

# THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY IN RURAL DEVELOPMENT: A STUDY OF OIL AND GAS PSUs IN NORTH EAST INDIA

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*[Corporate Social Responsibility (CSR) has become a much-discussed subject in the present business world. CSR has become a pivotal issue to the corporate houses as business has to meet society's expectations in their practices. Nowadays, businesses operate in an environment in which societal concerns have been given top priority. CSR can be seen as an obligation of the business world to be accountable to all of its stakeholders – not just its financial one. So, in the Companies Act, 2013 made it (CSR) compulsory for certain companies depending on their net profit or turnover. Here, in this paper attempt has been made to project some of the valuable social initiatives undertaken by the Oil & Gas PSUs operating in North East India. Specially, their initiatives were seen and analyzed with respect to rural development.*

**Keywords :** *Corporate Social Responsibility (CSR), Public Sector Undertaking (PSU), Rural Development, Providing Urban Amenities in Rural Area (PURA), Entrepreneurship Development]*

## Introduction

Every commercial organization have an impact on society at large through their operations, product or services, and their interactions with key stakeholder groups including shareholders, employees, customers, suppliers, investors and the local community. It was assumed earlier that the organizations were working for

the shareholders only to maximize profit at social cost, because of this the role of Corporate Social Responsibility (CSR) increased and companies have give importance to it. There is no single, commonly accepted definition of CSR and the concept is often used interchangeably with other terms including corporate

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governance, corporate citizenship, business ethics, corporate responsibility and sustainability. Moreover definition varies in different cultural and national settings. From the 1950s till today, the concept of CSR has gained considerable acceptance and the meaning has been broadened to include additional components. Corporate Social Responsibility in a globalized industrial world is about making the business investment and the community promise sustainable for the company and for the communities where it operates in, its people and environment. It demands responsible governance-based on principles of leadership, integrity, respect, commitment and relationships.

No doubt, vast majority of the India's poorest people lives in villages and these villages are in a state of neglect and underdevelopment with impoverished people. The problem of ignorance, ill health, high mortality and illiteracy are most acute in rural areas. This is not only because of shortage of material resources but also because of defect in our planning process and investment pattern. India has the potential to meet these challenges in these areas. However, the efforts of government may not be adequate to provide basic services to all its citizens. It is being increasingly recognized that progress and welfare of the society is not only the responsibility of the government alone, but many other stakeholders need to be involved to attain the development goals. The corporate sector has a pivotal role to play to ensure development through philanthropy, profit sharing, or

private investment flow to those rural areas that have been left out of the development process so far and also to work for sustainable development in the rural areas in general.

Corporate considered them as an integral part of society and accordingly act in social responsible way that goes beyond economic performance. As a result of this shift from purely profit to profit with social responsibility, many corporate are involving with Corporate Social Responsibility activity. It is essentially a concept whereby companies decide voluntarily to contribute to the society to make it better. On the other hand, it denotes the responsibility of an organization towards the society in which it operates. CSR is regarded as a vehicle through which companies give something back to the society. It involves providing innovative solutions to societal challenges. But the challenges for development of professionals and business community are to identify CSR priorities and the areas of interventions which are meaningful in the context of the rural development sector.

Therefore, there is a need to study and understand how corporate enterprises are using CSR initiatives and its impact of the CSR action on socio-economic development of the people in rural areas. Here, researcher has made an effort to find out the initiatives taken by Oil PSUs for the rural development activity in North East India without compromising their profit and efficiency. At the same time this paper will highlight the impact of CSR action in rural areas.

### Literature Review

The beginning of the debate on CSR is marked by a landmark study commissioned by the Federal Council of Churches of Christ in America, entitled "The Social Responsibility of Business Man" (1953) authored by Howard Bowen. This study, concerned with detailing the specific social responsibilities of businessmen. He argues that businessmen must assume "a large measure of responsibilities if the economic system of free enterprise is to continue and prosper", appealing to enlightened self interest. And although Bowen addresses questions such as "What constitute good citizenship for a business enterprise? How does a moral enterprise behave? Or what kind of business decisions promotes the end of modern society and what kinds detract?" Then he explained that the social responsibility of businessman refers to the obligations of businessmen to pursue those policies, to make decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.

