

## CORPORATE SOCIAL RESPONSIBILITY: A STUDY OF PARBATI HYDRO ELECTRIC POWER PROJECT KULLU IN HIMACHAL PRADESH

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### ABSTRACT

National Hydroelectric Power Corporation Ltd is a Mini Ratna Category -1 Enterprise of the Government of India. The company is one of the largest organisations in the field of hydro power development in the country. Baira Siul hydroelectric project was the first project in Himachal Pradesh. NHPC is public sector undertaking operating many hydropower projects in Himachal Pradesh along with considering CSR is an integral part of NHPC. India is the first country in the world to mandate CSR legislation with the purpose of bringing Sustainable Development. In Company Act 2013 it has made mandatory contribution of 2% of PBT on CSR activities specified in Schedule VII by the companies. NHPC has implemented a number of CSR initiatives for the community in field of education, health care, rural development, sports, livelihood generation, empowering women etc. Corporate Social Responsibility is strategic business social approach to enhance the practices of welfare in the field of environment, society and economy along with achieving the economic targets of business. The study has focused on the CSR Practices in Parbati Hydro Power Project of NHPC in the state of Himachal Pradesh. Himachal Pradesh is one of the richest states in generation of hydroelectricity. The state has about 25% contribution of national potential in hydropower. The government has been giving continuous support for the development of hydro projects. It is also one of the major sources of income to the state. These hydro projects are running by the Govt. of India as a public sector undertaking named SJVN Ltd. NHPC Ltd. Etc. The present study is focused on affected areas of Parbati Hydro electric power project of kullu district. For the purpose of study affected areas of projects such as Manikaran Valley, Gadsa Valley. And Sainj valley is taken. The study has been focused into the ground level realities of Corporate Social Responsibility in affected project area. For the purpose of study, a sample size of 80 respondents has taken randomly from the affected areas of Parbati projects. The questionnaire, interview and observation method are used for data collection. Researcher classified its data collection into five heads. The analysis of data is done through percentage method. The findings of the study presented the effective implementation of CSR initiatives on education and rural development in majority of study areas.

**Keywords:** NHPC, Corporate Social Responsibility, CSR Practices, Sustainable Development.

### INTRODUCTION

Corporate Social Responsibility plays a vital role in the sustainable development of the country. The concept of CSR-SD brings an economy in such a platform where corporate sector considerate the welfare of society along with its economic growth. The benchmark companies use CSR as a SWOT strategy to make their place in market. The concept of 'Social Welfare' has been motivating the business

organization to put their efforts towards social environmental issues since ancient times. Earlier, this concept was known as Social Responsibility of the business. Both Society and business are complementary and inter dependable to each other. A business can't survive successfully without support of society. The society also needs support of businesses. The holder's of business organizations should understand the importance of their responsibility towards the society. There are various models of corporate social responsibility such as Carroll's model, classical model, stakeholders model which are directly and indirectly followed by the majority of the companies in their CSR practices. Carroll's pyramid model which is most popular model in CSR is hereby presented to define the concept of CSR precisely.



Diagram: CARROLL'S CSR MODEL

India is the first country in the world to mandate CSR legislation with the purpose to bring Sustainable Development. In Company Act 2013 it has made mandatory contribution of 2% of PBT on CSR activities specified in Schedule VII by the companies. The term "Corporate Social Responsibility" was introduced under section 135 of Company Act 2013. It was the first time when it was made mandatory for corporate companies to follow the compulsory obligation of CSR under company act. According to Company Act 2013, every company which has net worth equal to 500 Crore & more than 500 crore, turnover equal to 1,000 Crore & more than 1,000 crore and Net profit equal to 5 Crore & more than 5 crore to contribute 2% of their profits on CSR.

The vision to lead implements CSR to bring sustainability, accountability and transparency in corporate world. CSR contribution plays a vital role in the development of our economy. According to National CSR data portal, In FY 2020-2021, 8633 companies contributed (INR Cr. 20360) in corporate social responsibility in

36 states & union territory. The major portion of this contribution were spend on health, eradicating hunger, poverty and malnutrition ,safe drinking water sanitation, education , livelihood etc throughout the country for betterment of society. In Himachal Pradesh, this CSR contribution is in INR Crore 98.59 in FY 2020-21 covering the social-economic development initiatives in twelve districts. NHPC Ltd is one of the major CSR contributors in district kullu of Himachal Pradesh. The present study is also centered on CSR practices of NHPC Ltd in Himachal Pradesh.

