



# Corporate Social Responsibility Practices of the Selected Tea Companies in Eastern India– A comparative Analysis in Light of Regulation Provision of India.

Priyanka Sharma, Dr. Amit Majumdar

Research Scholar, Department of Commerce, University of Calcutta

Principal, Maharaja Srischandra College, University of Calcutta

## Abstract

Corporate Social Responsibility has evolved from a voluntary ethical practice to a critical dimension of sustainable business practice. It is a pathway to long term success and not merely ethical governance. The tea industry is one of the oldest and the prominent agriculture sectors in India, where CSR plays a vital role in the development of marginalized communities. India is the second- largest producer of tea in the world. The paper highlights the need for CSR in the tea garden and an attempt has been made to highlight how the selected company has been able to implement various projects under the CSR activities, how these initiatives have not only improved the brand image but brought positive changes for the society.

Keywords: CSR, The Plantation Labour Act,1951, The Company Act,2013, Welfare activities, Social Development, Social Responsibility.

## Corporate Social Responsibility in Tea Garden

Corporate Social Responsibility (CSR) is a self-regulatory business model which promotes benefiting society and the environment and not just making profit but giving back to the society in a positive way. CSR broadly refers to the commitment of corporations to operate in an ethical and sustainable manner while addressing their welfare, environment and economic responsibility. The concept of corporate social responsibility has gained global prominence as businesses are not recognized as just economic entities but also as contributors to social welfare, sustainable economic practices and environmental protection. Corporate social responsibility reflects awareness that the business organization has broader responsibility towards their stakeholder, employees, consumers, community and the environment. The Companies Act, 2013 has elevated the significance of CSR in India, making eligible companies dedicate a portion of their profit to welfare programs and community development initiatives. Tea plantations are often located in remote rural areas where workers usually reside within the tea estate area making workers and their families depend heavily on the management for their basic livelihood and social welfare. Corporate social responsibility plays a crucial role in the development by improving the living standards of workers, promoting education and healthcare, protecting the environment and supporting economic growth. CSR

initiatives included several key areas like providing fair wage, safe working conditions, offering healthcare facilities, ensuring access to clean drinking water, maintaining worker housing, promoting education among workers children and educating workers.

## Legal Framework of Corporate Social Responsibility in India

### The Plantation Labour Act, 1951

The Plantation Labour Act, represents a notable milestone in the evolution of labour welfare legislation in India, particularly targeting the plantation sector. The Act was designed in the post-independent period to address the historically exploitative and unregulated working conditions in tea, coffee, rubber and other related plantation based industry. The Act establishes a legal framework to safeguard the rights, ensure equitable treatment and improve the quality of life of plantation workers.

### Key provision of The Plantation Labour Act, 1951

- **Provision as to health:** Plantations are required to provide clean drinking water, maintain proper sanitation facilities and medical facilities.
- **Provision as to welfare:** Plantations are required to provide suitable housing for workers and their families, education facilities for workers children, canteens, crèches and recreational facilities.
- **Provision as to hours and limitation of employment-** The Act prescribes the regulation of weekly hours, weekly holidays, daily intervals for rest, prohibition of employment of children, women and children must not be employed during night hours, except in cases permitted under special provision.
- **Provision as to leave and wages:** Plantations are required to provide annual leave with wages, wages must be paid to workers taking leave under section 30, sick leave and maternity benefits to women workers.
- **Provision as to appointment of welfare officer:** Plantations are required to appoint a welfare officer to monitor the implementation of welfare measures.

### Corporate Social Responsibility

Corporate Social Responsibility is legally mandated for certain companies in India. Applicable Companies for mandatory CSR:

- The company should have a net worth of ₹500 crore or more.
- The companies should have turnover of ₹1000 crore or more.
- Lastly, the net profit of the company should be ₹5 crore or more.

Key provision for application of CSR: Companies should spend 2% of average net profits over the last three years on CSR activities under Schedule VII. Non-compliance of mandatory CSR under section 135 of Companies Act, 2013 attracts severe and penalty.

### Objective of the study

To analyze the Corporate Social Responsibility policies and practices adopted by the selected tea company.

### Literature Review

Goowala(2014): The study was conducted in three tea gardens, how they fulfill their responsibility towards the society. The paper highlights how the company based tea industry has introduced many worker welfare activities, but the tea garden workers are unaware of the benefits they should get.

Rao and Bernaz(2020): The paper explores how UK based companies fulfill their responsibility to respect the human rights of workers of Assam tea plantation, through qualitative content analysis of publicly available corporate reports and other documents. The study reveals the weakness of the current corporate social responsibility approach from the perspective of rights-holders. The conclusion shows the gap between the situation on the ground and what companies report on Assam is striking.

