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Impact Of CSR Practices Of Numaligarh Refinery Limited On The Sustainable Inclusive Growth: A Review

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Abstract

Corporate social responsibility (CSR) is the commitment of the business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve quality of life, in ways that are both good for business and good for development. CSR can be considered as a mechanism towards sustainable inclusive growth. In this research paper, an effort is made to make a study of CSR practices of NRL and also its role on sustainable inclusive growth of its stakeholders. The research paper is concerned with reviewing the existing literature and as such the research paper is completely based on Secondary data. The data was collected from the authentic secondary sources such as official websites of NRL, annual reports of NRL, previous articles and research journal in the concerned area, other reports on CSR initiatives of NRL. It can be concluded that NRL's CSR initiatives give emphasis on three dimensions of sustainable development viz., economic, social and environmental. These initiatives are mainly meant for deprived sections of the society ensuring the benefits of the various schemes to all the sections of the society.

Keyword: Corporate social responsibility, initiatives, sustainable development, inclusive growth.

Introduction

In present competitive business world, Corporate Social Responsibility (CSR) has the strategic importance to ensure sustainable inclusive growth of people. In fact, CSR is an agenda driven by demand for greater accountability by corporate to society. CSR can be defined as the ethical behaviour of a company towards society. It ensures the long-term benefits in terms of better reputation and stronger brand loyalty of the corporate and the socio-economic development of the society. World Bank (2003) reported that CSR is the commitment of the business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve quality of life, in ways that are both good for business and good for development.¹The province of corporate social responsibility with the effort to bring

¹ Khan Muhammad Tariqq and et.al. (2012), "Corporate Social Responsibility (CSR)–Definition, Concepts and Scope (A Review)", Universal Journal of Management and Social Sciences, vol.2, No.7; July 2012

India's geographically remote and low-income groups into the mainstream of economic life now has the potential to become the most valuable business opportunities of next decade.² CSR is a company's commitment to operate in an economically, socially, and environmentally sustainable manner while recognizing the interest of its stakeholders. CSR is also been regarded as meeting the requirements of 'triple bottom line' that is people, planet and profit. CSR has been regarded as a mechanism for attaining sustainability and inclusivity in areas like, health and family welfare, poverty eradication, skill development, empowering women, education, literacy programmes, livelihood creation and others.³

CSR can be considered as a mechanism towards sustainable inclusive growth. The 2030 Agenda for sustainable development of United Nations General Assembly commits the global community to "achieving sustainable development in its three dimensions– economic, social and environmental in balanced and integrated manner".⁴ The concept of 'sustainable development focus on two things—one is 'meeting the needs of the present without compromising the ability of the future generations to meet their own needs and another one is giving 'priority to be given to the essential needs across the globe'. However, inclusive growth is the idea to realize the goal of sustainable development for present and future generation. It includes ensuring equality in respect of employment opportunity, access to essential services in health and education by all and empowering people through education and skill development. The various attributes of inclusive growth are:

- Opportunity: Generation of more and varied ways for people to earn a living and increase their income over time.
- Capability: Provide people the means to create or enhance their capabilities in order to exploit available opportunities.
- Access: Provide the means to bring opportunities and capabilities together.
- Security: Provide the means for people to protect themselves against a temporary or permanent loss of livelihood. ⁵

Objectives of the paper:

- To elaborate the major areas where the NRL take numerous CSR initiatives leading to sustainable growth.
- To examine the role of NRL in ensuring sustainable inclusive growth through CSR initiatives.

Methodology of the research paper: The research paper is concerned with reviewing the existing literature in the area of CSR, sustainable development and inclusive growth. Therefore, the paper is completely based on Secondary data. The data was collected from the authentic secondary sources such as official websites of NRL, annual reports of NRL, previous articles and research journal in the concerned area, other reports on CSR initiatives of NRL.

²Mishra R.K. and et.al. (2013), "Corporate Social Responsibility for a Sustainable Inclusive growth in India", Journal of Management and Development Studies, Vol.25 (1): 39–58.