Himachal Pradesh is one of the richest states in generation of hydroelectricity. The state has about 25%contribution of national potential in hydropower. The government has been giving continuous support for the development of hydro projects. It is also one of the major sources of income to the state. These hydro projects are running by the Govt. of India as a public sector undertaking named SJVN Ltd., NHPC Ltd. Etc. The present study is focused around the CSR initiatives of NHPC with reference to Parbati projects.

National Hydroelectric Power Corporation Ltd is a Mini Ratna Category -1Enterprise of the Government of India. The company is one of the largest organisations in the field of hydro power development in the country .Baira Siul hydroelectric project was the first project in Himachal Pradesh. NHPC is public sector undertaking operating many hydropower projects in Himachal Pradesh along with considering CSR is an integral part of social responsibility .NHPC has implemented a number of CSR initiatives for the community in field of education, healthcare, rural development, sports, livelihood generation, empowering women etc. Corporate Social Responsibility is strategic business social approach to enhance the practices of welfare in the field environment, society and economy along with achieving the economic targets of business.

National Hydroelectric Power Corporation Ltd is spreading its hydroelectric potential through its major projects Parbati- II (Capacity around 800MW) and Parbati –III (4X130MW) 520 MW in Kullu valley utilizing the hydropower potential of river Parbati along with its small water tributaries. CSR has been an integral part of NHPC's responsibility towards the society around its working areas. NHPC has implemented a number of CSR initiatives for the society in the field of health care, education, rural development, skill development, environment sustainability ,scholarship program me etc around its projects /power stations. The present study is focused on affected areas of Parbati Hydro electric project of kullu district. For the purpose of study affected areas of projects such as Manikaran Valley, Gadsa Valley. And Sainj valley is taken.

## REVIEW OF LITERATURE

**Singh & Dash (2017)** explained the comparison case study of Parbati hydro electric project stage-III (520MW) in Kullu District of Himachal Pradesh. The study was focused to identify the local area development by making comparison before implementation of this project or after implementation of this project in Sainj valley. The study found the substantial increase in developmental activities in and around project area. **Kaushal & Verma (2019)** in their study “Corporate Social Responsibility: Study of Cement Industry in Himachal Pradesh” did the comparative study of concept of CSR of three majors cement industries of Himachal Pradesh named ACC Gagal Cement Works Ltd. Bermana, Ambuja Cement Ltd. Darlaghat, and Cement Corporation of India, Rajban. In their study they found that how cement companies are more concerned about the deadly disease like HIV/AIDS, Cancer and microbial infections etc. around their vicinity of company. In this study it is found that all these companies are performing CSR initiatives towards women upliftment, training and development, charitable activities, generating employment for local community for the betterment of society. **Kaushal (2017)** presented in his study the awareness and satisfaction level of people of community regarding CSR activities in their surroundings study areas. In his study researcher found that the company has undertaken immediate attention on the deadly disease, maintaining healthy labour standards and promoting use of recycled and renewable products in the vicinity of cement companies.

## RESEARCH DESIGN

The study has been focused into the ground level realities of Corporate Social Responsibility in affected project areas of Parbati Hydro Electric Power project of NHPC in district Kullu.

## OBJECTIVES OF STUDY

- To evaluate the impact of “Corporate Social Responsibility” on the Socio Economic development of society.
- To study the concept of CSR in reference to NHPC.

## METHODOLOGY

The present study has been confined to study development of society through Corporate Social Responsibility which is a holistic approach of development. In Himachal Pradesh a large number of hydro power projects companies, cement companies are performing their social responsibility. These studies literature review gave me an opportunity to study the CSR initiatives of NHPC Ltd. in which few

studies has been done. The present study is based on the collection of primary data along with considering the essential information through secondary data. For the purpose of study, a sample size of 80 respondents has taken randomly from the affected areas of Parbati projects. The questionnaire, interview and observation method are used for data collection. Researcher classified its data collection into five heads of CSR initiatives of company. The analysis of data is done through mathematical and statistical method. The limitation of present study is incomplete and non response of respondents along with stringency of time and resources.

### **FINDINGS AND INTERPRETATION**

The present study has been done on the surrounding affected areas of project sites in valley of Manikaran, Garda and Sainj. NHPC Ltd has taken up many major initiatives under corporate social responsibility for the last many years. As an integral part of CSR, NHPC has taken up major developmental initiatives under Parbati Hydro Electric Power Project. NHPC has taken genuine efforts to ensure the sustainable development of areas through ensuring the society need based initiatives under CSR. These initiatives have covered an integrated approach to develop society. The researcher combined these initiatives into five major heads for the convenience of study. These five heads included initiatives for rural development, Education and Training, Environmental Sustainability, Health care and Women upliftment. The findings of these heads are as follows:

#### **CSR INITIATIVES FOR RURAL DEVELOPMENT**

NHPC Ltd has taken number of CSR initiatives for the development of rural area in its project sites. These initiatives have brought a positive change in the betterment of society.

