

## Corporate Social Responsibility and Sustainable Development Activities of PSU: A Study of CWC

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### ABSTRACT

Corporate Social Responsibility (CSR) considers the benefit endeavoring corporate substances responsible towards contemporary social requirements. One such region that needs thought from both Government, as well as corporate substances, is ecological insurance and advancement. The situation appears to have changed a piece over the most recent couple of years, particularly post legal command of CSR under the Companies Act, 2013. This research paper is an endeavor to dissect CSR activities of Central Warehousing Corporation during five financial years.

### 1. INTRODUCTION

Corporate social responsibility (CSR) is a type of international private business self-regulation (Sheehy, 2015) that aims to contribute to societal goals of a philanthropic, activist, or charitable nature by engaging in or supporting volunteering or ethically-oriented practices (Kotler, 2013). While once it was possible to describe CSR as an internal organizational policy or a corporate ethic strategy, that time has passed as various international laws have been developed and various organisations have used their authority to push it beyond individual or even industry-wide initiatives. While it has been considered a form of corporate self-regulation (Sheehy, 2012) for some time, over the last decade or so it has moved considerably from voluntary decisions at the level of individual organizations to mandatory schemes at regional, national and international levels.

India's discourse on sustainable development has been marked by acute poverty as well as high inequality in distribution of goods and services. More than five decades back, the Prime Minister Indira Gandhi stressed (at the UN Conference on Human Environment, 1972) that poverty is inextricably linked to environmental issues in developing countries and one cannot be solved without solving the other. In 2013, the same concern was voiced by India's Prime Minister, Dr. Manmohan Singh as "India aims to attain growth and poverty alleviation in a sustainable manner factoring in the needs of people, especially the poor".

#### 1.1 Public Sector Undertaking

The term public sector undertaking or Enterprise refers to a Government Company. "Government Company" is defined under Section 2 (45) of the Companies Act, 2013 as Any company in which not less than fifty-one percent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government company. The term is not intended to mean a public company (where shares are freely transferable and has a shareholder base of more than 200 people) though public sector enterprises are mostly public companies. Public Sector undertakings refer to commercial ventures of the Government where user fees are charged for services rendered. The tariff/fees may be market based or subsidised. They are usually fully owned and managed by the Government such as Railways, Posts, Defence Undertakings, Banks etc. Public sector enterprises on the other hand refer to those companies registered

under the Companies Act, 1956, which are predominantly owned by the Government and which are managed by a Government appointed Chairman and Managing Director. Government nominees represent the interests of the Government on the board of Public sector enterprises. Public sector companies usually compete with private sector enterprises in the domestic as well as international market.

The Government has granted Maharatna status to eight CPSEs (PSUs) as on 31.12.2019 namely: Baharat Heavy Electrical Limited; Bharat Petroleum Corporation Limited; Coal India Limited; Gail (India) Limited; Indian Oil Corporation Limited; NTPC Limited; Oil & Natural Gas Corporation Limited; Steel Authority of India Limited; Hindustan Petroleum Corporation Limited; Power Grid Corporation of India Limited. There are sixteen Navratna CPSEs (PSUs) as on 31.03.2019, namely: Bharat Electronics Limited; Container Corporation of India Limited; Engineers India Limited; Hindustan Aeronautics Limited; Mahanagar Telephone Nigam Limited; National Aluminium Company Limited; National Buildings Construction Corporation Limited; Neyveli Lignite Corporation Limited; NMDC Limited; Oil India Limited; Power Finance Corporation Limited; Rastriya Ispat Nigam Limited; Rural Electrification Corporation Limited; Shipping Corporation of India Limited. Presently there are 73 Miniratna CPSEs (PSUs) under category I and category II, namely,

**1.2 Corporate Social Responsibility and Sustainable Development:**

After independence from British rule in the year 1947, India had numerous problems posing challenges. Few of these were like poverty, illiteracy, health facilities and unemployment. The government of the Indian republic had very little resources and machinery to counter and address big scale problems. Despite best efforts from the Indian government, these problems had very little solution. The Indian government created Central Public Sector Undertakings (CPSEs) to address these above stated problems in a structured way (Chahun and Dawra, 2017). Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line-Approach”), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that (UNIDO, n.d.).



Figure 1: Type of Corporate Responsibility

**Corporate Social Responsibility**

A properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes.

Key issues of Corporate Social Responsibility are as: environmental management; eco-efficiency; responsible sourcing; stakeholder engagement; labour standards and working conditions; employee and community relations; social equity; gender balance; human rights; good governance and anti-corruption measures.

**Sustainable Development**

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (IISD, n.d.). It is all extremely vague but that can come to its

advantage. Pressing issues regardless of the location or the problem can all be put under the umbrella of sustainable development. It allows the Global North to look at concerns like climate change whilst allowing developing countries to focus their efforts on efforts of economic development. Sustainable Development focuses on a wide range of issues that fall under the three pillars of sustainability; environment, society and the economy. The 17 Sustainable Development Goals (SDGs) are: (1) No Poverty, (2) Zero Hunger, (3) Good Health and Well-being, (4) Quality Education, (5) Gender Equality, (6) Clean Water and Sanitation, (7) Affordable and Clean Energy, (8) Decent Work and Economic Growth, (9) Industry, Innovation and Infrastructure, (10) Reduced Inequality, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production, (13) Climate Action, (14) Life Below Water, (15) Life On Land, (16) Peace, Justice, and Strong Institutions, (17) Partnerships for the Goals.

