

## Corporate Social Responsibility Reporting and Its Use in the Cement Sector

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### ABSTRACT

In the current environment, it has been seen that more educated citizens are critically analysing the effects of industrial activities on the global community. This has altered social possibilities and increased the value placed on overall growth, social equality, and constructive action. As a result, the organisation is becoming more powerful and has a better understanding of activities classified as CSR. Environmental protection and community health programmes must also be adopted in many nations that want to accomplish the aims of sustainable development in order to improve the business climate. Environmental and social protection is a crucial prerequisite for any organisation, stage, area, and nation.

**Keywords:** corporate social responsibility, sustainable development, business, management

### Introduction

CSR is an approach wherein companies are devoted to the betterment of all its stakeholders and community in voluntary collaboration with other pertinent issues. CSR is a philosophy whereby businesses collectively resolve to contribute towards a better social system and a clean environment. This page outlines the different CSR programmes that the cement sector has established in compliance with the requirements of the Act 2013 of the New Companies.

The primary goal of every industrial organisation is to maximise profits, however this is not the only goal of the industry. An industry should conduct its operations and generate profits in a manner that satisfies societal expectations. Businesses have responsibilities to society. Since society is allowed to carry out commercial and industrial operations in order to make a profit, it is necessary that it respect societal values and behavioural standards. However, the industry has disregarded moral principles in its haste to increase profits. Although this unethical practise will have a negative impact on society as a whole, it may boost business revenues. Therefore, every sector should adhere to societal standards and values. Industry may achieve long-term prosperity by acting in a socially and morally responsible manner. Corporate Social Responsibility connects an organization's duties to society, holds its actions to high standards of social and environmental responsibility, and provides various forms of community assistance. As a result, in addition to the requirements for using cutting-

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edge, clean, environmentally friendly technology, reducing carbon dioxide and toxic substances that may have negative effects on the ozone layer, and combating climate change, businesses must also be transparent in their production and business activities, and their leaders must be accountable for providing justifications to the appropriate competent authorities.

### Scope of the Study

The state that produces the most cement in India is Rajasthan. The Chittorgarh region is regarded as being rich in the raw materials (limestone of the cement grade) needed to create high-quality cement. Rajasthan is home to almost all of the nation's main cement producing facilities. There are now 19 cement producing facilities located across Rajasthan. In the instance of Rajasthan, the current research on corporate social responsibility in the cement business is a novel topic. For a knowledge of present practises and the significance of CSR in the cement sector, the research is relevant. The state of Rajasthan was chosen as the study's subject. It has been chosen to restrict the scope of the current investigations to the cement sector in light of the survey's fundamental goals. Even now, no team, including government agencies or any volunteer organisations, has analysed the preliminary experience of the cement business in Rajasthan, especially the Corporate Social Responsibility in Cement sector.

### Review of Literature

Because of his early contributions to social responsibility, **Carroll (2015)** suggested that Bowen should be referred to as "the founder of corporate social responsibility." He provided academics and administrators with a three-dimensional model of corporate social success that included the social issues that firms must address, their philosophies, and their social response models. The social responsibility of business includes the economic, legal, ethical, and discretionary demands of companies in society at all times.

According to **McWilliams and Seigel (2014)**, companies that give appealing goods are a component of CSR activities, which promote customer loyalty and boost sales. This gave the company's legitimacy.

Stakeholders, according to **Clarkson (2015)**, are organisations that have a major or secondary stake in, or assert ownership of, rights to, or interests in, a business and its activities. Shareholders and investors, employees, customers, suppliers, and governments, as well as market- and infrastructure-based communities to whom taxes are due, are examples of typical stakeholders.

According to **Hartmann (2011)**, the food business is still looking to improve client discharge facilities. Customers often choose food firms that prioritise CSR. 76 percent of respondents to **Pohle and Hittner's 2014** study agreed that their CSR goals were not widely recognised. They suggested that corporate organisations utilise CSR as a growth opportunity.

An ecologically friendly, socially responsible society based on a sustainable foundation is economically effective, claim **Swisher, Rezola, and Sterms (2016)**.

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**Statement of the Problem**

The goal of this study is to investigate the socially responsible activities that cement manufacturing facilities in Rajasthan State engage in and to describe the Corporate Social Responsibility strategy used by those facilities. Profit is the goal of business, but the implementation of social responsibility is the cornerstone of any enterprise's sustained growth. Companies that have social obligations often make ground-breaking technological and commercial advancements without harming the environment or using up a lot of natural resources. The best strategy is to invest in and expand businesses and production with a focus on social responsibility because consumers consistently choose goods and services from businesses that take into account the environment, society, and natural resources when making their purchasing decisions. This in mind, as well as a survey of the literature already in existence, the researcher aims to do research on the subject of "Corporate Social Responsibility in the Cement Industry: (A Study with a Special Reference to Selected Units in Rajasthan)"

**Objectives of the Study**

The study's broad goals are as follows:

- To see a summary of the 2013 Companies Act's rules on corporate social responsibility.
- To research India's current CSR landscape.

