



# ROLE OF CSR IN SUSTAINABLE DEVELOPMENT: A STUDY OF SELECTED INDIAN COMPANIES

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**Abstract:** Companies can improve society by investing a portion of their profits in CSR activities. The present study examines the role of CSR in achieving Sustainable Development Goals (SDGs). The current analysis discovers that nearly ₹20,360 crores had been spent by 8,633 enterprises during the financial year 2020–21 on CSR activities, and these CSR activities are beneficial in achieving the Sustainable Development Goals because 15 out of the 17 SDGs are addressed by CSR activities. The sectors that received the most CSR funding were education, eradicating hunger and poverty, and healthcare. These are included in the SDGs as well. SDGs number 1, 2, 3 & 4 are related to eradicating poverty, hunger, healthcare, and education sectors respectively.

**Index Terms** -Corporate Social Responsibility, SDGs, sustainability, Sustainable Development, CSR

## I. INTRODUCTION

The World Business Council for Sustainable Development (WBCSD) defines CSR as “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large”. Section 135 of the Companies Act 2013 says that every company which is having turnover of ₹1,000 crore or more, the net worth of ₹500 crore or more, or net profit of ₹5 crore or more during the previous financial year, must spend minimum two percent (2%) of their average net profits during immediately three previous financial years to specified corporate social responsibility activities. The Sustainable Development Goals were adopted by 193 UN members in 2015, and they went into force on January 1<sup>st</sup>, 2016. The 2030 agenda for sustainable development, which has 169 targets and 17 Sustainable Development Goals, aims to create a more secure world by 2030. SDGs also called “Global Goals” and these goals are the successors of the Millennium Development Goals (MDGs) which were introduced in the year 2000. There were eight Millennium Development Goals (MDGs) that were to be achieved by the year 2015 but till 2015, these goals were achieved unevenly therefore, these goals are extended upto 2030 with new name Sustainable Development Goals which include 17 Goals. Since CSR activities help in accomplishing these aims, these objectives can be related to CSR activities. CSR is the ethical behavior of the corporate sector for the upliftment and betterment of society.

## II. LITERATURE REVIEW

Mishra (2021) analysed the CSR policies used by Indian businesses. It was discovered that businesses made significant contributions to the social, educational, and healthcare sectors but made very little of an effort to ensure environmental sustainability. The investigation discovered that no company was making contributions to SDGs No. 13 (Climate Action) and No. 14 (Life below Water). Begum (2021) explored how corporate social responsibility contributed to society's improvement during the COVID-Pandemic. They discovered that businesses bought technological devices for kids who couldn't afford them. Jack Ma, a co-founder of Alibaba, gave medical supplies and coronavirus test kits to numerous nations. Tata Sons made ₹1000 cr. contribution to COVID-19. Throughout COVID-19 Pandemic, numerous businesses also provided support. Kolli & Srikanth (2020) investigated how many Indian businesses participated in COVID-19. After collecting secondary data, they discovered that numerous Indian corporations contributed during Covid. CSR efforts assist businesses as well as the nation as a whole. It aids businesses in fostering consumer loyalty. Sharma & Tomar (2013) found that TATA's efforts have helped to increase awareness of CSR in India. Many organisations today participate in CSR initiatives. However, there have been a variety of perspectives on CSR. CSR is currently used for national heritage, political empowerment, women's empowerment, community development, infrastructure development, healthcare, education, and other social purposes. But there are certain places that haven't been touched. New CSR trends including electricity generating, limiting & checking pollution, and bio-diversity creation should be fostered in the current globalised era. CSR is essential to bringing about changes in the present and accelerating India's socioeconomic development. Kahraman Akdoğu (2017) investigated the connections between CSR and sustainable development in a global economy. Adoption of CSR initiatives have a significant impact on sustainable business strategies. Patil et al., (2017) explored the effect of corporate social responsibility on socioeconomic development. According to their study's findings, the CSR contribute to societal improvement and economic growth to some extent only. There is still limited business sector participation in CSR initiatives. Mitra & Chatterjee (2020) explored how Indian companies' participation in CSR initiatives contributed to the Sustainable Development Goals. They discovered that 5097 corporations spent ₹98.22 billion on CSR activities in 2015–16, of which ₹93.36 billion was invested in areas connected to sustainable development to meet the Sustainable Development Goals (SDGs).

