



# Corporate Social Responsibility: An Evaluation of Csr Activities of Indian Oil Corporation Limited (IOCL)

## KEYWORDS

profitability, responsibility, sustainable.

## Nishant Thard

Assistant Professor, Centre for Management Studies  
Dibrugarh University

## Jagwinder Singh

Assistant Professor, Centre for Management Studies  
Dibrugarh University

## ABSTRACT

The business houses started realizing that they would have to rise over and above the profitability and take care of all those associated with their survival in the society directly or indirectly. This realization resulted into the concept of Corporate Social Responsibility (CSR). This paper is an attempt to evaluate the CSR initiatives and activities that are taken up by Indian Oil Corporation Limited (IOCL) and also their efforts for ecological balance, sustainable development and environmental preservation activities which are being undertaken for the welfare of the society at large. The study concludes that there are number of CSR practices in which IOCL takes an active part in fulfilling all its responsibilities towards the welfare of the society, be it Skill Development for enhanced Employability, Women Empowerment, Health & Sanitation, Education or Water and Caring for Heritage.

## Introduction

Starting from the times of barter system to today's modern era of plastic money, the mankind has trodden a remarkably long path. Undoubtedly "profitability" has always been the driving force and an undercurrent behind all this development; but as every coin has two facets; growing cut throat competition and business rivalries started taking heavy toll on the quality, transparency, environment and the society in general endangering the peaceful coexistence of business and society. The business houses realized that they would have to rise over and above the profitability and take care of all those associated with their survival in the society directly or indirectly and this realization resulted into the concept called Corporate Social Responsibility (CSR).

The origin of the sustainability debate goes back to the 18<sup>th</sup> century, but has become popular in 1987 when the UN World Commission on Environment and Development created an ethical vision of meeting the needs of present and future generations. The most popular definition is that sustainable development should be based on three pillars, namely, economic sustainability focusing on efficiency and value creation, ecological sustainability oriented on preservation of natural resources and reduction of emissions, and social sustainability of inter- and intra generational equality.

Thus, this paper is an attempt to scan the CSR activities of Indian Oil Corporation Limited which leads to the sustainability of ecology, value creation and preservation of natural resources.

## Objective

To evaluate the various CSR activities of IOCL.

To understand the activities that has impact on value creation, ecological sustainability of natural resources and reduction of emissions.

## Methodology

Both primary and secondary data is used for the paper. Primary data has been collected with the help of direct personal interview and the tool used for collecting data was unstructured interview schedule. Secondary data is collected from the various sources including research pa-

pers, magazines, websites, etc.

## Rational of the paper

The study is confined only to the CSR activities of the Indian Oil Corporation Limited (IOCL). Other factors are kept way from the purview of the study.

## Literature Review

**Srivastava. A.K.** et al. in their paper Corporate Social Responsibility: A Case Study Of TATA Group tried to find out the scope of corporate social responsibility and getting an insight in CSR practices in the light of the case study of the TATA Group. The study concluded that a business is an integral part of the social system it has to care for varied needs of the society and the Tata group has gone a long way in fulfilling its duty and responsibility towards the society and the nation.

**Ebner. D.** In his paper Assessing Corporate Social Responsibility: CSR-Scan. The study aims identify the CSR potential within an organization is the main objective of the proposed assessment model to assure the derivation of adequate recommendations of action so that in the long run, CSR is satisfyingly integrated in all activities of an organization. The study concluded that sponsoring, human capital development, stakeholder's communication and CSR strategies are the important factors for assessing the role of CSR.

## Profile of Indian Oil Corporation Limited

Indian Oil is India's flagship national oil company with business interests straddling the entire hydrocarbon value chain – from refining, pipeline transportation and marketing of petroleum products to exploration & production of crude oil & gas, marketing of natural gas and petrochemicals. It is the leading Indian corporate in the Fortune 'Global 500' listing, ranked at the 96<sup>th</sup> position in the year 2014.

With over 34,000 strong workforces, Indian Oil has been helping to meet India's energy demands for over half a century. With a corporate vision to be the Energy of India, Indian Oil closed the year 2013-14 with a sales turnover of Rs.4,57,553 crore and profits of Rs 7,019 crore.

### Evaluation of CSR activities

The findings focus on the major flagship CSR programs of IOCL. IOCL (Assam Oil Division) undertakes many developmental activities under CSR. Most of these are broadly covered under:

- Skill Development for enhanced Employability
- Women Empowerment
- Health & Sanitation
- Education
- Water
- Caring for Heritage

In regards to Health and Sanitation, IOCL has its own hospital under the name of Assam Oil Division (AOD) at Digboi having a facility of 200 Beds in the Hospital with 19 Specialist Doctors. It caters to 2000 employees along with their families, Populace of surrounding towns & villages and nearby areas of Arunachal Pradesh. It also caters to about 1, 00,000 outdoor patients and 4000 indoor patients annually. Along with that Treatment of BPL patients are done free or at subsidized rates

Mobile Medical Unit (MMU, Linked to Kisan Seva Kendras) is a CSR initiative under health flagship, with four members team i.e. doctor, pharmacist, driver and community mobilizer, which provides free consultation and medicines to the nearby villages. Its operations are 8 hours per day for 6 days in a week, at least one hour in each village and no patients to be returned unchecked. On an average 100 patients per day per MMU, altogether there are 52 MMUs which covers 1.5 million patients. Patients counted till 20.10.2013 is 22, 39,582.

