Chapter 6

CORPORATE SOCIAL RESPONSIBILITY AT RELIANCE GROUP
OF INDUSTRIES

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6.1 Introduction

The era of 1980-1998 i.e. the era of corporate citizenship saw new rising stars. One of the most astonishing success stories is that of Reliance Industries founded by Dhirubhai Ambani, the son of a village teacher from the village of Chorwad in the Saurashtra region of Gujarat. After only a preliminary education, Ambani had come to Bombay in 1958, at the age of 25, to start a trading firm. By 1966, Ambani had earned enough through his export-import business in synthetic fibers, to setup a textile mill near Ahmedabad. From there he went on to build up a polyester fiber yarn plant near Bombay in 1982. Joined by his sons Mukesh and Anil, educated and trained abroad, he went into petrochemicals. After that there was no looking back. By the 1980s, Reliance was among the top eight houses, and today with an empire worth thousands of crores, they have risen to rank first among private sector companies, next only to three public sector\(^1\) giants as shown in table 6.1 below.

Table 6.1

Top ten family business groups- 1997

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<thead>
<tr>
<th>RANK</th>
<th>GROUP</th>
<th>ASSETS (Rs. In Millions)</th>
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<tr>
<td>1</td>
<td>Tata</td>
<td>375108.00</td>
</tr>
<tr>
<td>2</td>
<td>BK-KM Birla</td>
<td>194979.40</td>
</tr>
<tr>
<td>3</td>
<td>Ambani</td>
<td>193455.90</td>
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\(^1\) Business India, October 21-November 3, 1996.
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<tr>
<th></th>
<th>Name</th>
<th>Amount</th>
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<tr>
<td>5</td>
<td>Ruia</td>
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### 6.2 Corporate Social Responsibility at Reliance Industries

#### 6.2.1 Health

Health, Safety and Environment (HSE) is a high priority issue at Reliance. The aim is to provide comprehensive health services covering preventive, promotive, curative and community health care services.

OHC: Reliance's state-of-the-art Occupational Health Centers (OHC) at its manufacturing divisions offers health care services to its employees. These centers are equipped with diagnostic and therapeutic equipment and are manned by qualified occupational health specialists. The programmes conducted by medical centers, include preventive health care through pre-employment and also periodic medical examinations of all employees. The results are computerized and analysed so as to provide targeted interventions at the individual and group levels. The medical departments also carry out informative lecture sessions, exhibitions and diagnostic camps. Curative treatments are a part and parcel of the services provided. The
employees are also supported for hospitalization by regular liaising and provision of financial supports, where required. The company's occupational health centers are also in the forefront in organizing preventive educational programmes for non-communicable diseases, such as: heart problem, hypertension, diabetes and other lifestyle diseases, along with informative sessions for communicable diseases, such as: malaria, tuberculosis and HIV / AIDS. The company endeavors to move towards the concept of wellness as it recognizes that a healthy worker is a productive worker.

Adoption of Public Health Centre (PHC): Reliance has adopted a Primary Health Centre (PHC) from the State Government of Gujarat and converted it into a model primary health centre.

Initiatives to Control HIV/AIDS and TB: The Company provides Community Medical Centers near most of its manufacturing divisions. These centers cater to the Governmental health care programmes like material and child health, TB, material, HIV / AIDS etc., besides providing curative treatment. These Centers have been well received and go a long way in providing the medical relief for the community. The Company has implemented HIV / AIDS and DOTS programme at Hazira and Jamnagar, and is in the process of replicating the same at the other manufacturing divisions. This initiative is a public-providing partnership between the Government, NGOs and Reliance. This comprehensive project extends from creating awareness to providing treatment, care and support. Reliance's initiative to combat HIV /
AIDS has been recognized by UNAID, World Bank and other national and international institution.

Highway Rescue Intervention: To provide emergency and trauma care to victims of highway accidents, Hazira has tied-up with an NGO to run the project on the State Highway in Gujarat starting from Sachin to Bharuch, and the State Highway via Hazira – Olpad – Hansot – Ankleshwar. The project will benefit thousands of commuters who use this highway on a daily basis. Traffic police personnel are the first government agency to respond to an emergency involving a chemical tanker or a truck. With the increase in the number of accidents on roads and the unending addition of new chemicals, it is important that these personnel understand the hazards and the basic steps to be taken to safeguards themselves and the general public from the hazards of chemicals. The company’s initiative of training traffic police personnel by its Kurkumbh Manufacturing Division in handling road transport emergencies involving chemicals will go a long way in serving the objective of community well-being.

