



Corporate Social Reporting Practices in Reliance Industries Ltd during 2010-11 to 2014-15 – a step towards Sustainable Development

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Abstract: *In present competitive scenario there is cut throat competition for creating value through sustainable reporting and these reporting practices also bring transparency and provide more valuable information which attracts many new stakeholders. India is the first country which proposes to make Corporate Social Responsibility mandatory for the companies through Companies Act, 2013. In this act it is specified that every company, Private Ltd or Public Ltd. Which either has net worth of Rs.500 crore or a turnover of Rs 5 crore needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities.*

The 2013 Companies Act has introduced several provisions which would change the way Indian corporate do business and one such provision is spending on Corporate Social Responsibility activities. Before the Companies Act 2013, it was voluntary basis, but now Corporate Social Responsibility has included in law.

India is the first country which proposes Corporate Social Reporting mandatory. Many companies were voluntarily providing the Corporate Social Responsibility report, but now it is mandatory to provide Corporate Social Responsibility activities in annual reports. It creates awareness regarding social responsibility of the company and discharges its obligation towards the society and also Corporate Social Reporting provides more information and creates value and goodwill for the company.

The present study examines the Corporate Social Responsibility of Reliance Industries Ltd. This study compares social activities of five years i.e. 2010-11 to 2014-15 of Reliance Industries Ltd. The present study will definitely add to existing literature of Corporate Social Reporting. The study concludes that Corporate Social Reporting should be mandatory for all so that various stakeholders get more qualitative information for holistic development of people and communities. All companies will also become more responsible towards the society to get competitive advantage. RIL seeks to strategically consolidate the Corporate Social Responsibility initiatives to focus on discrete social problems and enable people to earn their livelihoods to streamline its social initiative, the company in its Corporate Social Responsibility 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 made significant contribution to help shape India's vision of 'Inclusive Growth'. RIL goes beyond its business activities to create societal impact through its diverse initiatives. At RIL, Corporate Social Responsibility is embedded in the long term business strategy of the company. RIL aims to continue its efforts to build on its traditional of social responsibility to empower people and deepen its social engagements. Through the Corporate Social Responsibility initiatives, the company engages with communities to ensure their well-being by enhancing access to quality education, healthcare, capability building for employment generation, access to good infrastructure and ecological conservation. RIL always supports Government programs like 'Swach Bharat Abhiyan', 'Save GIRL Child', 'Girl's Education', 'Sarva Shiksha Abhiyan', 'Clean Ganga Project' etc.

Keywords: *Corporate Social responsibility, Sustainable Growth, Social Accounting and Reporting Practices.*

I. INTRODUCTION

The business enterprise is a part of the society. The corporate is a business enterprise which undertakes business to earn profit. The corporate is expected to earn profit to meet its obligations towards different stakeholders like shareholders, debenture holders, banks and financial institutions, suppliers, government, customers, investors and community (society) at large. In order to have



continuous support from society, firms need to undertake social activities and report such activities for the society to judge their performance. Corporate Social Reporting is a goal oriented concept to embrace responsibility for the company's actions and encourages a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and the entire member at public sphere.

Corporate Social Responsibility is a concept whereby companies integrate social and environmental concerns to their business operations and in their interaction with their stakeholders on voluntary basis.

The present paper took the example of RIL a fortune 500 company to clearly explain the sustainable growth through Corporate Social Responsibility. RIL Corporate Social Responsibility initiatives are aimed towards personnel development, social empowerment and creating livelihoods.

This paper provides an overview to how RIL has committed its Corporate Social Responsibility in every aspect of society.

II. REVIEW OF LITERATURE

The concept of social accounting originated in different forms by Adam Smith (1776) and Karl Marx(1884), built development into full-fledge concept in the 1960's and 1970's. Singh and Ahuja (1983) conducted first study in India on Corporate Social Responsibility of 40 Indian public sector companies for the year 1975-76 and found that 40% of the companies disclosed more than 30% of total disclosure its included in their survey.

But this studies or survey are not focusing on how much percentage of total revenue is utilized towards the growth of the society. As per the trend of publishing sustainability report by the MNCs now a days, the actual contribution by these companies can easily be evaluated in terms of total revenue.