³Saha Raiswa (2016), "Corporate Social Responsibilities Practices: Pathways for Inclusive and Sustainable Future, Training & Development Journal", vol.7, No., 2, July–December, 2016, pp–77–86

⁴Integrating the Three Dimensions of Sustainable Development, United Nations ESCAP.

⁵Mishra R.K. and et.al. (2013), "Corporate Social Responsibility for a Sustainable Inclusive growth in India", Journal of Management and Development Studies, Vol.25 (1): 39–58.

CSR initiatives of NRL

The Numaligarh Refinery Limited (NRL) is a public sector undertaking under the Ministry of petroleum and Natural Gas. The refinery is major contributor to the growth and development of the economy of the country. It boosts the growth of the economy by refining crude oil and producing petroleum products. NRL plays a crucial role in boosting exports as it exports a significant portion of its products to countries in the South Asian Association for Regional Cooperation (SAARC) and Association of South-east Asian Nations (ASEAN). These exports help in generating foreign exchange for the country which ultimately contributing the economic growth of the country. NRL, a Category-I Miniratna CPSE, was established as a Company on 22nd April 1993 as part of Assam Accord. NRL is a division of Oil India Limited located at Numaligarh, Golaghta district, Assam. The product offered by NRL includes LPG, Naphtha, motor spirit, superior kerosene oil, high speed diesel, raw petroleum coke, sulphur, wax, nitrogen etc. NRL has embarked on a major integrated Refinery Expansion Project to treble its capacity from 3 MMTPA to 9 MMTPA at an estimated investment of more than Rs. 28,000 crore one of the highest in the region. The current shareholdings in the company are 69.63% hold by OIL, 4.37% hold by Engineers India Limited (EIL) and 26% hold by Government of Assam on November 2023. From October 2000, NRL has commenced the commercial operations. In India, the section 135 of the Companies Act, 2013 has made compulsory to spend 2% of its average net profit of the immediately preceding three financial years on CSR activities by the companies operating in India

- With an annual turnover of Rs. 1000 crores and more; or
- With a net worth of Rs. 500 crores and more; or
- With a net profit of Rs. 5 crores and more.⁶

The new CSR and Sustainability policy of NRL is aligned with stipulations under the Companies Act 2013, the CSR rules of the Ministry of Corporate Affairs and Guidelines on CSR and Sustainability published by the Department of Public Enterprise (DPE) with effect from 1st April, 2014. The CSR and sustainability vision of NRL is “To pursue CSR and Sustainability activities with a difference for ushering in inclusive development of the community”. The mission of NRL’s CSR and Sustainability Policy focus on identification and implementation of welfare schemes based on genuine needs of the people through baseline survey and in-house assessment and also access effectiveness of implemented schemes through evaluation.

The CSR objectives of NRL are:

- To formulate, implement and monitor CSR and Sustainability activities through a three-tier organisational structure.
- To earmark adequate resources for pursuing CSR and sustainability activities as per the policy.
- To ensure effective utilisation of allocated resources towards CSR and Sustainability.⁷

