



ROLE OF RAJASTHAN'S CEMENT INDUSTRY IN THE CONTEXT OF CSR

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Abstract

Over the years it has been observed that there is an increasing number of conscious citizens who are studying the effects of business activities. This is having a greater impact on social change, equality and inclusive development. As a result, there is also increasing pressure to carry out activities described as corporate social responsibility.

Today business organizations are being stressed to carry out environmental protection and social welfare programmes. Their contribution to social development is more important because business organizations make maximum use of the wealth of the society. Along with this, the impact of their business activities on the environment is also increasing. There is also a great need to run programs for environmental protection and social development. Any kind of economic development happens only by exploiting them, so the economic world will have to take responsibility for their protection and protection.

There needs to be a balance between the social and environmental contributions of the economic world. Environmental impact assessment, reducing the cost of fuel and reducing the cost of waste, etc. were included under CSR. The present article includes an assessment of the contribution made by the cement industries as per the provisions of the Companies Act, 2013. The present article is based on secondary facts which have been obtained from various research reports and government documents.

Key words - CSR, Companies Act 2013, Cement Industry, Rajasthan, Protection and Security

Introduction

Earning profit is the main objective of every industrial organization but along with it they also have to fulfill the expectations of the society. Industries also have many duties towards the society. If the industrial organization only earns profit by harming the environment and society in unethical ways, then their development will also stop to a certain extent and its adverse effect will be on the whole society. CSR links enterprises to social responsibilities; CSR links them to environmental and social standards. Balance can be maintained between society, environment and industries only through CSR.

Study Area

Rajasthan is the leading state in cement production. Chittorgarh is considered advanced in getting the raw materials of cement. Here cement grade limestone is found in abundance. The manufacturing plants of almost all the major cement companies of the country are established in Rajasthan. There are 19 cement manufacturing plants established in different districts of Rajasthan. One of the innovative topics is to find out the impact of corporate social responsibility in cement industry in the context of Rajasthan. The relevance of the study lies in understanding the importance of CSR in the cement industry. This article is confined to the cement industry of Rajasthan only. Hardly any government and non-governmental organization has done any primary work in this context.



Literature review

CSR became more prevalent after 1960 but at the core of this concept social development was less and the strategy of business bondage was dominant. Industrial organizations also conduct CSR activities only to protect the interests of the government and themselves and to earn profit.

Bowen (1953) first presented the concept of CSR. According to Bowen, business activities affect the lives of people in many ways and also harm the environment. Therefore, CSR is an essential function to strike a balance between business, society and environment.

Monsen (1963) has made a study on the levels of hierarchy of business activity. He found that there are four levels. First come those managers who feel that as long as the firm obeys the law, society is well served. In second place are managers who go beyond legal minimums, while simultaneously acknowledging the need to meet public expectations and respond to public opinion.

According to Friedman (1971), 'Corporate Social Responsibility' goes beyond the basic purpose of business and violates the responsibility of the business to its owners, the shareholders. According to him if the owner or manager has independent property, he is free to contribute his own resources to improve the society.

Cath Davis (1975) has given five propositions for social responsibility in corporations.

1. Social responsibility stems from social power.
2. Business and society should be transparent with openness from both sides.
3. The creation of a product must be accompanied by consideration of its impact on environmental and social capital.
4. A part of the social responsibility on every business output should be taken out of profit.
5. Business organizations should take social responsibility according to their capacity. Davis thus outlines the basic principles for developing socially responsible policies.

The American Accounting Association (3) Committee on Accounting for Social Performance (1975) conducted a study of the social reports of 14 firms in the area of social measurement and reporting.

Marcel van Marrewijk (2003) narrowed the concept of corporate social responsibility to include only three dimensions – economic, social and environmental management.

Balmer (2007) provides a justification for the existence of CSR industrial organizations in society. It also develops the thinking of social development beyond business thinking.

According to Lena James (2012) most companies understand the need to be financially successful and the importance of complying with laws and being responsible to society.

Dr. T. Rajasekhar and Dr. S. According to Ramesh Kumar (2015) CSR is an idea that looks at the social interest and the enlightened self-interest of the business in the long run. Its purpose is to integrate the business interest with the community in which it operates.

From the survey of existing studies, it is observed that no significant study on Corporate Social Responsibility in cement units was done in this area at present. Hence it is proposed to conduct a study on Corporate Social Responsibility with a focus on Cement Industry.