### **1.3 Central Warehousing Corporation**

The Central Warehousing Corporation (CWC) was set up in 1957. It functions under the Warehousing Corporations Act, 1962 for warehousing of agricultural produce and other notified commodities. The objectives of the Corporation is to acquire / build Warehouses for storage of agricultural produce, seeds, manures, fertilizers and other notified commodities. To establish specialized warehouses and Container Freight Station/Inland Clearance Depots for storing industrial/exportable and imported goods. The objective of the Corporation also aims to train, educate and assist farmers in reduction of post-harvest losses at farm level through scientific storage techniques and disinfection measures. Under the Warehousing Corporations Rules, 1963, CWC undertakes disinfection services outside its warehouses at the request of the parties/clients & citizens (CWC, n.d.).

## **2. OBJECTIVES OF THE STUDY**

The main objective of this research was to achieve a contemporary overview of Corporate Social Responsibility and Sustainable Development of Central Warehousing Corporation. Specifically, it attempted to:

1. Study the overview of Public Sector Undertaking.
2. Study Corporate Social Responsibility and Sustainable Development.
3. Study the Corporate Social Responsibility and Sustainable Development of Central Warehousing Corporation during the last five years.

## **3. METHODOLOGY**

The work was started by selecting three or four topics before finding a decision on selection of a suitable topic. **Corporate Social Responsibility and Sustainable Development Activities of PSU: A study of Central Warehousing Corporation** a study is decided for dissertation. Based on topics a brief literature survey will be continued and on the present topic a good amount of literature is located. The present study is based on the primary and secondary data resources. Relevant articles with bibliographies on the topics will be recorded. A Systematic and exhaustive search for published materials bearing a specific subject, often the first step in studies. An exhaustive search for published information on a subject conducted systematically using all available bibliographic finding tools, aimed at locating as much existing material on the topic as possible, an important initial step in any serious research studies. The methodology of study to the Corporate Social Responsibility and Sustainable Development of Central Warehousing Corporation are based on the Secondary data derived from internet-based research, review of the literature, direct observation and visit to the website of Dept of Public Enterprise and Central warehousing Corporation.

## **4. LITERATURE REVIEW**

Hohnen and Potts (2007) introduced the business case for CSR. The authors explained the implementation of corporate social responsibility. The importance of stakeholder engagement also explained. Peters and Rob (2010) explained Corporate Responsibility as a strategic tool for business and society. Government Intervention and action areas in promoting CR, good policy options to foster CR, innovative examples of public policy for CR and practical guidance for developing a CR policy framework are also provided by the authors. Chauhan and Dawra (2017) made a study on the new role of Indian central public sector enterprises towards Corporate Social Responsibility. The authors studied the need of public sector enterprises, their evolution, CRS in India, role and contribution of central public sector undertaking towards CSR in India. Gupta et al (2013) studied Corporate Social Responsibility (CSR) in Indian Central Public Sector Enterprises (CPSEs). The authors explained various major social and employee welfare schemes and the role of CPSEs in these schemes. Gupta and Arora (2014) did a study of corporate social responsibility in the central public sector enterprises of India. The aim of the study was to describe the existing practices of corporate social responsibility in Public Sector Enterprises in India. The authors selected 5 Maharatna and 3 Navratna companies as part of our study. This entails a descriptive type of research which gave a number of theoretical propositions that could serve as the

basis for future research on the related topics. Kumar Rath (2016) made a critical study on corporate social responsibility activities of public sector undertakings in India and its financial impacts. The aim of the study was to describe the existing practices of corporate social responsibility as adopted by the Public Sector Undertakings in India. For the purpose of the study 5 Maharatna and 3 Navratna companies had been taken into consideration by the author.

Singh and P. (2018) made a study on the CSR spending by PSUs in the north east region of India. Corporate social responsibility has gained much importance in the changed business environment in India. A large number of big corporate houses have set up their Trust and Development Foundations for initiating CSR activities. Even some of the Corporate Houses embarked upon corporate social responsibility initiatives and at the later stage, they developed a full-fledged institute / organization committed towards social development. There has been a progressive increase in social investment by the Corporate Houses in the country. Large MNCs like Tata Group, ITC, Ranbaxy, Infosys, Microsoft, Dr. Reddy's Laboratory, etc. have endeavored to create a better social order by investing hugely in social development. However, Tata Group has emerged to be the pioneer in the field as it has comparatively larger social investment. A number of institutions and social development organizations are being supported by Tata Group in the field.

Das and Mukharjee (2018) examine the early impact of Section 135 of the Companies Act. Corporate Social Responsibility (CSR) is not a very new concept, it is an old concept. Earlier, in India it was optional to the company that they may contribute voluntarily towards CSR but after the Companies Act 2013, it was formally introduced in the business environment and was made mandatory for those companies whose net worth and profit cross a threshold limit. They should contribute 2% of the average net profit of just preceding three years profit. This paper primarily focuses on CSR practices of some selected public sector petroleum companies in India. The study has been conducted based on the Annual Reports of seven selected public sector companies. Five years of data on CSR spending from 2009–10 to 2014–15 were examined. Moreover, the pattern of expenses was also examined. Since petroleum companies are giants of the India economy and contribute significantly towards the Gross Domestic Product (GDP) of our country. Thus it is necessary to look into how these companies are contributing towards CSR.

