Abstract

Corporate Social Responsibility is the path to attain sustainable development including both social and economic interest. It is a concept where organizations serve the society by taking the responsibility for the impact of their activities on both the micro and macro environment in every aspect. For a Public Sector Enterprise, the CSR practices become more important as the expectations of society are higher than from any Private Sector Enterprise. Steel Authority of India Limited with the prestigious status of “Maharatna” upholds high ethical standards in conduct of business and endeavors to fulfill diversified initiatives and activities for sustainable development of society under Corporate Social Responsibility. Thus the present study is aimed at highlighting the extent up to what the CSR practices are followed by the Steel Authority of India Limited. Study also focuses on the initiative taken in new facets such as Medical & Healthcare, Education, Livelihood Generation, empowering underprivileged sections of the society through Integrated Development Center.

Key Words: Corporate Social Responsibility and Sustainable Development.

Introduction:

Corporate social responsibility is, basically, a concept that encompasses all the philanthropic activities like charity, donations, relief works etc. of the corporations taking the responsibilities of the impact of their activities on the society. Globally, all related concept such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility come under the preview of Corporate Social Responsibility. Corporate Social Responsibility (CSR), thus, is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. Acknowledging their impact on society, many companies have proactively adopted the CSR practices while others have done so only when forced legally. In India, Concept of CSR is governed by the clause 135 of the Companies Act 2013 which is applicable to companies with an annual turnover of 1,000 crore INR and more, or a net worth of 500 crore INR and more, or a net profit of five crore INR and more. The aim of the clause 135 of the Act is to encourage companies to spend at least 2% of their average net profit in the previous three years on CSR activities. Expenditure range for CSR in a financial year by the Central Public Sector Enterprises (CPSEs) has been provided in table 1.
Table 1: CSR Expenditure Range for Central Public Sector Enterprises in a Financial Year

<table>
<thead>
<tr>
<th>Type of CPSE (Net profit previous year)</th>
<th>Expenditure Range for CSR in a Financial Year (% of Profit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than Rs.100 crores</td>
<td>3% - 5%</td>
</tr>
<tr>
<td>Rs.100 crores to Rs.500 crores</td>
<td>2% - 3% (subject to a minimum of Rs.3 crores)</td>
</tr>
<tr>
<td>Rs.500 crores and above</td>
<td>0.5% - 2%</td>
</tr>
</tbody>
</table>

Source: Annual Report 2012-13, Ministry of Steel, Government of India.

While the Indian Institute of Corporate Affairs estimates that still there is a requirement of minimum 6000 Indian companies to undertake CSR projects, steel industry has been maintaining a good rapport in this area. Tata Steel Ltd., holding the 1st rank in CSR Practices in Indian Steel Industry is followed by the Central Public sector Enterprise SAIL. However, India's 'Maharatna' company Steel Authority of India Limited (market capitalization of Rs. 27,178 crores) is holding the leading position in CSR Practices among the Central Public Sector Enterprises. SAIL very well realizes the fact that society and the business activities are interrelated and have both direct and indirect impact on each other. This realization is reflected in the company's commitment towards sustainable development and continuous efforts for improving CSR practices guided by the principle to make a meaningful difference in the lives of people and to make positive impact on the environment promoting good environmental practices. CSR has been an integral part of SAIL's operations since the establishment of its production units in remote locations of the country since the early 1950s. Extremely backward locations characterized by lack of economic or social infrastructure like Bhilai, Rourkela, Durgapur, etc., are flourishing as industrial and commercial centers today as an achievement of SAIL's efforts and expenditure for CSR Practices. Budget allotted for this purpose on the basis of Profit after Tax and utilization of the allotted budget has been provided in Table 2.

