International Journal of Academic Research and Development (IJAR&D)
ISSN : 2395-1737 (Print), Volume 11, No. 1, Page No 50-56
DOI : https://doi.org/10.70381/23941737.v1.n1.i21.2025.6
Bharti Publications, New Delhi, India

Driving Sustainable Development: The Tata Group's Approach to CSR in India

Navya Suri

Research Scholar, LL.M, Sharda School of Law, Sharda University , Greater Noida, Uttar Pradesh

Dr. Anita Singh

Professor, Sharda University, Greater Noida, Uttar Pradesh

Abstract

Corporate Social Responsibility (CSR) has surfaced as an indispensable component of modern business strategy, evolving from a philanthropic practice into a comprehensive approach that addresses ethical, social, and environmental obligations. CSR now reflects a company's responsibility to positively impact stakeholders, including employees, customers, communities, and the environment. In borderless world, corporations are expected to go beyond profit-making and contribute meaningfully to societal development and sustainability. This paper explores the evolution, scope, and challenges of CSR, with a special emphasis on its implementation by the Tata Sustainability Group in India.

The growing integration of global markets has expanded corporate influence, resulting in a shift in roles between governments and businesses. While governments traditionally regulated social development, businesses are increasingly expected to contribute to these goals. This shift has made stakeholder engagement critical for long-term business success, leading to the incorporation of legal, ethical, and environmental considerations into core business practices.

In India, CSR has been institutionalized by the Companies Act, 2013, that commissioned certain companies to apportion a percentage of profits toward social causes. While this has accelerated CSR adoption, many businesses still approach it as a compliance requirement rather than a strategic priority. Tata Group stands out for its broad CSR initiatives but faces challenges such as internal alignment, impact measurement, and integrating CSR deeper into operational frameworks. This paper examines and interprets the legal principles, statutes, case law, and regulations related to Corporate Social Responsibility (CSR). This paper includes thorough analysis of relevant laws in India, which aim to address Corporate Social Responsibility as per Tata Group's in India. The methodology will also include the study of judicial decisions that interpret these laws and shape their application in corporate environments.

Keywords: *Corporate Social Responsibility, Tata Sustainability Group, Companies Act 2013, Stakeholder Engagement, Sustainable Development*

Introduction

Corporate Social Responsibility (CSR)[1] has transformed and has become a crucial aspect of modern business practices (Rio Conference ,1992). At its core, CSR refers to the ethical responsibility of businesses to make positive contributions to society while managing operations that benefit not only shareholders but also employees, customers, communities, and the environment. In this interconnected world, CSR has moved beyond mere philanthropy and has become a key element of corporate governance, strategy, and long-term sustainability. This concept has gained significance as businesses increasingly realize that their long-term success relies on balancing profit-making with ethical, social, and environmental considerations.

1 *Rio Conference on Environment and Sustainable Development 1992*

The relationship between business and society has dramatically transformed in recent decades, driven by several key factors. Globalization has reshaped how businesses operate, allowing them to transcend national borders and become part of complex international frameworks. With this growth in corporate size and influence, businesses have taken on broader responsibilities beyond profit generation. As governments shift certain regulatory duties to the private sector, companies have realized the strategic importance of engaging with stakeholders such as employees, consumers, communities, and regulators. This shift has led businesses to adopt CSR as a fundamental business strategy, moving away from a purely profit-centric approach to one that integrates legal, ethical, and environmental responsibilities.

Historically, corporate interactions with society were largely based on paternalistic philanthropy, where companies engaged in charitable activities primarily to maintain a positive public image. However, as societal expectations evolved, businesses began to see their roles in a broader context. This shift was spurred by increasing scrutiny from civil society organizations, academic institutions, and international policy forums, which led to a redefined understanding of corporate accountability. CSR thus transitioned from a voluntary gesture to a necessary practice within corporate governance, compelling businesses to align their operations with ethical principles and sustainability objectives.

