

A Study on Corporate Social Responsibility – A case study with Reliance Industries

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Abstract:

Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable—to itself, its stakeholders, and the public. Reliance Foundation (RF) is a not-for-profit organization established by RIL to bring about changes in Indian society seamlessly. CSR is for the community, it is equally valuable for a company. CSR activities can help forge a stronger bond between employees and corporations, boost morale and help both employees and employers feel more connected with the world.

Key words: 1. Reliance foundation 2. Employers 3. Activities

Introduction of the company

Reliance Industries Limited (RIL) is an Indian aggregate holding organization headquartered in Mumbai, Maharashtra, India. Reliance possesses organizations crosswise over India occupied with vitality, petrochemicals, materials, characteristic assets, retail, and media communications. Reliance is the most beneficial organization in India, the biggest traded on an open market organization in India by market capitalization, and the second biggest organization in India as estimated by income after the administration controlled Indian Oil Corporation. The organization is positioned 203th on the Fortune Global 500 rundown of the world's greatest partnerships starting at 2017. It is positioned eighth among the Top 250 Global Energy Companies by Platts starting at 2016. Reliance keeps on being India's biggest

exporter representing 8% of India's all out stock fares with an estimation of Rs 147,755 crore and access to business sectors in 108 nations. Reliance is in charge of nearly 5% of The Government of India's all out incomes from traditions and extract obligation and is additionally the most astounding Income citizen in the private segment in India.

Objectives:

- ❖ To study about the various CSR activities in Reliance Industries
- ❖ To study the fund allocation for the activities taken up by Reliance Industries
- ❖ To determine financial support towards various activities
- ❖ To recommend suggestions based on the findings.

Methodology:

Secondary Data: The information required for the case study is collected from Websites.

Scope:

The present study is confined to Canara bank only and analysis is made based on the information available in Annual reports and Websites.

Shashank Shah and Sudhir Bhaskar(2010) are of the opinion that there is a wide relationship between the corporate and the public. They make use of the resources like men, material etc and in turn return to the society in the form of service. This was found during a case study attempted by them in Bharat Petroleum Corporation Ltd. BPCL has taken edge to dole out the society.

Debabrata Chatterjee in his studies stated that Corporate Governance practices are highly commendable. He made a detailed study based on four parameters – Approaches to Corporate Governance, their structure and practices, Board committees and CSR activities. The study was based on ITC and Infosys, and Infosys was doing a better job.(shodgangotri, n.d. 2010)

Prasenjit Maiti (2011) in his paper entitled “It is Politics or Profits or even Compassion? Unravelling the Motivation for Corporate Citizenship” he investigated theoretically the concept of corporate just prior to their CSR activities. The study discusses that CSR is associated with market changes, returns of the companies and some ethical dynamics.

Moinka Hartman(2011) in her article “CSR in the food sector” gave an analysis on the significance of CSR in food sector especially companies with good brand image. The study revealed that Food sector at all times tries to better up their services to the customers as they found that consumers preferred those food products which gave priority to CSR activities.

Harbajan Bansal, Vinu Parida and Pankaj Kumar (2012) in their research titled “Emerging trends of CST in India” reviewed 30 companies and 11 sectors in Bombay Stock Exchange. They choose sectors like PMCG, Oil and Gas, Cipla, Equipment etc, and came to a conclusion that the companies motive is not only to earn profits but also society friendly and sustainability development.

CSR Activities of Reliance Foundation

Reliance Foundation (RF) is a not-for-profit organization established by RIL to bring about changes in Indian society seamlessly.

RF is a committed player in improving the quality of life of the underprivileged by zeroing in on different focus areas – education, disaster response, sports for development, rural transformation, arts culture and heritage and urban renewal.

Established in the year 2010, the Reliance foundation is led by Mrs Nita M Ambani. The foundation and its philanthropic initiatives have created a positive impact on more than 12 million people in 10500 villages across India.

Corporate Social Responsibility at the RF – Reliance aims to align its business goals and priorities with social commitments. The strategy is to provide as much holistic development to people and local communities as possible. They improve the quality of lives of the underprivileged sections of the society by taking initiatives proactively.

CSR Policy of Reliance

Reliance foundation concentrates on Reliance CSR activities by focusing on the three pillars –

1. Endless direct engagement with the society and community,
2. Creating relationships, partnerships and collaborations with institutions and

3. expanding and using the power of IT

The CSR activities of Reliance are also in conformity of the Sustainable Development Goals that are outlined in the United Nations 2030 Agenda for Sustainable Development.

