

PRACTICES OF CSR IN FERTILIZER INDUSTRIES: STUDY ON ATTEMPTS OF DCM SHRIRAM FERTILIZER

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ABSTRACT

At present, CSR is thought to be one of the most difficult study subjects. Today, CSR is a crucial field of research. This paper aims to find out those areas where CSR activities are done. Shriram Fertilizers is India's biggest agrochemical manufacturing company. This study highlights the main CSR activities done by Shriram Fertilizers. The paper is based on secondary data. This study explores the significance of CSR initiatives in today's scenario. This essay focuses more on social and environmental responsibilities. This paper's result is only related to the fertilizer sector its result is not related to another financial sector.

Keywords: CSR, Environmental Responsibility, Social Responsibility, fertilizer industry.

INTRODUCTION

Social Responsibility of business refers to the obligation of businesses to contribute to the well-being of society beyond just making a profit. The word "responsibility" means that the business has some moral duty towards society. A type of corporate self-regulation incorporated into a business strategy is called corporate responsibility, or CSR.

Corporate Social Responsibility is not only for profit-making, but it also includes protecting and contributing to society in various ways for their development. CSR is a crucial topic of discussion in the business sector. It is a business model that takes into account how a company's actions affect society and the environment. Corporations have a responsibility to give back the resources they took from society.

The Companies Act 2013 is a legislation that made India the first country to mandate CSR. The Companies Act 2013, Section 135 mandates Corporate Social Responsibility (CSR) for eligible companies in India. The Act mandates that all companies, whether private or public, with a net worth of Rs. 500 Cr, a turnover of Rs. 1000 Cr, or a net profit of Rs. 5 Cr shall contribute at least 2% of its average net profit over the previous three years. Financial years as CSR.

Fertilizer manufacturing companies play a crucial role in the economy. Fertilizer manufacturing companies contribute to a nation's economic development through job creation, GDP growth & foreign exchange earnings. According to Section 135 of the Enterprises Act of 2013, CSR is required for Indian fertilizer-producing enterprises.

LITERATURE REVIEW

Anil Kumar (2020) mentioned CSR practices of the fertilizer industry in his case study using secondary data and found out that CSR strategy presents a fine model for replication to

integrate social and environmental issues with the business processes to achieve sustainable development.

Abhishek Kumar Pathak (2014) mentioned in his case study of the Fertilizer Industry in India that there is a need to produce fertilizer by both quantitative and qualitative means.

From the above discussion, it is clear that Fertilizer companies are fairly involved in CSR activities. CSR activities have a positive impact on the financial performance of fertilizer companies in the long term.

RESEARCH GAP

Based on the review of literature previous studies have attempted to cover corporate social responsibility to pre and post-period. However, there is a need for more studies on the CSR performance of fertilizer industries. This research looks at Shriram Fertilizers' CSR performance in India.

OBJECTIVES

1. To collect information about CSR activities done by Shriram Fertilizers
2. To figure out how CSR affects society and the environment.
3. To examine the CSR performance of the Fertilizer industry in India.
4. To study the growth of the fertilizer industry in India.

RESEARCH METHODOLOGY

To fulfil the stated objectives simple analysis based on the available literature is used in the study. Only secondary data served as the foundation for this investigation. This secondary data has been collected from websites, published data, reports, and journals. This paper covers a detailed case study of Shriram Fertilizers in the year 2020.

A CASE STUDY ON DCM SHRIRAM FERTILIZERS

DCM Shriram Ltd. started its operations on April 1, 1990. It is a leading business fertilizer group that spans multiple sectors including the Agri- Rural Business – Urea, Sugar, Ethanol, and Farm Solution Business. DCM Shriram Ltd. Is a multinational corporation that optimizes its diversified business.

Among the four firms that carried on DCM's century-old tradition was DCM Shriram Industries Limited.

The report captures key economic, environmental, and social performance indicators and reflects significant achievements of the DCM Shriram Industries for FY 2023-24. This report shows the social and environmental information of the industry in F.Y.2023-24.

ENVIRONMENTAL RESPONSIBILITY

DCM Shriram Ltd. believes that the Environment can be maintained in its natural state and ensures all industrial operations are safe and hazard-free. This industry has numerous efforts for environmental conservation, which are as follows:

Circular Economy: The business prioritizes the efficient application of the fundamental ideas of resource optimization, the utilization of alternative sources, and the innovation-driven maximizing of "recycling and reuse."

Additionally, the business developed technology to include various waste and byproducts into the concrete mix, including fly ash, waste sludge, and sludge from water treatment facilities.

Effluent from the urea factory is recycled for use as boiler-free water, for example, and waste products are recovered for profitable use.