Aggarwal and Yadav (2021) examine the type of works/projects and expenditure incurred on its completion by Indian Railways (IR) and its select Public Sector Undertakings (PSUs) for Water Resource Development since implementation of Mandatory Corporate Social Responsibility (MCSR) in India. Corporate Social Responsibility (CSR) has taken a form or avatar, after notification of The Companies Act, 2013. India is the first country in the world, which has legislated to make voluntary CSR mandatory. This Act came into effect from 1st April, 2014. As per provisions of Section 135 of this Act, every company with a net worth of rupees five hundred crore (500Cr.) or turnover of rupees one thousand crore (1000Cr.) or net profit of rupees five crore (5Cr.) must “ensure that the company spends, in every financial year, at least two per cent (2%) of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy”. The Companies Act includes a detailed schedule of CSR activities (Schedule VII) including conservation of natural resources and maintaining quality of soil, air and water.

Sharma et al (2020) studied to capture the efforts of a mining PSU for CSR projects and how this company has turned its challenges into opportunities by applying CSR interventions to bridge the gap between the community and company through stakeholder engagement approach. This was a qualitative study involving in-depth interviews and focused group discussions of various stakeholders like company officers involved in CSR, partner non-governmental organizations (NGOs), local panchayat members, and beneficiaries. The study was conducted in three units of the mining PSU in three different regions. A gap analysis was conducted on the company's CSR agenda formulation and implementation, and ways to bridge these gaps have been suggested. The study shows three different models of CSR being used by this mining PSU, from which the factors for successful CSR implementation are duly identified.

Loura (2014) examined how Public Sector Undertakings (PSUs) view and Conduct CSR identifies key CSR practices and maps these against Global Reporting Initiative Standards. The obligation of the industry and big corporate houses towards the society are being fulfilled in one form or the other since the time these industries existed. In India, the corporate giants like Birla and Tata were practicing Social Responsibility in the form of donations and charity before formally accepting the CSR nomenclature. The author attempted to explore Corporate Social Responsibility practices in PSU's in the context of rural development. The study concludes that social responsibility is regarded as an important business issue of Indian public sector companies irrespective of turnover, sector and goal.

Devee and Karmala (2015) has made an attempt to diagnose the CSR practice in PSU of Maharatnas through the fund allocated and utilized before and after the companies act 2013. The study found that Maharatna enterprises have not been able to fully spend their CSR budget, the utilized amount is only 50% from their allocated amount. Finally authors concluded that Maharatna enterprises are not taking much CSR initiatives as they don't see any support from the governments. Some kind of financial incentives should be given to PSUs so that they can feel motivated and undertake more and more CSR activities.

Swain (2012) studied to understand the effects of disinvestment on Corporate Social Responsibility. How well the CSR is guaranteed to the employees, who eventually became the employees of the private company, was one of the author's focal points. Author also hash out whether the private companies should be made adhered to CSR and the public trust doctrine. To understand it clearly, reference has been made to various books, journals, magazines, scholarly writings on the subject and materials in this regard. The disinvested company can't simply shun the responsibility it has towards the workers, management, consumer, the locality, government and the trade union officials. Disinvestment is generally expected to accomplish a greater inflow of private capital and enable more effective monitoring of management discipline by the private players, amplify in the operational efficiency and increase the market value of the PSUs. On the other hand, Corporate Social Responsibility (CSR) is a bent or inclination on the part of the organizations or business community to uplift the standard of living and wellbeing of the people, the state and the environment.

#### **5. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT OF CENTRAL WAREHOUSING CORPORATION DURING LAST FIVE YEARS**

As a CPSE, CWC is obliged and committed to enforce various laws relating to the principles of the Global Compact Programme (GCP) as well as various / relevant legislations of the country. For this, CWC had initially formulated the Social Obligation Scheme i.e Corporate Social Responsibility (CSR), akin to GCP, as per which amount upto 1% of the post-tax profit of the various financial years was spent for development activities towards the society. However, during 2010-11, CWC has adopted the guidelines on CSR for CPSE's issued by the Department of public Enterprises, Government of India and has decided to provide 2% of the post-tax profit for the previous financial year subject to a minimum of Rs. 3 crores for various CSR activities, Some of the possible areas of activities under CSR scheme are enumerated below:-

- Drinking Water Facility
- Education
- Electricity Facility
- Solar Lighting System
- Health and Family Welfare
- Irrigation Facilities
- Sanitation and Public Health
- Pollution Control
- Animal Care
- Promotion of Sports and Culture
- Promotion of Art and Culture
- Environment friendly technologies
- Promotion of livelihood for economically weaker sections through forward and backward linkages
- Relief to victims of Natural Calamities like earth-quake, cyclone, drought and flood situation in any part of the country
- Supplementing Development Programmes of the Government
- Non-conventional Energy Sources
- Construction of Community Centres / Night Shelters / Old Age Homes
- Imparting Vocational Training
- Setting up of skill development Centres
- Adoption of villages
- Taking action on points suggested by the Ministry of Forest and Environment pertaining to the Chapter on Corporate Social Responsibility for Environment Protection for 17 categories of Industries.
- Scholarships to meritorious students belong to SC, ST, OBC and disabled categories.
- Adoption / Construction of Hostels (Especially those for SC/ST and girls)
- Skill training, entrepreneurship development and placement assistance programmes for youth
- Building of Raods, Pathways and Briges
- Entrepreneurship Development Programmes (EDO)
- Disaster Management Activities including those related to amelioration / mitigation
- Activities related to the preservation of the Environment / Ecology and to Sustainable Development.