Table 2: Profit After Tax, Budget and Budget Utilization for CSR by SAIL during last 5 Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit after Tax</th>
<th>Budget</th>
<th>Budget utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>2093.00</td>
<td>78.00</td>
<td>35.040</td>
</tr>
<tr>
<td>2013-14</td>
<td>2616.00</td>
<td>40.00</td>
<td>62.060 #</td>
</tr>
<tr>
<td>2012-13</td>
<td>2170.35</td>
<td>42.00</td>
<td>53.290 #</td>
</tr>
<tr>
<td>2011-12</td>
<td>3542.72</td>
<td>64.00</td>
<td>61.252</td>
</tr>
<tr>
<td>2010-11</td>
<td>4094.74</td>
<td>94.00</td>
<td>68.952</td>
</tr>
</tbody>
</table>

Source: Ministry of Steel, Government of India.

# This includes the expenditure of unspent amounts of previous years.
SAIL's CSR activities are carried out in and around its steel townships, mines and far flung locations across the country in the major thrust areas of environment, education, healthcare, sustainable income generation, rural development, electricity, sports, art and culture etc. Various CSR activities performed by SAIL under these thrust areas are discussed further:

**Environment:**

Sustainable development cannot be promised without environment protection and thus it should have an important place in CSR practices. But if the corporate is a Steel manufacturing unit, environment protection comes at the prime position in the thematic areas of the CSR practices. It is not only a legal, but also a moral responsibility of such units. Activities such as Air emission management, water conservation, waste utilization, and green initiatives are included in this domain.

**Air Emission Management:**

Being highly energy and resource intensive unit, SAIL recognizes its commitment for making the manufacturing processes cleaner and energy efficient. For the purpose, company has been progressively adopting various clean technologies at its plants for airemission management and energy efficiency. As a result of consistent efforts of SAIL, a reduction of 3.9% in specific CO2 emission (from 4 integrated steel plants) has been recorded. Specific CO2 emission has declined from level of 2.80 T/tcs during 2011-12 to 2.69 T/tcs during 2013-14. Apart from this, stack emission, fugitive emission, ambient air quality etc. are mostly within the norms.

**Water conservation:**

The steel production process consumes bulk of the water for process cooling, scrubbing flue gases and downstream rolling mills etc. Also the suspended solids and other discharges account for most of the effluents released into the water bodies. Recognizing their responsibility, all SAIL plants have prepared comprehensive strategies for managing judicious use of water resources with a view to maintain both the quality and quantity of this vital resource. Substantial investments have also been made for setting up effluent treatment plants in the coke ovens in each of the integrated plants. Specific water consumption for SAIL plants during 2013-14 was 3.67 m³/tcs. The Plants and Units of SAIL consumed 572 Mm water during the year 2013-14. Of this, 395 Mm water was recycled to 3 processes, hence resulting in about 69% recycling of the water.

**Waste management:**

While the industrial economy promotes zero wastage, reduction in amount of material used and reuse and recycling of materials, waste management in steel plants becomes very important. Managing efficiently the solid waste, SAIL has utilized 92% BF Slag and 81% LD Slag during April - November, 2014. Total solid waste utilized during the period is around 87.5%. Hazardous wastes generated are being recycled or re-utilized through safe disposal and–use. Many steel wastes are found to be used as precious byproduct which the company recycles as efficiently as possible.

**Green initiatives:**

SAIL has been actively following the afforestation program since decades. Keeping the soil type and climatic condition in consideration, SAIL has planted 183.90 lakh trees since inception. During the year 2013-14, over 2.05 lakh saplings were planted in Steel Plants and Mines. Efforts have been made for setting up green belts along with parks and garden by all the integrated steel plants. Along with the plantation of medicinal plants in AushadhiVatika and Amla plants at BSP, SAIL has also given due importance to the bio-fuel plantations. SAIL has implemented the Environment Management System and has been following eco-friendly disposal of used oil filters.
Education:

Education is the most common thematic area covered under the CSR practices. Important activities under this domain are running schools, providing scholarships, development of educational infrastructure, girl child education, adult education etc.