Climate Actions: Response to climate change and energy conservation are key components of this industry to improve environmental performance.

Companies adopt various approaches such as promoting awareness of energy conservation through engagement with employees, exploring renewable sources of energy, and reducing energy consumption through better processes. These initiatives have resulted in a reduction of around 2.6 million tCO₂e. Tree plantation and green belt development is undertaken in and around operating units.

Water management: The corporation is adamant that ensuring water supply for future generations is essential to sustainable growth. Through the implementation of numerous measures in all aspects of its operations and the Zero Liquid Discharge (ZLD) policy, which maximizes water recycling utilizing the newest technology, the firm is always working to adhere to best practices in water conservation.

Rainwater collection initiatives in Bharuch and Kota save over 65,000 KL and 450,000 KL annually, respectively. Over the past 20 years, they have reduced water usage at the Kota site by more than 60%.

DCM Shriram started “Khushali Paryavaran” – An Environment Sustainability Initiative project for water conservation which resulted in creating water security for approximately 5000 people.

Social Responsibility: DCM Shriram is spearheading social impact projects to support sustainable development and benefit its communities. With a focus on water conservation, the company's two main goals are to empower Indian farmers economically and to fulfil community needs via holistic development for a quantifiable increase in quality of life.

The core of the work is on creating an impact on the lives of people, the focus areas are livelihood, healthcare, sanitation, environment, and education. The primary focus is on communities around manufacturing units in the area of Hardoi & Lakhimpur districts of UP, Kota district in Rajasthan, and Bharuch district in Gujarat.

Healthcare Initiative: DCM Shriram started a project “Khushali Sehat” – A Prevention Healthcare Initiative Program for better healthcare. This program's primary goals include vaccination, fighting hunger, managing menstruation health, and encouraging institutional births.

For better community outreach, Mobile Medical Units (MMU) have been introduced across 45 Gram Panchayats covering Hariawan Block, 109 Gram Panchayats covering Pasgawan Block in UP, and 122 Gram Panchayat in Gujarat.

DCM Shriram collaborated with the Bharuch District Administration to launch Kishori Utkarsh Pahel. it is a program to empower adolescent girls to bring self-awareness that leads to proper nutrition intake, health & hygiene.

Sanitation Awareness: “Khushali Swachhata”- A Sanitation Initiative project started by the company for Sanitation Awareness. Awareness-raising initiatives in the government schools and communities of Kota, Bharuch, Hardoi, and Lakhimpur Kheri support the school- and community-led overall cleanliness program.

This initiative is to support the goals of the Swachh Bharat Mission-Urban by raising awareness about waste segregation, increasing the capacity of sanitation personnel, and treating and disposing of collected solid waste.

Educating the community as a whole about changing behaviour, maintaining a clean environment, and practising proper personal hygiene are examples of awareness-raising efforts.

Promote Education: The fundamental tenet of society and the country is education. DCM Shriram is transforming the lives of several children by providing them with opportunities via "Khushali Shiksha."

To promote collaborative learning, and inculcate critical thinking and problem-solving, the organization gives digital devices such as tablets for children studying in classes 1st to 6th.

This project emphasizes essential skills like critical thinking, problem-solving, teamwork, and technology integration. This project and the Pratham Education Foundation together bring this approach to students in Hardoi and Lakhimpur Districts.

Livelihood Initiative: under the 'Khushlai Rozgaar', the organization works with communities that skill farmers on good agricultural practices, livestock development, and women on how to be financially independent and increase the family's income and help out rural craftspeople by training them Zardazi. Many programs such as Silai School, Project Zardozi, Kaushal Vikas Kendra – Digital Literacy, Agri Skilling, Livestock Development, etc. programs are running under it.

The study shows that fertilizer industries in India are focused on Social Responsibility nowadays. It includes a detailed study on a leading Fertilizers industry i.e. DCM Shriram Fertilizers and it shows the different efforts by the different industries as well. In conclusion, fertilizer industries in India increasingly prioritized social responsibility, focusing on critical areas such as healthcare, education, sanitation, and the environment. In a summarized form we can say that CSR Policy is a reflection of its commitment to engage and work closely with the community and society.

Conclusively, some suggestions are advisable for better CSR in these fertilizer industries. First is to enhance and accelerate the government's involvement in CSR activities, Second there should be a focus on digital literacy, soil health, farmers training in the era of CSR, and stakeholders' engagement should increase in terms of CSR and regular reporting will ensure transparency and continuous improvement. Companies should upload their whole activities to their official website. Additionally, education, healthcare, and scholarship programs can improve community well-being. companies should more focus on rural areas because India's vast population is situated in rural areas.

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