- CWC is also a founder member of Global Compact Society, New Delhi, now renamed as Global Compact Network (CGN).

### **5.1 CSR implementation mechanism and process:**

Towards fulfillment of its commitments for CSR & Sustainability related activities, CWC has adopted following mechanism:-

- (a) Projects / Programs identified by the Regional Manager or received from various government agencies or local representatives at regional office/corporate office level submitted to the CSR section shall be placed by the CSR section of Corporate office to the Below board Level CSR committee.
- (b) Below Board Level CSR Committee:- All CSR related proposal are received and scrutinized by a Below Board Level Committee constituted in the organization by taking into consideration details of the project e.g. the impact of the project, cost of the project, number of beneficiaries, area where these activities are undertaken, alignment with the CSR provisions etc.
- (c) Board Level CSR & Sustainability Committee:- As per the provisions contained in Section-135 of Companies Act, BoD has constituted a Board level CSR & Sustainability Committee. The Board level Corporate Social Responsibility & Sustainability Committee comprising at least three Directors with at least one Independent Director. This committee monitors from time to time the Policy for Corporate Social Responsibility & Sustainability approved by the Board.  
CWC will endeavor at all times to build and develop the skills of its CSR team and enhance the level of CSR awareness within the organization and may also engage International Organizations for capacity building of its own CSR personnel.

### **5.2 CSR Activities**

CSR & Sustainability programs undertaken by CWC are in compliance with activities specified in Schedule VII of the Companies Act 2013 and Rules framed there under. Projects / Programs identified by the Regional Manager or received from various government agencies or local representatives at regional office/corporate office level are submitted to the CSR section at Corporate Office, New Delhi. The Projects/programs approved by the Board of Directors on the recommendation of the CSR committee of the board are a part of the policy document uploaded on the CWC website. Budgets allocated for CSR projects through a process incorporating identification of suitable beneficiaries, need assessment (where ever required) and clear outlining of desired outcomes of CSR projects. The CSR projects / programs / initiatives, to be undertaken must fall within the purview of the Schedule – VII of the Companies Act, 2013 (as amended from time to time). Opportunities for complementing / supplementing Government initiatives / programmes are explored. However, funds are not being deposited in Government accounts except where the Act / Rules/ Policy guidelines and directions issued by Government of India specify such allocation. CWC lay emphasis on the sustainability of its projects / programmes to ensure they remain relevant and viable even upon disengagement at the end of the project period. CWC explore possibilities for collaborating / co-operating with other Corporate / National / Multi-lateral / Bi-lateral Agencies in order to synergies its efforts and increase both financial resources as well as outcomes and impact in such a manner that the CSR Committee is in a position to report separately on such projects or programmes in accordance with the rules. CWC also considers participation in larger Projects / Programmes where more than one Corporate / National / Multi-lateral / Bi-lateral Agency is involved in such a manner that the CSR Committee is in a position to report separately on such projects or programmes in accordance with the rules.

### **5.3 CSR Budget and CSR Expenditure**

CWC ensures that in each Financial Year (FY), at least two percent of the average net profit (calculated as per Section 198 of the Companies Act 2013) accrued during the three immediately preceding Financial Years is spent on CSR activities / projects / programs. The Board of Directors will satisfy itself that the funds disbursed have been utilized for the purposes and in the manner as approved by it and the Director (Finance) shall certify to the effect. In an event where CWC makes any surplus or profit from pursuing the CSR projects / programmes, these are not form part of the business profit but will, instead be ploughed back into the same project or shall be transferred to the unspent CSR Account and spent in pursuance of CSR Policy and Annual Action Plan of the Company or transferred to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year. In an event where CSR expenditure is in excess of requirement as per section 135 of Companies Act, 2013, such excess amount may be set-off against the requirement to spend as per Section 135 of Act, up to immediate succeeding three financial years subject to the condition that: This excess amount are not include any surplus arising out of CSR projects; and Board of Directors passes a resolution to this effect. Any capital asset created/acquired out of CSR funds are held by a company established under section 8 of the Companies Act, 2013, or a registered Public Trust or Registered Society having charitable objects and CSR Registration

Number, or beneficiaries of the said project, in the form of self- help groups, collectives, entities or a Public Authority as defined in in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005). Expenditures towards Impact Assessment are booked towards Corporate Social Responsibility. The Below Board Level CSR Committee, consisting of senior level officers studies the CSR proposals in detail and after detailed scrutiny & deliberation, approves the budget in two installments i.e. 50% of the Budget is released as 1st installment and 2nd installment is released after “Work/Project verification” details are received. These verifications are done by the nearby Warehouse Managers/Officials deputed by the Regional Managers on the basis of the completion report forwarded by the concerned organizations.