Frank Abrams(1951) a top executive with Standard Oil, published a remarkable piece of reflection on "Management's Responsibilities in Complex World" in the Harvard Business Review, a title that seems even more topical today than almost sixty years ago. Abrams urged his fellow managers, i.e., businessmen, to think of themselves as professionals with an explicit sense of duty not just to shareholders, employees, and customers, but also to the public in general: "management must understand that the

general public - man and women everywhere - have a very deep interest in, and are affected by, what is going on". He, thus, introduces an early stakeholder's perspective.

Friedman's (1970) piece on CSR, which first appeared in the New York Times Magazine, which arguably had the most sustainable impact. Friedman famously claimed "that the social responsibility of business is to increase its profits". He argues that business and corporations have in fact no responsibilities, in contrast to a corporate executive. As a business person and "an agent serving the interest of his principal" the executive has direct responsibility to the principal, namely "to conduct business in accordance with their desires, which generally will be to make as money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical customs.

But the 1970s are also marked by serious attempt to define CSR more broadly. The Committee for Economic Development (1971) which, came up with a multilevel perspective; the inner circle consisting of a corporations basic economic responsibilities, the middle level of current social and environmental concern and the outer circle of emerging responsibilities.

Steiner (1971), defined CSR as "enlightened self interest", as what goes beyond obeying the law in terms of "what every good citizen does".

Eels and Walton (1974) define it as "concern with the needs and goals of society", but it shows multiple references

to the “legal responsibility” of a corporation, to “being ethical”, doing charitable action, or ensuring legitimacy. One of the founding definitions of the modern concept of CSR is much-cited four-part model of CSR by

Carroll (1979) given a definition and a model on CSR which is considered as modern concept of CSR is much cited. According to this model, the corporations have four types of responsibilities: first the economic responsibility to be profitable; and second, the legal responsibility to abide by the laws of the respective society. These two parts are the mandatory part of business responsibility. The third responsibility is ethical and obliges corporations to do what is right, just and fair even when business is compelled to do so by the legal framework. Rather than being mandatory, the issues linked to the ethical responsibilities should lead to voluntary action by corporations, but are – as Carroll puts it – “expected” from business. The fourth area of responsibility is labeled philanthropic and describes those activities “desired” by society, such as contributing resources to various kinds of social, educational, recreational or cultural purposes.

Donaldson (1982); French (1984) and Velasquez (1983) they discussed about corporate moral agency marked in some way the emergence of business ethics as an academic discipline. It become clear that corporations can indeed be considered moral agents, because they have specific intention and decision structures and thus the capacity to engage

in moral decision making, to control their policies, rules, and actions and even to respond to ethical criticism, e.g., by external stake holders.

Moreover, Europe enters the discussion – a discussion that is propelled by “dark cases” like Bhopal Gas tragedy by union Carbide and Exxon Valdez; the European Business Ethics Network (EBEN) is founded in 1987 and, last but certainly not least, the Journal of Business Ethics, begins its influential work.

In 1990s bring further specialization and first business ethics theories: global warming and environmental concerns shift attention to issue of sustainable development and beyond mere social towards “triple bottom line”.

Donaldson and Dunfee (1994; 1999) put forward an “Integrative Social Contract Theory”.

Fombrum (1996); Jackson (2004) and Kotler & Lee (2005) talks about the CSR as “strategic corporate responsibility” ranges from risk and reputation management and measure to enhance client focus and benefits to initiative in which “ social and business benefits are large and distinctive”.

After 2000s we seen more logical developments in the area of CSR and taken a shape of strategic in nature.

