
OVERVIEW OF CORPORATE SOCIAL RESPONSIBILITY OF RELIANCE INDUSTRIES LTD.

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Abstract

Corporate social responsibility is an important concept in India and it is rapidly picking up pace. Corporate social responsibility refers to the initiatives of corporation or company to assess and take responsibility for its effects on environment and social wellbeing.

The business organizations realized that they would have to rise over and above the profitability and take care of all those associated with their survival in society directly and indirectly. This realization resulted into the concept of Corporate Social Responsibility. In India various companies like TATA, Reliance Industries Ltd.etc. are taking initiatives in relation to CSR. The objective of this study is to understand the concept of CSR (Corporate social responsibility) and the CSR activities of the Reliance industries Ltd. This study is based on secondary data which is collected from various websites, companies's annual reports and CSR reports.

Keywords: - Corporate social responsibility, Reliance industries ltd., Companies Act 2013 CSR activities.

INTRODUCTION

Corporate social responsibility refers to the initiatives of corporation or company to assess and take responsibility for its effects on environment and social wellbeing. The business organizations realized that they would have to rise over and above the profitability and take care of all those associated with their survival in society directly and indirectly. This realization resulted into the concept of Corporate Social Responsibility. The term CSR may be relatively new to India but the concept dates back to Mauryan history, where philosophers like Kautilya emphasized on ethical practices and principles while conducting business. CSR informally practiced in ancient times in form of donation or charity to poor and needy people. During the period of independence struggle, Mahatma Gandhi urged to powerful industrialists to share their wealth for the benefit of society. He gave the concept of trusteeship.

Various steps have been taken in recent years to make Indian entrepreneurs aware of social responsibility as an important part of business activities.

CSR AS PER COMPANIES ACT 2013

According to section 135 of Companies Act 2013 every company having net worth of Rs.500 crore or more, or turnover of Rs. 1000 crore or more or net profit of Rs. 5 crore or more during any financial year shall constitute a corporate social responsibility committee of the board consisting of 3 or more directors, out of which at least one director shall be an independent director. This committee shall formulate and recommend to board, a CSR policy which shall indicate the activities to be under taken by company as specified in schedule VII. These companies should also contribute at least 2% of average net profit made

during 3 immediate preceding financial years on CSR activities. This rule came into force from 1st April 2014. Various companies like TATA, Reliance Industries Ltd.etc. are taking initiatives in relation to CSR.

OBJECTIVE OF STUDY

- To understand the concept of CSR
- To know the main focus areas of Reliance industries in regard to CSR
- To know the CSR activities of Reliance Industries during 2016-17

RESEARCH METHODOLOGY

The research is based on secondary data. Various websites, annual reports and CSR reports have been used for access of information.

DEFINITIONS OF CORPORATE SOCIAL RESPONSIBILITY

The World Business Council for Sustainable Development:-“Corporate Social Responsibility is continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of workforce and their families as well as of local community and society at large.”

Mallenbaker definition:-“CSR is about how companies manage the business processes to produce an overall impact on society.”

PROFILE OF RELIANCE INDUSTRIES LTD.

RIL is an Indian conglomerate holding company headquartered in Mumbai, Maharashtra, India. It was founded by Shri Dhirubhai H Ambani. It is most profitable company in India. The company is ranked 203th on Fortune Global 500 list of world’s biggest corporation as of 2017. It owns businesses across India engaged in energy, petrochemicals, textiles, natural resources, retail and telecommunications.

CSR AND RELIANCE INDUSTRIES LTD.

Reliance industries have performed major social responsibilities towards the betterment of society. It has valuable contribution in term of health, education, environment, rural development etc. Reliance industries ltd. won the Golden Peacock Award 2017 for the success of its corporate social responsibility. The company has been involved in various social responsibility initiatives over the decade. In 2010 these activities were brought under Reliance Foundation, the umbrella organization for social sector initiatives of company. Reliance has undertaken initiatives in compliance with schedule VII of section 135 of Companies Act 2013.

EXPENDITURE DURING 2016-17 ON CSR ACTIVITIES BY RELIANCE

CSR EXPENDITURE	FY 2016-17(RS. IN CRORE)
RURAL TRANSFORMATION	138
EDUCATION	227
HEALTH	267
SPORTS FOR DEVELOPMENT	27
DISASTER RESPONSE	11
ART, CULTURE AND HERITAGE	01
URBAN RENEWAL	03
TOTAL	674

MAIN FOCUS AREAS OF RELIANCE INDUSTRIES LTD IN REGARD TO CSR ARE:-

RURAL TRANSFORMATION:-

Reliance works towards bridging the developmental gap between rural 'Bharat' and urban India by improving rural livelihood, addressing poverty, malnutrition and hunger. The organization works to improve the productivity of farm lands, ensuring water security by water conservation and rain water harvesting. Reliance's information services provide important and timely information to farmers, fishers folk and livestock owners for taking right decisions to improve income and livelihood and also avert avoidable risks.

