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# An Investigation Of Sustainable Development Within Csr For Rural Development In India

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## Abstract

The idea of corporate social responsibility is widespread. It refers to the duties that corporations have to society. The word "responsibility" in this context refers to four different kinds of obligations: financial, legal, moral, and charitable. The era of liberalisation is now. The primary goal of the company is not to make a profit. The primary goal of corporate social responsibility at the moment is to increase a company's positive societal influence. The only way to improve a corporation is through corporate social responsibility. Every business, whether public or private, needs to make contributions to society's growth in order for the economy to grow sustainably. India is now the first nation in the world to have enacted legislation governing CSR. The study's major goal is to demonstrate the critical role that CSR plays in sustainable development. Measure the impact on rural development as well. The study contains Carroll's pyramid and the definition of corporate social responsibility from an Indian perspective. This essay also contributes to the evaluation of corporate social responsibility's relevance to rural development in India. This study is supported by secondary data as well as primary research.

**Keywords:** CSR, Carroll's Pyramid, Bhartiya Darshan, Companies.

## 1. Introduction

CSR is a well known concept today but it was also prevalent in some form in the ancient period. In India this term refers to as Satvic Daan and Dharam says that every person should give Satvik Daan. Satvik Daan means contribution for the happiness of others so that we could get Moksh. [1]And Moksh is the topmost priority of everyone. We all know that any corporate can't live without society and a society provides environment for the growth of the corporate. In the past, the purpose of setting up of a company was only

profit earning for the stakeholders. But now a company can't live long with this purpose.[2] Every company earns the profit from the society. And thus it creates the liability of the company towards society welfare. Many national, international and multinational companies are trying to show that they work not only for the profit but also for the welfare of society. That's why people like to purchase these companies' products whether they have to pay more. The economy of a country depends upon both the development of urban as well as rural areas.

[3] In India most of the people live in rural areas and they depend upon agriculture or small business for their livelihood. So the motive of equal development can't be fulfilling by urbanization only. So it is the responsibility of everyone to contribute for the rural development. CSR relates with corporate social responsibility towards society. Now the companies are in thousands and millions so if each contributes towards society then rural area can be developed and the goals of sustainability can be achieved easily. Now Indian govt. makes it mandatory for all the companies under companies Act 2013 whether private or public, to contribute 2% of its profit.

[4] The importance of corporate social responsibility in an organization's overall strategy is expanding. Corporate social responsibility is the term used to describe how businesses voluntarily uphold their social and environmental responsibilities. Basically, the idea is that businesses choose voluntarily to make contributions to a better world and a cleaner environment.

[5] examines Indian corporate citizenship principles and practises. It has been highlighted that India has a tradition of commercial involvement in social welfare and national development. But over time, India's traditional business philanthropy—or merchant charity—has evolved into social responsibility and corporate citizenship. To study the tendencies of corporate citizenship, the paper provides instances of current practises of both indigenous and foreign enterprises in India.

[6] Over the past few years, corporate skeletons have started to come out of the closet, which has caused trust in business to generally decline on a global scale. With this as a backdrop, the lessons from India are especially pertinent as companies look to gain support for their corporate social responsibility (CSR) programmes. Around the world, CSR is a result of a company's dedication to the community in which it operates. Respect has historically been associated with spirituality in India, although in the business world it is valued equally to the bottom line.

[7] The strategic implications of corporate social responsibility have received a lot of attention recently from academics and management (CSR). CSR refers to situations where a company goes above and beyond legal requirements and takes action to advance a social cause, putting its own interests and that of the community before anything else. CSR initiatives have been proposed to include embedding social aspects or qualities into products and manufacturing processes (e.g., ecologically friendly technology, **7262 | Rupa Khanna Malhotra An Investigation Of Sustainable Development Within Csr For Rural Development In India**

fluorocarbon-free aerosol products).

[11] The 2013 Companies Act mandated that certain Indian businesses engage in corporate social responsibility (CSR) activities. In this chapter, we concentrate on the specifics of this Act as they pertain to CSR and go over any potential strategic ramifications for Indian businesses. In order to do this, we examine strategic advantages of required CSR and pinpoint potential problems. Our in-depth review also looks at potential directions for scholarly investigation in the future.

[12] Analyze corporate social responsibility (CSR) communication mostly from a functionalist or critical standpoint, and to a lesser extent from a dialogic one. By using a dialectical technique to experimentally study how organisational actors communicate to create the meanings and bounds of CSR in India, this paper expands on the latter viewpoint.

## **2. Why CSR Developed**

[8] CSR is represented by the voluntarily contribution of the companies for being a better society. After first and second world war the economies of many countries damaged. It took a long time for these economies to come back to date. Now, because every economy wants stability, peace, equality and clear environment, so CSR has become very important for all countries to achieve equality and growth of an economy. CSR is also necessary to bridge the distance between the poor and the rich. These are all the reasons why csr is developed.

## **3. Research Methodology**

A research methodology tells the way to how to conduct a research. This research is fundamental research. In other word it is a pure research. This research is based on secondary data and the different sources of secondary data are internet, different journals, newspapers and magazine articles. Any statistical tools or techniques have not been used in this research because we are not trying to set any relationship.

## **4. CSR in INDIA**

[9] 'Corporate Social Responsibility' word is a set of three words: Corporate, Social and Responsibility. Corporate is a body which has a legal existence. According to companies Act 2013, the word corporate includes a public company, private company, one person company, limited liability partnership, foreign company. Any co-operative society or any other company which does not defined in companies act 2013 are not included in it. The word social is related with society. It means a company works in a society and works for a society. Without a society a company has no existence. The word responsibility means the accountability of a company towards society. [10] A particular burden of obligations is responsibility. Responsibility is a moral duty and one should perform it. So corporate

Social Responsibility means anybody corporate whether it is public or private have to spend 2% of its average net profit for its proceeding three financial years amount on welfare of the society. The companies having an annual turnover of INR 1000 crore or more or a net worth INR 500 crore or more or a net profit of INR 5 crore or more are included in it. They can spend on removing hunger, poverty, malnutrition, promoting gender equality, education, healthcare, empowering women, education for girl child, rural development and infrastructure etc.