Zairi (2000) has established that the impact of social responsibility on business performance and corporate image, CSR should be included in business excellence models. By extrapolation, it can be argued that if CSR impacts on factors including

company reputation and corporate image, that it shares characteristics with, and therefore can be regarded implicitly as an integral component of at least some models of corporate identity.

Bastenson (2006) explains CSR may motivate corporations to appear moral without bearing the costs and consequences of actually being moral.

Porter and Kramer (2006) as leading proponents of instrumental theory argue that “the essential test that should guide CSR is not whether a cause is worthy but whether it presents an opportunity to create shared value”. Consequently, corporations should engage in “truly strategic CSR”; “it’s about choosing a unique position – doing things differently from competitors” In other words, CSR is no longer considered a social or even a moral obligation of a corporation to society at large, but a mere market opportunity to achieve competitive advantage.

Ulrich (1997/2008) has given theory of an “Integrative Business Ethics” which talks about the ethical concerns of the business organizations in a competitive world of business.

Vogel (2006) not surprisingly explained the number of CSR reports has risen exponentially in recent years, demonstrating just how responsible corporations behave and that they should be trusted as good citizens around the world. Yet, the way CSR has been transformed into “strategic Corporate Responsibility” since the beginning of the millennium leaves the door wide open for moral hypocrisy.

The study of CSR in North East India was not conducted in a desired manner. In this backward region lots of works have been carried by the different corporate houses covering a number of fields. Das and Haldar (2011) in their study found that public sector companies in Assam working for the development of rural people by undertaking various socio economic activity since last two decades. In another study by the same people (2012) found similar set of organization working for the socio-economic development of Tripura. These CSR activity leads to employment generation, rural infrastructure development, women empowerment through self employment and nutritional programmes helps rural people to fight poverty and live respectful life ultimately organizations are enjoying reputation and enhanced image in the mind of common people.

### **Objectives**

The objective of the study on the whole is to generate information about the performance of CSR action taken by the Oil PSUs operating in North East India with special reference to rural development and the project implemented for benefit of the local people. And assess the impact of CSR action on socio-economic development of rural population in North East India.

### **Research Methodology**

The study is based mainly on both primary and secondary data. Primary data were collected through field visit in different places of Assam and Tripura. Some interaction was done with the company

officials and local people. Secondary data have been collected from companies' annual reports, Magazines and websites. Some reputed journal in the field of business ethics and corporate responsibility were also consulted. Altogether five Public Sector Companies have been selected, which have their operations in North East India. The information and data used for the study ranging a period of 10 years starting from 2001 to 2011.

### **Corporate Social Responsibility Projects of Oil PSUs in North East India and its Impact**

In North East India, most of the companies in Oil and Natural Gas sector have been incurring expenditure for social cause as a part of their corporate citizenship policy. They are working in various fields, of which, we try to list only few which were directed to rural development.

Despite the main concern to find more oil and gas, the corporate oil and gas PSUs have always given top priority towards the upliftment of the less privileged sections of the society in which it operates. Since, this sector generate profits, it has a philosophy to contribute for well-being of the society to improve the quality of the people amongst whom it works, to the possible extent. It is also committed to maintain ecological balance and protection of the environment in its operational activities. Special emphasis of pollution control and safety measure have been undertaken to prevent environmental degradation and accidents respectively.

Here in this paper, researcher has tried to find out specific activities done by the respective corporate body for uplift of weaker section of the society and the community, and environment at a large. The companies' under study in Oil and Natural Gas Corporation (ONGC), Oil India Ltd. (OIL), Indian Oil Corporation (IOC), Gail India Ltd (GAIL), Tripura Natural Gas Company Ltd (TNGCL) and Numalighar Refinery Ltd (NRL)

ONGC was set up by the Government of India in 1956 is a premier company in the field of production and conservation of hydrocarbons, self reliance in technology, promoting indigenous effort in oil and gas related equipment, materials and services. The ONGC has a policy which is known as "Corporate citizen policy". According to this policy ONGC is actively involved in promoting education, healthcare, entrepreneurship and supporting water management in the community, in and around its area of operations. ONGC is also providing natural calamity relief throughout the country.