**Research Methodology**

Both primary data and secondary data are the foundation of the current investigation. A well-structured questionnaire will be used to gather the main data, while books, encyclopaedias, yearbooks, text books, and reference materials will be used to gather secondary data. Journals: Monthly, quarterly, half-yearly, and annual publications. Reports: Reports from committees or commissions that governments or other public organisations appointed. Research dissertations and theses, seminar reports, conference proceedings, and annual cement unit reports

**The 2013 Companies Act's Corporate Social Responsibility Rules: An Overview**

Significant rules relating to Corporate Social Responsibility (CSR) for businesses operating in the nation were established by the 2013 Companies Act in India. The Act required businesses that met certain requirements to set aside a part of their income towards CSR initiatives. The 2013 Companies Act's Corporate Social Responsibility Rules are summarised in this article with an emphasis on the demands, responsibilities, and business ramifications.

Companies that achieve certain financial levels are required to contribute at least 2% of their average net profit from the previous three fiscal years to CSR programmes under Section 135 and Schedule VII of the Companies Act, 2013. The financial requirements include businesses having a minimum net value of 500 crore rupees, a minimum annual revenue of 1 billion rupees, or a minimum net profit of 5 crore rupees. This clause guarantees that businesses engage in CSR activities that advance

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sustainable development and benefit society.

Companies may engage in a variety of CSR initiatives to achieve their responsibilities. These include, among others, reducing hunger and poverty, advancing healthcare and education, advancing gender equality, safeguarding the environment, preserving cultural heritage, and fostering rural development. The Act offers a thorough list of CSR efforts that are allowed, enabling businesses to choose projects that fit with their societal goals and beliefs.

The Act mandates that businesses create a CSR Committee of the Board in order to guarantee the efficient execution of CSR policy. At least three directors, including one independent director, make up this committee. The committee is in charge of creating and enforcing the CSR policy, as well as choosing the relevant CSR projects and activities, allocating funds, and monitoring their execution and effects.

Companies are urged to work together with other groups, particularly NGOs, to carry out CSR initiatives. Each business, however, is required to independently report on the results of its CSR efforts. Relevant information, such as the CSR policy, the make-up of the CSR Committee, and the amount spent on CSR initiatives, should be included in the annual report on the company's CSR activities that is attached to the Board of Directors' report.

The CSR Rules of the 2013 Companies Act mark a paradigm change in business practises by placing greater emphasis on the duty of corporations to make a beneficial contribution to society. In addition to ensuring legal conformance, obedience to these regulations helps businesses generate a favourable reputation, enhance stakeholder relationships, and support sustainable growth.

#### **CSR as defined by the 2013 New Companies Act**

CSR refers to the corporate social responsibility (CSR) efforts and duties that businesses are obligated to perform for the benefit of society and the environment, as defined by the 2013 Companies Act in India. The Act acknowledges the significance of businesses making contributions to social and environmental concerns in addition to their profit-making endeavours.

The Act states that CSR is a duty that businesses must take on actively rather than just being an indirect expense. It stresses that businesses should make voluntary contributions to the general welfare and advancement of society in addition to their legal and regulatory requirements.

The Act lays forth precise standards and benchmarks for businesses to use when determining their CSR commitments. Companies must devote at least 2% of their average net earnings from the previous three fiscal years to CSR initiatives if they have a net worth of at least Rs. 500 crore, a turnover of at least Rs. 1,000 crore, or a net profit of at least Rs. 5 crore.

The Act outlines a thorough list of CSR initiatives that businesses are allowed to carry out. These initiatives include of combating poverty, advancing gender equality, healthcare, education, and environmental preservation. Companies have the freedom to decide which CSR programmes best reflect their beliefs and interests and serve societal needs.

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The Act requires the creation of a CSR Committee of the Board to enable efficient CSR activity execution and monitoring. The CSR policy is developed by this committee, which must have at least three directors, including one independent member, and is in charge of authorising CSR initiatives and overseeing their execution and effects.

In order to carry out CSR initiatives, the Act also promotes cooperation between businesses and other organisations, including NGOs and governmental entities. To ensure accountability and transparency, each business must provide an independent report on its CSR efforts.

The CSR regulations of the 2013 Companies Act must be followed, but they also provide businesses with a way to positively impact society and cultivate a sustainable and responsible company reputation. It aids businesses in building stakeholder trust and credibility, enhancing their reputations and making a positive impact on the nation's overall socioeconomic growth.

### **Law**

According to the Companies Act of 2013, any business with a net value of at least 500 crores of rupees, a revenue of at least 1,000 crores of rupees, or a net profit of at least 5 crores of rupees is required to spend 2% of its net earnings each fiscal year on CSR initiatives. The regulations become operative on April 1, 2014.

### **Study's Restrictions**

The practises of CSR in the cement sector are the exclusive focus of this study. Currently, the research in this article relates to an overview of the CSR regulations under the 2013 Companies Act and the current state of CSR practises in India.

### **Conclusion**

This paper contributes to the existing literature on CSR by shedding light on the CSR initiatives undertaken by cement companies in Rajasthan. It emphasizes the importance of integrating CSR into business operations and highlights the potential for companies to make a positive impact on society and the environment. By embracing CSR, organizations can not only meet their responsibilities towards stakeholders but also contribute to sustainable development and social progress.

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