Chatterjee and Majumdar(2017): The Paper highlights how tea companies have introduced many workers welfare initiatives, women empowerment and its improvement, social development, better working conditions, provide better medical and sanitation facility however , taking lacunae of the plethora of acts where we are operating many organization are taking escape route and focused on personal development. Therefore necessary measures should be taken for holistic as well as inclusive development of the society.

Subba(2024): The study was conducted to understand socio-economic conclusions in Moonda Kotee tea estate. The study highlights the fact that the tea gardens of Darjeeling continuously face the major challenge of getting closed down and the plantation workers are surrounded by severe economic as well as social challenges, to which the management pays very little attention.

Abeesh P and Nair(2024): The study was conducted to examine the socio-economic status of tea plantation laborers in the Gudalur taluk of Nilgiris district, Tamil Nadu. The study is based on primary and secondary data. For primary data 70 respondents were interviewed by using a well structured interview schedule. The authors conclude that the socio-economic status of the tea plantation labourers is very poor due to geographical isolation, lack of education and irregular job opportunity. Therefore, authors suggest encouraging education and skill development of tea plantation laborers will help to achieve higher socioeconomic status.

#### **Data source**

The study is based on secondary data. The data on corporate social responsibility practices on major tea gardens in West Bengal are collected from various sources which are websites, journals, newspapers, reports, books and company electronic disclosure.

#### **Sample Size**

The study is based on three leading tea companies in India, McLeod Russel India Limited, Goodricke Group Limited and Jayshree Tea and Industries Ltd.

#### **Plan of our work**

The activities are categorized as:

#### **Philanthropic Responsibility**

- Healthcare Initiatives
- Education support
- Drinking, sanitation and housing
- Community Development

#### **Economic Responsibility**

- Employment
- Training
- Responsible Investment
- Establish Business linkage

#### **Environmental Responsibility**

- Use of Sustainable Resources
- Use of Pesticides
- Renewable Energy

### McLeod Russel India Limited

McLeod Russel India Limited is one of the world's largest tea growing companies. Its headquarters is in Kolkata, West Bengal. It operates across Assam, West Bengal, and internationally in Uganda and Vietnam.

Table 1: Expenditure of McLeod Russel India Limited on Corporate social responsibility from 2016-2024.

fig. in Lakhs

Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Expenditure towards Corporate Social Responsibility (CSR) activities	197.93	17.94	12	NIL	NIL	NIL	NIL	NIL

Source- Author's tabulation based on the data from the annual report.

The table above shows mandatory corporate social responsibility expenditure of McLeod Russel India Limited from 2016-2024. As per the requirement of section 135 of the Companies Act, 2013, the company was not required to spend on CSR activities during 2019-2024 since the company had no average net profit during the three immediately preceding financial years.

The company has spent on different projects as a part of CSR activities. In 2016-2017 the company spent Rs 197.93 lakhs on the projects, construction of infrastructural facilities for the student at Assam Valley School, vermicompost production by village and lastly donation to elderly ladies at old age home and educational support to slum children. In 2017-2018 the company spend Rs 17.94 lakhs , vermicompost production by village, promotion of traditional weaving skills of the local ethnic community, support to library complex cum information centre and development of infrastructure of residential hostel and donation to elderly ladies at old age home and educational support to slum children. In 2018-2019 the company spent Rs 12 lakhs on donations to elderly ladies at old age homes and educational support to slum children.

### Philanthropic Responsibility

- **Healthcare Initiatives:** McLead Russel India Limited operates 33 hospitals with well equipped infrastructure and specialist doctors in the tea estates. The company has initiated a free eye clinic in Assam. The company bears all the cost of treatment, including medicine and any other expenses. Not only estate workers but people from surrounding areas have visited the clinic for free eye checkup.  
Operation Smile: It is also found that the company has partnered with the project 'Operation Smile India' and organized screening camps with their help in 2011. The initiative is to treat children born with cleft lip and palate.
- **Education support:** The company had built 95 primary schools across 33 tea estates in Assam and West Bengal. It provides primary education to employees children's. Uniforms, books and stationery are distributed regularly to students who are from economically weak backgrounds. The company also assists students who are unable to pay tuition fees. The students who want to study further in secondary level are assisted with transportation facility to reach the school outside the estate.  
The Assam Valley School is constructed by The Williamson Magor Education Trust, which is a contribution by the company for education. The company also introduced the Williamson Magor Scholarship Scheme in the academic year 1992-1993. It provides scholarships to 6 children annually.

It also promotes creative geniuses who have inspired the new generation through Assam Valley Literary Award.

- Housing, Drinking and sanitation: All the employees working in the company are provided residential accommodation with safe drinking water and sanitation facilities. The company has implemented the Twinings Sanitation Project to improve access to water and sanitation.
- **Community Development:** The company implements different initiatives for development of society as a whole, such as workforce nutrition initiatives, Bodo Handloom Scheme (BHS) community-based scheme to empower women and generate extra income to improve livelihood and Community Development Fora(CDF) that engages all stakeholder of tea estate to identify key issue prevalent and take ownership to provide solution for them.

