

Assessing the Impact of Corporate Social Responsibility (CSR) on Educational Development: A Study of Educational CSR Initiatives of Top Companies in Maharashtra

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Abstract: *This paper focuses on to asses and evaluating the impact of corporate social responsibility on educational development in the state of Maharashtra. the report also explores three notable CSR initiatives in the educational sector in the state by big companies, to understand in depth the actual performance of CSR activities and their impact on the development and their benefits. The report also evaluates the condition of Education in the state and how much CSR is helping in both the urban and rural areas. The findings show that the state is good when it comes to literacy but only urban areas are majorly literate, and also CSR spend is more in urban areas despite good development there. Despite rural areas which require some work. Although companies have now started to realize the need to improve education even in rural areas. The findings reveal that CSR initiatives have significantly improved educational infrastructure and digital literacy. The paper concludes by suggesting strategies to improve the effectiveness of CSR programs in addressing educational differentiation and emphasizing the need for better CSR to be conducted by companies where they more actively collaborate with local governments, NGOs, and communities.*

Keywords: Corporate Social Responsibility, CSR, CSR in India, Educational CSR activities, Education in Maharashtra, CSR initiatives

I. INTRODUCTION

Corporate Social Responsibility(CSR) a recently acknowledged field of work in the industry, is crucial for the development of the country as the Indian government's 2013 Companies Act mandates large companies to allocate a portion of their profits toward social welfare, including education, healthcare, and environmental sustainability and other such sectors. Among these education plays a vital role as it will create the country's future and India lacks in terms of good education. Here CSR can help in providing a better quality and sustainability to the education of the country.

Maharashtra, India's one of the most industrialized and developed states, also presents a paradox in education. Despite high literacy rates like 82.34% in the 2011 census with more male literate people. But this rate has its major contributors from the urban cities like Mumbai, Pune, Nasik, and Aurangabad. Other rural regions continue to struggle with inadequate educational infrastructure, lack of digital literacy, and dropout rates. Considering this companies should find this as an area of development and contribute here through their CSR activities giving two major benefits first building a better future generation for the country and second creating a workforce educated enough that can even benefit their own company.

This research paper aims to assess the impact of CSR initiatives in Maharashtra on educational development in the state and also evaluate the notable educational initiatives in the state. It aims to analyse how CSR has contributed to improving educational infrastructure, digital literacy, and access to quality education, especially in undeveloped regions. With this study, we can identify the gaps in CSR and try to fill those with necessary steps and improve the overall education in the state.

II. LITERATURE REVIEW

This paper highlights the current involvement of CSR initiatives in the educational sector. It is important to analyse the CSR activities and their outcome with a focus on Maharashtra and the educational sector. Maharashtra has a unique topography and development pattern which plays a major role in defining the educational development of the state. To understand the impact of CSR activities, it is essential to review the literature to understand the role of CSR in India's educational development. This review will also analyse existing studies on the evolution of CSR, the effectiveness of educational CSR initiatives, and certain challenges and opportunities within Maharashtra's educational sector.

As per **The Companies Act 2013, Section 135** governs Corporate Social Responsibility (CSR) in India which mandates that companies meeting certain financial thresholds allocate at least 2% of their average net profits toward CSR activities. In India, CSR gained formal recognition with the introduction of the Companies Act 2013, and later CSR has emerged as a vital strategy for companies to contribute to societal development, particularly in sectors like education.

Meeta Sengupta and Nayan Mitra(2020) in their research paper 'Role of CSR in Education: Special Emphasis on India' stated that the government and the corporations should come hand in hand when it comes to educational development as it will be beneficial for both parties the government and the business world.

Rahul Singh, Gautam Venkata, Mrudula Bhimavarapu, Shailesh Rastogi, Jyoti Mehndiratta Kappal, Hitesh Patole, and Aman Pushp(2023) in their paper "CSR Funding and Its Impact on India's Sustainable Development" discussed and analysed CSR funding in various sectors, including education, and its effect on sustainable development. It focuses on how CSR activities in education and other sectors contribute to poverty reduction and economic growth.

According to the **ICOR India CSR Outlook Report 2023** published by **CSRBOX** which states Across India, a significant portion of CSR budgets has been allocated to the education sector. During FY 2020-21, education received the largest share of CSR spending. Key initiatives included building schools, upgrading educational infrastructure, providing scholarships, and investing in teacher training programs. Companies, such as Tata Group and Infosys, have implemented projects that focused on improving schools' digital literacy and infrastructure.

III. RESEARCH METHODOLOGY

This research is based on a Secondary database which will include all sorts of CSR reports government reports and information published by the companies regarding their initiatives. The report studies three major initiatives by companies in the state of Maharashtra in the educational sector. By analysing publicly available documents, the study focuses on evaluating the role of CSR initiatives in the educational sector of Maharashtra.