### III. OBJECTIVE OF THE STUDY

The primary objective of the present study is to examine the contribution of Corporate Social Responsibility in Sustainable Development in the Indian economy.

### IV. RESEARCH METHODOLOGY

The secondary data of CSR contribution is obtained from the National CSR Portal (<https://csr.gov.in>) and information related to sustainable development goals are collected from the website i.e. <https://sdgs.un.org>. Bar charts have been used for the purpose of study.

### V. DATA ANALYSIS AND INTERPRETATION

Table 1: The interconnectedness between sustainable development goals and schedule VII of companies Act, 2013 of India

Sustainable Development Goals (SDGs)	Schedule VII (Indian Companies Act, 2013)
SDG-1 "No Poverty"	Eliminating hunger, malnutrition, and poverty and promoting health care. It also covers sanitation and preventive healthcare. Swach Bharat Kosh was established by the Central Government to promote cleanliness and make safe drinking water accessible. It also include contribution in Swach Bharat Kosh.
SDG-2 "Zero Hunger"	
SDG-3 "Good Health and Well Being"	
SDG-4 "Quality Education"	Goal no. 4 includes Promoting education. By offering specific education and job training to women, kids, and people with disabilities, education can be promoted. It includes contributions to research and development projects which are approved by the Central Government and contribution to public funded Universities and Indian Institute of Technology (IITs) etc.
SDG-5 "Gender Equality"	It involves promoting women's empowerment and gender equality. Setting up old age homes, homes for women and orphans, various facilities for older persons, and steps to lessen inequality faced by economically disadvantaged populations are all included in this.
SDG-6 "Clean Water and Sanitation"	This goal includes environmental sustainability, conservation of natural resources and maintaining the soil, protection of flora and fauna, welfare of animals, air, water quality and ecological balance. For rejuvenation of river Ganga, the Central Government established Clean Ganga Fund. It also include contribution to the Clean Ganga Fund.
SDG-7 "Affordable and Clean Energy"	
SDG-9 "Industry, Innovation and Infrastructure"	
SDG-12 "Responsible Consumption and Production"	
SDG-13 "Climate Action"	
SDG-14 "Life Below Water"	
SDG-15 "Life on Land"	
SDG-8 "Decent Work and Economic Growth"	Rural development projects
SDG-11 "Sustainable Cities and Communities"	Slum area development
SDG-16 "Peace and Justice Strong Institution"	In order to "promote rural sports, nationally recognised sports, paralympic sports, and olympic sports," it includes a variety of measures for the benefit of veterans of the armed forces, war widows and their dependents, veterans of the Central Paramilitary Forces (CPMF), and veterans of the Central Armed Police Forces (CAPF) and their dependents (including widows training).
SDG-10 "Reduced Inequality within and among countries"	-----
SDG-17 "Partnership to Achieve the Goal"	-----

Table 1 shows that all Sustainable Development Goals except SDG:10 and SDG:17 are covered under Schedule VII of India's Companies Act, 2013. Therefore, CSR activities and SDGs are connected.

Table 2: CSR contribution by top Indian companies

Name of company	CSR contribution
Reliance Industries Ltd.	₹922 crores
Tata Consultancy Services Ltd.	₹674 crores
HDFC Bank Ltd.	₹634.91 crore
Oil and Natural Gas Corporation Ltd.	₹538.77 crores
NTPC Ltd.	₹418.87 crores
Infosys Ltd.	₹361.82 crores
ITC Ltd.	₹335.43 crores
Wipro Ltd.	₹246.99 crore
Tata steel limited	₹221.98 crores

