

CSR IN INDIA: A COMPARATIVE STUDY OF TATA AND RELIANCE

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ABSTRACT

Corporate Social Responsibility is the imperative of time for all business entities. Traditional method of Business practices has no longer suitable to competitive business world. CSR performance would be the best option for the sustainability of companies. This paper aimed to overview the CSR activities contributed by India's top most two business groups in Indian major sectors of education structure, health System, environmental care and empowerment. For this purpose, secondary data collected CSR reports of TATA & RELIANCE group firms and evaluated the CSR performance. It is concluded that these two business giants are the significant contributors to Indian economy and society with their amazing responsible initiatives and efforts. The outcome of the paper will motivate other business entities to do more CSR works and it will boost up their profitability, Productivity and reputation.

KEYWORDS: *Corporate Social Responsibility, Sustainable practices, TATA group, Reliance, Reputation.*

Corporate social responsibility (CSR)

"Corporate social responsibility (CSR) is the idea that businesses should operate according to principles and policies that make a positive impact on society and the environment. Through CSR, companies make decisions driven by financial gain and profitability, and the impact of their actions on their communities and the world at large. CSR goes beyond legal obligations: by voluntarily adopting ethical, sustainable and responsible business practices, companies seek to deliver benefits to consumers, shareholders, employees and society".[1]

Profit maximization was primary motivation behind the majority of large enterprises until recently. However, during the last few decades, more corporate officials grasped that earning revenue for their companies was not only the object and serving the society out of the earned income also important. This understanding has directed the firms towards social and environmental concerned duties. Companies are forced to add CSR activities in separate section of annual reports called sustainability and business responsibility report. The content the shared with the community paves the way for corporate image and goodwill among competitors. "There are various examples of what "socially responsible" means from organization to organization. Firms are often guided by a concept known as the triple bottom line, which dictates that a business should be committed to measuring its social and environmental impact, sustainability efforts, and profits. The adage "profit, people, planet," known as the "three P's," is often used to summarize the driving force behind this concept".[2]

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Types of CSR

Companies can display their social behaviour in four categories such as environmental conservation, financial offerings, moral, and fiscal responsibilities. These four areas to be prioritized by entities for sustainability. "Some businesses refer to these kinds of programs as environmental stewardship."

Some approaches that firms can follow to embrace environmental responsibility are recycling the waste materials, installation of pollution control equipment, recycling waste water and protecting ground level water sources, maintaining the level of emissions etc., water use, single-use plastics, and waste; regulating energy use by relying more on renewable energy sources, sustainable resources, and partially or fully recycled materials; and reversing negative environmental effects, such as planting trees, funding research, and supporting pertinent causes, are some ways that businesses can embrace environmental responsibility.

Ethical behaviour denotes that that a business has to be transparent in all the business activities and disclose true and fair view of reports to all stakeholders. Following the legal standards to run the business and disclosure practices are the steps for attaining the success and growth of a company. Philanthropic duty is an endeavour of a business units to enthusiastically improve both the a nature and community. In addition to operating ethically and sustainably, philanthropic organizations usually donate a percentage of their revenues. Generally, companies donate to well-intentioned causes and supports non profitable organizations. Some businesses contribute to the society through their own trusts as a responsible organization.

Economic responsibility is the practice of a corporate underpinning all of its monetary choices with a commitment of doing good. In addition to maximize on profits, the eventual goal is to satisfy the stakeholders by profit sharing and social initiatives. In short, "enterprises should not only be profitable tools, but also be responsible citizenships. Corporate practices need a world structure to exceed imposed standards, go beyond present governments, and set goals for sustainable development. Multinational enterprises are responsive to the stakeholders' needs. Therefore, enterprises must focus on productive stakes in the global economy and include social responsibility "which creates long-term sustainability for corporate success by meeting the needs of all suppliers, investors and employees" into their ownership advantage". [3]

CSR in India

India has probably the oldest and illustrious corporate social responsibility (CSR) history in the world. The idea of CSR is already comprised in the Indian firms historically. "The Gandhi an Trusteeship model and the idea of corporate philanthropy" were part of the first iteration of corporate social behaviour in India. A significant shift from the philanthropy-based paradigm to stakeholder approach, where business units are answerable to all investors, community, workers, and financial stakeholders, was brought about by the deregulation of the Indian economy in the 1990s.