In this paper attempt has been made to evaluate performance of RIL towards Corporate Social Responsibility in terms of all the percentage of social expenditures on total revenue and percentages of Corporate Social Responsibility activities of total Corporate Social Responsibility expenditure over the years.

III. NEED FOR THE STUDY

Indian companies have faced strong international competition in many ways including reporting and disclosure practices. Over the few decades, especially after opening of the Indian economy in the early 1990's.

Corporate Social Responsibility and accounting is still in a formative stage and there is no uniformity in reporting and disclosure practices followed by various organizations.

Besides, the need for study in area at Corporate Social Responsibility and Reporting stems from the following reasons:

1. There is a need for developing a useful and feasible corporate social accounting and reporting framework.
2. The system of corporate social accounting and reporting is emerging over a period of time through a process of change. In this process, difficulties are found with reference to applying conventions which are applicable to financial accounting.
3. It is the demand of the situation that Corporate Social Accounting & Reporting should be made mandatory for companies to publish their social income statements and balance sheet in a prescribed format along with the annual reports. Thus, no company would be in a position to ignore its social responsibilities.

There is need to study the Corporate Social Responsibility report 2010-11 to 2014-15 of RIL to know if they deliver social obligations to create platform for sustainable growth.

IV. OBJECTIVE OF THE STUDY

The objective of the study is to examine and observe the Corporate Social Reporting and sustainable growth report for year 2010-11 to 2014-15 of RIL and to find out how much the company performs according to their prior commitment of contributing towards sustainable growth of the society for this purpose percentage of various social activities expenditures on total Corporate Social Reporting expenditure are determined.

V. METHODOLOGY

The Corporate Social Reporting practice of RIL is examined by analyzing the contents of sustainability reports 2010-11 to 2014-15 provide on the company's website.



By taking data for the year 2010-11 to 2014-15 Corporate Social Responsibility information analysis and comparative study has been made in relation to various Corporate Social Responsibility activities expenditure compared to total Corporate Social Responsibility expenditure. This shows how many percentage of Corporate social Responsibility expenditure is made.

VI. STUDY, ANALYSIS AND COMPARISON OF DATA

Table showing Corporate Social Responsibility activities expenditure in comparison of total Corporate Social Responsibility expenditure (in crore)

C S R Activities	2014-15	2013-14	2012-13	2011-12	2010-11
Rural Transformation	126.33	165.72	73.10	21.69	28.35
Health Care	608.25	416.69	140.72	91.03	46.99
Education	21.80	80.76	66.71	75.06	91.01
Environment	0.42	0.52	1.20	2.15	0.76
Others	3.78	48.03	69.27	61.34	34.23
Total	760.58	711.72	351.00	251.27	201.34

Source: RIL annual report on its website

In order to evaluate the performance of RIL, while discharging the duty towards society, I have made a content analysis. Further comparison has been made for five years (i. e. 2010-11 to 2014-15) of CSR to study the percentages of CSR activities expenditure to total CSR expenditure.

Table showing CSR activities wise expenditure in Percentage to total CSR expenditure.

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Expenditure on Rural Transformation	126.33	165.72	73.10	21.69	28.35
% of expenditure on total CSR expenditure	16.60 %	23.28 %	20.82 %	8.63 %	14.08 %
Expenditure on Health Care	608.25	416.69	140.72	91.03	46.99
% of expenditure on total CSR Expenditure	79.97 %	58.55 %	40.09 %	36.22 %	23.33 %
Expenditure on Education	21.80	80.76	66.71	75.06	91.01
% of expenditure on Total CSR expenditure	2.87 %	11.34 %	19.00 %	29.89 %	45.20 %
Expenditure on Environment	0.42	0.52	1.20	2.15	.76
% of Expenditure on Total CSR Expenditure	0.06 %	0.07 %	0.34 %	0.86 %	0.38 %
Expenditure on other CSR Activities	3.78	48.03	69.27	61.34	34.23
% of expenditure on Total CSR expenditure	0.50 %	6.75 %	19.73 %	24.41 %	17 %

It is observed that total CSR expenditure is increasing over the years (2010-11: 201.34 crore, 2011-12: 251.27 crore, 2012-13: 351 crore , 2013-14: 711.72 crore , 2014-15: 760.58 crore)