Running Schools:

Understanding the importance of education, about 146 schools have been running under the ownership of SAIL in its steel township. These schools have been providing modern education to more than 69000 children. Besides, SAIL has also been providing assistance to over 629 schools with about 92000 students which includes various public schools.

Educational Infrastructure:

Infrastructure support for education, provided by SAIL, includes mainly, establishment of schools, providing assistance in the form of construction of additional rooms/boundary walls/toilets, provision of stationery/sports items etc. SAIL has started free schools in each of townships of its integrated steel plants for underprivileged children and provides mid-day meals (in association with AkshayPatra Foundation), uniform including shoes, text books, stationery items, school bag, water bottles and transportation in some cases etc. SAIL has set up an ITI at its Gua Ore Mines recently. The foundation stone for an ITI at Samastipur in Bihar has also been laid.

Scholarships:

To achieve the target of 100% literacy in steel townships SAIL has not only started free schools for underprivileged children but also the scholarships for bright children belonging to weaker sections of society as well as Scheduled Castes/Tribes has been provided. In addition, 225 tribal children have been adopted by Bhilai Steel Plant while 14 tribal children belonging to the nearly-extinct Birhore tribe have been adopted by Bokaro Steel Plant. These children are being provided free schooling/education, boarding and lodging facilities.

Girlchild and Education:

Girlchild education is the foundation stone of women empowerment and it is well reflected in the educational facilities maintained by SAIL. To achieve 100% literacy in the townships, SAIL managed and assisted schools have maintained a girl:boy ratio of 1:1 for all levels of education. SAIL Kanya Shiksha Niketan is an outcome of SAIL’s commitment under CSR to provide education to the girl child of underprivileged and the weaker section of the society.

Quality of Education:

Mere establishment and providing assistance to the schools cannot be considered as fulfillment of corporate social responsibility but the quality of education provided also matters. One of the parameter for assessing the quality of the education provided by SAIL can be the number of students admitted every year into professional courses. More than 200 students from SAIL-run schools are admitted every year into professional courses being offered by premier institutions of higher learning in the country such as IITs, IIMs, NITs, medical schools, etc. Many students from SAIL townships are among the top rankers in the entrance examinations of these institutes.

Healthcare:

An important domain of CSR practices is the healthcare facilities and programs which includes maternal and child health care services, organizing health camps, geriatric care, water and sanitation provided, healthcare infrastructure and equipment support etc.

Infrastructure and Equipment Support:

SAIL has been contributing towards healthcare
infrastructure since years. Over 54 primary health centres, 12 reproductive & child health (RCH) centres, 17 hospitals and 7 super-speciality hospitals has been established by SAIL to provide modern health care to more than 38.60 million people including employees, their dependents and the peripheral population. These hospitals have total strength of over 4500 beds and are managed by more than 6000 trained medical and paramedical staff. Apart from this Mobile Medical Units (MMUs)/ Ambulances have also been provided to various NGOs since 2007-08. Exclusive health centres such as “SarveSwasthya Kendra” and “Kalyan Chikitsalaya” for poor and needy population has been setup at various plant locations. Villagers with major ailments are referred by the health centres to the main plant or government hospitals for treatment, while minor operations are carried out in the centers. Around 90,000 people in 2013-14 have been provided free medical healthcare and medicines in these centers.

Health Camps and Awareness Programs:

The health centers run by SAIL have been organizing various medical camps and programs since years. Various occasions such as World Health Day, World Blood Donor Day, Newborn Week, etc. are observed at these centers to enhance awareness and sensitize people on health-related issues by distributing water purification tablets, handbills and other means of audio-visual communication. Sail also participates in various national health programs such as TB control, antimalaria, leprosy eradication, AIDS awareness & control program in partnership with the National AIDS Control Organization (NACO) etc. School AIDS Education Program covering 111 schools, 3000 teachers and 35,000 students has also been launched by SAIL. Immunization and blood donation camps are also run at regular basis. Medical specialists from various fields such as gynecology, cardiology, pediatrics, ultrasound, orthopedics, etc., provide consultancy in the camps.