One of the biggest attempts in history to make CSR a legal necessity was the "passing of the Companies statute, 2013 by the Ministry of Corporate Affairs, Government of India". This statute required companies to engage in CSR initiatives that promoted societal welfare. Now, India has to legalize and necessitate CSR rule for all companies registered under the Act. Through public-private partnerships and the pursuit of sustainable development goals, this CSR initiative will alter India.

"The Corporate Social Responsibility concept in India is governed by Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014 wherein the criteria have been provided for assessing the CSR eligibility of a company, Implementation and Reporting of their CSR Policies. India having the most elaborated CSR mechanism and implementation strategy has started its journey to set a benchmark in attaining sustainability goals and stakeholder activism in nation building".[4] The liberalisation of the economy also led to "the presence of large global corporation like Microsoft IBM and others India, which exposed India to a highly developed regime of CSR initiatives. Additionally, a strong desire to compete and succeed in the global economy drove Indian business enterprises to integrate CSR into a sustainable business strategy".[5]

The Role of TATA in Indian Society

Industrial development is considered as the backbone of every country. In the contemporary era, companies are responding to the society's issues and challenges to maintain their reputation and Image. Known as the giant of industries, Tata Company has endeavored for its own growth and also undertaken many projects for the development and progress of the country. This section explains the

CSR activities and projects carried out by Tata group of companies. As the curator of public good Tata has run the business model that shows 66% of their stock revenues directly contributed to various humanitarian works. It is being one and half century Tata group has supported been the Indian Government to face the most urgent needs. These institutions are performing immense work in educational sector, well-being of people, empowerment, and environmental care, which are considered fundamentals of growth for a country.

Reliance

The contribution of Reliance, a large company, to the Indian economy is also prominent in CSR performance. Reliance group is the top private sector company occupies the significant position in the economic scale of the country. Most of their business are having good connection with their consumers as their telecom business reached all the parts of our country. Their Social attitude towards the society reflects successfully. It is one of the major development a country needs to achieve. Reliance group believes "CSR is not just a responsibility but a privilege, where the emphasis is not just on quantity but quality, not just empathy but deep and sustained engagement, a legacy of care, compassion and commitment that will endure. Their CSR Vision is about enriched school education, healthy society and conservation of environment.

Educational Initiatives by Tata and Reliance

Tata Group companies work in various ways to bring the light of education to Indian children. Tata group has planned to build the nation with the inclusive knowledge of people from weakest and marginalized communities. To uplift the marginalized section of Indian society tata group devoted the idea of universal education and set up a group level volunteering programme with the collective power of over 700,000 Tata employees, their family members and retirees across the globe in the year 2014. Through the strategies of Tata Volunteering Weeks, skill-based, weekend projects over the past five years, the Tata group has clocked over 1 million volunteering hours annually, placing us among the top 15 corporate volunteering programs globally. The group achieved 1.52 million volunteering hours, creating a milestone with hours in excess of 1.5 million for the first time". In 2016, to address the educational needs of street children who are rag pickers, slag pickers the homeless and addicts who'd get involved in petty crimes, get locked up and beaten up and the child labourers, Tata Steel set up "Masti Ki Pathshala", a residential forum tries for holistic development of children and demolished the system child- labour in Jamshedpur city. Tata Trusts is helping transform the Child Care centres through the India Nutrition Initiatives. Tata trust organization called "The Collectives for Integrated Livelihood Initiatives (CILI)", started a trial project in 2011, to support tribal schoolchildren in the villages of Khunti, Hazaribag, and East Singhbhum districts in advanced reading skill to improve the fineness of learning level of students. Also, through this project infrastructure facilities like libraries, lavatories and kitchen were constructed in government schools of the district. Further, the service was extended to setting up a council for students, midday meals scheme and offered learning aids. CILI supported the Government to solve the problem of lack of appointment of teachers in Jharkhand. To improve the potential of Teachers, TATA organized orientation courses at the government's 'block resource centres and tutors can intermingle with peers, access learning material and teaching aids. The lifestyle company's star CSR programme named Titan Kanya brought a good life status about 17000 girls across different areas of the country. They were supported by Tata's efficient network platform for the schooling and welfare of economically and communally deprived girls. Discovery Education tied up with Tata group (TCS) setup an education programme to upgrade teaching resources and learning skills of students ready for 21st century by embedding computational thinking into core subjects. Tata groups have established Indian Institute of Science in 1909, Tata Institute of Fundamental Research, Tata Institute of Social Sciences and National Centre for Performing Arts to the development of students community. Ed Tech was set up to promote the Blended Learning system in Indian rural students and teachers. Tata trust worked for the tribal children community to learn reading, writing and maths. Tata power initiated the scheme of "Powering the Future Through Education with the aim of providing information for preparing children for the future.