Corporate Social Responsibility Norms under the Companies Act, 2013: An Overview

The Ministry of Corporate Affairs has laid down the Corporate Social Responsibility Policy in Section 135 of the Companies Act 2013 and Schedule III as well as the provisions of the Companies Rules, 2014 to come into force from April 1, 2014. With effect from April 1, 2014, the policy is



applicable to every company, private limited or public limited, and industry with an annual turnover of Rs 500 crore to Rs 1,000 crore.

Corporate Social Responsibility in Cement Industry

At least 2 percent of net profit to be used as CSR Cement industry in the immediate preceding three financial years to discharge CSR obligations Eradication of hunger, poverty and undernourishment, promotion of health care, education Promoting and promoting gender equality, including establishing homes for women. Ensuring environmental sustainability and ecological balance, animal welfare, protection of national heritage and art and culture, measures for the benefit of martyrs of armed forces, war widows and training for promotion of Paralympic or Olympic Games, Scheduled Castes, Scheduled Tribes, others Socio-economic development of backward classes, minorities and women was done.

Rajasthan ranks seventh in the project fund list in CSR. CSR fund has 6.15 percent participation in Rajasthan's GDP. Rajasthan gets Rs 525 crore per year as CSR fund, out of which Rs 351.40 crore is spent.

At present, 14 percent participation of 11 cement companies in Rajasthan is in CSR. Who has spent Rs 13.8 crore.

Water Conservation Project of Ambuja Cement Foundation

For the last 25 years, conservation of water sources has been done in 150 villages in Rajasthan including Rabariawas (Pali), Marwad Mundwa (Nagaur), Chidhawa (Jhunjhunu). In this till 2021, 25 crore rupees were spent.

Skill and Entrepreneurship Development Institute is being opened by Ambuja Cement. This work was started in 2006 in Jaitaran. Institutes were opened in Jhunjhunu Chidhawa in 2010, Nagaur in 2012. In this, the youth were trained in necessary skills. In this till 2021, 20 crore rupees were spent. Through this, 27000 youths were trained. In this, 75 percent of the youth are currently self-employed or on full-time employment.

Road construction work of Shree Cement Limited is being done in rural areas. The work of construction and conservation of roads was started in 2016 in Ras village of Pali district. In this, 36 kilometer long roads were constructed which were made in eight villages of Mangalia Tehsil, Jaitaran and Pali of Ajmer. Till 2018, 10 crore rupees were spent in this work.

The work of road connectivity improvement in the villages is being done by Shree Cement itself. So far Rs 35 crore has been spent in this.

The Utkarsh project is being implemented by UltraTech Cement. In which 309 ICT equipment have been installed in schools in Jodhpur district. So far these devices have been installed in 309 schools. 14484 children were added to this. 40 lakh rupees were spent in this.

Similarly, **JK Cemet gets CSR** works worth about 6 crores done every year. **JK Lakshmi Cement** spends Rs 3 crore annually, **Mangalam Cement** Rs 50 lakh, **Shree Cement** about Rs 20 crore and **Ultratech Cement** spends Rs 50 crore annually in CSR.

CSR under the new Companies Act, 2013

CSR is not a new concept in India. Since its inception, corporates like Tata Group, Aditya Birla Group, Indian Oil Corporation etc. have been involved in serving the community. Through donations and charitable programmes, many other organizations are doing their bit for the society. The basic



objective of CSR these days is to maximize the overall impact of the company on the society and the stakeholders. CSR policies, practices and programs are being widely integrated by a large number of companies throughout their business operations and processes. An increasing number of corporates recognize that CSR is not just another form of indirect expenditure, but is important for protecting goodwill and reputation, defending against attacks and enhancing business competitiveness. Companies have dedicated CSR teams that formulate policies, strategies and goals for their CSR programs and set aside budgets to fund them. These programs are often determined by social philosophies that have clear objectives and are well defined and aligned with mainstream business. The programs are put into practice by the employees who are vital to the process. CSR programs range from community development to development in education, environment and health care etc.

In addition, corporates increasingly join hands with non-governmental organizations (NGOs) and use their expertise in formulating programs that address wider social problems. CSR has gone through several phases in India. The corporate's ability to make a significant difference in society and improve the overall quality of life has been clearly proven. In order to have an effective and lasting solution to social crises, not one but all corporates should try to bring about a change in the present social situation in India. Partnerships between companies, NGOs and the government should be facilitated so as to combine their skills such as expertise, strategic thinking, manpower and funds to initiate comprehensive social change that can accelerate India's socio-economic development.

Conclusion

Ambuja, Shree and UltraTech Cement are the top three cement companies in Rajasthan that have undertaken CSR. Apart from this, other companies are also working on the basis of their profit. This work is being done in the areas of water conservation, road construction, skill development etc. and the work is satisfactory. This work is being done only in the construction sector.

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