

A REVIEW

Corporate social responsibility by oil marketing companies (Public sector) in India

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ABSTRACT

The main purpose of the study is to analyze the corporate social responsibilities activities carried out by oil marketing companies in India. The study is based on the secondary data collected from the annual reports of the companies for the year 2012-13 to 2014-15. Studies focus areas are environment protection, community welfare, women welfare, new initiative related to CSR, financial literacy, education and society" welfare. The analysis shows that though companies under study are making good efforts in their fields but more focus is needed in some fields by them.

KEY WORDS : CSR, India's new companies act 2013, Indian oil industry, Economic environment, Business

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The interference and power of business in the society has been growing day by day because this is business which fulfills the demands of customers by providing goods and services, generate employment opportunities, major contributor of national income and also giving a rapid force to the economic development of nation. So the companies have to go beyond the bottom line of their responsibilities and make sure their social, environmental and economics responsibilities towards different stakeholders.

That is the main crux of corporate social responsibility. Although there are widely accepted CSR's

definition is that it refers to corporate activities which fulfills business main motive that is creating economic value for the organizations while meetings social, ethical, environmental and ecological expectations of public. The world business council for sustainable development (WBCSD) defined CSR as "the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of their workforce and their families as well as of the local community and society at large." Business cannot ignore its real motive of earning profit. But while making profit it has to also focus its other responsibilities too.

All over the world CSR concept has been gaining importance day by day like in India, Indian government has taken a keen interest in this concept. Recently new companies act 2013 has introduced which narrates corporate responsibilities towards its all stakeholders.

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India's new companies act 2013 :**Applicability :**

Section 135 of the companies act provides the threshold limit for applicability of the CSR to a company *i.e.*

- Net worth of the company to be Rs. 500 crore or more,
 - Turnover of the company to be Rs. 1000 crore or more,
 - Net profit of the company to be Rs. 5 crore or more.
- Further as per the CSR rules, the provisions of CSR are not only applicable to Indian companies, but also applicable to branch and project offices of a foreign company in India.

CSR committee and policy :

Every qualifying company requires spending of at least 2 per cent of its average net profit for the immediately preceding 3 financial years on CSR activities. Further, the qualifying company will be required to constitute a committee (CSR committee) of the Board of Directors (Board) consisting of 3 or more directors.

Definition of the term CSR :

The term CSR has been defined under the CSR rules which includes but is not limited to:

- Projects or programmes relating to activities specified in the schedule, or
- Projects or programmes relating to activities undertaken by the Board in pursuance of recommendations of the CSR committee as per the declared CSR policy subject to the condition that such policy covers subjects enumerated in the schedule.

Activities under CSR :

- Eradicating extreme hunger and poverty
- Promotion of education
- Promoting gender equality and empowering women
- Reducing child mortality and improving maternal health
- Employment enhancing vocational skills
- Social business projects etc.

Majority of the companies in India from different sectors are developing CSR programmes and strategies in an attempt to increase customer loyalty, increasing sales revenue, reducing social problems and contributing to the development of society.

The idea of CSR has gained importance in Indian oil marketing companies. In India, there are three big oil marketing companies:

- Indian Oil Corporation
- Hindustan Petroleum Corporation Limited
- Bharat Petroleum Corporation Limited

Corporate social responsibility has been the cornerstone of the success of these three companies. The companies think themselves an integral part of society and very well aware of their responsibilities towards improving the quality of work life.

Objective of the study :

- To understand the concept and meaning of CSR.
- To examine the current CSR practices followed by Indian oil marketing companies.
- To provide the authentic information on Indian oil marketing companies' CSR for future research work.

Indian oil industry :

The oil and gas sector is among the six core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. The Government of India has adopted several policies to fulfill the increasing demand. The government has allowed 100 per cent foreign direct investment (FDI) in many segments of the sector, including natural gas, petroleum products, and refineries, among others.