According to this CSR policy, Reliance group committed to transform the Indian education by supporting government in such a way that providing basic infrastructure in schools, better qualified teachers, operative teaching aids and well-organized management etc. Reliance companies worked on this area systematically and tie the prevailing gaps and provide an atmosphere for energetic learning. To ensure 100% student enrolment in schools in both urban and rural area and initiatives are being taken to

achieve this goal. In this connection, schools with basic amenities, supporting to frame effective syllabus, sports other extra-curricular activities, Computerised labs and shaping teachers by organizing various workshop to acquire more teaching skill and knowledge. Reliance group has done the educational service in two pleats. First, they focus on 100% enrolment and their education and secondly, they work for students' health. Many CSR steps like nutritional care, hygiene and good habits, polio immunisation camps and health check-ups in schools, provide clean water, organise awareness sessions for adolescent girls are being taken to promote academic excellence and extra-curricular part among students. They attracted the society by the CSR campaigns "Hand Washing Day", "Yoga Day", etc. Reliance companies show their concern for adult literacy in remote areas of metropolitan regions.

Healthcare by Tata group

TATA's commitment in health sector was highly appreciable as they focussed on infectious disease like "malaria and tuberculosis" and neonatal health and cancer. TATA, the pioneer for cancer care in the country, and initiated many rural health development programmes. In 1941, the leading cancer institute in India "Tata Memorial Centre" ensures every patient has treated to affordable, quality cancer care, through its centres. Tata firms have taken effort to build Hygiene and sanitation in the remotest parts of the country. Maternal & neonatal health has been implemented by "MANSI" a step by Tata Steel foundation provides support to local women and community health workers. The India Nutrition Initiative (TINI), a flagship programme of TATA trust trained the Anganwadi (childcare centres) workers through the National Nutrition Mission. India ranked 103rd among 119 countries in Global Index of Hunger and TATA firms are working towards to improve the health of our children.

Healthcare steps by Reliance Companies

To face the challenges of health sector reliance group extended its valuable service by the followings initiatives.

- Kokilaben Dhirubhai Ambani Hospital in Mumbai gives health benefits to the
- They have oncology centres in remote areas of Maharashtra to provide medical support to people.
- Their foundation organizes various healthcare programmes across all reserved villages at outskirts of city.
- Reliance has the tie-up with local government hospitals, volunteers and technical institutions to serve the society.
- To increase quality medical facilities "Swasth Chetna" are designed to catering to the specific needs of children health issues. Medical camps, monthly workshops with gynaecologists create awareness on sanitation practices for adolescent girls and women.

Environment

Tata companies are famous for their CSR activities. They know the fact that their concern towards nature and this planet is also gaining public attention for their tremendous growth. To maintain the forest areas, green sanctuaries, animal species, water resources TATA companies have been divided into big and small firms and working along with NGO s and TATA social organisations. TCS company, ECO Club members and the village community jointly created a botanical reserve at Mithapur in 250-acres to conserve the local native flora, especially rare species. Same kind of Initiative taken by Tata Chemicals in 150-acre reserve to safeguard the 21 type of native plants and more than 114 species of other flora. Tata Power has planted in excess of 18 million saplings around the Walwhan dam and its hydroelectric facilities India's Western Ghats, an environmental hotspot to rejuvenate the springs in the province and conserve local flora and fauna.

In order to embrace the concept of sustainability, **Reliance group** has shown their interest in safeguarding the natural resources, they are very well known the fact that like every individual, every business is responsible to the wonderful nature- God's Gift. Sustainable business practices are followed by Reliance group in different programmes and actions. Toward the first step of environment sustainability and reducing the waste, in the operational process reliance companies applied innovative technology in manufacturing process which can produce goods with minimum energy and reduce the emissions and explosive organic composites. Reliance companies strictly adhere the environment principles to ensure hygienic air and water, avoiding soil contamination, protective biodiversity, ideal consumption of resources and digitization. All manufacturing units manages GHG emissions using

updated science and technology. All companies are encouraged through the environmental management groups to follow the legal environmental standards, disclose the responsibility practices and to obtain the ISO certificate. Reliance has reinforced its internal governance mechanism and collective R&D funds to speed up innovation for carbon reduction as it is a global requirement..