For last few years ONGC has spent Millions of rupees every year to develop educational infrastructure in various primary and middle level school of Assam, with special thrust on Information Technology, computers were distributed to various schools, colleges and other educational institutions to spread computer awareness. ONGC in an extra ordinary gesture and goodwill has given one modern mobile cancer detection unit to the people of Sibsagar, Assam in 2005 by spending Rs. 1 Crore. ONGC doctors organize health awareness

programs to promote mass consciousness for health and hygiene, including HIV-AIDS Awareness. Besides this, ONGC extends monetary assistance for the development of specialized medical facilities in some of the hospitals of Assam. A massive entrepreneurship scheme by way of developing and supporting genuine Self-Help Groups has been undertaken by ONGC in the Sivasagar district in collaboration with the District Administration and the State Institute of Rural Development (SIRD). Yuva Samridhi is a project undertaken by ONGC for the promotion of Self-Help Groups and creation of self employment opportunities in Sivasagar district. Under the District Administration, Bank and ONGC created approximately 4000 direct employment for unemployed youth in the district for this project ONGC has contributed approximately Rs 22 Lakhs. To set-up an example ONGC has contributed money for purchase of milk van, deep freezer, and cycles for distribution of milk to Sundar Pukhuri Milk Co-operative Society in collaboration with State Veterinary Department for this project ONGC has contributed Rs. 20 lakhs to Veterinary Department of Assam.

The natural disasters like flood, cyclone and earthquake have been often wreaked havoc in Assam. It also extends assistance by way of sending medical teams, distributing food packets, water, clothing and other material in the affected areas. ONGC is regularly donating to the Chief Minister's Relief Fund and to Red Cross Society for flood affected people of Assam. With an objective to uplift the

weaker sections of the society, ONGC, Assam Asset has been spending nearly Rs. 15 lakh per annum under the SC/ST Component plan on education and training, medical care and entrepreneurship scheme for the members of the weaker communities. It has done some remarkable work in certain areas like, Subodh Nagar village under Cachar District which is one of the most backward villages in the area of India-Bangladesh Border. ONGC had built one school building and given all types of furniture, which makes it one of the model schools in Cachar District. It has contributing Rs. 7 Lakh every year to centre for Rural development (CRD) for the innovative project "Rickshaw Bank Guwahati". This project is working under the concept of microfinance. Under this project it provide Rickshaws to participating pullers, and in turn the Rickshaw pullers have to refund a daily minimum amount of Rs. 20 towards the cost of Rickshaw. And on one year, the participants are the owners of their rickshaws.

ONGC is running different health programmes in Assam; one of this is mobile cancer detection unit in Assam. It is fully supporting a project known as "Aakha" the Boat of hope a mobile medical ships for tribal living in Majuli island in Assam. ONGC launched its first PURA project in 2005 at Maichara of East Kalabaria Panchayat in Belonia Sub-Division of South Tripura District. The project is providing four components to the rural people, i.e., (a) Bijli Ghar (Power Generation), (b) Randhan Seva

(Community Kitchen), (c) Gyan Kendra (Library and Computer centre) and (d) Samaj Shibir (Community Hall). The project envisages supplying power to the selected five villages under its fold using natural gas. The project also includes building village roads, health care facilities and vocational training institute. Actual investment of the project was not available, but an executive of ONGC, Tripura Asset has informed that the cost may more than 25 Crore for over 5 years starting from 2005 to 2010 and providing all the facilities for electrification of 400 families and creating rural infrastructure.