Although CSR may seem like a recent development, its ideological roots trace back centuries. The idea that businesses have obligations beyond profit generation has long been recognized, though its structured implementation has evolved over time. In the developed world, CSR became more organized during the 20th century, influenced by economic changes, technological advancements, and global events. The 1992 Rio Conference on Environment and Sustainable Development played a major role in emphasizing CSR as a global priority. At this conference, multinational corporations were encouraged to commit to social and environmental well-being, leading to the integration of provisions into commercial agreements aimed at protecting human rights, workers' rights, and environmental sustainability.

"The modern CSR framework is closely aligned with sustainable development, which stresses the importance of balancing economic growth with environmental and social stability. This concept was officially articulated by the Brundtland Commission in 1987, that defined sustainable development as meeting the needs of the current generation without harming the environment and the ability of future generations. This principle now underpins corporate strategies worldwide, influencing policies and industry standards. As a result, businesses are increasingly expected to incorporate sustainable development goals into their business models, ensuring that their operations yield not just financial profit but also contribute to a more equitable and sustainable world.

"CSR can be broadly defined as the business commitment to foster sustainable economic development as well as enhancing the quality of life of their workforce, families, local communities, and society at large." It includes a diverse activity, such as charitable giving, environmental sustainability efforts, fair labour practices, and ethical sourcing. CSR is not a generic approach that fits to all type of industry and geographic location (Kalpana Sharma, 2016), as the specific actions a business takes depend on factors such as its size, industry, and location. The growing importance of CSR has been driven by various factors, including consumer demand for ethical business practices, governmental regulations, shareholder expectations, and increased awareness of international issues like climate change, inequality, and human rights issues.

Evolution of CSR

Corporate Social Responsibility (CSR) is a dynamic and evolving concept that continues to shape how businesses engage with society. While CSR is often seen as a modern phenomenon, its fundamental principle—that businesses are responsible not only to shareholders but to society at large—has long been part of commercial practice. In recent decades, CSR has gained momentum due to growing consumer awareness, regulatory changes, and the rise of ethical investment. However, despite its widespread adoption, CSR remains an ambiguous term, with varying interpretations across industries and regions. This lack of a universal definition has allowed CSR to manifest in diverse ways, including environmental sustainability initiatives, corporate philanthropy, and governance reforms, but its core idea remains consistent: businesses must operate with social responsibility beyond profit maximization.

The conceptual flexibility of CSR is compounded by its overlap with terms like corporate philanthropy, corporate citizenship, business ethics, and sustainability. Though related, these terms each represent a specific aspect of CSR and do not capture its full scope. At the heart of CSR is the understanding that businesses must be accountable to a broad range of stakeholders, including customers, employees, communities, governments, and NGOs. Engaging with these stakeholders transparently and ethically is essential for building trust and mutual benefit.

CSR's roots find its origin in early 20th century, with pioneers like Henry Ford and John D. Rockefeller who recognized their responsibility toward workers and communities. However, CSR as a structured concept took shape in the mid-20th century, particularly in response to the rise of social movements and environmental concerns. Scholars like Howard Bowen, through his work "Social Responsibilities of the Businessman" (1953), has laid down the foundation for modern CSR. He argued that businesses must consider their social impact alongside profits. By the 1970s and 1980s, CSR became more formalized, with codes of conduct and social audits becoming common. The 1990s and 2000s saw CSR become central to corporate strategy, driven by globalization, consumer awareness, and media scrutiny. The notion of "corporate citizenship" emerged, emphasizing businesses' roles in addressing global challenges such as poverty and climate change.

Today, CSR is seen as integral to long-term corporate sustainability. Businesses are expected to integrate ethical considerations into their core operations, not merely to mitigate harm but to actively drive positive social and environmental change. This shift toward proactive CSR reflects a broader transformation in corporate mindset, with companies prioritizing long-term societal well-being alongside economic success.