Reliance Group's principles for conservation of environment are:

- a. Fulfil with all applicable laws and regulations
- b. To curtail ecological imprint through harmless technologies, new strategy and effective measures.
- c. To improve the manufacturing value of the products and save energy.
- d. To organize systematic training to employees to get familiarity with environmental laws, waste control methods, technical innovation for pollution control.
- e. Periodical Audit and compliance.

Reliance group has taken initiatives for tree plantation in schools, community areas and offices by campaigns with NGOs and government agencies. To save energy, they set up the solar powered micro-grids in 26 villages that have little to no electricity to help the children to study at night and satisfy household needs using electricity.

As an integrated approach, they work for restore the environment, trying to find solutions for environmental problems of weather change, secretions, loss of biodiversity, water management and control the waste. Reliance Power attempts to protect natural resources through the initiatives of 5Rs: **Reduce, Reuse, Recycle, Renew and Respect**. To build a eco-friendly working culture, the company has taken steps for preserve the trees in all areas such sites, the construction, hostel and housing blocks. In continuation, Rainwater harvesting plan introduced and compelled in all location, usage of solar heating for public buildings etc..

Empowerment

With the intension of encouraging innovation and capacity building Tata group companies invest on research and development programmes to innovate new technologies for the for the betterment of the society. They have instilled innovation in thought, process and approaches for the purpose of enhancing the strategies innovation across business sectors and companies. In Pune they have one strong R& D centre and two in Bengaluru and their efficiency resulted more than 170 patents. Nano-technology, Nutritional Disciplines, and Green Chemistry are the major innovation areas focused by Tata Chemicals Innovation Centre. Tata companies have good system of connecting all their companies to involve the research activities. Managers and Experts are linked with a group and organises a number of workshops. Research and development departments are being motivated to innovate environment friendly products. Focused on sustainability initiatives, Tata currently engaged on the projects related tobio-based wetting agent, alteration of carbondioxide to value added supplies and uses in Hydrogen carbonate and soda residue. More over fermentation technology related research works, long chain oligosaccharides manufacturing technology to improve prebiotic applications are the contributions towards health aspects. Rallis Innovation Chemistry Hub (RICH), Bengaluru works on developing new particles, advanced and harmless creations to maintain the natural resources. Agri-Biotech company in Bengaluru come out with new technologies for crop protection and improved productivity. In the area of farming and agriculture, developed crop nourishment and protection designs. Tata has No limit of winning awards, in recent years it has won the quality innovation award, Tata Global Innovista 2020-21 and received a special award for IP practices and portfolio from Confederation of Indian Industry.

Women Empowerment Activities

TATA has taken care of Women population of India by crating Self- help groups, The all-women dairy to inspires entrepreneurship among rural women and funding traditional handicrafts by women groups. Digital literacy and access are another mile stone in TATA's CSR journey, in which women are trained to access, use smart phones and Internet. Over 30 million rural women advanced technical knowledge till date by this digital skill program.

From all the social responsibility activities of TATA group, it is proven that they are performing on their core values "Integrity, Responsibility, Excellence, Pioneering, and Unity". The CSR policies of Reliance group focussed on all aspects for the betterment of both sustainable business performance and community services. They believe in balanced growth of social development and economic development.

CSR Expenditure by Tata and Reliance

According to the Companies Act (2013), all listed companies should contribute 2% of average net profit of preceding 3 years for CSR programmes every year. Since these two groups are the major players in different business activities, it is vital to understand the monetary value of socially responsible performance. Data of amount spent on CSR has been collected from 2015 to 2023 and displayed in the following tables.

Table 1: Amount Spent by Tata Group Companies

Year	Company	Amount Spent on CSR(cr)
2015-2023	Tata Power	5.58
2015-2023	Tata Steel	2493.94
2015-2023	Tata Motors	91.1
2015-2023	Tata Consultancy	4264.6
2015-2023	Tata Global Beverages	79.41
2015-2023	Tata Investment Corporation	27.6

Source: <https://www.mca.gov.in/content/csr/global/master/home/home.html>

Table 2: Amount Spent by Reliance Group Companies

Year	Company	Amount Spent on CSR(cr)
2015-2023	Reliance General Insurance	26.02
2015-2023	Reliance Cement	25.32
2015-2023	Reliance Power	6.77
2015-2023	Reliance Industries	6269.78
2015-2023	Reliance Jio Infocom	612.83
2015-2023	Reliance Home Finance	9.91

