

# Sustainable Development through Corporate Social Responsibility (CSR): A Study of CSR in Rajasthan

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## **INTRODUCTION:**

Corporate Social Responsibility is the social responsibility of the corporate which is followed by the business and industrial companies. It is based on the model of self-control, under which companies or business organizations are required to fulfill their social responsibility by staying within the limits of the laws. That is, Corporate Social Responsibility operates according to a business model that is consistent with **law, ethical standards, ethical values, and international policies.**

## **Why is CSR needed:**

**“No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people.” - J.R.D. Tata.** Under CSR, some such work is done by the company, which has a positive effect on the environment, society, consumers, general public, employees and other beneficiaries. natural resources in the human resource Such as land, hydropower, climate, etc., nature-given institutions use the resources of the institution, in return, in the processes of product manufacturing, waste material, environmental pollution, indiscriminate exploitation of natural resources and chemical actions, environmental crises start arising in front of the society which is harmful not only to the society but also to negative effects on the health of the entire human society and animals. Earns a good profit in this episode but in return the dangers of water pollution and air pollution are harmful to the society.

Other countries of the world, including India, made it mandatory for companies to disinvest a certain amount of their millions under social responsibility to reduce the problems arising from the rules of using the nation's resources. That is, to make the company realize their responsibilities towards the society, the provision of social responsibility was ensured at the legal level and their compliance was ensured under the provisions of CSR in India under section 135 of the Indian Companies Act, implemented on 1 April 2014 under the Companies Act 2013 CSR covers those companies whose annual network amount is Rs.500 crores or annual income of 1000 crores or net profit of Rs.5 crores. If a company fulfills any one of the above three conditions, then CSR is applicable to that category of company and they are required to spend at least 2% of their average profit of the last 3 years on CSR. It is applicable only to companies incorporated in India but also to foreign companies whose place of business or office or factory is situated in India.

## **Need of Study**

To understand the concept of CSR, Obligations of CSR, to analyses the various social works for sustainable development of state or society under CSR and various financial obligations under the CSR activities done by the Corporate in Rajasthan. This study will also elaborate the major areas of social works or reforms among the CSR activities much involved and areas of the selected companies during the period of study. This study will also compare the various

## **Objectives of the Study**

The study has the following specific objectives to evaluate the correlation among CSR activities and to know various financial implementations thereof. Study helps to know ranking areas of CSR activities as well as for providing ranking to the top 10 corporates involved in the CSR according to their financial indicator. The study is purely based on the secondary sources of data collected through published annual

## **Area of CSR in which Sustain Developments are required as per Provisions under the Companies Act, 2013: -**

The Companies Act prescribes the kind of social activities, which come under the purview of CSR. This list is included in the VIIth schedule of the rule. Company can choose its obligations under the related activities Schedule of the Companies Act 2013 is given along with the description of the activities related to social welfare on basis of sustainable development are as follows: -

1. Eradicating hunger, poverty and malnutrition.
2. Promoting education, including special education and employment
3. Promoting gender equality, empowering women,
4. Gender Equality and Empowerment of Women- Establishment of housing and hostels and orphanage or old age home for women empowerment so that women can be helped by social lever, economically weaker women groups.
5. Construction of toilets in schools.

6. Ensuring Environmental Sustainability- Protection of Ecological Balance, Vegetation and Geo, Animal Welfare, Agribusiness, Conservation of Natural Resources and Contribution to Clean Ganga River set up by the Government and include projects related to maintaining air and water quality.
7. Emphasis on welfare of Armed Forces - This will include schemes related to welfare of martyrs of Armed Forces and their dependent families.
8. Protection of National Heritage or Heritage - Projects to preserve national monuments and buildings of historical importance for promotion of art and culture will include efforts to revive handloom and traditional industries, promotion of public libraries.
9. Development of slum areas.
11. Rural Development Project.
12. Under the Swachhta Mission of the Government of India, the Swachh Bharat Kosh was created by the Central Government, which will include programs to mobilize necessary resources for cleanliness awareness and make people aware.
13. Work relating to Disaster Management, Relief, Rehabilitation and Reconstruction activities. To provide relief in the event of disaster to the nation by charity in the Prime Minister's Relief Fund or PM Cares. In view of the current COVID-19 pandemic, Corporate Social Responsibility has been incorporated as a Corporate Responsibility by the Ministry of Corporate Affairs.
10. Apart from this, Scheduled Castes and Tribes, Other Backward Classes, development of minorities and their welfare work.