The Drivers of CSR

Several factors have contributed to the rise and widespread adoption of CSR. One of the key drivers is consumer demand. In today's marketplace, consumers are increasingly informed regarding socially conscious issues and their mindful purchase. than ever before. With the proliferation of social media and increased access to information, consumers are increasingly holding companies accountable for their actions. They demand products and services that are not only of high quality but also ethically produced. Businesses that fail to meet these expectations risk damaging their brand reputation and losing customer loyalty. Another important driver is regulatory pressure. Governments around the world have introduced various regulations and frameworks to encourage businesses to adopt socially responsible practices. For example, laws governing environmental protection, labour rights, and fair trade have prompted businesses to develop CSR policies and practices that comply with national and international standards. In some countries, CSR has even become a legal requirement, as is the case in India, where the Companies Act, 2013 commissions companies to allocate a portion of their profits to spend on CSR activities. Investors and shareholders also play an important role in driving CSR. There is burgeoning reputation among the investment community that socially responsible companies are likely to perform better in the long run. Investors are increasingly considering environmental, social, and governance (ESG) factors when making investment decisions. Resulting, businesses are under increasing pressure to demonstrate that they are committed to sustainable and responsible practices, both to attract investors and to enhance their long-term value. Lastly, employee engagement is another critical factor that has contributed to the growth of CSR. Employees, particularly Millennials and Gen Z, are seeking employment with companies that share their values and are committed to making a positive impact on the world. Companies that prioritize CSR are seen as more attractive employers, which can help with talent acquisition and retention.

Corporate Social Responsibility and Sustainable Development

According to stakeholder theory Corporate social responsibility is a multifaceted concept (De Andres, P.; Garcia Rodriguez, I.; Romero-Merino, E.; Santamaria-Mariscal, M., 2022, Sang, M.Y.; Zhang, Y.Q.; Ye, K.H.; Jiang, W.Y, 2022). CSR as per the economics perspective, In a market situation CSR monitors and constraint the profit-seeking behaviour of stakeholders. Considering CSR in business situation, it must consider the impact of the business on society and environment as well as fulfilling its responsibilities and obligation towards its effect on social and environmental consequences, of stakeholders (Arenas-Torres, F.; Bustamante-Ubilla, M.; Campos-Troncoso, R. ,2021, Tibiletti, V.; Marchini, P.L.; Furlotti, K.; Medioli, A 2020). The CSR impact on sustainable development can be demonstrated in two aspects. Firstly, if CSR is fulfilled in an effective way, then it strengthens the soft power of the organisations and also set up a favourable branding and public image and persona. Pavla Vrabcová et al. (2021) observed that engaging in CSR process is basically fostering a favourable situation for utilising human, social, and other resources for enhancing the sustainable competitiveness of the companies (Vrabcová, P.; Urbancová, H,2021). Lopez Belen et al. (2022) opined that in the development of the corporate the focus should be on short-term profit maximization as well as CSR initiatives. CSR plays a crucial for business growth and social development (Lopez, B.; Rangel, C.; Fernández, M ,2022). Second, early advantage can be gained by the organisation regarding sustainable development through social responsibility performance (Pawlowska, E.; Machnik-Slomka, J.; Klosok-Bazan, I.; Gono, M.; Gono, R,2021). According to Doukas John A. et al. (2021) for building effective and unique corporate culture CSR needs to be integrated. This integration may lead to innovation in the product, process and culture that enables the organisation to gain a

competitive advantage with enhanced economic returns. The research suggests that the social responsibility is an inevitable act and is an essential driver of competitiveness (Samet Marwa et al. 2022).CSR as a strategic resource can be used by the companies to maintain sustainable development and competitive advantage for long run.

Legal Framework of CSR in India

Corporate Social Responsibility (CSR) has emerged as a significant force shaping contemporary business practices globally. (Mehta D & Aggarwal M, 2015), however, in India, CSR remains in its formative stages, with considerable gaps between theoretical concepts and practical implementation. While developed economies have effectively integrated CSR into their corporate governance structures, India's CSR landscape continues to face challenges such as limited awareness, inadequate training, and a lack of robust data on CSR activities. This gap has hindered businesses in adopting well-structured, long-term CSR strategies, often causing them to struggle with identifying impactful social causes and designing meaningful programs.