Family Welfare:

Being an active participant of National Reproductive and Child Health Care (RCH), SAIL has been participating in various family welfare activities. A number of RCH centers have been established. SAIL has also been promoting a scheme for small family norms since 1994. The scheme promotes family planning providing monetary incentive of Rs. 400 for a tubectomy operation, Rs. 500 for a vasectomy operation and Rs. 50 to family planning motivator for each case. The incentives are being provided to both employees and non-employees. An incentive of Rs. 2000 has also been given to employees having two or less children for the purpose of sterilization operation.

Sanitation:

Sanitation is a major issue for India as millions of people suffer from water-borne disease like hepatitis, cholera, diarrhea etc. due to the lack of clean drinking water and proper sanitation. Recognizing this fact, SAIL has not only been providing clean drinking water to its steel townships but also organizing health camps from time to time. Handbills and water purification tablets are distributed at health centers. To create awareness for sanitation, painting, debates and quiz competitions, etc. is also held from time to time. SAIL also has actively participated in “Swachh Bharat Abhiyan” by introducing "Swachha Bharat- Swachha Vidyalaya Campaign”. Substantial budget of Rs.20 crores during 2014-15 (Rs. 9 Cr for 2015-16) has been earmarked by the SAIL Board, towards the construction of toilets in schools of the SAIL plants and units.

Sustainable Income Generation:

Mere creation of jobs is not a solution to unemployment in society and a sustainable income generation but developing entrepreneurs is a today's need as well as challenge. SAIL has been
working for ensuring a strong future of its peripheral villagers enriching their lives. It has been providing various skill development trainings to weaker section and women and also encouraged ancillary industries.

**Skill Development:**

Vocational and specialized skill development training targeted towards sustainable income generation has been provided to the village youth and women folk of peripheral villages, in areas such as Computers, Mobile repairing, Welder, Fitter & Electrician Training Improved agriculture, Mushroom cultivation, Goaterly, Poultry, Fishery, Piggery, Achar/ Pappad/ Agarbati making, Sewing & Embroidery, Smokeless Chullah making etc. The Vocational Training centre for rural and unemployed youths namely 'Bhilai Ispat Kaushal Kutir' & 'Swayamsiddha' at Bhilai, Skill Development and Self Employment Training Institute at Durgapur, Garment Technician Training at Salem, JHARCRAFT center at Bokaro and self-employment center “KIRAN” at Kiriburu Ore Mines are providing training as well as empowering people to become self-dependent.

**Ancillary Development:**

Ancillary industries are not only suppliers of materials but are also extremely important source of information with regard to market conditions, price trends and the general industrial climate and thus are a valuable asset for the company. SAIL has been promoting ancillary industries by providing land, supply of potable water and other infrastructure facilities, consultation and publication to inform the entrepreneurs of SAIL's requirements, special exhibitions of parts and drawings to get the exact specifications and ideas, exemption from paying EMD, security deposit etc. SAIL also provides handling equipment to these industries on hire basis, testing facilities providing available raw materials for manufacture, etc.

**Rural development:**

Development of peripheral area of the corporate unit is an important domain of CSR practices. Peripheral areas of SAIL are mostly the rural and tribal areas. Thus infrastructural facilities provided, women empowerment, disaster management etc. in such areas are included in this domain.

**Model Steel Villages:**

Over 79 villages across 8 states (Chhattisgarh, West Bengal, Orissa, Bihar, Jharkhand, Karnataka, Tamil Nadu, and Madhya Pradesh) have been adopted by SAIL to develop them as Model Steel Villages (MSVs) in a phased manner. The company's focus is on to provide quality medical & health services, education, roads & connectivity, sanitation, community centers, livelihood generation, sports facilities etc.