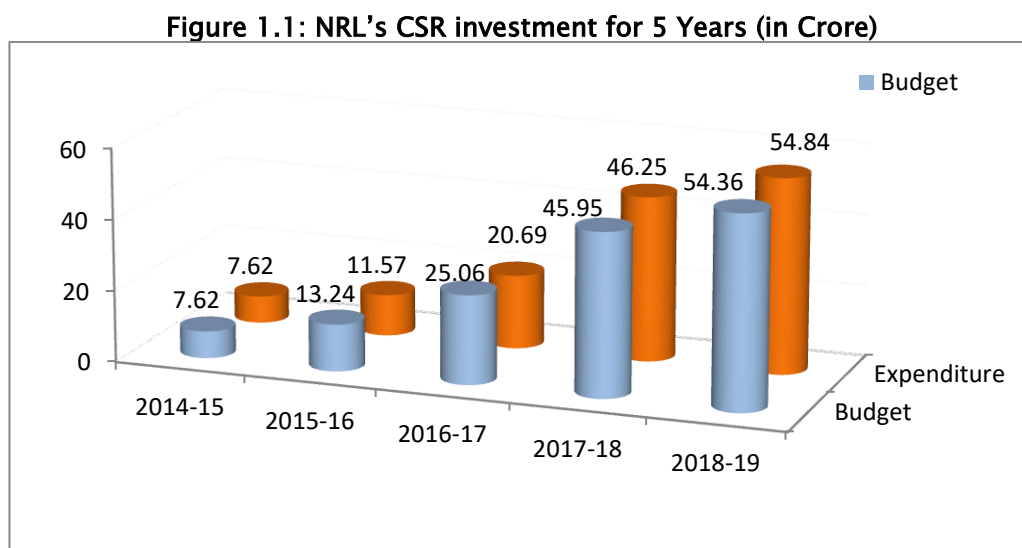
⁶ Bhardwaj S.N. and Barua Nayan (2022), “A study on the socio-economic impact of CSR practices with special reference to NRL”, Journal of Pharmaceutical Negative Results, volume 13, special issue 1, 2022.

⁷A Report on “Impact Assessment Study of Four CSR Projects of Numaligarh Refinery Ltd” by Rashtriya Gramin Vikas Nidhi.

Every business is under the obligation to give back the benefit to the community. Like all other businesses, NRL has been working for the social welfare and community development through CSR initiatives. NRL pursued CSR and Sustainability activities in line with the activities specified under schedule VII of the Companies Act, 2013 and “CSR and Sustainability Policy”. Such initiatives are also instrumental in promoting goodwill of the organization and manifest its solidarity with the developmental goals of Government of India like Swatch Bharat Mission, Skill India, Start-up India, Digital India etc. NRL received “Global CSR Excellence & Leadership Awards” in the category of ‘Women Empowerment Poverty Alleviation’ in February, 2024.

The CSR and sustainability activities of NRL focus on neighbouring areas within 10 km radius of the refinery and company’s marketing terminal at Siliguri. NRL endeavours to cover the district of Golaghat and is also extending due support to other parts of the state.

For the year 2022–23, the average net profit of the company as per section 135 (5) was Rs. 3,545.86 Crore and the 2% of average net profit i.e. Rs.70.92 Crore contributed for CSR projects. The actual amounts spend on CSR projects was Rs. 64.12 Crore.⁸ Investment of CSR activities by NRL is increasing with the increase in their net profit. The following figure shows the NRL’s CSR investment since 2014–15 to 2018–19.



Source: NRL CSR brochure 2014–15 to 2018–19

CSR and Sustainability Activities under different NRL schemes/projects in different areas of community development

NRL focus on the major component of CSR i.e., ‘Community development’. NRL adopt holistic approach of developing community giving attention on the education and health of the people. Besides these NRL concentrates on capability development of people. NRL launched various schemes on healthcare, education, agri-allied & income generation, education, infrastructure development and also in the field of arts, sports, literature and culture. The schemes of NRL in various fields are discussed below:

Community healthcare:

⁸Annual Report of NRL 2022–23

- The mission of building a healthy nation by NRL has been initiated from a hospital named '**VKNRL Hospital**' within Refinery Township. The hospital provides healthcare services with Swami Vivekananda's ideology of "Serve Man-Serve God". The hospital serves the healthcare services in the neighbouring villages of refinery.
- NRL provides a holistic healthcare to the needy at their doorstep with Mobile Medical Camps conducted in villages and remote areas under project '**Niramoy**'.
- NRL makes investment for free eye-screening and cataract operation through project '**Drishti**'.
- NRL focus on hygienic sanitation under the project '**Paricchannata**' by construction of public toilet blocks BPL households across remote areas.
- NRL aid and appliances to the differently to empower differently abled in the state to enable them to live a life of dignity under the project '**NRL Helping Hand**'.
- NRL installed safe and clean drinking water purification solution to nine educational institutions and four public places under project '**Jeevandhara**' especially in village areas.