Dhirubhai Ambani Hospital, Lodhivali: Reliance also operates the Dhirubhai Ambani Hospital, Lodhivali and renders quality medical services to the rural population and highways accident victims.

Moti Khavdi Medical Centre: As part of corporate social responsibility services, a community medical centre was established in Moti Khavdi, a village near Jamnagar Manufacturing Division, during the pre-commissioning stage of the refinery in November 1995. This Community Medical Centre provides comprehensive medical services
free of cost and round the clock. About 1.2 lakh villagers of nearby areas like Moti Khandi, Nani Khandi, Padana, Meghpar, Gagva, Jogvad, Baid, Kanalus, Sikka, Sarmat, Navaniya, Manugan, Jakhar, Bara, Vasai and Amra benefit from the same.

Community Medical Services, Jamnagar: A massive workforce from all parts of India are working at the mega construction activities in Jamnagar. The company has given shelter in several colonies. Each labour colony has a separate medical centre. Each medical centre in manned round the clock by doctors, nurses and ambulance.

Thalassaemia detection camp and parental counseling: The tribal areas in regions near Surat, Gujarat, are highly endemic to the prevalence of a thalassaemic tratic, which is a genetic disorder. The Company launched a thalassaemia detection camp in association with the Indian Red Cross in the local high school. Children from the nearby school were tested for the disorder. The opportunity was also used for detecting anemia and sickle cell anemia. A post-test counseling session was organised for the parents of the children.

Project “Cancer-Aid” for Cancer patients: In partnership with the Lions Cancer Detection center, the Company Provides monetary assistance for purchase of medicines to cancer patients.

Mobile Dispensaries: Reliance also operates free medical diagnostic and therapeutic services at neighboring village of several of its manufacturing locations.
Blood Donation Drives: The company employees organize and participate in blood donation campaign every year across its manufacturing divisions and offices.

Sir Hurkisondas Nurrotumdas Hospital and Research Centre (HNHRC): Dhirubhai Ambani Foundation (DAF), with financial and technical services support from the Reliance Group, joined in 1997 the Management of HNHRC, a charitable hospital offering tertiary health care facilities to all strata of society and providing free and subsidized services to the poor and indigent patient availing of various diagnostic and treatment facilities. Thousand of patients have received treatment indoors in the various wards and specialized care areas and at OPD services at P.T. Clinic, the popular Diagnostic Centre of the Hospital. The Hospital continues its age-old tradition of rendering free service to all in the casualty ward. More than 4,000 surgeries were performed during the year, of which a major portion was special and supra-major surgeries. Further, the eye Donation drive initiated by the hospital witnessed an increased response. Some of the important outreach programmes conducted during the year included a Senior Citizen Health Screening Program in association with Rotary Club, and a medical back-up for the Special Olympics event organized by the Lion Club – International. Twice a month, the hospital continues to conduct free health check – up for Senior citizen and physically challenged in Mumbai. These programmes have gone a long way in educating the community on prevention of diseases, and promoting a health lifestyle. The hospital is in the process of building a multi-
storied ultra modern territory care hospital with state-of-art facilities and infrastructure embracing the entire spectrum of health care services. Several new facilities would be added, and may be the existing facilities would be significantly upgraded. A chain of blood banks would be established at various centers under a new initiative by the DAF.

Sir Hurkisondas Nurrotumdas Medical Research Society (HNMRS): DAF, through the Reliance Group, supports the scientific research activities of HNMRS. The society has been carrying out scientific research activities since 1974-75 and has completed more than 130 research project. The scientists from HNRMS have presented over 180 papers at various national and international conferences. More than 130 papers have been published in peer reviewed scientific journals, about half of them being highly rated as prestigious international journals. Topic of national health priority constitute a major share of the research project undertaken. The researchers are motivated to expand their research avenues to carry out epidemiological studies and community-based surveys. As part of such studies, children from nearby schools and susceptible population from neighbourhood communities are regularly screened by medical / paramedical professionals. Those in need of medical care are offered special attention and treatment at the institution free of cost.