**Table -1: CSR initiatives for Rural Development and its impact on society**

Statements	Poor	Fair	Good	Very Good	Excellent
Construction of Roads ,footpaths, parks & rain shelter	2(2.5)	11(13.75)	29(36.25)	35(43.75)	3(3.75)
Installation of Public Lighting & Sanitisation	3(3.75)	28(35)	37(46.25)	10(12.5)	2(2.5)
Training awareness programme for Farmer	15(18.7)	35(43.7)	16(20)	8(10)	6(7.5)
Management of farm roads, drains and reservoirs	27(33.7)	24(30)	18(22.5)	6(7.5)	5(6.2)
Promote rural community events(festivals/sports/cultures)	8(10)	22(27.5)	36(45)	10(12.5)	4(5)
Animals care centre to prevent strayed animals	28(35)	24(30)	18(22.5)	7(8.7)	3(3.7)
Irrigation facility	3(3.7)	31(38.7)	31(38.7)	13(16.2)	2(2.5)
Promotion of Agricultural products/activities	26(32.5)	19(23.7)	19(23.7)	11(13.7)	5(6.2)
Generation of Employment	4(5)	19(23.75)	42(52.5)	10(12.5)	5(6.25)

Note: Figures in parenthesis depicts percentage.

The data shown in table concludes that substantial growth in positive aspects can be seen in the field of rural development. On the basis of analysis it can be interpreted that CSR initiatives have brought a positive change in the society. The local beneficiaries are taking advantage of road construction, public lightening, employability, and promotion of their culture and events.

**Table -2: CSR initiatives for ‘Education and Training’ and its impact on society**

Statements	Poor	Fair	Good	Very Good	Excellent
Scholarship to SC/ST/EWS for meritorious students	4(5)	4(5)	36(45)	31(38.7)	5(6.2)
Career Awareness Programme for students	4(5)	13(16.2)	53(66.2)	9(11.2)	1(1.2)
Construction of classroom, playground etc	7(8.7)	11(13.7)	47(58.7)	12(15)	3(3.7)
Initiatives for betterment of differently disabled children	26(32.5)	25(31.2)	22(27.5)	4(5)	3(3.75)
Drinking water facility	4(5)	14(17.5)	51(63.7)	9(11.2)	2(2.5)
Vocational Training Programme(Technical /Agricultural)	9(11.2)	26(32.5)	43(53.7)	1(1.2)	1(1.2)

Note: Figures in parenthesis depicts percentage.

Above table concludes that NHPC Ltd has taken large number of initiatives in the field of education and training for the welfare of youth. These initiatives have put direct impact on the promotion of education and awareness among needy students. Besides these initiatives, infrastructural facilities are facilitating better education system in the locality. The majority of beneficiaries are satisfied with these initiatives.

**Table-3: CSR initiatives for Environmental Sustainability and its impact on Society**

Statements	Poor	Fair	Good	Very Good	Excellent
Plantation Programme	1(1.2)	25(31.2)	47(58.7)	4(5)	3(3.7)
Landslide Management	33(41.2)	23(28.7)	16(20)	6(7.5)	2(2.5)
Environment beautification & preservation	4(5)	33(41.2)	29(36.2)	8(10)	6(7.5)

Note: Figures in parenthesis depicts percentage.

The study concluded that NHPC Ltd has driven many tree plantations and cleanliness drives in its projects sites. There is strong need of landslide management by the company in valley of Sainj to control disaster.. The many collaboration programmes are running by the NHPC Ltd with the assistance of education institution and forest department in this regard.

**Table-4: CSR initiatives for Health Care**

Statements	Poor	Fair	Good	Very Good	Excellent
Free medical/Awareness Camps	8(10)	21(26.2)	41(51.2)	8(10)	2(2.5)
Supports in Corona Pandemic	9(11.2)	24(30)	42(52.5)	3(3.7)	2(2.5)
Medicals equipment assistance to Hospitals	12(15)	39(48.7)	23(28.7)	4(5)	2(2.5)
Water cleanliness & sanitation	1(1.25)	28(35)	34(42.5)	16(20)	1(1.25)

Note: Fig. in parenthesis depicts percentage.

Above study displayed that NHPC Ltd has also made contribution in medical equipments assistance and free medical awareness camps in its surrounding hospitals, dispensaries. The majority of assistance was provided only to main centre dispensaries and hospitals.