It is observed that expenditure on Rural transformation is fluctuating over the years (2010-11: 28.35 crore, 2011-12: 21.69 crores, 2012-13: 73.10 crore, 2013-14: 165.72 crore 2014-15: 126.33 crore)

It is found that expenditure on Health Care is increasing over the years (2010-11: 46.99 crore, 2011-12: 91.03 crore, 2012-13: 140.72 crore, 2013-14: 416.69 crore, 2014-15: 608.25 crore)

It is found that expenditure on Education is decreasing over the period of time except in year 2013-14 (2010-11: 91.01 crore, 2011-12: 75.00 crore, 2012-13: 66.71 crore , 2013-14: 80.70 crore , 2014-15: 21.80 crore)

Expenditure on other CSR activities is fluctuating over the years (2010-11: 34.23 crore, 2011-12: 61.34 crore, 2012-13: 69.27, 2013-14: 48.63 crore , 2014-15: 3.78 crore)

There are some other notable achievement which the RIL has achieved which shows the progress towards CSR and sustainable development and growth.

1. At RIL CSR is embedded in long term business strategy of the company. For RIL, business priorities co-exists social commitment to drive holistic development of people and communities. The company's CSR initiative helps to elevate the quality of life of millions especially disadvantaged and weaker sections of society.
2. RIL seeks to strategically consolidate the company's CSR initiative to focus on discrete social problems and enable people to earn their livelihoods
3. Water security by rain water harvesting of 447 lakh cubic meter of rain water.
4. RIL has currently 456 knowledge partners across different states in India.
5. 3000 plus patients benefited at Dhirubhai Ambani Hospital for HIV/AIDS with free consultation, counseling, investigation and treatment by anti retrieval therapy.
6. 4,00,288 individuals from 1,09,333 families have been enrolled to receive medical care.
7. Under the Reliance Foundation" Drishti" 14,000 plus people's corneal transplants have been done.
8. In an endeavor to prevent road accidents 2,60,000 truck/tanker drivers are trained for "Defensive Driving Techniques" under 'Drivers Safety Training Programme.



9. Total 1,63,500 tonnes of soil has been conserved by Reliance Foundation.
10. A very unique and significant initiative 'REFERS' (Reliance Employee and Family Emergency Response Scheme) offers 24 by 7 assistance in case of medical, fire, accident and security emergencies.
11. Under the 'Education for All' initiative over 27,000 under privileged children were uplifted through equal education opportunities.
12. Under the 'Girls Education Initiative' RIL Jamnagar supported Government of Gujarat drive to promote Girl's Education, approximately 1,600 school kits were distributed to encourage enrollment of girls in schools.
13. Relief efforts were made by RIL at Uttarakhand Flood Disaster. RIL was first organization to lend a supporting hand.
14. More than 11,00,000 sapling have been planted on individual and common land to promote bio-diversity.
15. Total 22,250 patients were treated under 'Primary health Center' operations.
16. Towards tapping natural resources more than 6,000 solar street lights installed.

VII. CONCLUSIONS, FINDINGS AND SUGGESTIONS

The initiative taken by Government of India for making CSR mandatory for certain companies will bring a paradigm shift (change) in traditional reporting practices. The present study analysis the present condition of degree of social responsibility of Indian Companies by taking case study of RIL.

From the study it is found that steps taken by RIL towards sustainable growth of the society have increased as compared to past. As per the collected data and analysis RIL keep the momentum of contribution of revenue towards sustainable growth for the society is boomed.

On an average RIL increased its contribution towards social expenditure from Rs. 201.34 crore in year 2010-11 to Rs. 760.58 crore in year 2014-15. RIL also involved in various sustainable activities like Health Care, Rural Transformation, Environment Protection, Protection of National Heritage, Art, Culture, Disaster Response, Saplings Plantation, Education etc. and lot more for society. This shows RIL tried to tackle the subject of CSR in an all dimension manner.

To improve the understand ability, Uniformity, Comparability of Corporate social information, this study suggests making it mandatory and a standard format for disclosure of social information should be prescribed by The Ministry of Corporate Affairs by amending in Indian Companies Act. There is strong need for the harmonization among Corporate Social Accounting and Reporting Practices. Moreover there is no unified structure of disclosing the social accounting information. Hence, there is a need to develop a unified framework which may be relevant for majority companies not only in India, but also for other countries.

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