Promotion of education:

- Through the '**Gyandeep scheme**', NRL offer scholarship of one-time cash award to meritorious students of Class X and XII within 10 km radius so that they continue to excel in academics.
- NRL also encourage the education of girl child through offering scholarship in the form of cash award to class VII, VIII, IX and X girl students under '**Perona scheme**' within 10 km radius. The scheme is an effort to encourage the girl student to continue with their studies.
- Through the scheme of 'Dronacharya', NRL give the one-time cash award to Teachers' Welfare Fund of 10 km radius against each 1st division scoring students in class X examination. This scheme is meant for incentivizing schools performing well in class X exams.
- NRL focuses on enhancing teaching skills of teachers through the refresher's courses and teaching aids in Golaghat district.
- NRL also focus on fully equipped school libraries in nearby schools under 'Library for all' project.
- NRL's attempts an endeavour towards 100% literacy within 5 km radius of refinery under the scheme 'XampurnaXakharta'.
- NRL has carried out 'Digital Literacy Campaigns' in its neighbourhood and in the island of Majuli supplemented by distribution of computers, laptops and related accessories.

Skill development for Livelihood opportunities:

- NRL's initiatives towards skill development '**Uttaran**' aims to provide skill-based employment-oriented training. Uttaran aims to provide skill-based employment-oriented training in various sectors like nursing, panchakarma ayurvedic therapy, paramedical science, hospitality management, welding, cutting, sewing and dress designing, commercial automobile maintenance, wax craft and handloom & handicraft etc.
- '**Swa-Nirbhar**' is a project of NRL to provide livelihood opportunities for educated unemployed youths to set up ventures for their livelihood with natural skill and with readily available resources. This scheme also empowers women through financing earlier formed Self Help Group (SHG within 10 km radius of the refinery) for setting up handloom Weaving centre, piggery/dairy and goatary unit for income generation. Besides these NRL focus on cultivation of edible mushroom and also continuing the mechanized power loom at Ponka village. This initiative includes different sectors like Even the training on livelihood skill is provided to rural youth.

Promotion of Arts, Sports, Literature and Culture:

- Under its CSR initiative 'Khel Prashikshan', NRL established the NRL Football Academy in 2012 to build a performance-oriented football centre within North-east. The objective of the academy was to nurture local talents make a mark on the national level and promote football at the community level.
- NRL established a Badminton Coaching Centre in 2013 at Furkating Indoor Stadium in Golaghat district to create a pool of shuttlers aged 10–12 years.
- NRL sponsored the construction of Concrete Pavilion in the District Stadium at Bokakhat.
- NRL sponsors two Assam Sahitya Sabha Awards viz., Mamoni Raisom Goswami Award and Vishwa Ratna Dr. Bhupen Hazarika international Solidarity Award.
- NRL partly sponsored the reconstruction of Natya Mandir at Bokakhat.
- NRL supported the Kaziranga Elephant Festival and Kaziranga Centenary Celebrations.

Agri-allied & income generation

For supporting agro-based activities, NRL's 'Farmers First' policy focus on reaching out to the community as majority of population within NRL's focus area of development are small and marginal farmers. The policy entails popularising multiple cropping, providing high yield/improved seeds, fertilizers and pesticides, machineries along with technical training on modern methods of farming. The contributions made by NRL in the different fields are highlighted below:

- NRL tied up with Rashtriya Gramin Vikash Nidhi to enhance food security among small and marginal farmers of Golaghat district through system of Rice Intensification.
- Provided tractors/power tillers/seeds/fertilizers and pesticides.
- Promotion of alternate farming
- Community nursery facility for sail seeding

Infrastructure development

- NRL provide the benefits villages from the projects such as metalled roads, repair of 100 KVA transformers and other civic amenities.
- NRL also focus on electrification of villages close to the refinery partly through solar lighting system and partly through Assam Power Distribution Company Limited (APDCL) on deposit work basis.
- NRL provides financial support to the Golaghat district administration for installation of LED based traffic road signals in Golaghat town.
- NRL develops the villages into model villages, with special emphasis on road, electrification/solar power, drinking water, sanitation, education, infrastructure development and livelihood generation.