The key philosophy of RIL behind all their thoughtful CSR activities is guided by three core commitments:

1. S-Scale
2. I-Impact
3. S-Sustainability

Objectives:

- ❖ To study the efforts taken by the companies in this field and their impacts on the company
- ❖ To find out how corporate social responsibility is serving as a determinant of corporate success

Research Methodology

Type of Research: Descriptive Research

Data collection method:

The data is purely secondary in nature and the knowledge has been obtained only through various articles available on various websites.

Corporate Social Responsibility Philosophy: The Company's initiatives support inclusive growth.

Focus Areas of Engagement

For a company with diversified businesses like RIL, there are several opportunities to increase and deepen social impact significantly and generate value for all. RIL seeks to strategically consolidate the Company's CSR initiatives to focus on discrete social problems and enable people to earn their livelihoods. To streamline its social initiatives, the Company, in its CSR policy, has identified six focus areas that aim to positively and holistically impact society.

Rural Transformation

- Healthcare
- Education
- Environment
- Protection of National Heritage, Art and Culture
- Disaster Response

RIL has undertaken numerous initiatives aimed at developing the communities around which the Company conducts its operations. The overriding objective is to create value and ensure all inclusive growth.

RIL is working assiduously to ensure that economic wealth is not just limited to the privileged, but distributed in a manner that benefits the marginalised sections of society.

The Company has made significant contributions to help shape India's vision of inclusive growth. Sustainable development strategies have helped RIL to create thriving eco-systems towards profitable growth and creation of societal value for multiple stakeholders. RIL goes beyond its business activities to create societal impact through its diverse initiatives.

The Company has been involved in various social responsibility initiatives over the decades. In 2010, these activities were brought under the Reliance Foundation (The Foundation), the umbrella organisation for the Company's social sector initiatives. Through these initiatives, the Company engages with communities to ensure their well-being by enhancing access to quality education and healthcare, capacity building for employment generation, access to good infrastructure and ecological conservation.

CSR EXPENDITURE

Rs. In Crore	2017-18	2016-17	2015-16	2014-15
Rural Transformation	195	138	103	73.10
HealthCare	148	267	315	140.72
Education	373	227	222	66.71
Environment	4	11	10	1.20
Others	51	31	9	69.27

Total	771.00	674.00	659.00	351.00
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RESULTS OF CSR INITIATIVES

Rural Transformation

- ✓ Livelihoods of 1.2 million+ farmers, fisherfolk and livestock owners enhanced (over 4.8 million since inception)
- ✓ Eco-consistent soil conservation resulted in bringing more than 7,000 Ha of land under sustainable agricultural practices (over 64,000 Ha since inception)
- ✓ Water harvesting and conservation efforts resulted in bringing over 32,000 hectares of land under irrigation since inception
- ✓ More than 73 billion litres of water harvesting capacity has been created since inception. As a result, 307 villages were made water secure
- ✓ Over 7 million saplings were planted this year to promote biodiversity (over 20 million since inception)

Healthcare

- ✓ Over 5 lakh health consultations provided to patients through Reliance managed hospitals, mobile and static medical units and various health camps (over 40 lakh since inception).
- ✓ Over 33,900 women were screened for anaemia, of which 8,000 women were diagnosed and received treatment for it (over 45,900 women screened, of which more than 12,000 women were treated since inception).
- ✓ Over 29,700 children were screened for malnutrition and of these more than 2,000 children were found malnourished and followed up for treatment (over 42,500 children screened and more than 3,500 received follow-up treatment since inception). Over 1,000 severely malnourished children were linked to rehabilitation centres for treatment.
- ✓ The eye care services supported 1,096 corneal transplants under the Drishti Programme (more than 15,500 transplants since inception).

- ✓ Over 400 HIV affected children were provided care and support along with nutrition supplementations.
- ✓ Over 0.44 million health consultations provided to patients through Reliance managed hospitals, mobile and static medical units and various health camps (4 million since inception)
- ✓ The eye care services supported 1,207 visually impaired individuals under the Drishti Programme (17,000+ corneal transplants since inception)

Education

- ✓ 528 meritorious students were given scholarships to pursue higher studies (over 13,100 scholarships since inception).
- ✓ Under Education for All initiative, quality education was provided to about 1 lakh underprivileged children. This year, the initiative supported 12 partner NGOs for this noble cause.
- ✓ Launched a Digital Learning Van that will provide access to digital learning to thousands of underprivileged children across Mumbai.