Despite these obstacles, India's CSR ecosystem is undergoing a transformation driven by the country's ground-breaking legislative intervention. For the first time in India CSR was mandated in 2013, through a legal framework. Under Section 135 of the Companies Act, 2013, companies having a net worth exceeding Rs. 500 crores and an annual turnover of at least Rs. 1,000 crores, or a net profit of Rs. 5 crore or more—are required to allocate at least 2% of their net profits toward CSR activities." This regulation aims to channel corporate resources toward pressing social and developmental challenges, ensuring that businesses contribute actively to addressing India's socio-economic disparities.

Before the enactment of the Companies Act, 2013, CSR in India was largely voluntary. The Companies Act, 1956, which governed corporate regulations for nearly six decades, did not contain provisions specifically addressing CSR. As a result, corporate philanthropy was at the discretion of businesses, leading to fragmented and inconsistent CSR initiatives. Many companies viewed CSR merely as a tool for reputation management rather than as a structured commitment to societal development. This led to a scenario where some progressive businesses voluntarily undertook impactful CSR programs, but many others remained indifferent, contributing to the lack of uniformity in CSR efforts across the corporate sector.

This landscape underwent a significant transformation after Section 135 of the Companies Act, 2013 was introduced. "The Act brought CSR into the realm of statutory obligations, making it mandatory for companies that meet the defined financial criteria to allocate 2% of their average net profits from the preceding three years toward CSR activities." This shift not only institutionalized CSR but also positioned India as a global leader in legislated corporate responsibility. It marked a departure from traditional voluntary approaches, introducing a legally enforceable framework for corporate social responsibility.

The enactment of the Companies Act, 2013, and its CSR provisions has had far-reaching implications. Unlike many developed countries, such as Australia, Denmark, and France, where companies are only required to report on their CSR activities, India has taken a more rigorous approach by mandating both reporting and financial expenditure on CSR. This unprecedented move has made India a trailblazer in the global CSR arena, emphasizing the importance of corporate accountability beyond profit-making. The intent behind these legislative changes was to ensure that businesses, while pursuing growth and profitability, also actively contributed to the socio-economic development of the country.

"The Indian government's proactive engagement with CSR began in 2009 when the Ministry of Corporate Affairs issued the Corporate Social Responsibility Voluntary Guidelines." These guidelines represented the first structured attempt to institutionalize CSR within the Indian corporate sector, and vitalize businesses to integrate social, environmental, and ethical considerations into their operations (M.H. Hirani, 1997). However, these guidelines were non-mandatory, and companies were not legally bound to follow them. Although they outlined important principles, such as ethical business practices, stakeholder engagement, respect for human rights, and environmental sustainability, their voluntary nature meant that CSR efforts remained sporadic and inconsistent.

"In 2011, the guidelines were significantly upgraded with the introduction of the National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business (ESG Guidelines)." These guidelines expanded the scope of CSR to include environmental sustainability and economic responsibility alongside social welfare. The ESG Guidelines underscored the need for businesses to balance profit-making with broader societal obligations, reinforcing the idea that CSR is integral to long-term business sustainability. These guidelines provided a more comprehensive framework, encouraging businesses to adopt responsible labour practices, engage in environmental conservation, and actively contribute to social upliftment.

Despite these voluntary frameworks, the real breakthrough in India's CSR journey came with the legal mandate introduced in 2013. Businesses having a specified financial threshold under the Companies Act, 2013, must allocate at least 2% of their average net profits from the last three years toward CSR activities." The Act also specifies the types of CSR activities that companies should prioritize, that are detailed in Schedule VII of the Act. (Mehta D & Aggarwal. M., 2025). These activities cover a wide range of social, environmental, and developmental concerns, ensuring that CSR efforts are not limited to philanthropy but are aligned with broader societal needs.