6.2.2 Safety

Having reached high levels of safety management within the country, the management has, in the last few years, been steadily
taking strategic steps to take the Company to world class levels. This year, under the guidance of the HSE Committee of Directors, Reliance entered into a strategic partnership with DuPont safety Resources. The engagement is focused on behavioral as well as process safety aspects and aims at bringing in excellence in safety management. In addition to personnel safety is also a top priority for the company. World class documented standards, emphasis on line management responsibility, an improved and standardized process for safety observations are helping the manufacturing sites achieve higher employee participation in the safety management process. In line with the Company's vision to always tie-up with the best in the world, Reliance has tied-up with the Centre for Chemical Process Safety, of the American Institute of Chemicals Engineers (AIChE) of USA.

6.2.3 Environment

In its pursuit of excellence in sustainable development, Reliance further integrated its safety and environment performance in the overall business plan and strategy. A management system approach, consisting of gap analysis, planning, implementation, and review has percolated to all business plans through ISO 14001:2004 at all manufacturing locations. Through its annual environment plan and business targets, the Company identifies project and takes action to achieve these targets with the ultimate goal of becoming water positive, carbon neutral, with maximum possible recycling and reuse of hazardous and other wastes. A management framework with defined structures, roles and responsibilities, group guidelines, audits
and training has been instituted to implement the journey towards world-class excellence in environment. The company initiated reporting environmental efforts to the world through Global Reporting Initiative following G-3: 2006 guidelines. The Company has also undertaken an exercise to establish world class corporate environment standard with the help of DuPont experts. Reliance is statutory compliant in the area of environment. As a policy, environment impact assessment and qualitative risk analysis are performed for all new and major expansion projects and in corporate all necessary measures to mitigate environmental impacts due to project implementation. All the hardware – such as effluent treatment plants, air emission abatement units and waste disposal facilities, were maintained and improved further. The above efforts have resulted in a significant improvement in water consumption, water recycle and reuse, CO2 and other air emissions, ozone depleting substances consumption and hazardous waste generation. This year, Reliance’s exploration and production (E&P) division, involved in exploratory drilling in various off-shore blocks off the coast of state of Andhra Pradesh, has moved into development phase for the KG-D6 project. Regulatory environment monitoring programs have been instituted from the beginning of construction phase to ensure a fool-proof compliance tracking and reporting mechanism.

Climate change and Energy conservation: During 2007-08, Reliance registered two Clean Development Mechanism (CDM) projects, one each from Patalganga and Allahabad, with UNFCCC for CO2
reduction. More than 100,000 Certified Emission Reduction (CER) from two of the registered projects have been verified and issued by United Nations Framework Convention on Climate Change (UNFCCC). The company is exploring all possibilities to take the benefit of CDM credits through various projects. Reliance also became member of Carbon Capture and Sequestration Association, London, for active participation in worldwide activities related to Carbon Capture and Storage (CCS). To decrease the Company’s carbon footprint, activities have been initiated in the area of bio-diesel through non-edible route of Jatropha seeds. Extensive distribution of Jatropha saplings and cultivation in the wasteland has been targeted and a pilot planted of 20 Ton Per day (TPD) bio-diesels is ready for commissioning. Reliance is also exploring the possibility of bio-ethanol using second generation raw material.

Fresh water consumption an effluent discharge: Reliance as a responsible corporation has accorded top priority to water conservation and reuse to preserve fresh water, one of the precious natural resources. Jamnagar Manufacturing Division is not dependent on fresh water resource and continues to generate fresh water from sea. Compared to the previous year, there has been a reduction in consumption of water at manufacturing locations Jamnagar, Kurkumbh, Hoshiarur, Silvassa, Dhenkanal and Nagpur manufacturing divisions have achieved 100 per cent recycling of the treated water and thus attained the status of “Zero Discharge” sites.
Vadodara and Hazira Manufacturing Division have initiated the "Zero Discharge Project".

Community environment initiatives: Various environment programs, such as tree plantation, water conservation and harvesting and energy saving initiatives were conducted by all sites within the complex and in the nearby community. All sites, as part of the "World Environment Day" celebrations created awareness on global Warning and melting of ice. This year, manufacturing Division at Vadodara and Dahej gave special emphasis to school and initiated Green School project using the framework development by Centre for Science and Environment (CSE), New Delhi. To enhance bio-diversity in the vicinity of the onshore facility at Kakinada, Reliance undertook an extensive mangrove plantation exercise and also forestation for restoration of degraded mangrove area in Coringa mangrove forest in association with MS Swaminathan Foundation. Reliance has also sponsored study of costal wetlands of Godavari Delta to Environment Center – a reputed NGO of Andhra Pradesh.