The Oil India Ltd. (OIL) has its Head Quarter at Duliajan, Dibrugarh, Assam. OIL is an Oil & Gas exploration and production company, it became a fully owned PSU of the Government of India in October, 1981 by taking over BOC of Digboi oil fields changed hands from Assam Oil Corporation (AOC) to OIL. OIL, a premier national oil company has evolved as a "people's Company" by being actively involved in the overall development of the people residing in and around company's operational areas, especially in Assam and Arunachal Pradesh. In the year 1983, OIL conducted a social survey in its operational areas in the North East with the help of Dibrugarh University to evolve a CSR Strategy. Based on the recommendation of the survey, the company introduced a scheme called "Social Welfare programme" (SWP) in 1984 and later on another scheme called "Area Development scheme" (ADS) in 1996. The SWP places OIL's commitment of

protecting the environment, upliftment of education, health and socio-economic development a top most priority. All round development of education, rural infrastructure, primary health care, environmental protection, promotion of sports, and assistance to youth and women organizations to carry out community development activities are some of the key areas covered under SWP. From the year 2005-06 onward OIL is contributing more than Rs. 5 crore every year for the project. The ADS covers the construction of rural roads, setting up of educational institution and primary health centers in the North East Region and other operational areas of the company. OIL signed a MoU with the State Institute of Rural Development (SIRD) at the company's 'fields' Head Quarter in Duliajan on 8<sup>th</sup> September, 2003. The guiding provisions of the MoU are a long term vision to generate sustainable self employment avenues for the unemployed youths in and around company's operational areas in upper Assam. The SIRD has an extensive networking with other state of India. They have the experience and resource persons to provide hands on training to the youths. The attractive scheme of SIRD has been providing agricultural machinery like power tiller to poor farmers with 50% bank ended subsidy. Some of the significant community development initiatives undertaken by OIL are construction of 100 bridges and 1400 KMs of rural roads in Assam. Financial assistance was provided to over 1500 educational institutions in and around OIL's operational area in Assam,



approximate assistance for each school is about Rs. 2 Lakhs. Financial assistance to NGO's working for socio-cultural, sports, youth development and women organization specially those who are working for SC/ST and under privileged people. OIL provides assistance (Farming equipment, hybrid seeds, fertilizers etc.) and technical guidance to the farmer in nearby villages of OILs operational area for agricultural development. Till now, more than 300 power tillers had been provided to SHGs under special Swarnajayanti Gram Swarozgar Yojana (SGRY) through credit linkage from nationalized banks with the help of SIRD till 2011. OILs handicrafts Training and Production Centre was established in 1984 at Duliajan to impart training to women on handicraft, weaving, embroidery and tailoring on monthly stipendiary for a period of 9 month. Two hatchery units with capacity of 34000 was installed at Duliajan under the project Rupantar Scheme of OIL, also a growth centre with modern handlooms has been installed for the training and production diversified handloom products in Eri and Muga silk.

Indian Oil Corporation Ltd is the largest commercial undertaking and the 1<sup>st</sup> Indian Company in fortune's Global 500" ranking of the world largest industrial and service management. It is currently India's largest company in terms of sales and profit in petro-chemical sector. It was incorporated in 1959 as Indian Oil Company Ltd., become an corporation in 1964 after it got merged with Indian Refineries Ltd. As an active founder of

Global Compact, Indian Oil has not only steered its CSR philosophy in accordance with its vision and mission statement but has also woven the corporate strategies around it. The Global Compact Statement serves as a guiding principle of the United Nations agenda on Human Rights, Labor Standards, Environment and anti-corruption. The early social welfare of the Assam Oil Division (AOD) were concentrated on making Digboi a model township with good sanitation, housing, medical education and recreational facilities, the operations of AOD have made far reaching impact on the socio-economic development of North east India. AOD has taken the initiatives to introduce modern farming techniques in the villages neighboring Digboi with technical assistance from the Assam Agricultural University, Jorhat. Several farmers co-operative societies have been supplied with high-yielding varieties of seeds, fertilizers, insecticides, power-tillers, deep tube well and motor driven water pumps resulting in improved crop yields in that area. Multi crop farming has been introduced in some villages with the assistance of youths trained in integrated farming and necessary facilities were provided to them. To open a small tea garden AOD has provided necessary training and assistance to 52 local unemployed till 2007. With the help of District Fishery officials, 51 educated unemployed youth have been given training in fishery development. A Trade Apprentice Course has been conducting since 1962 for imparting trade skills to local and rural youths in various trades. 423 youngsters have been trained under

this programme since 2000. Last but not least, to facilitate the availability of clean drinking water, AOD has provided deep tube wells and hand pumps in 158 villages till 2008. Indian Oil Corporation's, Assam Oil Division's has assisted in setting up a Handloom Training Centre in the State of Monipur, which is giving training to hundreds of people and making them self employed.

