfied with the technical education afforded through this project and perceived that it would help them for their capacity building to get the job/earning. Moreover, the analysis of the records available with JSW Foundation suggests that 4701 youths from the surrounding villages have been trained in different professional course under this project so far.

However, the above analysis of data all together suggest that the CSR initiatives under taken by the JSW Steel Ltd have created a positive socio-economic impact in enhancing the quality of life of the local inhabitants.

Commitment towards environmental sustainability: With an understanding that CSR aims at bringing inclusive development of the society without harming its present and future stake

holders in either way, the author has tried to assess the commitment of the company towards addressing the environment issues as a part of core value of CSR activities. As revealed from interactions with the respondents, the company has taken various environment benign measures associated with steel production process so as to reduce CO2 emissions to less than 1.7 tones per liquid ton of steel. The company has also taken various measures to address environmental issues at its plant location to comply the provisions of the existing environmental legislations in force i.e. Water (Prevention and control of pollution) Act, 1974 and Air (prevention of control of pollution) Act, 1981. As observed, environmental control Laboratories have been developed for carrying out monitoring of water, waste water and air pollutants. The said monitoring carried out includes ambient air, stack and in-plant sampling drinking water, and effluents. Further, it was observed that additional effort is made by the company to prevent environmental pollution by recycling solid wastes and liquid treatment waste water for re-use in the premises.

Further, data collected from the respondents reveals that the company has also integrated its green belt initiative with its CSR agenda for women empowerment. During last two decades, the company has taken up massive tree plantation drive primarily engaging rural women as the measure for ecological balance. As claimed by the CSR cell of the company, they have planted about two million trees during the said period converting the barren land adjoining to the plant location and Ballari City into a sylvan green paradise.

The above analysis, thus reflects the fact that the commitment of the company towards environmental sustainability extends beyond its statutory/legal compliance and the company is striving to reduce the impact of its operation on environment.

However, the foregoing discussion on the three variables as depicted above suggests that the social responsibility performance of JSW Steel is found good.

Conclusion

The study suggests that CSR and the involvement of corporate sector in social development is not a recent phenomenon. In India, few leading business houses started their CSR activities during early 20th century in the form of charity and traditional philanthropy, which was influenced by the Gandhian ethical economic model. Although, there was a conflicting views on CSR by two different school of thoughts during the period 1970-1990, many of the Indian corporate houses realized the need for the integration of their business philosophy with the social development. Thus, with the understanding that the socio-economic well being of the inhabitants/all stake holders of the company would influence the business growth of the enterprise positively, remarkable voluntary involvement of leading business houses was experienced during post 1990 period to address the social issues like infrastructure development, poverty eradication,

education, health care services, creating employability of the local youths and environment sustainability etc. Subsequently, the neo-liberal model of economy characterized by globalization of earth's resources warranted for institutionalization of CSR through the nation's corporate governance laws. As a result, CSR has been focused as the legal obligation of the corporate sectors instead of philanthropic notion and the company Act, 2013 made CSR mandatory for certain category of corporations. In the line of above, JSW steels Ltd, India's largest integrated steel manufacturing company in private sector, has integrated its business philosophy with the socio-economic development of the inhabitants of the community right from its establishment at Vijaynagar (Toranagallu) in the Ballari district in Karnataka during the year 1994. It was observed that the company has adopted an intergraded approach of legal and moral obligation towards addressing the social issues covered under community development initiatives in the field of education such as establishment of schools, operating primary health centre and conducting special health camps for the local people, up gradation of government run health centre's, organizing self-help groups for local women to enhance their employability as well as to develop entrepreneurship among them, taking up the sanitation drive in collaboration with other social agencies of the community. The company has been taking up these CSR initiatives through its social development wing (JSW Foundation) and its CSR cell with the participation of the elected representatives of targeted beneficiaries/gram panchayat leaders. The study also suggests that the company while taking up various CSR projects to meet the requirement and expectations of its stake holders, have given due priority to comply all statutory requirements under the provisions of environmental laws and amended Companies Act. Further, all the social development initiatives under taken by JSW steels have no doubt created a positive socio-economic as well as environmental friendly impact on the community which is limited to local populace only. Finally, the present study leads to the conclusion that although CSR has been focused more stringently over a period of time in the contemporary corporate governance laws of the nation, much attention is required to be paid by the social scientists, law makers and corporate bodies of the country to make proportionate provision to align the CSR with addressing the alarming issues and concerns of today's vulnerable society having a wider magnitude to the state and national level.

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