Schedule VII outlines various categories of CSR activities, such as:

- Eradication of Hunger, Poverty, and Malnutrition: Encouraging businesses to fund initiatives that provide food security, improve nutrition, and uplift economically disadvantaged sections of society.
- Promotion of Preventive Healthcare, Education, and Gender Equality: This includes investments in medical infrastructure, vaccination programs, scholarships, and initiatives that promote gender equality and access to education.
- Support for Vulnerable Populations: Initiatives that provide shelter, healthcare, and other services to orphans, women, senior citizens, and other vulnerable groups.
- Environmental Sustainability and Animal Welfare: Corporate involvement in protecting biodiversity, reducing carbon footprints, and promoting renewable energy to ensure ecological preservation.
- Cultural Heritage and National Development: Funding programs for the restoration of historical sites, promoting traditional arts, and supporting the welfare of armed forces veterans.

Furthermore, the Companies Act mandates that CSR initiatives should be focused on local areas where the companies operate, ensuring that the social impact is meaningful and targeted. This localized approach strengthens the connection between businesses and the communities in which they function, ensuring that CSR funds address real, pressing issues rather than abstract or generic causes.

CSR committee has been established under the Companies Act, 2013 to oversee CSR activities. This committee is responsible for framing and monitoring the company's CSR policy, evaluating potential projects, and ensuring that funds are allocated effectively (Kumar A, 2025). The CSR Committee plays a critical role in ensuring that CSR activities are not mere token gestures but are part of a long-term strategy for social impact. By institutionalizing CSR within the corporate governance framework, the Act has made CSR an integral part of business operations, ensuring that corporations act as responsible stakeholders in society rather than merely profit-driven entities (Mohad. Ashraf Ali & Azam Malik, 2012).

"The Companies (Corporate Social Responsibility Policy) Rules, 2014 (Milton Friedman, Routledge, London 2008), further support the Act by providing detailed guidelines on the implementation and monitoring of CSR initiatives." These rules mandate that companies with a CSR obligation establish a clear CSR policy that defines their goals, priorities, and the processes for identifying and implementing CSR activities. This formalized structure ensures that CSR efforts are aligned with the company's overall strategy and are effectively managed and monitored.

In conclusion, the enactment of the Companies Act, 2013, and its subsequent amendments has transformed CSR in India from a voluntary, discretionary activity into a legally mandated corporate responsibility (Thomas Mulligan,1986). This groundbreaking move not only enhances the credibility of CSR initiatives but also ensures that businesses contribute meaningfully to the social, environmental, and economic development of India. The law's holistic approach to CSR and its emphasis on local, targeted interventions reflect a clear intent to bridge the gap between corporate profitability and societal welfare, setting a global precedent for legislated corporate responsibility. With the CSR provisions in place, India has established itself as a pioneer in integrating corporate responsibility into legal frameworks, setting a benchmark for other nations to follow.

Case Study of the Tata Sustainability Group

The Tata Sustainability Group's Corporate Social Responsibility (CSR) initiatives are grounded in a commitment to sustainable development, with a focus on local, national, and global contexts. These programs aim to empower disadvantaged communities and are carried out in collaboration with governments, NGOs, and other stakeholders to ensure lasting impact. Tata's approach transcends traditional philanthropy, aiming to create systemic change and improve the quality of life for millions through collaborative partnerships and leveraging collective expertise.

The diverse array of CSR programs undertaken by Tata spans several critical areas of development, each targeting a fundamental pillar of societal progress. One of the key areas of focus is education, where the group actively works to improve access to quality learning opportunities, particularly for underprivileged children. In addition to education, the group has made significant strides in skill development and livelihood enhancement programs, empowering individuals with the necessary

tools to secure sustainable employment. These efforts are particularly impactful in rural communities, where economic opportunities are often scarce, and skill-building initiatives serve as a bridge to financial independence. Through various interventions, Tata ensures that communities are not merely recipients of aid but active participants in their own growth and development. Beyond economic empowerment, Tata's CSR initiatives extend into essential areas such as healthcare, water and sanitation, and rural development. The group has undertaken numerous health and wellness programs aimed at improving medical access in underserved regions, reducing disease burdens, and strengthening healthcare infrastructure. Similarly, their water and sanitation projects address critical issues of hygiene and public health, ensuring that clean drinking water and proper sanitation facilities reach remote communities. Their environmental sustainability efforts also play a crucial role, focusing on preserving natural resources and promoting ecological balance. By integrating these diverse initiatives, Tata Group continues to reinforce its commitment to holistic development, demonstrating that corporate success and social responsibility are not mutually exclusive but deeply intertwined.