Source: <https://www.mca.gov.in/content/csr/global/master/home/home.html>

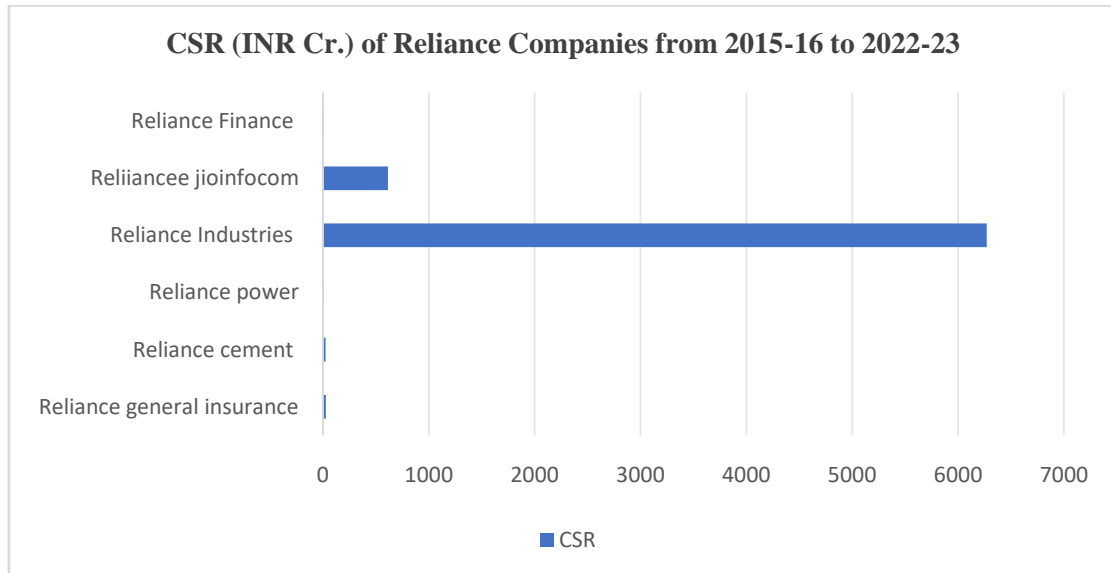


Figure 1

As shown in Figure 1, data shows that out of six Reliance companies, the CSR spending from 2015-16 to 2022-23 was primarily done by Reliance Industries and Reliance Jio infocom. In the case of Tata, Figure 2 shows that out of six Tata companies, the CSR spending during the same period was mainly done by Tata Consultancy and Tata Steel. Data reveals that from 2015-16 to 2022-23, the CSR spending of the Reliance group was higher as compared to the Tata group.