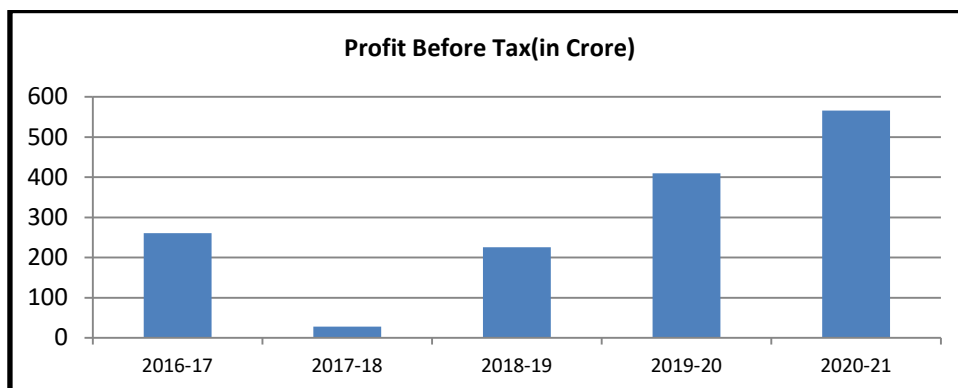


Figure 2: Profit of CWC before Tax 2016-17 to 2020-21

**5.4 CSR Activities of CWC during 2016-17 TO 2020-21**  
**CSR during 2016-17**

CWC has a great sense of responsibility and sensitivity towards CSR and is conscious of meeting its social obligations. The activities undertaken through CSR aim to achieve inclusive growth of society and environmental sustainability. As per guidelines of Department of Public Enterprises (DPE) issued vide OM dated 21.10.2014, Corporation was required to spend during the year 2016-17 an amount of Rs. 537.22 lakh (including Rs. 2.62 lakh of shortfall in CSR expenses of financial year 2015-16) Corporate Social Responsibility and Sustainable Development. Rs. 514.33 lakh (previous year Rs. 527.21 lakh) were incurred during the year towards Corporate Social Responsibility and Sustainable Development. There was a shortfall in spending of CSR and Sustainable Development of Rs. 22.89 lakh which should be spent by the Corporation in the coming year.

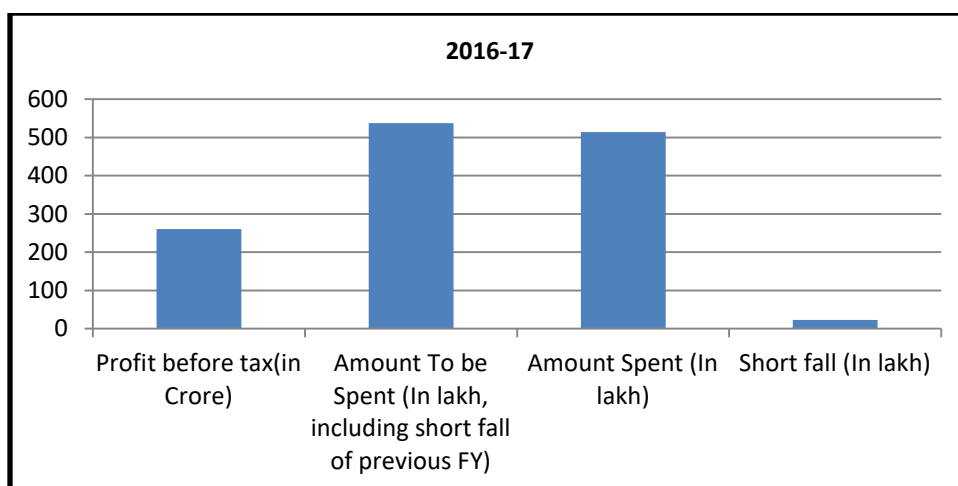


Figure 3: CSR Activities of CWC during 2016-17

As part of the Corporate Social Responsibility and Sustainable Development activities, the Corporation spent Rs. 5.14 crore on various activities during the year in the area of providing safe drinking water, healthcare, promotion of education and skill development programme, empowering women, physically handicapped and economically backward groups, infrastructural development, training of farmers on post-harvest technology, rain water harvesting, solar energy, community development, education, skill development, sports, etc. As a part of CSR activities, Corporation contributed Rs. 3.20 crore to Swachh Bharat Kosh. The Committee on Corporate

Social Responsibility and Sustainability comprises of two Independent Directors, Director (Finance) and Director (Personnel) with the Independent Director as the Chairman, Dr. Rakesh Gupta. During the year 2016-17, one meeting of the Corporate Social Responsibility and Sustainability Committee was held on 19.01.2017.

**CSR during 2017-18**

During 2017-18 the CSR committee comprises of three Directors, with an Independent Director being the Chairman of the Committee. Average net profit of the copration of the three immediately preceding financial years is Rs. 262.38 crore. The corporation was required to spend Rs 547.66 lakh on Corporate Social Responsibility and Sustainable Development activites during 2017-18, which includes Rs. 22.89 lakh that remained unspent during the year 2016-17.