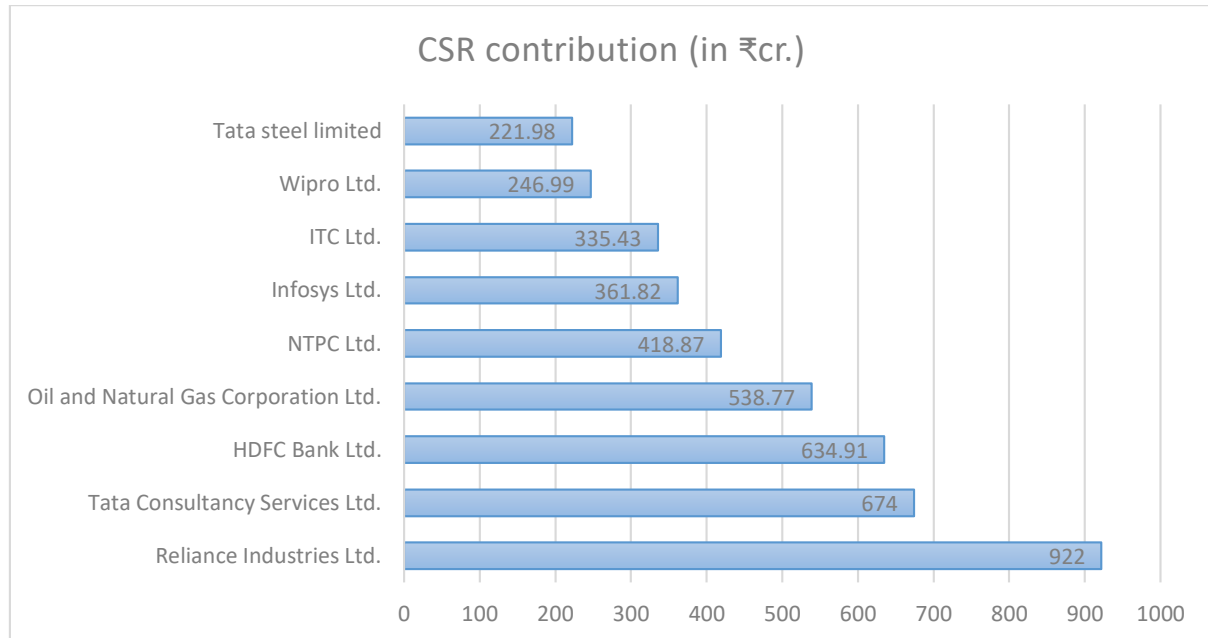
Source: <https://csr.gov.in>

figure 1: CSR contribution by Indian companies

Table 3: CSR spent: Development sector-wise (financial year 2020-21)

Sr. No.	Development sectors	Amount Spent (in ₹ Cr.)
1	Clean Ganga Fund	7.21
2	Education, Differently Abled, Livelihood	6,463.81
3	Encouraging Sports	212.56
4	Environment, Animal Welfare, Conservation Of Resources	1,035.58
5	Gender Equality, Women Empowerment, Old Age Homes, Reducing Inequalities	322.90
6	Health, Eradicating Hunger, Poverty And Malnutrition, Safe Drinking Water, Sanitation	6,920.08
7	Heritage Art And Culture	396.96
8	Other Sectors ( Technology Incubator And Benefits To Armed Forces And Admin Overheads)	116.73
9	Prime Minister's National Relief Fund(PMNRF)	1452.94
10	Rural Development	1,671.50
11	Slum Area Development	16.63
12	Swachh Bharat Kosh	148.13
13	Any Other Central Government Fund	1,327.85
14	NEC/ Not Mentioned	267.29
Grand Total		20,360.25