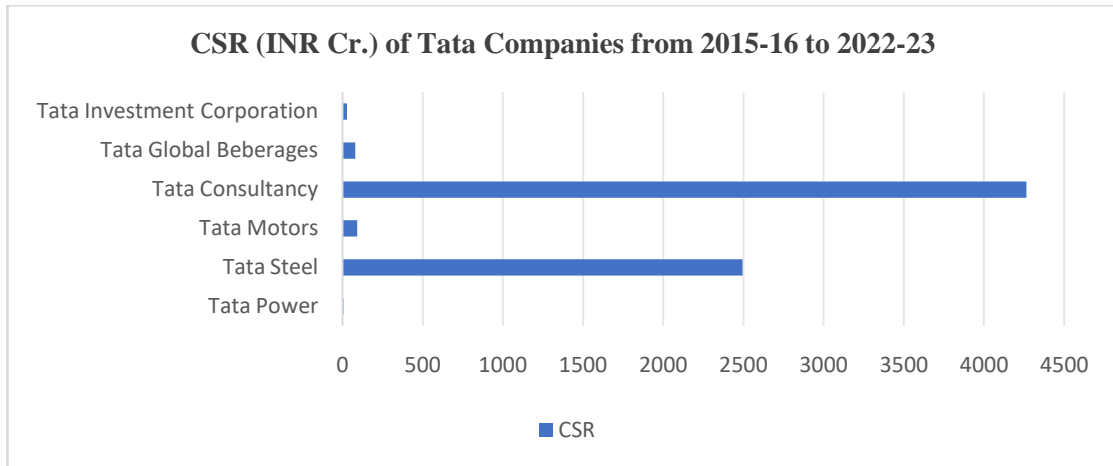


Figure 2

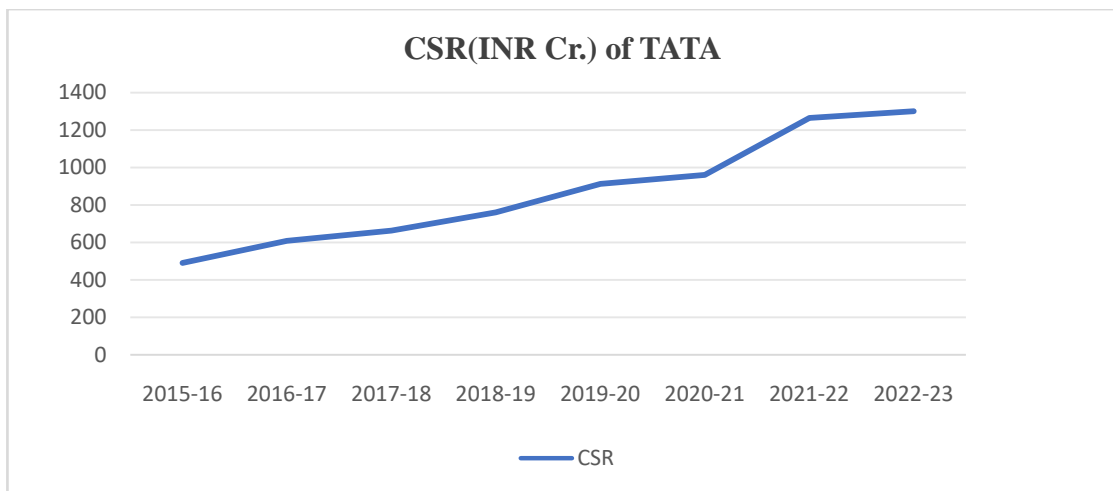


Figure 3

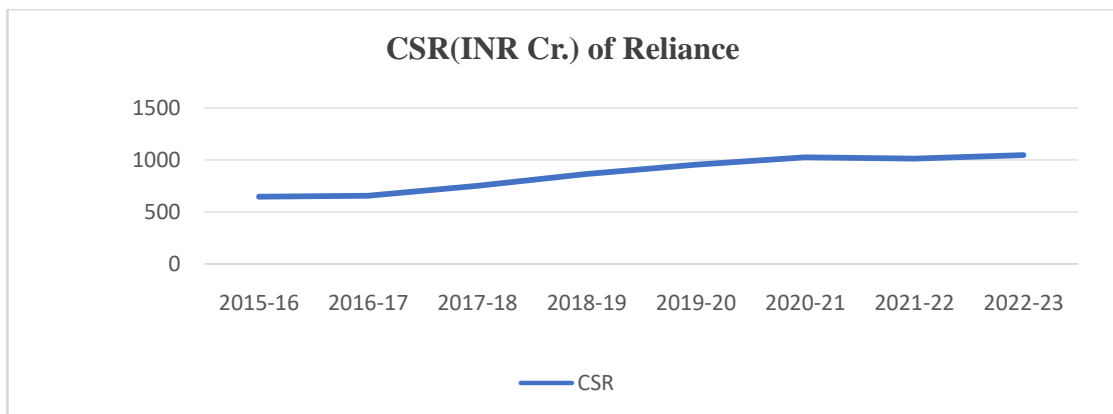


Figure 4

Figures 3 and 4 show that while CSR spending of both RELIANCE and TATA has increased since 2015-16, TATA's rise has been higher than that of RELIANCE. Further, Figure 3 reveals that while the CSR spending of the TATA group has risen significantly in 2021-22, there has been a slight fall in the CSR spending of the RELIANCE group in the same period.

Conclusion

This paper highlights the CSR initiatives of the two major business giants in the corporate world, viz. Reliance and Tata since 2015-16. The annual CSR reports of Reliance and Tata since 2015-16 show that these two companies have invested in several schemes in the fields of educational sector, well-being, environmental protection and enablement. Further, reports of these two companies also indicate that their spending in CSR initiatives has shown an increasing trend since 2015-16. Thus, the two corporate giants are deeply committed to their responsibility towards the society that has helped in building their corporate image and trust with the stakeholders.

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