### **Disaster relief and CSR.**

**During the COVID-19 pandemic**, the MCA declared that companies can now directly donate their CSR funds to the PM CARES Fund. The central government has clearly stated that the money donated to state governments will not come under the purview of CSR. COVID-19 as CSR expenditure. The Ministry of Corporate Affairs in General Circular No. 10/2020 dated 23 March 2020 clarified that spending for COVID-19 related activities would be valid within the scope of CSR. Apart from relief work, the circular noted that expenditure on healthcare in the prevention of COVID-19 is also considered as CSR.

### **Research Methodology**

The study is purely based on the secondary sources of data collected through published annual reports of the selected 10 companies. The study focuses on quantitative analysis of the data collected. Data is primarily tabulated in a table and percentage analysis used as a basic tool for analysis. The MS Excel package is used to calculate the variables using percentage analysis and to calculate correlations amongst all the CSR's area and financial key Indicators.

### **Ongoing/ completed major CSR activities in Rajasthan: -**

CSR is an initiative of the Rajasthan Government to provide a platform for interaction between various stakeholders engaged in CSR activities. It facilitates channelizing of CSR funds from companies for the State welfare. With reference to the CSR guidelines, this platform provides a list of eligible projects under various categories in the State companies to review and select. Each of these projects is an identified CSR project, verified and approved by various departments of the State Government.

Few Corporates initiative related to CSR in Rajasthan:

1. **ICICI Bank Limited:** ICICI Foundation operates two RSETIs at Udaipur and Jodhpur as part of a national program initiated by the Ministry of Rural Development to provide vocational training and placement support to citizens from marginalized communities. In March 2018, the company inaugurated ICICI Green RSETI, Jodhpur, the first green RSETI in the country.
2. **Wipro Ltd.: Program i.e. Taught in Schools-** which focuses on long-term societal development through school education reform and has supported civil society capability development, published quality educational support material and influenced ideas in education through public advocacy.
3. Rural Electrification Corporation Ltd. (REC)
4. Reliance Industries Ltd.
5. National Thermal Power Corporation Ltd. (NTPCL).
6. Hero MotoCorp Ltd.
7. Tata Steel Ltd.
8. Axis Bank Ltd.
9. Larsen & Toubro (L&T)
10. Infosys Ltd.
11. Oil & Natural Gas Corporation (ONGC).
12. Hindustan Copper Ltd.
13. Hindustan Zinc Ltd.
14. Shree Cement Ltd.

**Role of Corporate in the CSR activities:** - Effective control over the CSR activities, the Govt. Rajasthan constituted a Social Responsibility Tribunal which is responsible to take effective uses of CSR funds. Social Responsibility Tribunal comprises the priority areas in which CSR activities would be initiated on the recommendation of **District Collector** and Departments. There are few priorities and areas where CSR activities running by the top 10 corporates are given in Tables are as under: -

**Table: A -Rural Development**

Name of Corporate	project Name	Year of commencement of Project	Cost (Rs. in crs)
ICICI Bank Limited	<b>Rural Development Initiative</b>	<b>2017-18</b>	104.05
<b>Reliance Industries Ltd</b>	<b>Rural Transformation</b>	<b>2015-16</b>	<b>69.00</b>
<b>National Thermal Power Corporation Ltd (NTPC)</b>	<b>Rural Development Project</b>	<b>2015-16</b>	<b>44.21</b>
<b>National Thermal Power Corporation Ltd (NTPC)</b>	<b>Installation of Energy Efficient Pump System</b>	<b>2018-19</b>	<b>34.81</b>

**Table: B- Education, Employability and Livelihoods Enhancement**

Name of Corporate	project Name	Year of commencement of Project	Cost (Rs. in crs)
Wipro Ltd	Education Initiatives	2014-15	92.60
Hero MotoCorp Ltd	Infrastructure Support and Road Safety Drive	2016-17	74.11
Tata Steel Ltd	Promotion of Education	2019-20	73.92
Axis Bank Limited	Contribution to Axis Bank Foundation	2015-16	73.58
Hero MotoCorp Ltd	Promoting education, skill development and road safety education	2019-20	55.46
Larsen & Toubro Ltd (L&T)	Skill Development Program	2019-20	45.75
ITC Limited	Educational Activities	2015-16	45.16
Hero MotoCorp Ltd	Education promotion and vocational skill development for children and women	2015-16	42.95
Cairn India Ltd	Sustainable Livelihood-Skills Development	2014-15	36.66