In the fiscal year 2022-23 (FY23), Tata allocated INR 1,095 crore toward CSR, a significant financial commitment that underscores the group's dedication to social upliftment. The group's initiatives impacted the lives of approximately 11.7 million individuals, reflecting a strategic approach to embedding sustainability in its corporate ethos. This commitment is not just measured in financial terms but in the tangible difference made to the lives of people through its extensive outreach.

Tata's CSR initiatives focus on several critical development areas. Education is a key priority, with programs aimed at improving access to quality learning, especially for underprivileged children. Additionally, the group has made strides in skill development and livelihood enhancement, particularly in rural communities, where such initiatives provide essential tools for economic independence. Through these efforts, Tata empowers communities to actively participate in their growth, not just as recipients of aid but as contributors to their own development.

The group also addresses other essential needs such as healthcare, water and sanitation, and rural development. Tata's health and wellness programs target underserved regions, aiming to improve medical access and reduce disease burdens. Their water and sanitation projects focus on providing clean drinking water and proper sanitation to remote communities, which is vital for public health. In the environmental sustainability sector, Tata has undertaken projects to conserve natural resources and promote ecological balance, reinforcing the link between corporate success and social responsibility. These diverse initiatives demonstrate Tata's holistic approach to CSR and its commitment to making a meaningful difference in the communities where it operates.

Educational programs like MPowered and the Engineering Employability Program aim to improve digital literacy, vocational skills, and job-readiness for underprivileged youth and women. Healthcare interventions such as MANSI, Operation Smile, and the Digital Nerve Centre (DiNC) have improved access to medical care in remote areas, reduced maternal and infant mortality, and expanded virtual healthcare services. Economic empowerment initiatives, including Okhai and Community Enterprise Development, support women artisans and rural entrepreneurs by enabling market access and financial independence.

Tata's rural and environmental sustainability programs have also had far-reaching impacts. Projects like Pathardi Integrated Village Development and Decentralized Solar Off-Grid Systems have enhanced infrastructure, energy access, and local governance. Water management projects such as Amrutdhara, IVDP, and the Jawhar Water Management Project address water scarcity through irrigation reform, rainwater harvesting, and groundwater replenishment, benefiting farmers in drought-prone areas. These efforts not only increase agricultural productivity but also reduce the burden on rural women by improving access to clean water.

Digital financial inclusion has been another area of focus, with initiatives like E-Dost mobile banking and the Pro-Poor Inclusion Fund helping bridge the gap between underserved populations and essential financial services. These technology-driven, community-centered programs highlight how CSR, when executed strategically, can play a transformative role in addressing inequality, enhancing livelihoods, and fostering sustainable development

Conclusion

Corporate Social Responsibility (CSR) has become an integral part of contemporary business practice, serving as a strategic pathway for companies to contribute to sustainable development while reinforcing their legitimacy in society. In an era where businesses are increasingly expected to operate responsibly, CSR provides a platform for corporations to address environmental and social challenges while aligning such efforts with their operational strengths. Companies are adopting various voluntary initiatives such as ethical sourcing, environmental certifications, and social impact programs, which not only improve their reputation but also generate long-term value for communities. CSR, therefore, acts as a bridge between profit-making and inclusive growth, promoting equity, empowerment, and resilience within society.

In India, the enactment of Section 135 of the Companies Act has formalized the role of businesses in social development by mandating eligible companies to allocate a percentage of their profits to CSR activities. While these obligations enhance accountability, they are not meant to replace government intervention but rather to complement it. Corporate CSR funding remains a small component compared to public expenditure in the social sector. However, the flexibility of the law enables businesses to channel their resources into areas where they possess domain expertise, resulting in more efficient and impactful interventions. The law encourages alignment between business strategies and developmental goals, creating a balance between shareholder value and societal welfare.