CSR by Indian oil corporation :

Indian oil corporation (Indian oil) is India's largest commercial enterprise. It has Rs. 4, 50,756 crores (US\$ 73.7 billion) sales turnover and profits of Rs. 5,273 crores for the year 2014-15. Indian oil is ranked 119th among the world's largest corporate firms (and first among Indian enterprises) in the Fortune 'Global 500' listing for the year 2015. Indian oil accounts for nearly half of India's petroleum products market share, 35 per cent national refining capacity.

Indian oil always put first all its stakeholders' wellbeing. It's all programmes are designed in such a manner so that it can be able to provide safe, ethical and efficient environment to its customers as well its employees. There are some important CSR projects run by Indian oil given below.

Brief details of Indian Oil's key CSR projects are given below :

Indian oil's CSR is giving weight age to high priority areas like safe drinking water, healthcare and sanitation, empowering women and socially and economically backward groups, education and employment-enhancing vocational skills, environment sustainability, protection of national heritage and promotion of art and culture, rural development, etc. CSR activities are carried out preferably in the vicinity of its major installations or establishments for improving quality of life of the community, which includes marginalized groups *viz.*, SCs, STs, etc.

Indian oil education scholarship scheme :

Indian oil education scholarships are awarded to 2600 poor and deserving students on merit-cum-means basis, who are pursuing full-time courses in 10+/ITI, Engineering, Medical and MBA. 49.5 per cent scholarships are reserved for SC/ST/OBC students. In each category/ sub-category, 25 per cent scholarships are reserved for girl students and 10 per cent for persons with disabilities (PWD). In the year 2014-15, about 53,000 applications were received for 2600 scholarships.

Industrial training centre, Digboi, Assam :

Industrial training centre (ITC) at Digboi under the support of national council for vocational training (NCVT) conducts industrial trade courses in various technical disciplines. ITC offers 68 seats across 8 disciplines and offers a three year fresher trade course and specialization in jobs like fitter, electrician, turner, mechanic, etc. About 1200 students have benefitted from this scheme till today.

Indian oil Sachal Swasthya Seva in Andhra Pradesh, Telengana and Uttar Pradesh :

In January 2012, Indian Oil launched "Indian Oil Sachal Swasthya Seva" a primary mobile healthcare scheme .It runs 52 mobile medical units (MMU) in Andhra Pradesh, Telengana and Uttar Pradesh. MMUs are linked to small format rural retail outlets called 'Kisan Seva Kendras' (KSK). MMUs travel to the villages near to KSKs with a four member team headed by a doctor (MBBS) to provide free primary healthcare and free medicines. During 2014-15, 14.44 lakh patients were treated by 52 MMUs and during the last three years, more than 40 lakh patients have been treated. This

project has completed its tenure and MMUs will be handed over to the respective state Government for operation.

Indian oil's Assam oil division hospital, Digboi, Assam:

This hospital was established in 1906 with modern facilities having 200-bed provides facilities about 2 lakh populations. It provides medical facilities to the community at large, besides employees and dependents of Indian oil and oil India Ltd.

Swarna Jayanti Samudaik hospital, Mathura, Uttar Pradesh (Established, 1999) :

This 50-bed hospital provides medical assistance to the residents near Indian Oil's Mathura Refinery area. Two mobile dispensaries have also been put into service to provide medical care to nearby villagers. The hospital provides free treatment to the destitute and offers subsidized treatment to others. About 50,000 non-employee patients are treated in this hospital every year.

Swachh Vidyalaya Abhiyan (SVA) :

Indian oil is constructing/repairing over 2800 toilets in government schools across 16 states under the 'Swachh Vidyalaya Abhiyaan'.

Indian oil multi-skill development institute, Digboi, Assam :

Indian oil multi-skill development institute (IMSDI), Digboi provides vocational training on skills and competencies linked to industries. The project aims to provide vocational training to 400 beneficiaries per year and offers short duration courses which have been identified based on job requirement with members of industries of confederation of Indian industries (CII). First batch of 82 students was enrolled during August 2014 and classes commenced from September 1, 2014.