6.2.4 Education

"Teach them young" is the very motto of Reliance as the company believes that the quality of inputs received by an individual at an early age contributes to his or her growth as a capable human being. To ensure high quality of teaching, Reliance has made significant efforts to wards vale enhancement of teacher through professional and institutionalized training. Dahej manufacturing Division conducted educational and excursion tours of student and
teacher from the primary school of neighboring villages, and also organized 'Bailmela' and Science and Mathematics fair. To provide training in the field of effective techniques modern methods of teaching to high school teachers in the Hazira area, the company organized training of teachers in various subject. Reliance has launched the “Sky is the limit” program at Hazira, to address the problem of school drop-outs in the local community. The company also provides opportunities to engineering and management institute students to undergo in-plant training / projects part of there academic curriculum thus enabling them to appreciate application of theoretical knowledge and get an exposure to the industrial practices. Efforts were made to enhance employability/skill development of local youth. This was done by giving opportunities to them to work in the company's operating plants, which in turn improve there job prospect. Executive development program for officer of neighboring industries were organized in coordination PRIA (Patalganga Rasayani Industries Association). The company's major manufacturing locations provide good quality education to the children of all employees and also cater to the needs of surrounding villages. Jamnaben Hirachand Ambani School, Kokilaben Dhirubhai Ambani Vidhya Mandir and Jamnaben Hirachand Ambani Saraswati Vidya Mandir are schools near the company's manufacturing location at Patalganga, Hazira and Jamnagar respectively. A modern educational infrastructure coupled with extra-curricular activities and recreational facilities distinguish all this schools. To encourage school children from neighboring
villages, Nagothane Manufacturing Division based CSR cell-MGCC Area Development Research Foundation (MADER) Trust took following initiatives:

- Felicitated meritorious students from neighbouring villages and tribal hamlets. Each student received a set of note books, stationary items and a school bag.

- There are several Zilla Parishad schools located on the hilltop near Nagothane Manufacturing Division where all the children who are attending school are tribal. With an objective to encourage the tribal students, Reliance also provided school uniforms.

- Barabanki Manufacturing Division renovated a primary school in an adjoining village.

- Hoshiarpur Manufacturing Division provided free uniform (winter and summer), books, bags, shoes and stationery to the school-going children of neighbouring village.

### 6.2.5 Drishti

Project Drishti, a nation-wide corneal grafting drive to bring light into the lives of visually challenged from the underprivileged segment of society, has restored the gift of sight to over 5,500 Indians. A unique joint initiative of Reliance Industries Limited and National Association of Blind (NAB), Project Drishti has undertaken over 5,500 keratoplasty surgeries in less than 4 years since it was started – all free of cost.
Drishti Painting Competition: As a part of corporate initiative to propagate awareness of Project Drishti, Drishti painting competition is organized for school children at several manufacturing division and offices of the company.

6.2.6 Rural Development

Jamnagar Manufacturing Division continues to extend a helping hand and surrounding villages and the community at large. Activities during the year focused on improving village infrastructure, supply of drinking water, education support etc. During the year, in a unique initiative to improve rural housekeeping and sanitation, a totally fresh approach was adopted to beautify Moti Khavdi; Reliance's adopted village. Cleaning and sanitation drive at Moti Khavdi was taken up as an ongoing project. Three MoUs were finalized with the State Government of Gujarat for development of Dwarka during the year. To maintain and support village cows in surrounding villages, to more brand new cows-sheds for Kanalus and Kanachikari were constructed and handed over to the respective villages. These cows and cows-sheds ("Gaushala") receive regular fodder supply from the company's Jamnagar Manufacturing Division. Construction of a public lavatory, water tank and common drinking water facility for villagers was done at Nani Khavdi during the year under report. Drinking water through water tankers was supplied during a crisis period in Sikka, Nani Khavdi, Meghpar and Padana. At Kanachiari water pipelines were laid during the year. A new primary school building at Navagam was constructed and repairing of some village school was taken up.
Participation and distribution of sweets in village school during the Independence Day and Republic Day; support to government of Gujarat drive for girls; education distribution of gifts to girls of villages during Navratri festival; supporting Navratri celebration in Jamnagar were some of the salient aspects of Jamnagar Manufacturing Division Community Welfare Cell as part of routine and regular activities. Dahej Manufacturing Division has been playing pivotal role in the development of the society. Social initiatives undertaken by Dahej Manufacturing Division are concentrated towards promotion on education, health awareness and medical facilities, infrastructure development and supply safe drinking to the villages.