GAIL is a Novaratna Company under public Sector Units. The company was previously known as Gas Authority of India Ltd. It is India's principal gas transmission and marketing company. It was set up by the Government of India in August 1984 to create gas sector infrastructure in the country. GAIL-Tripura office was started in the year 1992. Last 10 years Gail has made a Expenditure of Rs. 17262034 as CSR contribution for last 10 years in Tripura, on an average of Rs. 20 lakhs every year. Only a few of them mentioned here which have relevance of rural development. GAIL has conducted Medical Check-up, distribution of medicine, Immunization, Medical awareness etc., programs were taken up in the various villages in and around its pipelines. These programs were conducted through Indian Medical Association of Tripura and Voluntary Health Association of Tripura. Almost every year GAIL is spending for the healthcare service of the local people. Apart from it Gail has constructed Health Sub-centre in Konabon Gram Panchayt under BishalGhar Block. GAIL has constructed two OBB building of a new dispensary at old Agartala under Jirania

Block, also given one ambulance, five beds and other medical instrument for the same dispensary by. Showing its social commitment GAIL has constructed I.C.D.S centre in Radhanagar Gram Panchayt under Bishalghar Block. GAIL has done very well in the rural infrastructure creation in the form of electrification and street lighting where state government was not able to lay electric line, GAIL has electrified through solar light. Among few of them are worthy to mention here:

- Electrification of Baluchera bazaar of Boxanagar Block through solar light.
- Installation of solar streetlight at Konabon market under Bishalghar Block.
- Electrification of Brajendra Coloney, near ADB Dome ONGC, Prabhapur Mauza of Jampuijalla Block.

Tripura Natural Gas Company Limited was incorporated on July 10, 1990 as a joint venture of the Government of Tripura and the Government of Assam and restructured on February 15, 2005 on joining of GAIL, a Navaratna Company, as the major share holder. Though it a very new corporate body which is generating profit only from financial year 2006-07 also contributing funds for CSR and a part of it was spent for rural development. Its remarkable work in this area is to contributing funds to a number of NGOs for the development programmes and for plantation of tree in rural areas. Apart from it TNGCL is distributing study material and school uniform to a number of school in rural area.

Numalighar Refinery Ltd., (NRL) is a Government Company by virtue of subsidiary of Bharat Petroleum Corporation Ltd., was set up at Numalighar in the District of Golaghat in accordance with the provisions made in the historic Assam Accord signed on August, 1985. The 3 MMPTPA Numalighar Refinery Ltd., was dedicated to the nation by the then Hon'able Prime Minister A. B. Vajpayee on 9<sup>th</sup> July, 1999. NRL has been able to display creditable performance since commencement of commercial production in October, 2000. NRL has put their best foot forward pertaining to the social and economic upliftment of the region around it. So far NRL has done following contribution for rural development for the region: Multi-cropping initiatives taken up by NRL in the nearby villages has yielded rich harvest and helped the farmers to grow 2-3 crops in a year, 265 farmers from 32 villages with 1180 benefitted from the venture. Consultants from Indian Institute of Entrepreneurship were engaged for Entrepreneurship Awareness Programme for unemployed youths for their self-employment in different part Assam. Training of Animal Husbandry to the villagers of nearby area i.e., Panka village by the Veterinary Department with the sponsorship of NRL. Training organized from time to time for SHGs to develop skills in handloom and financial aid is extended for promotion of silk, tribal handloom and handicrafts. NRL has provided all kind of assistance for chilly cultivation for Rupali SHG of Numalighar Block village. NRL also distributes seeds, fertilizers and pesticides through Pathar