Table: C- Preventive Healthcare, Water and Sanitation

Name of Corporate	project Name	Year of commencement of Project	Cost (Rs. in crs)
REC Limited	Swachh Vidyalaya Abhiyan	2015-16	84.93
Power Grid Corporation of India Ltd	Sanitation Facilities	2018-19	78.19
NLC India Limited	Swachh Bharat Abhiyan	2015-16	36.24

Table: D- Environmental Sustainability

Name of Corporate	project Name	Year of commencement of Project	Cost (Rs. in crs)
Infosys Limited	Energy & Bio Stove Project	2016-17	83.91
Bajaj Auto Ltd	Restoring Water Resources	2017-18	43.69
REC Limited	Renewable Energy Initiatives	2019-20	32.19

Table: E- Others Areas

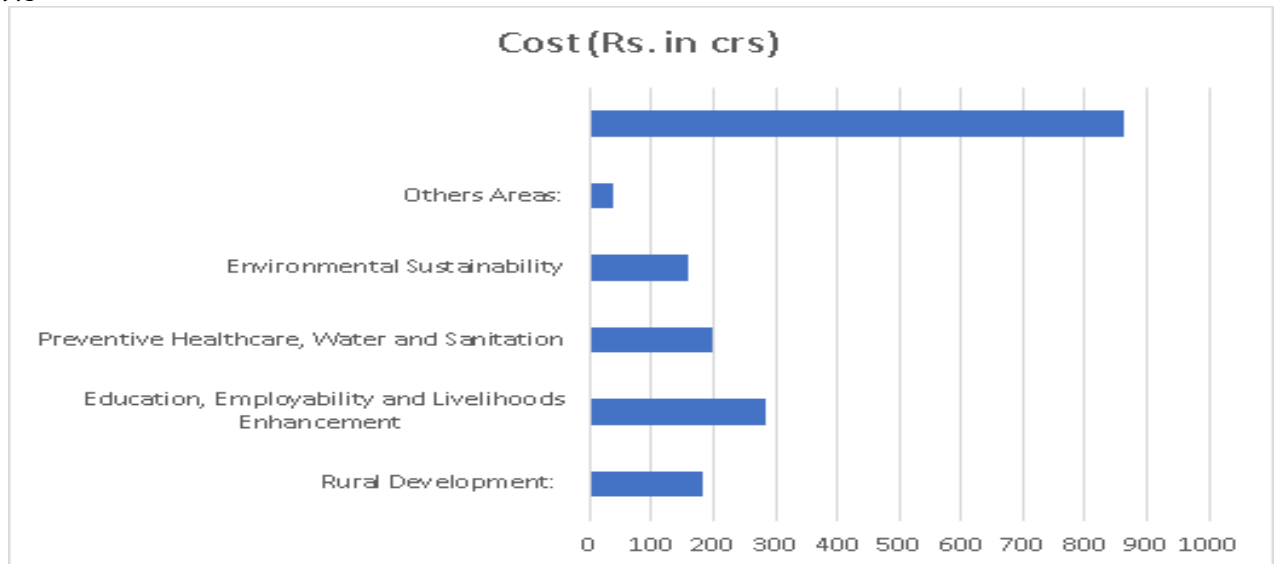
Name of Corporate	project Name	Year of commencement of Project	Cost (Rs. in crs)
Bajaj Auto Ltd	CSR Projects in Multi-thematic Areas	(2018-19)	36.12

Summarize position of CSR in Rajasthan

S.No.	Major Activities of CSR	Cost (Rs. in crs)
1	Rural Development:	183.07
2	Education, Employability and Livelihoods Enhancement	285.85
3	Preventive Healthcare, Water and Sanitation	199.36
4	Environmental Sustainability	159.79
5	Others Areas:	36.12

**Total CSR Budget 864.19**

Diagram :1

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