6.2.7 Reliance Rural Development Trust (RRDT)

The work to improve the rural infrastructure under the government of Gujarat rural development plans was continued with full energy by RRDT. During the year under report, the RRDT created 760 facilities in the rural areas a cost of Rs. 24.07 Crore the facility included 247 concrete roads, 465 Aganwadis, 38 drinking water facilities one Panchayat office, to community hall, five check – dams and two other amenities in the rural areas of the state Gujarat. Reliance has also solved the long – standing drinking water problem of villages near its Manufacturing Division located at Naroda and Nagapur. Further, Reliance has created public bathing facilities and toilets for truckers and resident of villages for improving hygiene near its Halahabad Manufacturing Division.
6.2.8 Empowerment to Women and Youth

Reliance has conducted many training programmes, which would help the rural women and youth to be self sustaining and generate income for them self and support their families. The training programmes conducted at Vadodara for the rural women and youth surrounding villages of Vadodara Manufacturing Division during the current year are: women empowerment, dress making and designing, beauty culture and health care, hospital attendant (helper of hospital and Nursing homes), plumbing and hand pump repairing training, computer hardware, motor vehicle driving, mobile repairing, doormat making. Several persons participate and benefited from the above training programmes. Nagothane Manufacturing Division based CSR cell-MADER Trust is supporting several Self-Help groups in income generating activities such: Hatsadi tandul (brown rice cultivation), phenoyl making, agarbati-making, candle-making, papad-making and supplying in to the industrial canteens and also carry - bag making. Hoshiarpur Manufacturing Division conduct free stitching courses for the women of nearby villages.

Sports for the Physically Challenged: Reliance has joined hands with the organizing team of Special Olympics Gujarat (Bharat) for the physically challenged children of Gujarat. Several 100 children participated in the event that were organized at the Reliance Sports Complex Vadodara.
6.2.9 Skill Up-gradation

Reliance runs special training programmes to equip the young people of neighboring villages with life and work skills necessary for sustaining livelihood. Nagothane manufacturing division conducted training in fashion designing courses for the ladies to upgrade the skills of those women who are already trained in basic tailoring. The division also conducted computer education courses and nursing assistant training courses. The trainees also received hands-on training at the local hospital and primary health center at Nagothane. The company also trains the youth in vehicle driving courses and helps them in getting a driver's license so that they can earn a livelihood by starting their own business as motor drivers. The company's Polymer business division organized technical training programmes at 50 Industrial Training Institute (ITIs) all over India to in-hance skill of artisans for new and advanced technique of plumbing with TPR pipes. The company also offers plumbing kits, free of cost, to various plumbers as well as to ITIs to promote this new energy efficient application in the building industries.

6.2.10 Eco-friendly Initiative

In addition to the above initiative, the company also focuses on the development of the Eco-system and improvement of the green belt across its manufacturing E&P sites.

6.2.11 Packaging Solution to Farmers (Leno bags)

Reliance organized extensive awareness programmes on improved packing solution for potato other vegetable for farmers all
over India. This included demonstration on use of Leno bags, which are more durable, functionally more efficient and cheaper than traditional materials. This programme helped the farmers reduce the cost of packaging of potato. These bags also helped farmers to reduce wastage while keeping in cold storage. The Company's efforts helped the farmers to improve their earnings. The programme covered more than 10,000 farmers across India.

6.2.12 Polyethylene (PE) Biogas Domes for Renewable Energy

Source

Biogas technology for rural development has been a focus area for Government of India. Ministry of New and Renewable Energy (MNRE) promotes family - type biogas plants under the national project on biogas development (NPBD). The two cubic meter "Deenabhandu" model is the most popular family type fixed dome biogas plant development with conventional brick and cement many of this plant get defunct due to dome cracks leading to gas leakages. The company has development a 100 per cent leak-proof Rotomolded PE Dome, which gives end - user a unique combination of properties like good strength, stiffness, light weight, seamless construction, ease of installation and very better maintenance.