Sports for Development

- ✓ The RF Jr. NBA programme has scaled up to 10,000+ schools across 34 cities through its physical education curriculum. So far, the programme has inspired 9 million children and youth to adopt healthy, active lifestyle
- ✓ The RF Young Champs programme is supporting 48 talented young football players through scholarships to hone their skills with world-class facilities and best-in-class trainings
- ✓ In its second year, RF Youth Sports programme introduced athletics while continuing with football. The programme reached out to 4.7 million youth from 3,400+ educational institutions across 34 cities

Disaster Response

- ✓ Supported more than 100 drought affected villages across 4 districts of Maharashtra by providing over 60 million litres of drinking water.

- ✓ Sona river in Aurangabad rejuvenated, ensuring drinking water security for more than 14,000 people.
- ✓ Provided support through technology enabled solutions to the flood affected areas in Madhya Pradesh. Under this, timely information on the disaster related compensations, procedures for availing it and disease management of crops was disseminated to the affected people.

Arts, Heritage and Culture

- ✓ Extended support to the annual concert, “Abbaji”, organised by Ustad Zakir Hussain in the memory of his father, Ustad Allah Rakha Khan. This concert featured renowned musicians who came together to pay tribute to the legendary Guru.
- ✓ Supported ‘8 Prahar’, an event dedicated to Indian classical music, bringing together singers including Padma Vibhushan Sangeet Martand Pandit Jasraj to delight music lovers in Mumbai

Urban Renewal

A cable suspension bridge “Sudama Setu” that connects River Gomati and Panchkui area is constructed by Reliance. It is now facilitating the pilgrims to visit the Panchnad and Panchkui area.

Table showing the year wise expenses of CSR activities in Reliance Industries

Financial Year	CSR Expenditure (Rs. Crore)
2014-15	762
2015-16	659
2016-17	674

2017-18	904
2019-20	1022

Interpretation: It is clearly stated that in the year 2014-15 an amount of 762 crores was incurred towards CSR activities, 659 crores in 2015-16, 674 crores in 2016-17, 904 crores in 2017-18 and 1022 crores in 2019-20. These expenses are incurred towards Healthcare, Education, Rural transformation, Environment and others.

Suggestions:

- ✓ One of the long term targets of any organisation is a vow to create a powerful trade name both within and outside. Within the organisation they can strengthen the employees involvement and experience but exterior the business establishes its brand with a commitment to CSR. Its liable to sustainability, social and environmental impact.
- ✓ Organisations get positive response through media, better reputation or creating stronger community connections. So organisations should believe in CSR and create a strategy to achieve it.
- ✓ CSR will be impactful when it is local focus. Even if it is a global company, activities can effect in local communities.
- ✓ Involving employees in the procedure builds motivation and a sense of autonomy which can encourage advancement.

Conclusion:

Corporate Social Responsibility is essential in India as more than 65% of population is living in rural areas. There are huge differences between urban and rural India in terms health care facilities, education levels, infrastructure, housing, nutritious food, awareness on their rights of protection, etc. In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013 encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities. CSR is viewed as vital tool for improving their

competitive edge over their opponents. India is the first country in the world which made CSR compulsory for business houses as per companies act -2013. The corporate sector in India has to share responsibility with government for promoting the community development. Social welfare and community development is at the core of Reliance's CSR philosophy and this continues to be a top priority. Reliance embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. It revolves around our deeply-held belief in the principle of symbiotic relationship with the local communities, recognising that business ultimately has a purpose - to serve human needs. Close and continuous interaction with the people and communities in and around the manufacturing divisions has been the key focus while striving to bring around qualitative changes and supporting the underprivileged.

Reliance Industries Limited process the environment initiatives, education programs healthcare programs, rural development program, etc. at their own working community for enhancing the quality life of the company's employees and maximizing the shareholders profit. Although, CSR approach owes in dispensable positive impacts to the society. Reliance also supports and partners with several NGOs in community development and health initiatives. Besides focusing primarily on the welfare of economically and socially deprived sections of society, Reliance also aims at developing techno-economically viable and environment-friendly products and services for the benefit of millions of its consumers, while at the same time ensuring the highest standards of safety and environment protection in its operations.

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