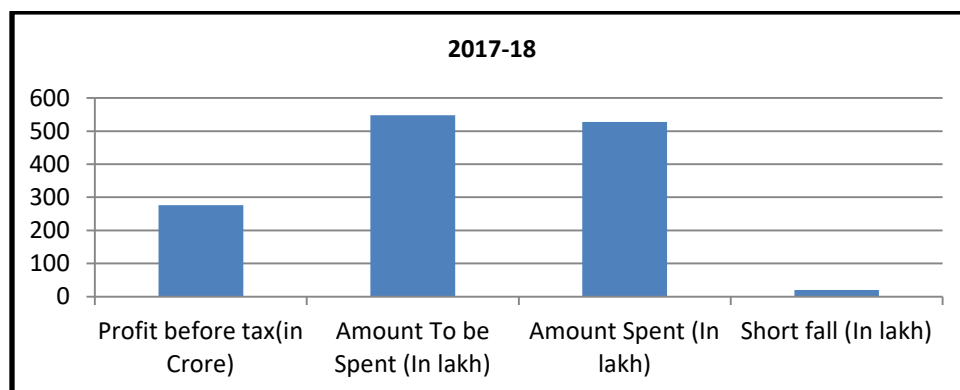


Figure 4: CSR Activities of CWC during 2017-18

Total amount to be spent for the financial year is Rs. 547.66 lakh, while amount actually spent during 2017-18 is Rs. 528.09 lakh and Rs. 19.57 lakh was unspent in the financial year. Skill development, Environmental Sustainability, Promotion of Sports, Rural Development, Health Care, Education are the sectors which were covered during the financial year. The Committee on Corporate Social Responsibility and Sustainability comprises of two Independent Directors, Director (Finance) and Director (Personnel) with the Independent Director as the Chairman, Sh. Sharda Prashad. During the year 2016-17, one meeting of the Corporate Social Responsibility and Sustainability Committee was held on 17.11.2017.

**CSR during 2018-19**

During 2018-19 average net profit of the Corporation of the three immediately preceding financial year is Rs.186.59 crore. The Corporation was required to spend Rs. 392.74 lakh on Corporate Social Responsibility and Sustainable Development Activities during the year 2018-19 which includes Rs.19.57 lakh that remained unspent during the year 2017-18. During the financial year, Rs. 402.65 lakh were spent on various Corporate Social Responsibility and Sustainable Development activities, out of which Rs. 20.49 lakh contributed towards 'Namami Gange' Fund and Rs. 129.25 lakh contributed to 'Swachh Bharat Kosh'.

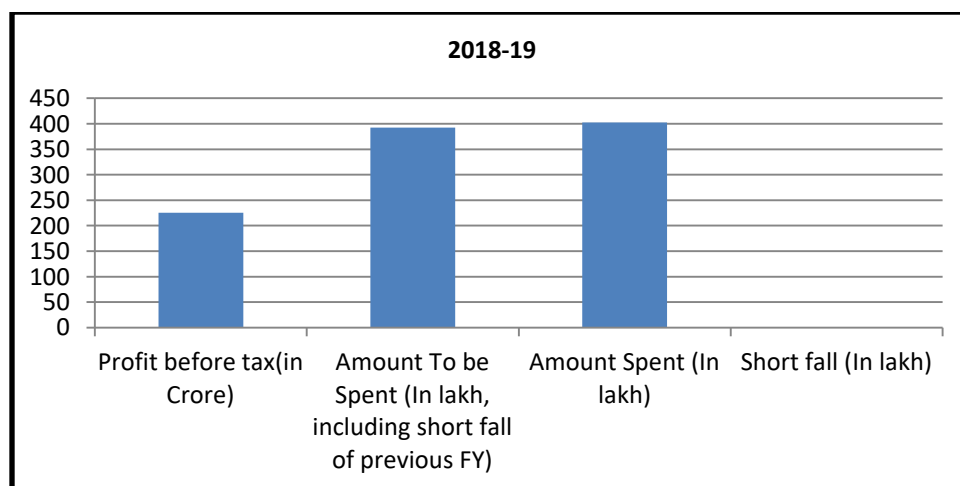


Figure 5: CSR Activities of CWC during 2018-19



Health, Education, Environment Sustainability, Skill Development, Women Health, School Education & Infrastructure and Rural Development the various sector which was covered under CSR and Sustainable Development. The Committee on Corporate Social Responsibility and Sustainability comprises of two Independent Directors, Director (Finance) and Director (Personnel) with the Independent Director as the Chairman, Sh. Adikesavan S. During the year 2019-20, one meeting of the Corporate Social Responsibility and Sustainability Committee was held on 13.03.2019, but there was only one director present in the meeting.

**CSR during 2019-20**

During the year 2019-20, average net profit of the Corporation of the three immediately preceding financial year is Rs. 164.85 crore. The Corporation was required to spend Rs. 329.71 lakhs on Corporate Social Responsibility and Sustainable Development. Total amount to be spent for the financial year is Rs. 329.71 Lakhs, while an amount of Rs. 185.98 lakh has been spent on different activities, out of which Rs.10.00 lakh contributed to ‘Swachh Bharat Kosh’ and Rs. 12.22 lakh was contributed in PM CARES Fund for COVID-19. Amount unspent in the financial year is Rs. 143.73 Lakh.