Parichalana Committees of nearby villages and gives assistance for fish-culture projects, financial assistance were provided to many SHGs for purchase of Tractors. NRL has provided financial & other assistance for establishing modern biscuit factory by Gayatri Self-help group at Napather village. Assistance provided for setting up of piggeries and dairy farming to many SHGs at Ouguri. NRL has renovated and expanded about 20 schools in rural places and distributed furniture and reading aids to another 40 schools of Golaghat district, Average expenditure per school is Rs. 2.5 Lakhs only. Also, NRL has developed 3KM village road in Rong-Bong village of Golaghat district.

Above mention CSR activities were only a few of them out of their overall activity. These activities are only targeted to rural people for their development and enhancement of quality of life.

### **Result and Findings**

The study shows that all surveyed companies present themselves as having CSR policies and practices. All the companies reflect their CSR philosophy or social, environmental and ethical objectives in mission and vision documents, organizational policy and plans. These companies have been working in various fields, only a small percentage of that is directed for rural development. After analyzing the data we observed following facts:

- Among the companies surveyed, we find that the fore runner is ONGC and IOL. It has done a spectacular job for

the development of rural infrastructure, health, employment and education in North East. It has done all these in areas which may fall under their operational area or not.

- The study reveals that, the CSR program of all companies to increase the living standards of rural people by providing livelihood, either through agriculture or self-employment through training and development was highly appreciated or encouraged by the local people where these projects were done.
- The study reveals that companies implement CSR program with respect to rural infrastructure/education through different types of institutions and agencies, i.e., (a) the company through its own CSR division and Human Resource Department (b) CSR activities implemented through partnership with NGOs, academic institutions or local government bodies. (c) CSR activities implemented through partnership with Local Government or MPs and MLAs.
- By the new Companies Act 2013 government has made it mandatory for all corporate both public and private company, with certain financial capability or turnover under the Oil and Gas Sector should spent 2% or more for CSR. Out of this there should be a provision to spent at least 25% for rural development.

#### **Limitations of the Study**

It is obvious to mention some of the limitations of the study encountered by

the researcher for completion of the study. The data for the present study were collected from different regional and project offices of the Oil and Gas Company operating in North east India. Some of their expenditure is purely for CSR and some of others are for development of their business only, the action which is done for the development of business also included under CSR. For example all these Oil and Gas PSUs have constructed different bridges and roads which are also used by the local people or some time it is a part of national or state highways but very important for their business operation, and booked under their business and as a part of CSR expenditure. All these companies are spending millions of rupees in India & abroad and some projects are continuous in nature and may in collaboration with state governments or local authorities. More over all CSR allocation made to their Regional Office or Branch Office, as well as some projects directly sponsored by the Central Office or Head quarter. In this present study, we taken only those projects which are important for rural development and changed the quality of life of rural people. Therefore, it is very difficult to find out actual cost/ expenditure for the projects mentioned above.

#### **Conclusion**

The conclusion of this study is that social responsibility is regarded as an important business issue of Public Sector Companies in the field of Oil exploration and marketing, irrespective of their size,

business goals, and location of their companies. Now, it is also mandatory by the Companies Act 2013 that companies have to perform CSR Activity and they have to spend certain amount for the same. They realizing that without socio-economic development of the local communities, there can be no stability and sustainability for doing business for long run. A wide range of initiatives ranging from income generation activities for livelihood, health check-up camps, mobile health services, education, adult literacy, agricultural development, provisions for drinking water, management and development of natural resources and infrastructural facilities are being carried out by these companies in rural areas of North-East India. In some rural areas where government of India was not able to provide these facilities for last 60 years, these companies have developed a hope to the local people for development of these areas. Finally, it can be concluded that, CSR initiatives being implemented by these corporate houses for rural development have a positive impact in overall development of the society and their business.

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