Health and safety:

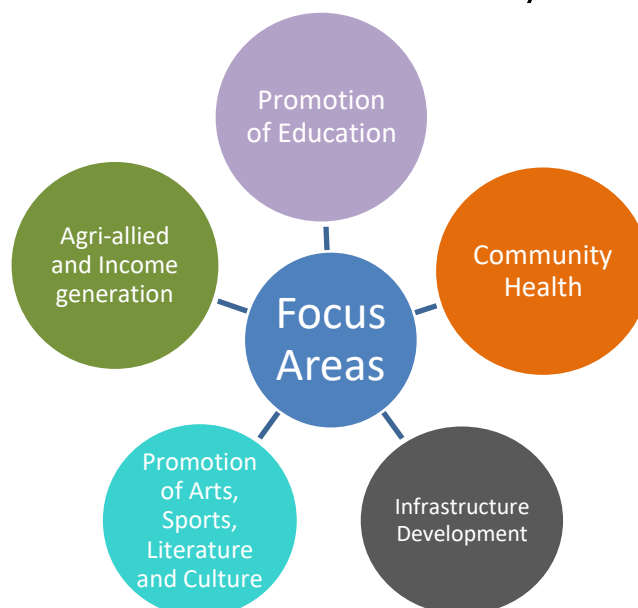
- NRL is committed to maintain a safe working environment by promoting employees' health and safety. NRL established Occupational Health Department (OHD) with the objectives of providing comprehensive healthcare services of preventive, curative and rehabilitative type to all current and retired employees. This helps the employees in pre-employment medical examination, periodic health check-up, first-aid services and medical attention and maintenance of infrastructure for occupational health monitoring.

- Initiatives of safety management system include on-site safety training for employees, safety evaluation by contractors for turnaround jobs, survey of fire-fighting and safety equipments, internal safety audit by members, hazard communication, monthly awareness programmes etc.

Environment protection measures:

- NRL conducts periodic risk assessment studies pertaining to the environment arising out of their operations. Efforts are directed towards eliminating oil spills, improving energy efficiency, reducing waste and pollution and optimising negative environmental impact from their operations.
- NRL's initiatives for conservation of bio-diversity are **Butterfly Park** and **Smritibon**. NRL has set up a butterfly ecosystem so that rare butterflies to come stay and breed in their natural way. NRL has developed a unique herbal garden of rare medicinal plants in the township.
- NRL has developed a greenbelt around the refinery and marketing terminal so that there is minimal impact of refinery emissions and noise on the surroundings.
- NRL installed a 20 km solar power panels in a school within its premises. NRL has installed solar panels in nearby schools as part of environment sustainability under the project '**Suryajyoti**'. To utilize solar energy within refinery and the township premises, NRL has replaced conventional street lights with solar power lights.
- NRL is a zero-wastewater discharge refinery as they continue to maintain 100% reuse of treated effluent since implementation of the reuse scheme in 2006-2007.
- As an energy conservation measures, NRL implemented a flare gas recovery project to recover hydrocarbons from the flare system for using as fuel and also utilise bio-gas in refinery canteen resulting in considerable savings of liquid petroleum gel. NRL has also installed improved insulation over the high-pressure steam line to reduce the heat loss.

Figure: 1.2 Focus areas of CSR and Sustainability Activities of NRL



Role of CSR activities of NRL on inclusive sustainable growth:

- **Economic sustainability:**

For economic sustainability, the economic activities are conducted in such a way as to preserve and promote long term economic well-being. It creates a balance between economic growth, social equity, resource efficiency and financial stability. The CSR strategies adopted by NRL helps in income generation, employment generation for locals, women empowerment, training on skill development, encouraging entrepreneurship, financing for various agro-based activities. These initiatives help in ensuring financial stability, poverty eradication and economic development of the community.