The data sources for this report will be:

- CSR reports of the company
- Government reports on CSR
- Publically available information about the initiatives available on government portals and company websites.

The initiatives that are been selected for the study are that which follow the parameters below:

- Have their impact on the society
- CSR expenditure utilized
- Benefited the educational position of the society

Limitations of the report are that it is based on secondary data completely and no actual beneficiaries are being interviewed or being taken feedback from. Also, not every detail about the initiatives is been disclosed by the companies.

IV. FINDINGS

Corporate Social Responsibility (CSR) overview and its impact on the Educational Sector:

As per the Companies Act 2013 certain companies are being mandated to spend a certain amount of their net profits towards the welfare of the society. This percentage depends on the company's size and nature. But helps for the development of society as a whole. Companies can contribute to many sectors like infrastructure, health, education, water and sanitation, food, etc.

Companies have to make their CSR spending public and also file a report with the government. CSR can even help them gain tax benefits and deductions. However, some companies go beyond the mandated percentage and are willing to contribute more to CSR activities.

Speaking about the numbers, According to the MINISTRY OF CORPORATE AFFAIRS in the Financial year 2022-23:

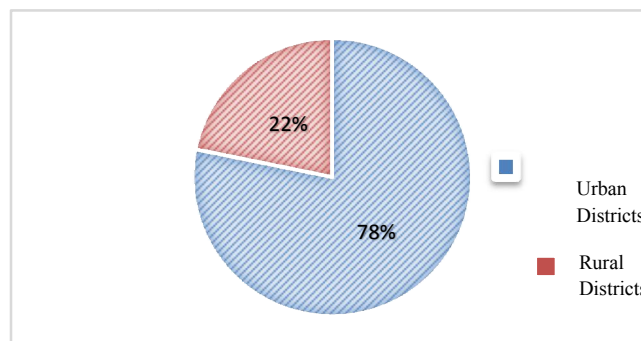
Total No. of Companies involved in CSR activities	19888
Total Amount Spent on CSR (INR Cr.)	26579.78
States & UTs Covered	40
Total No. of CSR Projects	44425
Development Sectors	14

Considering Maharashtra state, it is the state with the highest spending in CSR in the last few financial years. The CSR in Maharashtra in FY22-23 was INR 5437.9 Cr. Where the Mumbai district was the district with the highest spend. The state has its major contributors Reliance Industries Ltd, Hindustan Unilever Ltd, HDFC Bank Ltd, Serum Institute of India Pvt Ltd, Nuclear Power Corporation of India Ltd, etc. The top sector in the state is Health, Hunger, safe drinking water, poverty, and malnutrition with 2294.5Cr. spend and Education, Livelihood, Differently Abled come on 2nd most spent sector with INR 2215.73Cr. spent on that sector.

In the FY 22-23 the spend of CSR in the Educational sector in the country was INR 10085.38Cr. where the top three states are Maharashtra, Gujrat, and Uttar Pradesh respectively and the companies with the best performance are Tata Consultancy Services Ltd, Reliance Industries Ltd, Jindal Steel & Power Ltd, HDFC Bank Ltd. The CSR spending in Education rose from INR 2589.42Cr. in the FY 2014-15 to INR 10085.38Cr. in FY 2022-23.

These numbers show us the rise of spending on CSR in the educational sector. The companies have started to know the importance of education in shaping the future of the country and why it is a very important area to focus on. Maharashtra is the state with the highest spend in this sector which shows us that companies have a responsibility towards educational development. However, the major spending was in urban districts, this is the major problem where the majority of the CSR spending still last in the districts that are not much developed. Places that require development in the educational sector are also being looked at by the companies for CSR, however, the number is very low. The urban districts have almost spent INR 1150Cr. and rural districts contributed about INR 320 Cr. and about INR 3180Cr. spent are unknown or are not mentioned by the government.

These figures can be easily understood with a pie chart where the urban area has 78% share and rural areas have 22% share. It makes us very clear the problem remains where it was the urban districts have better educational facilities than the rural districts. But surely CSR will benefit the rural districts in gaining some better facilities that cannot reach directly to those areas.



Shows the distribution of CSR spend between districts in Maharashtra

Pie chart showing the distribution of CSR spending in the districts of Maharashtra where 78% of spending is for urban districts and 22% is for rural districts. This does not include spending that has not been mentioned for a particular district which amounts nearly to 31 crore rupees.

Notable CSR Initiatives for the Educational sector in the state of Maharashtra:

1] Digital Classrooms for Rural Schools by Tata Group:

Initiative Name: Digital Classrooms for Rural Schools

The objective of the initiative: To introduce the rural areas with the modern techniques of learning and bridging the gap between rural and urban education.