**Table-5: CSR initiatives for Women Empowerment and its impact on society**

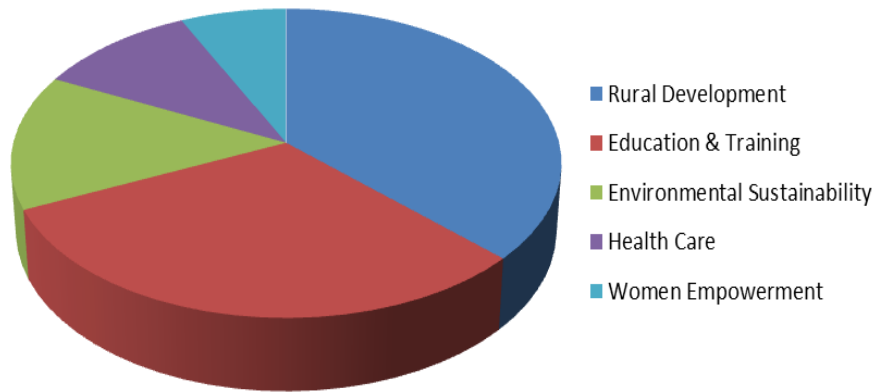
Statements	Poor	Fair	Good	Very Good	Excellent
Vocational Training Programme(cutting/stitching/making/knitting)	10(12.5)	29(36.2)	26(32.5)	13(16.2)	2(2.5)
Equipment assistance for these vocational works	28(35)	25(31.2)	19(23.7)	7(8.7)	1(1.2)
Economic support for Women SHGs	14(17.5)	26(32.5)	29(36.2)	11(13.7)	0

Note: Fig. in parenthesis depicts percentage.

Women play a vital role to take the society for its growth. Women are considered the key role player. That's why the fifth major categorisation of initiative is titled by the Women Empowerment. The study concludes that initiatives are taken to promote vocational training as well as vocational employability of women through providing training and equipments.



**Table-6: Respondents overall view regarding CSR initiatives of NHPC Ltd under Five major heads**



The above table concludes that company has taking more initiatives in the field of education and rural development whereas fewer initiatives are taken in environmental sustainability, health care and women empowerment in their surroundings.

### CONCLUSION AND SUGGESTIONS

NHPC has taken various CSR initiatives for society as well as implemented these initiatives effectively. As a CSR norms, all these initiatives leads sustainable development of society and resources .In this study efforts are made to know the impact of such practices on society and people . As discussed earlier, these initiatives are grouped among different heads .A brief presentation of these practices is as such:-.

- NHPC has taken a good initiatives to support quality education among needy students through various scholarship schemes .Many beneficiaries are taking the direct advantage of it to pursue their education in the area of Nagwain ,Panarsa ,Garsa and Manikaran etc in kullu valley. Basic infrastructural facilities are also provided for the educational institutional.
- NHPC put efforts to impart vocational trainings to the unemployed youth and for women to meet their financial needs in their local areas .In this initiative, various training camps has organized such as training about computer, training in stitching & tailoring, Bag making, embroidery training and training about preparation of homemade commercial products etc. These Skill training program me are putting great impact on the livelihood of people.
- NHPC has tried to cover all the aspects of CSR through its various activities, whether it is related with Environment sustainability, rural development and

women social economic empowerment. In these efforts have brought a positive change in life of local people .Under these initiatives NHPC Ltd has facilitated the community through street light, water tanks, street roads, financial assistance to poor, fire victims, assistance in running health awareness program me and free camps etc. Besides these initiatives company has run cleanliness drive with community people as well as provided need based medical equipments.

- The findings of the study presented the effective implementation of CSR initiatives on education and rural development in majority of study areas.

The NHPC has taken various CSR initiatives for the betterment of community. All initiatives are very well implemented. In this study, it is found that some areas of progress should be touched by the company under their CSR practices.

- At present educational institutes of surrounded areas of Garsa, Manikaran, Nagwain etc are taken. These initiatives should be expended in other schools and institutes also.
- Provision of smart classes.
- More initiatives towards betterment of differently disabled children and slum area children.
- Maintenance of provided facilities
- Purification of water resources
- Promotion and Development of Horticulture
- More focus on Landslide, Soil and waste Management
- More skill based training programs for youth which can provide employment in their locality.
- Initiatives should be taken towards smart roads, parks, more community welfare halls, playgrounds, sports clubs, kala-kendra etc.
- Road side tree plantation
- Initiatives should be consider to save water resources and also to ensure the optimum use of water for agricultural purposes
- More focus on availability of primary health care centers.
- More initiative towards public sanitation

- More vocational career counselling and training
- Awareness camps regarding health ,career ,road safety, environment sustainability etc

### **FURTHER SCOPE OF THE STUDY**

The present study can be done widely to meet the study objectives by taking large sample size through stratified sampling technique from each representative section to know the ground level realities of CSR more clearly.

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