### Economic Responsibility

- Employment- Mcleod began plantation of tea in India in 1869 and has been providing large scale employment opportunities since then. The company employs more than 73,000 employees in the rural areas.
- Training- Mcleod focuses on regular training for safety, skill development and capacity building of the employees through formal training programs. They also recruit a team of management trainees for their tea garden and provide them structured training.
- Responsible Investment- Mcleod invests in different sectors like upgrading medical, school and sanitation facilities in the tea garden for development and welfare of the workers.
- Establish Business linkage- Mcleod promotes economic responsibility by promoting business linkage with local communities and small producers which encourages their sustainability in generate income to improve livelihood.

### Environmental Responsibility

- Use of Sustainable Resources- It is found that the company promotes environmentally friendly farming by promoting reforestation, responsible field management, composting of organic waste and soil conservation.
- Use of Pesticides- Harmful pesticides are avoided to prevent harmful contamination of tea leaves and soil.
- Renewable Energy- The company contributes in conserving renewable energy resources through new technology. It has experimented with solar power projects.

### Goodricke Group Limited

Goodricke Group Limited is one of India's largest tea producing companies. It is a subsidiary of Camellia Plc which is UK-based. Goodricke has its headquarter in Kolkata, West Bengal. It has its tea garden located in Assam and West Bengal.

Table 2: Expenditure of Goodricke Group Limited on Corporate social responsibility from 2016-2024

fig. in Millions

Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Expenditure towards Corporate Social Responsibility (CSR) activities	5.43	5.39	6.72	8.22	5.82	4.31	3.21	2.45

Source- Author's tabulation based on the data from the annual report.

The above table shows the mandatory corporate social responsibility expenditure of the Goodricke Group Limited from 2016-2024.

The company has spent on different projects as a part of CSR activities. In 2016-2017 the company spent Rs 5.50 millions on the projects, Goodricke School for Special Education, Interlink and Green Centre School. In 2017-2018 the company spent Rs 5.44 millions on the projects, Goodricke School for Special Education, Interlink and Green Centre School. In 2018-2019 the company spent Rs 6.73 millions on the projects, Goodricke School for Special Education, Interlink, Utkarsh(CSR Consultancy) and Computer Room and e-Library in Garuajhar High School, Udalguri, Assam. In 2019-2020 the company spent Rs 8.46 millions on the projects, Goodricke School for Special Education, Interlink, IICP and Green Interpretation Centre. In 2020-2021 the company spent Rs 6.48 millions in the CSR activities. In 2021-2022 the company spent Rs 4.95 millions on the project, Goodricke School for Special Education, Interlink, IICP. In 2022-2023 the company spent Rs 4.88 millions on the projects, Goodricke School for Special Education, Interlink and Indian Institute of Cerebral Palsy. In 2023-2024 the company spent Rs 6.63 millions on the projects as a part of CSR activity. The amount spent by the company is more than mandatory CSR. Goodricke Group has made significant contributions on special education for differently abled children, vocational training for livelihood, environment sustainability and solar projects.

### Philanthropic Responsibility

- Healthcare Initiatives- Well equipped hospital and maternity clinics for the garden workers. Overseas doctors perform surgery for cleft lip and foot, all subsidized by the company.
- Education support- Primary education is provided in the tea estate area, further transportation facility is provided for students who pursue higher education. Scholarship is also provided to deserving students. The company operates 72 schools and a major contribution by the company is Goodrick School for special Education in Siliguri, the school is mainly established for specially abled children.
- Drinking, sanitation and housing- The company provides free housing facilities to all the tea garden workers and basic sanitation facilities are also maintained to improve living conditions of the workers and their families.
- Community Development- The tea garden provides employment to socially under privileged tribes and provides them multiple benefits. The company extends their corporate social responsibility like healthcare and education not only to the tea garden worker but also to marginalized communities outside the tea garden.

### Economic Responsibility

- Employment- The company provides employment to thousands of employees across Assam and West Bengal.
- Training- The company provides vocational training programs to increase employment opportunity and livelihood.
- Responsible Investment-The company highlights promoting sustainable farming practices and enhancing workers welfare.
- Establish Business linkage- The company is broadening its operation into FMCG and hospitality, establishing business linkage.

### Environmental Responsibility

- Use of Sustainable Resources- The company has initiated organic plantation in Darjeeling tea garden contributing in enhancement of human and animal health.
- Use of Pesticides- The company is making continuous effort for reducing use of harmful pesticides and only use safe and approved pesticides in the tea garden.
- Renewable Energy- The company has initiated reducing carbon footprint and investing in renewable energy.