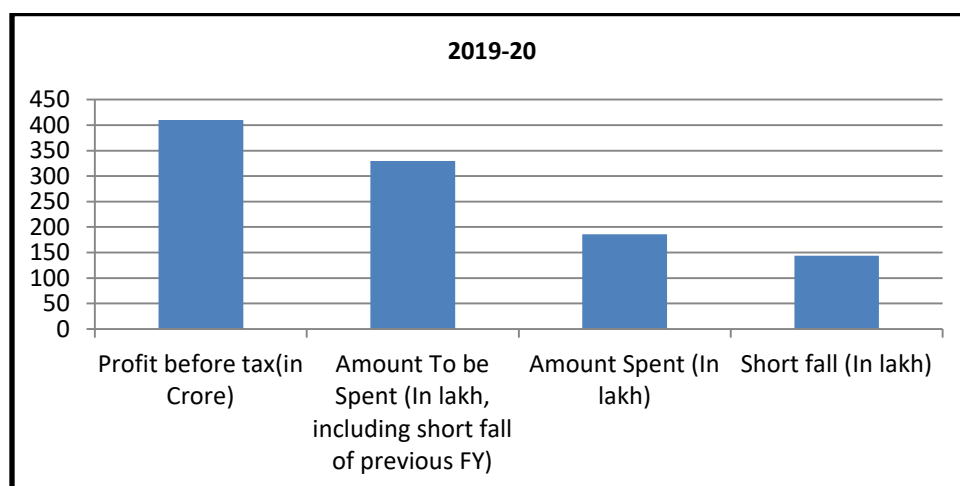


Figure 6: CSR Activities of CWC during 2019-20

Health, Environment Sustainability, Skill Development, School Education & Infrastructure and Rural Development the various sectors which were covered under CSR and Sustainable Development. The Committee on Corporate Social Responsibility and Sustainability comprises of two Independent Directors, Director (Finance) and Director (Personnel) with the Independent Director as the Chairman, Sh. Adikesavan S. During the year 2019-20, one meeting of the Corporate Social Responsibility and Sustainability Committee was held on 26.08.2019.

**CSR during 2020-21**

During 2020-21, the net profit of CWC was Rs. 565.55 crore before tax. The CWC required spending 597.18 lakh with a previous shortfall of Rs. 143.73 lakh. Rs. 453.45 lakh was spent during 2021-21 on CSR and sustainable development. There is no unspent amount for 2021 FY.

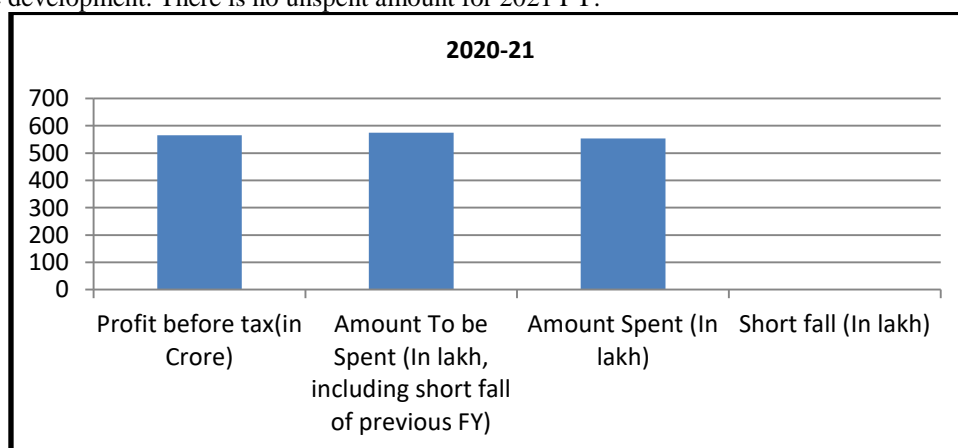


Figure 7: CSR Activities of CWC during 2019-20

The Committee on Corporate Social Responsibility and Sustainability comprises of two Independent Directors, Director (Finance) and Director (Personnel) with the Independent Director as the Chairman, Sh. Suresh Warior. During the year 2020-21, two meetings of the Corporate Social Responsibility and Sustainability Committee were held on 17.08.2020 and 24.02.2021.

**CSR Comparison from 2016-17 to 2020-21**

<b>FY</b>	<b>Profit before tax(in Crore)</b>	<b>Amount To be Spent (In lakh, including short fall of previous FY)</b>	<b>Amount Spent (In lakh)</b>	<b>Short fall (In lakh)</b>
2016-17	260.59	537.22	514.13	22.89
2017-18	276.20	547.66	528.09	19.57
2018-19	225.42	392.47	402.65	Nil
2019-20	409.66	329.71	185.98	143.73
2020-21	565.55	574.98	553.45	Nil

Table 1: Comparison of Amount related to CSR activities of CWC

CWC has Rs. 260.56 crore profit, Rs. 537.22 lakh have to spend while Rs. 514.13 were spent and 22.89 was not spent for CSR activities during 2016-17 FY. Corporation has Rs. 276.20 crore profit, Rs. 547.66 lakh have to spend while Rs. 528.09 lakh were spent and 19.57 lakh was not spent for CSR activities during 2017-18 FY. CWC has Rs. 225.42 crore profit, Rs. 392.47 lakh have to spend while Rs. 402.65 lakh were spent and unspent amount for CSR activities during 2018-19 FY was nil. Corporation has Rs. 409.66 crore profit, Rs. 329.71 lakh have to spend while Rs. 185.98 lakh were spent and 143.73 lakh was not spent for CSR activities during 2019-20 FY. CWC has Rs. 565.55 crore profit, Rs. 574.98 lakh have to spend while Rs. 553.45 lakh were spent and unspent amount was nil for CSR activities during 2020-1 FY.