Rajiv Gandhi Grameen LPG Vitaran Yojana :

As per directives of Government of India, Indian Oil contributes 20 per cent of 2 per cent previous year's net profit towards release of one-time grant to below poverty line (BPL) families in the rural areas for release of new LPG connection under Rajiv Gandhi Grameen LPG Vitaran Yojana (RGGLVY). During 2014-15, Rs.28.08 crores was allocated for this project.

Shikshak Dakshyata Vikas Abhiyan, Digboi, Assam:

In order to improve soft skills of Government school teachers, Indian oil launched a unique initiative along with district education department, Digboi. 248 teachers have been trained under this project.

Indian oil foundation :

Indian oil foundation (IOF), a non-profit trust, in collaboration with archeological survey of India (ASI) and national culture fund (NCF), Government of India, have undertaken works to develop tourist friendly facilities at various monuments of historical importance like Sun temple-Konark (Odisha), Khajuraho (Madhya Pradesh), Vaishali (Kolkata) (Bihar), Kanheri Caves (Maharashtra) and Bhoga-Nandeeshwara temple (Karnataka) etc.

Sarve Santu Niramaya, Digboi, Assam :

Under this unique project, free health consultation and medicines are provided to both human beings and livestock population. During 2014-15, eight camps were organised, where 1577 poor patients and 16,728 cattle and poultry were treated. So far, 3,931 poor patients and 44,914 cattle/poultry have been treated (1036 Vaccinations).

CSR philosophy is deep rooted in all activities of Indian Oil. It fully follows all Government's rules and regulations. It has constituted sustainability and CSR committee which will implement and monitor CSR Policy in compliance with CSR objectives and policy of the company.

Hindustan Petroleum Corporation Limited :

HPCL is a Government of India Enterprise with Navratna status. HPCL has been ranked 260th in the Fortune Global 500 rankings of the world's biggest

corporations (2013) and 4th among India's companies for the year 2012 (Aron, 2012). HPCL has about 25 per cent marketing share in India among PSUs and a strong marketing infrastructure. The Government of India owns 51.11 per cent shares in HPCL and others are distributed amongst financial institutes, public and other investors. HPCL is committed to achieve the economic, ecological and social responsibility objectives of sustainable development consistently through various operations and activities. HPCL's focus areas are in the fields of child care, education, health care, skill development and community development, touching lives of weaker section of society. HPCL's mission statement is "To have safe, healthy and pollution free environment in and around all our refineries, plants, facilities and other premises at all times; instill awareness in these areas, including relevant laws, in all employees, their families and the communities in which we carry out our activities (Table 1).

HPCL's environment policy :

HPCL is committed to conduct its operation in such a manner so that development of environment and economic development of the community would be possible. Its aim is to create an awareness and respect for the environment, focused on every employee's involvement in environmental improvement by ensuring healthy operating practices, philosophy and training.

HPCL's health policy :

The corporation is committed to look after and promote the health of its human resources who are essential for the success of the corporation.

HPCL's safety policy :

HPCL believes that no work or service or activity

Table 1 : HPCL CSR projects		
Area	Project name	Details
Child care and education	Children with special needs - ADAPT	To provide quality education and creating a favourable environment for disabled school children.
	Computer awareness - Unnati	Acknowledging the importance of computer education and providing 40 days computer education
	Girl Child - Nanhi Kali	For promoting girl child education
	Mid-day meals for Govt. schools - Akshaya Patra	Oreduce child malnutrition rate Voiding hunger rate
Healthcare	Dil without bill (Sathya Sai Heart Hospital)	Providing financial support to backward people in case of heart surgery
	Awareness on HIV among truckers - Suraksha	Creating awareness about HIV
	Medical care in rural areas - Wockhardt	Creating medical awareness through mobile medical units to rural areas
Livelihood	Skill development - Swavalamban	Providing skill training to youth

is so important or urgent that safety be overlooked or compromised. Safety of the employees and public, protection of their as well as corporation's assets has top rank in corporation's priorities. Corporation considers that safety is one of the important tools to enhance productivity and to reduce national losses. The corporation is consistently constantly trying to achieve and maintain high standards of safety in its operations.