### Jayshree Tea and Industries Ltd

Jayshree Tea and Industries Ltd. Established in 1945 is one of India's well-known tea producing companies. It owns and manages 17 tea estates across Assam and West Bengal, which produces high quality tea for domestic and international markets.

Table 3: Expenditure of Jayshree Tea and Industries Ltd. on Corporate social responsibility from 2016-2024

fig. in Lakhs

Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Expenditure towards Corporate Social Responsibility (CSR) activities	9.54	11.96	9.70	8.35	9	9.5	9.5	8.4

Source- Author's tabulation based on the data from the annual report.

The table above shows the expenditure towards corporate social responsibility activities by Jayshree Tea and Industries Ltd. from 2016-2024.

The company has spent on different projects as a part of CSR activities. In 2016-2017 the company spent Rs 9.54 lakhs in Health and Education in Cachar, Assam. In 2017-2018 the company spent Rs 11.96 lakhs in Health, Education and Sports( promotion of rural sports by organizing tournaments) in Cachar, Assam. In 2018-2019 the company spent Rs 9.70 lakhs in Health, Education and Sports( promotion of rural sports by organizing tournaments) in Cachar, Assam. In 2019-2020 the company spent Rs 8.35 in Health, Education and Sports( promotion of rural sports by organizing tournaments) in Cachar, Assam. In 2020-2021 the company spent Rs 9 lakhs in Health, Education and Sports( promotion of rural sports by organizing tournaments) in Cachar, Assam. In 2021-2022 the company spent Rs 9.5 lakhs in Health, Education and Sports( promotion of rural sports by organizing tournaments) in Cachar, Assam. In 2022-2023 the company spent Rs 9.5 lakhs in Health, Education and Sports( promotion of rural sports by organizing tournaments) in Cachar, Assam. In 2023-2024 the company spent Rs 8.4 lakhs in Health, Education and Sports( promotion of rural sports by organizing tournaments) in Cachar, Assam.

### Philanthropic Responsibility

- Healthcare Initiatives- The company had provided hospitals, divisional dispensaries and Resident Medical Officer in the estate area for the workers and their families. Additionally the company provides regular eye and dental checkups, family planning camps and HIV/AIDS awareness. The company also reimburses for any medical expenses incurred while the worker is treated in any other hospitals.
- Education support- The company has established various pre-school crèches, primary and secondary school, which includes Jayshree high school in Assam. It also donated a new science building to Kakojan College in Jorhat, Assam. Scholarships are provided to meritorious students.
- Housing, drinking water, sanitation - Clean water is provided as per WHO standards to the workers. Covered toilets are established for every worker with septic tanks.

- Community Development- The company has constructed an indoor stadium in Assam for sports and culture. Selected workers are annually provided basic household items like cooker, quilts, water filters, umbrella, stove and cycle.

### **Economic Responsibility**

- Employment- The company employs thousands of workers across Assam, West Bengal and South India.
- Training- The company provides training for improving work efficiency in plantations to the worker.
- Responsible Investment- The company is a part of responsible investment as they promote cultural preservation and community welfare, by restoring the Sivadol Temple. Initiatives by Sai Samaj temple community, also runs a rehabilitation programme for the de-addiction of alcohol and drugs.
- Establish Business linkage- The company creates linkage through community development & CSR.

### **Environmental Responsibility**

- Use of Sustainable Resources- The company actively engages in afforestation programmes, social forestry, river cleaning and conservation of flora and fauna across the tea estate. The tea gardens under Jayshree Tea are certified under sustainability and organic standards such as Rainforest Alliance, The Ethical Tea Partnership, USDA Organic certificate, Indian Organic and UTZ Certification.
- Use of Pesticides- The company regulates various practices to minimize harmful chemicals.
- Renewable Energy- The company focuses on solar power and sustainable agriculture practices.

### **Conclusion and Suggestion**

Corporate Social Responsibility and profit of the firm are not the conflicting goals rather if CSR is implemented responsibly in the business practice it can benefit everyone concerned. The Goodricke Group has made a significant contribution to the education sector, with a continuous focus on differently abled children programs. The CSR activities are performed mostly in West Bengal. McLeod Russel India Limited has made contributions in various CSR projects across Assam, mainly a club for elderly ladies, promoting small businesses and women empowerment and education support to slum children in Assam and in West Bengal. Jayshree Tea and Industries Ltd also has made a significant contribution to the community as a part of CSR projects, mainly in health, promoting education and sports in nearby village of Cachar, Assam. Most of the CSR amount is spent on projects in Assam. CSR activities should not confine to a single institution or location, but the investment should be invested in multiple projects and multiple locations. Companies can follow Schedule VII, of the Companies Act, 2013 to include more activities under corporate social responsibility policy. Companies should really try to make a difference, improve credibility and impact, the company must strengthen implementation practices, regularly assess outcomes through independent evaluation and feedback and ensure accountability.

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