**Water connectivity:**

Access to safe and potable drinking water is still a major issue for millions of Indians especially in rural areas. Drinking water supply from piped water, public tap, borehole or pump, protected well, protected spring or rainwater are considered as improved water sources. SAIL, at its each plant, ensures that all nearby villages within the radius of 20 kms of its townships have access to potable water through these improved water sources. These water sources have been installed within a distance of 1-2 Kms of target households to provide a minimum of 20 litres of water per capita per day. Till financial year 2014-15, SAIL has provided access to over 77.04 lakh people across 435 villages by constructing and repairing of roads. 7625 water sources have been installed in rural and distant areas to provide drinking water to more than 42.70 lakh people. On an average, SAIL constructs 157 water infrastructures every year for people living in far-flung areas. In 2009-10, 439 such facilities were created providing potable water to 1,63,311 people.
Road connectivity:

Good road connectivity is the primary requirement for providing basic health and education facilities as well as infrastructural support for production, trade and commerce at the local village level. SAIL has been giving due importance to the road connectivity to supplement its efforts towards CSR. Since inception, SAIL has provided road connectivity to 435 villages by constructing and repairing roads which accounts for providing access to over 77.04 Lakh people. During the period 2013-14, 32.76 km road has been constructed and repaired in 32 villages benefiting more than 1,68,727 people.

Disaster Management and Rehabilitation:

Natural disasters cause huge loss of lives and property which are almost impossible to recover. It becomes a moral duty of government, corporate and every citizen of country to come forward and help the people of the affected region. Being a responsible corporate citizen, SAIL has always been a trend setter in supporting people during such calamities. It supported the construction of low cost houses at Leh after a cloud burst and provided galvanized sheets to Sikkim earthquake victims. It has also contributed to Chief Minister's Relief Fund for aid to people affected by the Odisha floods, and provided flood relief packets during the floods in Jammu & Kashmir, Uttarakhand and Uttar Pradesh. For the rehabilitation of people affected by Flash Floods in Uttarakhand and Phylin cyclone in Odisha, SAIL has contributed Rs. 1Crore and Rs. 20 Crore, respectively.

Support for Differently abled:

Differently abled people are an important part of society and SAIL has always taking care of them for an inclusive development. SAIL follows the provisions related to reservation for Persons with Disabilities in terms of Section 33 of The Persons With Disabilities (Equal Opportunities, Protection of Rights & Full Participation) Act, 1995. Various relaxations related with job and allotment of quarters, medical facilities and redeployment facilities are given to the disabled employees. Apart from this, SAIL also provides scholarship to the physically challenged children of its employees to support their education and various facilities for sports and cultural activities to disabled persons at plant locations. Separate playgrounds have been earmarked for the handicapped at some of the plant locations. Shops, STD booths, Milk booths, Hawkers licenses etc. are also allotted to disabled persons in plants of SAIL. The health camps organized by SAIL observe and examine disable children in peripheral areas and provide medical help such as crutches, hearing aid, artificial limbs and surgery (if needed). These all are done with the help of some NGOs namely Bharat Vikas Parishad, Child Relief & You etc.

Women Upliftment:

Since inception, SAIL has been promoting formation of Mahila Samities. Members of these samities are spouses of MDs, EDs and employees who work for society and the women of peripheral steel villages. These samities work for empowerment and development of women by providing them vocational trainings and financial assistance. Girl children are also facilitated by these amities to have access to education. Apart from this, these samities perform various community welfare activities and provide assistance during natural calamities. Women belonging to such samities are involved in manufacturing products of general use in plants. Promoting the works of such samities, SAIL has been making women strong, confident and self-dependent.

Energy and Electricity:

Energy and electricity are among the basic infrastructural requirements of society particularly in the underdeveloped villages. Electricity must reach to such villages but not at the cost of the health of the environment. Sustainable
development is the fundamental stone of CSR activities and cannot be ignored in any case. SAIL, acknowledging this fact, has been promoting renewable sources of energy by installing solar lights and supporting setting up of 100-kw Community Solar Power Plants in Jarri, Albert Ekka Block in Jharkhand with the help of Jharkhand Renewable Energy Development Agency. Solar Lanterns and smokeless chullahs have also been distributed among the poor and needy in rural areas affected with power crisis.