About the initiative: The initiative focuses on equipping rural schools with digital infrastructure such as computers, projectors, and internet access. This initiative also aligns with India's Digital India mission and aims to enhance digital literacy among students in underprivileged areas. The program has been implemented across various districts in Maharashtra, particularly in rural and tribal areas where access to technology is limited. Also, necessary training of the teaching staff was being conducted to make the learning process for the students more effective.

Impact: According to Tata's CSR report, over 30,000 students across 200 rural schools have benefited from this initiative. The program has also helped to increase student engagement and the overall academic performance of the children. In particular, there has been a decent development of the students who benefited from this initiative.

2] Rural School Infrastructure Development by Reliance Industries:

Initiative Name: Rural School Infrastructure Development

The objective of the initiative: To improve the physical infrastructure of rural schools, making a better environment for learning and a hygienic and safe place to learn.

About the initiative: this initiative has focused its educational CSR efforts on building and upgrading school infrastructure in rural Maharashtra. This includes the construction of classrooms, the provision of drinking water and sanitation facilities, and the renovation of existing school buildings so that the environment that is required for learning can be provided to the students. The initiative has been implemented in collaboration with local governments and NGOs. They identified Schools in remote areas that lacked infrastructure, and projects were tailored to address specific challenges such as overcrowding, poor sanitation, or lack of proper classrooms, to build a safer, hygienic, and friendly place to learn.

Impact: The initiative has undertaken the construction of over 50 new classrooms and upgraded facilities in 100 rural schools across Maharashtra. The improved infrastructure has led to increased enrolment, particularly among girls, around a 15% increase in girl student enrolment can be seen where the company worked.

3] Nanhi Kali - Educating the Girl Child by Mahindra and Mahindra

Initiative Name: Project Nanhi Kali

The objective of the initiative: To support the education of underprivileged girls by providing academic, material, and financial support.

About the initiative: Project Nanhi Kali is the company's flagship CSR initiative aimed at helping underprivileged girls by ensuring that they receive quality education. The program provides female students with academic support in the form of after-school tutoring and study materials. They also handle a few minor expenses for the children

The program operates in both the urban and rural areas of the state. Some local volunteers, teachers, and NGOs help the company in identifying girls at risk of dropping out and ensuring they receive continuous educational support.

Impact: As of 2023, over 10,000 girls in Maharashtra have benefited from the Nanhi Kali initiative. And a positive impact of reducing dropout rates by 15% in rural areas. It has been particularly successful in rural areas where girls avoid completing their education due to financial problems.

V. CONCLUSION

This research set out to assess the impact of Corporate Social Responsibility (CSR) initiatives on educational development in Maharashtra, along with studying notable initiatives by top companies in the state of Maharashtra. with the help of findings, we can clearly see that there is a huge growth in the contribution of CSR in the Educational sector, and also see how it is helping the areas with actually have requirements for development.

Maharashtra is the state with the highest spending in CSR and the total amount being spent in Educational sectors also has Maharashtra as its biggest contributor, and in the state, the educational sector is second in terms of spending in

CSR. These data easily show how important role the CSR is playing in the state of Maharashtra. Many companies like Tata Group, Reliance Industries, and Mahindra & Mahindra have understood the importance of giving Quality education to the students and how big an impact that will have on the future of the country and so they have tried to find out the actual problems in the educational sector and tried to contribute there with help of CSR.

The initiatives that are being undertaken by various companies have helped to improve school infrastructure, provided digital learning tools, and supported marginalized communities. These efforts have not only contributed to better learning environments but have also increased enrolment rates, particularly for girls, and enhanced academic performance in various subjects of the students.

However, the study revealed that the major portion of Literate Maharashtra comes from the Urban districts and also the CSR activities that are undertaken have their major portion in the urban districts rather than districts that require the development. Although some companies are working to help the rural districts the number is less but it tends to improve.

This less development in the rural areas is due to less reach in the rural areas and also due to lack of internet connections which will ease digital learning. To address these challenges, companies could strengthen their collaboration with local governments and NGOs to ensure more comprehensive and sustainable solutions. Improving rural digital infrastructure and creating localized, community-driven models for teacher training would further enhance the effectiveness of these initiatives.

In conclusion, CSR efforts in the educational sector of Maharashtra are making a measurable impact, which is helping the state in overall development and also aligns it with the sustainable development goals of the UN. Continuing these investments and innovations in CSR will be crucial in ensuring that these initiatives not only succeed in the short term but also create lasting positive change in the years to come.

The future scope of this research could be to explore the long-term outcomes of these initiatives, focusing on their sustainability and adaptability to other sectors. And help to achieve more literacy even in rural areas and help society.

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