HPCL's sustainable development policy :

The corporation is committed to achieve the economic, ecological and social responsibility objectives of sustainable development consistently through its various operations and activities.

Waste management :

In line with the hazardous waste management rules, different hazardous waste like spent catalysts, oily silt, non oily insulations etc. are being disposed off to treatment, storage and disposal facilities approved by pollution control board.

Bharat Petroleum Corporation Limited :

Bharat Petroleum Corporation Limited (BPCL) is an Indian state-controlled oil and gas company headquartered in Mumbai, Maharashtra. The corporation operates two large refineries of the country located at Mumbai and Kochi. BPCL has been ranked 280th in the Fortune Global 500 rankings of the world's biggest corporations for the year 2015.

BPCL believes in creating positive impact all around wherever it operates. BPCL strongly believes in "giving back to the society". It follows the philosophy "to give back to the society/community its best". We can see BPCL's efforts in late 80s when it initially started working in Mahul, village located in the neighborhood of its Mumbai refinery in 1986, with the sole reason of their social upliftment. As part of corporate responsibility, BPCL has today adopted 37 villages across India. BPCL's focus areas of working are education, water

conservation, skill development, health/hygiene and community development. It believes in.

Building sustainable communities :

Creating positive impact on the society.

Health and safety :

To ensure the health and safety of its workforce and communities.

Environment :

To minimize adverse impacts in production process.

Employees :

Imparting employee's teamwork skills and making them sociably responsible tomorrow's leader.

It tries to make itself a medium of education for more than 10 lakh children. It firmly believes that the education is the only vehicle which can change people's living standard. Because of its seamless efforts it has transformed 150 villages from 'water scarce to water positive'.

Project boond :

Through project boond BPCL presents its philosophy towards the welfare of society on its concern over critical social issues. This project focused on the very crucial problem of India is water scarcity. In 2009 this project was implemented only in 4 villages and today BPCL has transformed more than 90 villages into water positive dwellings with project boond. with the objective of reducing migration and to mitigate the water related difficulties and challenges faced by the locals, it started projects to build indigenous structures such as ponds, wells, gabions and cordoned off springs, so that more water is available for drinking, domestic purposes and livestock. These activities have also helped promote other sustainable livelihood activities such as horticulture and agriculture. Through this project, the corporate has educated the farmers about different farming practices, and also assisted them in adopting it.

Table 2: All three companies spending amount on CSR activities during three years (from 2012 to 2015)

Company name	2012-13	2013-14	2014-15
Indian oil corporation	-----	Rs. 81.91 crores	Rs. 113.79 crores
HPCL	Rs.21.76 crores	Rs.23.74 crores	Rs.34.07 crores
BPCL	Rs.17.88 crores	Rs.34.38 crores	Rs.76.01 crores

Sources: Company's Annual Reports (2012-15)

In Rajasthan, which is known for droughts and floods BPCL has supported several rain-water harvesting projects in Bharatpur.

We know that Indian is a developing country; here CSR plays a very important role in its economic development which results in social development and social equality. Indian government has been doing satisfactorily in this field but alone Governments efforts cannot achieve social well being objective. Now companies are realizing its importance and making an attempt in this field. From the study it is found that there is lack of awareness among general public about CSR. So effective steps should be taken by companies for creating awareness about it .This step will also motivate other corporate for joining this philanthropy. Effective role from NGOs is expected. Because a single entity cannot fulfill its objective alone, more stress should be given on joint efforts of Government, companies and NGOs. More Government's support is also needed (Table 2).

To conclude, we can understand that CSR is a continue evolving process. Indian Government is making great efforts to ensure that corporate do not overlook this important responsibility and Indian companies are not far behind. The CSR activities of Indian oil marketing companies are especially noteworthy. These companies are engaged in some very effective CSR activities in the fields of healthcare, education, environment, and livelihood and so on. These activities are not only making changes in the current life of the people impacted but also readying future generations for an empowered life. The blueprint of CSR activities done by the oil marketing companies is definitely exemplary and can also serve as an example for other companies who are looking forward to build an impact CSR plan.

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