Source: <https://csr.gov.in>

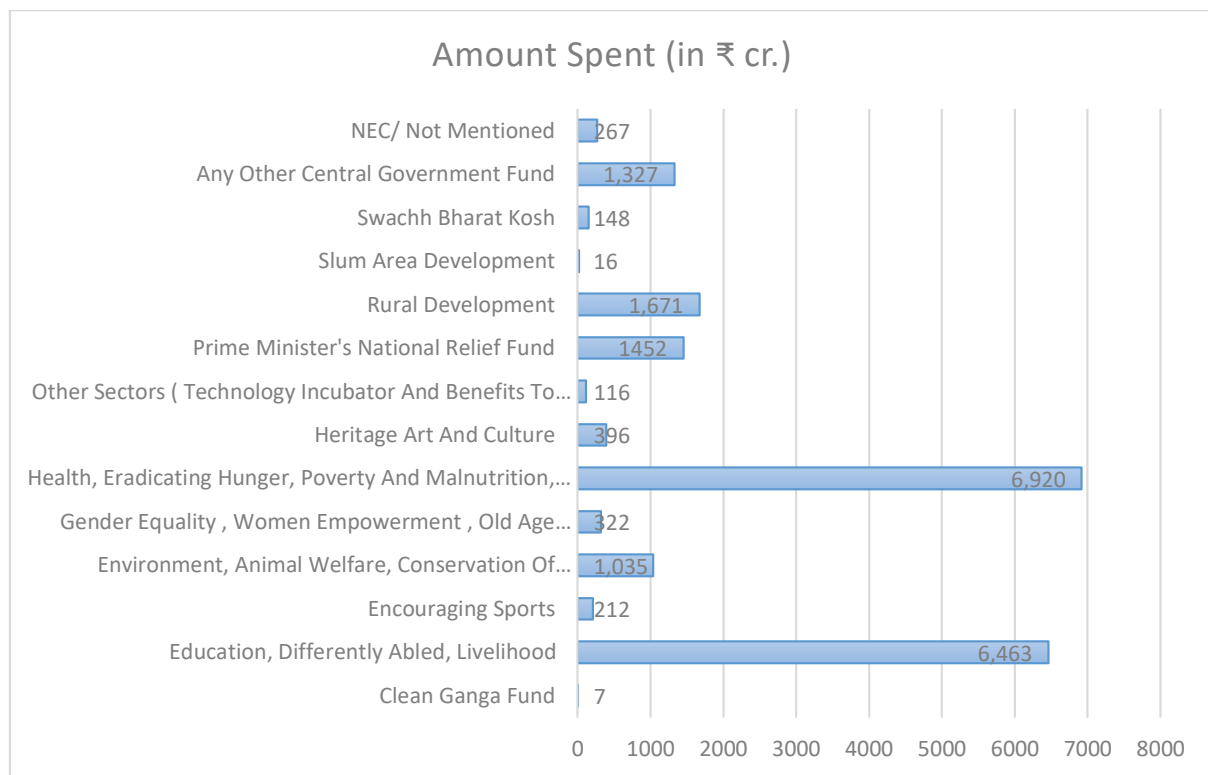


Figure 2: Development sector-wise CSR contribution

The CSR contributions made by the top Indian companies are shown in Table 2 and fig. 1 is the graphical representation of it. It demonstrates that Reliance Industries Limited, the largest spender on CSR initiatives, spent ₹922 crore. Sector-specific CSR contributions are shown in Table 3 and Figure 2. They demonstrate that the greatest sums of money are spent on health care, ending hunger, providing access to clean water and sanitation, eradicating poverty, and combating malnutrition. The Education Sectors received the second-highest amount of funding. The least amount allocated to the Clean Ganga Fund.

## VI. CONCLUSION

Schedule VII of the 2013 Companies Act of India covers all Sustainable Development Goals with the exception of SDGs 10 (Reduced Inequality Among Countries) and 17 (Global Partnership to Achieve the Goal). As a result, the Sustainable Development Goals and current corporate social responsibility are related. Corporate sectors are now well integrated into society. They help to improve and elevate society. Eradicating poverty, hunger, Healthcare and Education sectors are the most attractive sectors in the form of CSR activities. Under the Sustainable Development Goals, these are also included. SDGs 1, 2, 3, and 4 are related to the education, good health, and eradicating hunger, respectively. It can be concluded that the majority of businesses are making contributions to SDGs 1, 2, 3, and 4.

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