- **Social sustainability**

Social sustainability is an important dimension of sustainable development. It focuses on promoting physical and social well-being through fair distribution of resources and opportunities. The CSR strategies adopted by NRL helps in promoting social sustainable development are promotion of equal education opportunities, gender equality and women empowerment, access to healthcare specially for marginalized communities, promotion of arts, sports, literature and culture, infrastructure development and income generation. These strategies/initiatives results in contributing towards the dimensions of social sustainable development viz., equality in respect of gender among different social groups and social inclusion, diversity, poverty alleviation, social cohesion, health and safety practices and social quality life.

- **Environmental sustainability**

Environmental sustainability refers to the ability to maintain an ecological balance and for conservation of natural resources to ensure the availability of resources for future generation. The initiatives adopted by NRL contributing to the economic sustainability are conducting periodic risk assessment, Creation of Butterfly Park and Smritibon, development of greenbelt, use of solar energy, treating effluents, implementing various energy conservation measures. These measures help in reducing pollution and optimizing negative environmental impact, conservation of bio-diversity, energy conservation and water management.

Table: 1.1 CSR strategies, its outcome and impact on inclusive sustainable growth

Initiatives/Strategies	Outcomes	Impacting aspect
Income generation	Financial stability, poverty eradication and economic development of the community	Economic sustainability
women empowerment		
Encouraging entrepreneurship		
Training on skill development		
Finance various agro-based activities		
Employment generation for locals	Equality in respect of gender among different social groups and social inclusion, diversity, poverty alleviation, social cohesion, employees'	Social sustainability
Promotion of equal education opportunities		
Gender equality		
Women empowerment		
Access to healthcare to all		
Promotion of arts, sports, literature and culture		
Infrastructure development		

Income generation opportunity	welfare and social quality life.	
Establishment of Occupational Health Department		
Safety management system		
Conducting periodic risk assessment	Resource management, Prevention of pollution and optimizing negative environmental impact, conservation of bio-diversity, energy conservation and water management.	Environment sustainability
Creation of Butterfly Park and Smritibon		
Development of greenbelt		
Energy conservation measures		
Treatment of effluents		

Discussion and conclusion:

The concept of CSR is a commitment of the business towards the inclusive growth of the society contributing towards the sustainable development. NRL is committed towards society and there is a positive relationship between its CSR practices of NRL and socio-economic development.⁹ CSR programme address a wide array of socio-economic and environmental issues from human rights to education and climate change¹⁰. Through integrated, planned and project-based CSR initiatives, one can create opportunities for every Indian to participate in the growth process and benefit from it.¹¹

In this paper, an effort is made to make a study of CSR practices of NRL and also its role on sustainable inclusive growth of its stakeholders. The major focus area of CSR initiatives of NRL include community health, promotion of education, infrastructure development, agri-allied and income generation, promotion of arts, sports, literature and culture. Besides these, NRL adopts various initiatives which focus on health and safety of its employees as well as for environmental protection. The initiatives leading economic sustainability results in economic stability, poverty eradication and economic development of the community. CSR initiatives also help in achieving Equality, social inclusion, diversity, poverty alleviation, social cohesion, employees' welfare and social quality life which ultimately leads to the achievement of the objective of 'social sustainability'. NRL also focus on environmental sustainability through resource management, prevention of pollution and optimizing negative environmental impact, conservation of bio-diversity, energy conservation and water management. NRL's CSR initiatives give emphasis on these three dimensions of sustainable development. These initiatives are mainly meant for deprived sections of the society ensuring the benefits of the various schemes enjoyed by all the sections of the society.

⁹ Bhardwaj S.N. and Barua Nayan (2022), "A study on the socio-economic impact of CSR practices with special reference to NRL", Journal of Pharmaceutical Negative Results, volume 13, special issue 1, 2022

¹⁰ Patil Vinayak and et. Al. (2017), "CSR activities and its impact on socio-economic upliftment: An integrated review", Learning Community: 8 (2): 65-69, August, 2017

¹¹ Mishra R.K. and et.al. (2013), "Corporate Social Responsibility for a Sustainable Inclusive growth in India", Journal of Management and Development Studies, Vol.25 (1): 39-58.

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