Activities of Reliance Industries in this regard in 2016-17

- Over 2200 ha of land was brought under improved cultivation.
- Water harvesting structures created to collect over cubic metres of rain water, securing 131 villages from drinking water perspective.
- Water harvesting and conservation efforts resulted in bringing over 2900 Ha land under irrigation.
- Livelihoods of more than 8 lakh farmers, fisher folks and livestock owners enhanced.
- In order to promote bio-diversity and preserve the ecology, over 12 lakh saplings were planted.

EDUCATION

RIL is also working for providing quality education, training, skill enhancement for improving quality of living and livelihood. It has been providing educational scholarships to students since 1996. Reliance Industries is promoting primary, secondary and higher education through merit cum means scholarships across the country. Since inception, Reliance has supported the upliftment of 13100 meritorious children from poor socio economic background. Reliance supported the Bombay Community Public trust's English E-tech project which aims to improve quality of English of poor children. This initiative has reached about 2 lakh children in Maharashtra.

Activities of Reliance Industries in this regard in 2016-17

- 528 meritorious students were given scholarship to pursue higher studies.
- Launched a Digital Learning Van that will provide access to digital learning to thousands of poor children across Mumbai.

HEALTH

Reliance industries ltd. is taking various initiatives to bring improvement in awareness and healthy living practices in various part of India. The focus is on improving primary, secondary and tertiary healthcare facilities to enhance preventive and curative services. Through Drishti programme, the company has supported a number of visually impaired persons with corneal transplant surgeries.

Activities of Reliance Industries in this regard in 2016-17

- Over 5 lakh health consultants provided to patients through reliance managed hospitals, mobile and static units and various health camps.
- Over 33900 women were screened for anemia, of which 8,000 women were diagnosed and received treatment for it.
- The eye care services supported 1096 corneal transplants under Drishti programme.
- Over 400 HIV affected students were provided care and support along with nutrition supplementations.
- Over 29,700 children were screened for malnutrition and of these more than 2,000 children were found malnourished and followed up for treatment.

SPORTS FOR DEVELOPMENT

Reliance promotes health, an active lifestyle and fitness among youth through sports activities. Honorable Prime Minister Shri Narendra Modi launched Reliance Foundation Youth Sports programme in July 2016. This programme aimed at promoting sports in more than 50 cities in India by 2020 and creating opportunities for youngsters to pursue sports as career.

Activities of Reliance Industries in this regard in 2016-17

- 18 children were awarded scholarships under Youth Champ programme for developing football abilities.
- About 6 lakh students across 18 cities of India were encouraged to adopt healthy life style by integrating basketball into their physical education curriculum through the Reliance Foundation Jr.NBA programme.

DISASTER RESPONSE

Reliance has track record of organizing timely relief and rehabilitation of communities that are affected by natural calamities.

Activities of Reliance Industries in this regard in 2016-17

- It supported more than 100 drought affected villages across 4 districts of Maharashtra by providing more than 60 million litres of drinking water.
- Sona River in Aurangabad rejuvenated, ensuring drinking water security for more than 14000 people.
- Provided support to flood affected areas in Madhya Pradesh by providing timely information on disaster related compensations, disease management of crops to affected persons through technology enabled solutions.

ART, CULTURE AND HERITAGE

Activities of Reliance Industries in this regard in 2016-17

- It provided support to annual concert, "Abbaji" organized by Ustad Zakir Hussain in memory of his father, Ustad Allah Rakha Khan to pay tribute.

URBAN RENEWAL:-A cable suspension bridge “Sudama Setu” is constructed by Reliance that connects River Gomati Panchkui area.

TOTAL AMOUNT AND PERCENTAGE SPENT BY RELIANCE IND. IN LAST 6 YEARS ON CSR ACTIVITIES

CSR EXPENDITURE (AMOUNT IN CRORE)

Areas/ Years	Rural transformation	Health	Education	Sports for development	other s	total	Profit After Tax (pat)	% of pat on CSR
2011-12	24	91	75	0	61	251	19724	1.27
2012-13	74	141	67	0	69	351	20879	1.68
2013-14	166	417	80	1	48	712	22493	3.17
2014-15	127	608	18	04	4	761	23566	3.23
2015-16	107	314	215	09	7	652	27630	2.36
2016-17	138	267	227	27	15	674	29901	2.25

After analyzing the total expenditure on CSR by Reliance Industries one can interpret that main areas which was considered by Reliance Industries for CSR spending are 1) Health 2) Educations 3) Rural transformation. It can be seen that reliance has focused mainly on health area. In the year 2011- 12 and 2012-13 annual CSR spending is less than 2% of PAT but after 2013 when 2% of average profit made immediate preceding three years CSR spending is made compulsory by law spending on CSR increased to double. Sports were not to be important factor in year 2011-12 and 2012-13, but after 2013 Reliance started focusing on sports development.

CONCLUSION

In present era, CSR is considered to be a vital aspect for growth and goodwill of the company. Before the imposition of law spending done under CSR was purely out of will, it was not compulsory by ministry of corporate affairs. The companies should contribute toward society and environment because they use the resources from society to generate profits. It has great impact on their goodwill or reputation. Reliance has done various efforts toward various areas but its main priority areas are health, education and rural transformation. It is expected that in future Reliance industries ltd. will maintain its CSR standard and help in sustainable development of country.

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