The Tata Sustainability Group exemplifies how CSR can be transformed into a powerful instrument for social impact. Rooted in a legacy of nation-building and social responsibility, Tata's CSR philosophy transcends compliance and aims to bring systemic, long-term change. In FY 2022–23, Tata Group allocated INR 1,095 crore to CSR initiatives, directly impacting over 11.7 million individuals. These efforts span key areas such as education, healthcare, water and sanitation, skill development, rural development, and environmental sustainability. Tata's initiatives are often executed in collaboration with governments, NGOs, and grassroots organizations, ensuring scalability and community ownership.

References

Ali, Mohd. A., & Malik, A. (2012). Corporate Social Responsibility: An Indian Perspective, *Indian Journal of Research*, *1*(9).

Arenas-Torres, F., Bustamante-Ubilla, M., & Campos-Troncoso, R. (2021). The Incidence of Social Responsibility in the Adoption of Business Practices. *Sustainability*, *13*(5). https://doi.org/10.3390/su13052794

Arenas-Torres, F., Bustamante-Ubilla, M., & Campos-Troncoso, R. (2021). The Incidence of Social Responsibility in the Adoption of Business Practices. *Sustainability*, *13*(5). https://doi.org/10.3390/su13052794

De Andres, P., Garcia-Rodriguez, I., Romero-Merino, M. E., & Santamaria-Mariscal, M. (2022). Political directors and corporate social responsibility: Are political ideology and regional identity relevant? *Review of Managerial Science*, *17*(1), 339–373. https://doi.org/10.1007/s11846-022-00526-8

Doukas, J. A., & Zhang, R. (2021). Managerial ability, corporate social culture, and M&As. *Journal of Corporate Finance*, *68*, 101942. https://doi.org/10.1016/j.jcorpfin.2021.101942

Keeble, B. R. (1987). The Brundtland commission: Environment and development to the year 2000. *Medicine and War*, *3*(4), 207–210. https://doi.org/10.1080/07488008708408769

Kumar, A. (2025). Mandatory Corporate Social Responsibility: an experience. *Company Law Journal*, *1*(3).

Lopez, B., Rangel, C., & Fernández, M. (2022). The impact of corporate social responsibility strategy on the management and governance axis for sustainable growth. *Journal of Business Research*, *150*, 690–698. https://doi.org/10.1016/j.jbusres.2022.06.025

Mehta, D., & Aggarwal, M. (2015). Making Corporate social responsibility mandatory in India: Prospects and problems, impact. *International Journal of Research in Business Management*, *3*(5).

Mulligan, T. (1986). A critique of Milton Friedman's essay? the social responsibility of business is to increase its profits? *Journal of Business Ethics*, *5*(4), 265–269. https://doi.org/10.1007/bf00383091

Pavlatos, O., & Kostakis, X. (2018). The impact of top management team characteristics and historical financial performance on strategic management accounting. *Journal of Accounting & Organizational Change*, *14*(4), 455–472. https://doi.org/10.1108/jaoc-11-2017-0112

Pawlowska, E., Machnik-Slomka, J., Klosok-Bazan, I., Gono, M., & Gono, R. (2021). Corporate Social Responsibility of Water and Sanitation Company in the Czech Republic—CASE study. *Energies*, *14*(13), 3981. https://doi.org/10.3390/en14133981

Rio Conference on Environment and Sustainable Development. (1992).

Samet, M., Chikha, S. B., & Jarboui, A. (2022). Nexus between corporate social responsibility performance and stakeholder value. *Journal of Cleaner Production*, *370*, 133312. https://doi.org/10.1016/j.jclepro.2022.133312

Sang, M., Zhang, Y., Ye, K., & Jiang, W. (2022). Moderating Effects of Internationalization between Corporate Social Responsibility and Financial Performance: The Case of Construction Firms. *Buildings*, *12*(2), 185. https://doi.org/10.3390/buildings12020185

Sharma, K. (2016). Corporate Social Responsibility (CSR): An overview of the Indian perspective. *IJLPP*, *3*(1).