Sports, Culture and Heritage:

Sports play a vital role in creating healthy society; culture provides away of living to it and heritages carries the history of humanity forever to enrich the culture of society. These are counted among the major pillars of developing better citizen and society. Recognizing the importance of sports, culture and heritage, SAIL has taken various initiatives to develop and conserve these pillars.

Sports:

To promote sports and develop healthy competition spirit in citizen, SAIL formed the Steel Plant Sports Board in the 1960s in association with TISCO. A number of sports activities in the disciplines such as football, khokho, kabadi, archery, athletics etc. are organized in the steel villages having impressive sports infrastructure with award holder coaches and qualified physicians developed by SAIL so that sports can be promoted at grass root level and hidden talent. The corporate level sports committee of the company monitors all the sports activities of SAIL, including policy formations and their implementation, budget, coordination with the steel plants and outside agencies, etc. SAIL sports team and training centers have affiliations with various state and national level associations such as SAIL’s football team is affiliated to the Indian Football Association, Kolkata and hockey team to the Indian Hockey Federation. During the 2013-14, SAIL, provided 16 new sports facilities. Around 9156 people availed training facilities among which 3071 belongs to SAIL family and 6085 belongs to local community. Investment in sports facilities amount to Rs.191.98 Lakhs during the period 2013-14. Total number of events participated in during the year was 310 and 323 prizes were won. SAIL, with its sincere efforts in the field of sports, has created a big number of sports stars and proud of India. Rajendra Guiya, Sushil Kumar, Yogeshwar Dutt, Rajiv Tomar, Deepak Sharma, Kiran Kumari are few names from the list who made India proud in international events.

Culture and Heritage:

SAIL acknowledges the vital importance of art, culture and heritage for the society and the nation. To preserve and promote the traditional forms of Indian art and culture, live shows and concerts like Lok Kala Mahotsav, Gramin Lokotsav, Oriya Mahotsav, Jaidev Utsav, Kabir Panthi Sammelan etc. are organized and performers from all walks of art are invited and felicitated by SAIL regularly. The Bokaro Sangeet Kala Academy established by the Bokaro Steel Plant is a thriving centre for training in various forms of classical music and dance.

Realizing the importance of heritage in human development process as well as its role in building nation’s pride, SAIL has joined hands with Archeological Survey of India to preserve the heritage sites. Development of The Burha Dev temple in Mahamaya jungles is the result of sincere efforts of SAIL. Various preserving and developmental tasks at Lodhi Tomb complex in New Delhi, Swargadwar and Temple Complex at Vedyas near Rourkela, Lauria Nanandangarh and Chankigarh in West Champaran district of Bihar has been taken up by SAIL.

Conclusion:

For a Public Sector Enterprise, the CSR practices become more important as the expectations of
society are higher than from any Private Sector Enterprise. Steel Authority of India Limited with the prestigious status of “Maharatna” is holding 1st rank among Public Sector enterprises but still it is lagging behind other Private Sector Enterprises. Undoubtedly, SAIL has been contributing towards its credo of making meaningful difference in people’s life since inception. It has made commitments for CSR through Board Resolution and CSR policy and has earmarks 2% of Profit After Tax for CSR activities but these funds should be spent after proper assessment of the requirements of society so that major problems in the society would get prime importance. Health camps organized by the company should spent more funds on other activities than medicines. With the help of NGOs, survey for health related problems can be found out. The funds allotted for CSR should be transferred to CSR fund to avoid lapse of fund and ensure full utilization of these funds.

The efforts of the company towards its Corporate Social Responsibility are praiseworthy but there is a need for recognizing the true meaning of CSR and ensuring that the company returns the society what it takes from it in the form of resources to utilize. There is a need of providing due attention towards evaluation of the impact of SAIL’s activities on society and environment as well as its CSR practices on the society to maintain balance between them.

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