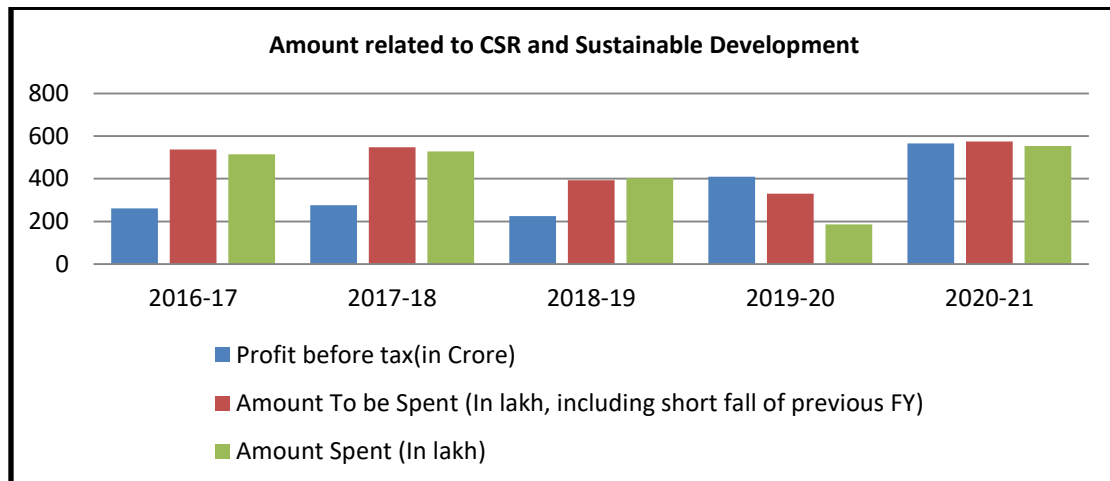


Figure 8: Comparison of Amount related to CSR and Sustainable Development activities

CSR plays a vital role in the sustainable business strategy, which emphasizes on how to maximize the utility of resources with minimum consumption, exploration of resources without exploitation and maintain surplus balance of resources for future generations. Corporate Social Responsibility holds the profit striving corporate entities accountable towards contemporary social needs. One such area that needs consideration from both Government, as well as corporate entities, is environmental protection and development. Though the corporate sector in India has been contributing in bits and pieces towards environmental protection, by and large, there has been a lack of policy approach in contributing towards sustainable development by the corporate entities. The scenario seems to have changed a bit in the last few years, especially post statutory mandate of CSR under the Companies Act, 2013(Yadav, 2020).

**6. CONCLUSION AND FINDINGS**

“Inclusive growth of society with attention to People, Planet and Philanthropy” is the CSR Vision of CWC. CWC works with the mission to growth of society with attention to development of weaker sections of society and aspirational districts of the country in alignment of national priorities. This includes activities in the fields of: (i) Providing safe drinking water, healthcare & sanitation (ii) Promotion of education / skill development

programmes (iii) Empowering women, differently-abled and economically backward groups. (iv) Infrastructural development. CWC makes a full report of its CSR projects /programmes undertaken during the previous year in the format prescribed for the “Annual Report on CSR Activities to be included in the Board’s Report” in the Companies (CSR Policy) Amendment Rules, 2021. Annual Sustainability Report shall report the annual CSR and Sustainability Development achievements, agenda and initiatives undertaken during the year.

<b>FY</b>	<b>Profit before tax(in Crore)</b>	<b>Amount To be Spent (In lakh, inclu. short fall of prev. FY)</b>	<b>Amount Spent (In lakh)</b>	<b>Short fall (In lakh)</b>
2016-17	260.59	537.22	514.13	22.89
2017-18	27.62	547.66	528.09	19.57
2018-19	225.42	392.47	402.65	Nil
2019-20	409.66	329.71	185.98	143.73
2020-21	565.55	574.98	553.45	Nil

Table 2: Year wise Profit, Amount to be Spent, Spent Amount and Short Fall of CWC

Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable as per annual report 2019-20. In order to assess the impact of its CSR Projects and Programmes, maximize outcomes and build- in sustainability, scalability and replicability, CWC undertake the following activities: Impact Assessment, through an independent agency, of the CSR projects having outlay of Rs. 1 Cr. or more and which have completed not less than one year before undertaking the impact study. Placing before the Board, the Impact Assessment reports and annexing the same to the annual report on CSR. CWC comply with provisions of Section 135 and rules framed there under and make disclosure of its CSR Policy, Strategy, Projects / Programmes, Activities, monitoring mechanism, Implementing Agencies, Expenditure details as well as the composition of the CSR Committee of the Board on the corporate website of CWC i.e. [www.cewacor.nic.in](http://www.cewacor.nic.in) as the CSR Act mandates companies to appoint a CSR committee comprising at least three members of the board, of which at least one should be independent. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 should be applicable. Without impact assessment of CSR projects carried out there is a change of wasting the money, time and human power. The reliability of work also can be doubtful.

### 7. LIMITATION OF THE STUDY AND FUTURE SCOPE

Every study has its limitations. This study is limited to CSR of Central Warehousing Corporation. Another limitation is the secondary data used for the study based on the annual report of the CWC and limited time period of just five years. There is a wide scope for the researches in the field corporate social responsibility, sustainable development and public sector undertakings / central public sector enterprises. The comparison of different CSR activities can be done on the basis of geographical area by specified PSU or different PSU. The study can also be done whether CSR done according to ACT. It can be studies that CSR activities are how much improving the quality of life of the workforce and their families as well as of the local community and society at large. Environmental related CSRs are how much beneficial.

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