Tibiletti, V., Marchini, P. L., Furlotti, K., & Medioli, A. (2020). Does corporate governance matter in corporate social responsibility disclosure? Evidence from Italy in the "era of sustainability." *Corporate Social Responsibility and Environmental Management*, *28*(2), 896–907. https://doi.org/10.1002/csr.2097

Verčič, A. T. (2021). The impact of employee engagement, organisational support and employer branding oninternal communication satisfaction. *Public Relations Review*, *47*(1).

Vrabcová, P., & Urbancová, H. (2021). Approaches of selected organisations in the Czech Republic to promoting the concept of sustainable development and corporate social responsibility. *Agricultural Economics (Zemědělská Ekonomika)*, *67*(7), 255–265. https://doi.org/10.17221/8/2021-agricecon

International Journal of Academic Research and Development (IJAR&D)
ISSN : 2395-1737 (Print), Volume 11, No. 1, Page No 57-64
DOI : https://doi.org/10.70381/23941737.v1.n1.i21.2025.7
Bharti Publications, New Delhi, India

Evaluation of Minimum Support Price on Paddy Cultivation in the Indian State of Punjab: A Comprehensive Study

Kamal Dev

PhD Research Scholar, Department of Economics, School of Social Sciences, Central University of Himachal Pradesh

Dr. Vinod Naik

Assistant Professor, Department of Economics, School of Social Sciences, Central University of Himachal Pradesh

Abstract

The study evaluates the efficiency of the Minimum Support Price on paddy cultivation in Punjab. The data spanning from 1996–1997 to 2019–20 on area, production, yield, cost of production, operational cost, different cost components, and MSP of paddy in Punjab were collected from the secondary sources. For this study, data were collected from the Directorate of Economics and Statistics and the Commission for Agricultural Costs and Prices (CACP) underneath the Ministry of Agriculture and Farmers Welfare, Government of India. The descriptive statistics and the Compound Annual Growth Rate (CAGR) were used to analyze the collected data with appropriate analytical tools. The study exposed that the area and production of paddy has significantly increased over the year, whereas the yield has decreased. The findings of the study shows that the relative share of the different inputs, adequacy of the MSP in meeting the cost of production, and the percentage difference between the MSP and different cost components have significantly increased over the period. Therefore, the outcome of the study revealed that the MSP has significantly increased and the MSP for paddy to be found very effective in Punjab state.

Keywords: *MSP, Cost of Production, Paddy Cultivation, Sustainable Agriculture, and Punjab*

Introduction

In India, agriculture acts as a primary pillar of economic growth, since independence, this sector helps the county achieve food security and reduce poverty. India has been primarily an agrarian economy since independence, and approximately 70% of the country's population directly or indirectly depend on agriculture for their livelihood. The agricultural sector is vital to the Indian economy and its development is very important for a developing country. The Indian agriculture sector is the engine of the Indian economy because about 70% of the country's population lives in rural area, which is primarily dependent on agricultural or its related activities, hence the development of agriculture sector is very essential for Indian economy. The agriculture sector is a highly labour-intensive sector, according to the 2011 census 54.6% of the country's workforce has interested in farming and related pursuits. Agriculture and related activities contribution in the total Gross Value Added (GVA) has 18.8% according to the Indian economic survey 2021-22. Indian agriculture largely depended on rainfall and traditional agricultural techniques; therefore, agriculture has highly vulnerable to unfavourable climatic and weather condition, hence, peculiarity in climatic factors and non-remunerative prices for the agriculture crop results to diminution in the farmers income (Dhananjaya et al., 2020). Agriculture development is possible through increasing investment in agriculture sector to meet the increasing capital needs of the modern day. The growth of the agriculture industry greatly benefits from institutional lending. Due to the passage of time, farmers tend to shift from the traditional cultivation to modern farming practices in