Swarna Jayanti Samudayik Hospital, Mathura (1999) is another initiative under the health flagship. The hospital consisting of 50 beds free of cost and subsidized treatment. Every year 60,000 patients have their check-up, which also provide outreach service by 2 MMUs and Rs. 2.7 Crore investment per year for its development.

Indian Oil TATA Care Centre at Kolkata established in 2011 is presently having 167-beds in the hospital. Addition to that is another new 6-story structured building which is going to be inaugurated by 2016 with 250 additional beds and an Investment outlay of around Rs.66 crores in 5 years.

In Sanitation Projects it aims to improve hygiene level of villagers through prevention of open defecation. Sanitary Toilets have been made -

For the 148 families at Golai No.3. village

For the 52 families at Tamuli Bongaon village

Indian oil Scholarship Energizing Success a CSR initiative under the flagship of Education which provides 2600 numbers of scholarship which includes 2000 ITI's a scholarship of Rs 1000 p.m for 2 years, 300 Engineers a scholarship of Rs 3000 p.m for 4 years, 200 MBBS a scholarship of Rs 3000 p.m for 4 years and 100 MBA's a scholarship of Rs 3000 p.m for 2 years. The total investment for education scholarship is Rs. 14.5 crores per year.

Regarding the environmental initiatives as CSR taken up by IOCL includes removing carbon foot prints and neutralizing the carbon effects and carbon emitted by its companies and a continuous effort for preservation of bio-diversity.

Adarsh Seuj Prkalpa -Management of Organic Wastes which helps in converting organic waste to organic fertilizers.

Various Initiatives for Utilization of Rainwater from Natural Catchment Ponds as Source for Industrial Water supply is initiated as a CSR activity for water conservation, under the flagship of water preservation Water Supply System for benefit of students of Schools. Water Supply Scheme for providing proper drinking water facility for the villagers. Several drinking water facilities have been facilitated in and around Digboi.

Assam Oil School of Nursing is a CSR activity under the flagship Women Empowerment which aims at providing professional training in nursing to unemployed girls with preference to those who are economically disadvantaged. The school is recognized by Indian Nursing Council (INC), Ministry of Health & Family Welfare and Govt. of Assam. A total of 334 qualified nurses passed out with 100% placement in India (IOCL, NRL, Govt. of Assam, Peerless General Hospital, Apollo Hospitals) and also abroad (Australia & Nepal).

Skill Development for Enhanced Employability as a CSR activity consists of various initiatives like, Computer Training through Automated Learning Centre which was established in 1995, having 13 computer courses from where 741 persons have successfully gained computer knowledge and presently 35 are undergoing training.

Youth Capability Building and Enhanced Employability Skills are provided as under the CSR works. Industrial Training Centre has been set up which undertakes, 3 years Fresher Trade course on National Council for Vocational Training (NCVT) under Regional Directorate of Apprenticeship Training (RDAT), Ministry of Labour and Employment. It conducts one year similar course for ITI passed Trade Apprentices, One year in-plant training for Diploma Engineers under Board of Practical Training, Kolkata. It has a successful record of 1148 students that have passed out till date. Total available seats are 68. Apart from the above, various trades and Stipend for students are also given as a motivating tool.

Another CSR Initiative taken up by IOCL is the Digboi Centenary Museum. The Museum was set up in 2002 as a part of the Centenary Celebrations of Digboi Refinery Showcasing the History of the Oil Industry in India that started at Digboi. It provides as the Learning centre for the younger generation. As a part of serving the people IOCL has made a park named as "Digboi Ecological Park". The park was set up in 2002 during the Centenary Celebrations of Digboi Refinery. It Provides an area for residents of Digboi and other tourists to unwind in a beautifully landscaped and maintained area which also has facilities for boating and a photo exhibition center

### Conclusion

After analyzing the various activities and initiatives of IOCL with regard to its CSR activities, it is found that IOCL takes an active part in fulfilling all its responsibilities towards the welfare of the society, be it Skill Development for enhanced Employability, Women Empowerment, Health & Sanitation, Education, Water and Caring for Heritage, etc. And also putting its sincere efforts for ecological balance and sustainability of natural resources like preserving the water ponds, removing carbon footprints of which they also are a part and craving up the other harms that

are generated by the industry. Apart from this it fulfills the various heads mentioned in Schedule VII of Company's Act 2013(amended till 2014).

Though if we look at the Schedule VII of Company's Act 2013 and makes a comparison of the IOCL's CSR activities, it was keenly observed that IOCL has been working as an efficient partner in fulfilling the norms of the Act from decades which is amended in 2013. It can also be inferred that though the Act came late, IOCL has been performing its CSR activities from a long time and also that the Act and its amendments remains defied for IOCL.

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