## **5. Rural Development in India**

India is a country of villages or we can say that India lives in villages. India is a developing country. After independence its economy is growing fast. But the overall development is depend upon both the urban and rural. India is a country of diversity. And until rural areas will not be developed till economic progress cannot achieve. Rural development means the development of rural life. It is enhancing the quality of life in rural. Most of the villagers depend upon agricultural activities for their livelihood. But because of low education, poor health, lack of credit, lack of awareness, lack of employment etc are the cause of their low quality of life. Government also makes many policies for improving their life standard as MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act), Deendayal Antyodaya Yojana, National Rural Livelihood Mission, Pradhan Mantri Awaas Yojana etc. But it is not only the responsibility of govt. but also the responsibility of corporate sector, to come and contribute in the development of rural areas. Keeping this view in mind govt. has passed Act and India has become the first country which legally mandate CSR.

## **6. Bhartiya Darshan**

In Vedas, Purans and Upnishad are all emphases on social responsibility. Moksh is the topmost priority of a human being. According to Dharam nothing will gone with the person after death, only his good work with him. So every person should try to accumulate lesser wealth and also try to spend this wealth for other's happiness. One should avoid Kaam, Krodh, Mad, Lobh and Bhay. These mean desire, anger, pride, greed and fear respectively. All of these have the ultimate objective of attaining Moksh. Moksh means oneness with God. Overall the happiness of an individual is belong to the happiness of others. All these show about the social responsibility towards society.

## **7. Carroll's Pyramid**

According to Carroll's four part model of CSR there are four types of responsibilities of any organization. These include Economic, Legal, Ethical and Philanthropically responsibilities. Below we understand what these are:

### **7.1 Economic Responsibilities**

Every business has some economic responsibilities just like profit earning so that it can

survive. Every business has the first responsibility to get existence. It can exist only when it could earn enough profit. It can survive in the long run and would be beneficial for the society through CSR.

## **7.2 Legal Responsibilities**

It includes the laws and provisions made by Government. These laws and provisions can be amended by time to time for the betterment of society. So every business has legal responsibilities to follow act for example Company Act 2013, Consumer Protection Act 1986, The Environment (protection) Act 1986 etc.

## **7.3 Ethical Responsibilities**

Every business has also ethical responsibility. Business ethics not consider responsibility within organization but it includes overall environment, cultural and social problems. Currently there are some ethical responsibilities of every company just like to reduce the pollution level which impact harmfully on human beings as well as plants. It is also the responsibility of the company to provide standard products to their customers and also satisfying them by their goods and services. It is the ethical value of the company.

## **7.4 Philanthropic Responsibilities**

It is the voluntary responsibility of the company towards society. As we can see in the pandemic situation many company provides food to the needy people like Tata Company, Reliance Company etc. This includes providing goods and services and also other financial help to needy people of society. It also includes charity and donation by the company to the society.

## **8. Contribution of some Indian Companies for CSR**

- **TATA Chemicals**

Although the company budgeted for csr was INR 21.39 crore for 2019- 2020, yet the company spent 37.81 crores on the society development. Tata Chemicals installed Tata Chemical Society for rural development (TCSR) IN 1980.

- **Infosys Ltd.**

Although the company prescribed csr for 2019 was 359.56 crores yet it spent INR 359.94 crores. The activities involved are covid relief projects, education health related programmes, many social development projects and also many rural development programmes.

- **Mahindra and Mahindra Ltd.**

The Company spent INR 93.50 crore for csr. It spent INR 8.36 crore on 'NANHI KALI' program. This project supported the education of the girls who are underprivileged. Also 0.95 million trees were planted by this company to achieve the target of green environment.

- **ITC Ltd.**

The company prescribed budget for csr in covid-19 was INR 215 crores for the affected people. In the last three financial years the company prescribed spent more than the budgeted csr.

- **TATA MOTORS Ltd.**

This Company spent INR 22 crore for csr. Rural development is the main activity includes in the csr projects of the company.

- **Hindalco Industries Ltd.**

It is the world's largest aluminum rolling company. It spent INR 34.14 crore though it prescribed INR 29.97 crore for csr. It supports education, livelihood, healthcare, social reformation and infrastructure development in more than 730 villages across 11 states in India.

- **Ultra Tech Cement Ltd.**

Although the prescribed budget for csr was 61.18 crore yet it spent INR 74.96 crore during 2018-2019. It works for the betterment of 2500 villages in India. The company's main priority is of rural development for csr.

## **9. Conclusion**

This research concludes that for sustainable development csr is very prominent. CSR plays a predominant role in rural development. Although there are many programs and policies for rural development, yet its speed is very low. Government also plans time to time for rural development. India lives in villages. So rural development is the most priority of us. Though the government makes an Act for CSR, yet there are many challenges also. For examples: lack of awareness about csr, transparency issues, narrow perception towards csr, lack of consensus etc. Even the statutory guidelines are not clear also as if the company fail to spent 2% for csr then the company make a provision in its financial statements or not. All these obstacles can't reduce the importance of csr. Government also should make clear cut statutory guidelines. Even we know that though 60 years have passed after independence, the development of Indian villages still need a lot of projects of development. CSR can play a very vital role in rural development. There is no doubt in it.

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