6.2.13 Real Indian Heroes

On the occasion of Shri Dhirubhai Ambani's 75th birthday, 60 years of Indian Independence and 30 years of Reliance, the Company took up a unique initiative to salute the Real Indian Heroes of Independent India. Partnering with the TV channel, CNN-IBN, a series
of programmes to felicitates the unsung heroes of India was launched. CNN-IBN identified 24 Real Heroes, which included six each from the four zones of India. In recognition for their outstanding contribution to society, Reliance felicitated each of these 24 Real Heroes to further encourage their contribution.

6.2.14 Dhirubhai Ambani Foundation (DAF)

Dhirubhai Ambani Foundation (DAF) was established in 1995 by Shri Dhirubhai Ambani, the patron Trustee of the Foundation. A public charitable trust registered under the Bombay Public Trust Act, 1950, DAF has for its objectives a broad spectrum of worthy causes ranging from health an environment, of promotion of social and economic welfare and rural development. However, its main thrust has been on education and public health care. Thus DAF initiatives reinforce Reliance's commitment to social responsibility.

Rewards and Scholarship: DAF SSC Merit Reward and Undergraduate Scholarship Schemes: The Foundation's much acclaimed SSC Merit Reward and Undergraduate Scholarship Schemes continued to encourage and assists meritorious student at the district level to pursue higher education in different vocations to enhance the Human Resource potential of the country. Now in their 12th year, both the schemes are currently applicable in the states of Maharashtra, Gujarat, Goa and the Union Territory of Daman, Diu and Dadra Nagar Haveli. The Foundation also extended the Rewards and Scholarship Schemes to physically challenged student from all students, from all the States and Union Territories of India.
Reliance Kargil scholarship: Children of martyrs / disable soldiers of the Kargil war received financial support under this Scheme for their education from Std. V to XII. The unique feature Scheme is that the corpus was created with contribution from Reliance Group employees, with the Management responding by making equal contribution.

“Dhirubhai Ambani Scholars’ scheme” for Meritorious Children of Reliance Shareholders: The Scheme announced in 2003 as a one-time measure to commitment the silver jubilee of the company’s listing on the Bombay Sock Exchange.

6.2.15 Reliance School of Life Sciences (RSLS)

Reliance School of Life Sciences is a center of excellence established by the DAF in 2007. It is dedicated of providing graduate, post graduate, doctoral research and continuing education programmes in various domains of life sciences and related technologies. RSLS currently operate from a sate of the art campus at Navi Mumbai the first Diploma Programme in Clinical Research and Biopharmaceutical Manufacturing commenced from July 2007.

6.3 Awards and Recognitions

Reliance Industries have received the following awards and recognitions for its contribution towards the society:

- The PHC located at Dahej in Bharuch District, Gujarat, has attained the status of the best PHC in the District in the short-span of 6 months and has established itself as a centre of excellence.
• Reliance's second Sustainability Report for FY 2005-06, “My Reliance. My Life” received the highest possible accreditation: GRI Checked A+.

• Largest corneal grafting surgery project enabled by a single corporate entity in India is credited to Reliance.

6.4 Report on Corporate Governance

6.4.1 Introduction

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organisation. As shareholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage. Over the years, governance processes and systems have been strengthened at Reliance. In addition to complying with the statutory requirements, effective governance systems and practices inter alia towards transparency, disclosures, internal controls and promotion of ethics at work-place have been institutionalised. Reliance recognises that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders. For implementing the Corporate Governance practices, Reliance has a well defined policy framework.
6.4.2 Corporate Governance Monitoring and Review Process at Reliance

With expert assistance from Indian and international firms, Reliance had initiated a programme to review its policies and practices of Corporate Governance with a clear goal not merely to comply with statutory requirements in letter and spirit but also to implement the best international practices of Corporate Governance, in the overall interest of all the stakeholders. Some of the major initiatives taken by the Company towards strengthening its corporate governance systems and practices include the following:

(a) Constitution of Corporate Governance and Stakeholders' Interface Committee:

The Corporate Governance and Stakeholders' Interface Committee, an Independent Board Committee, examines various Corporate Governance practices from time to time and recommends to the Board for adoption. The Board of Directors of the Company ('the Board') considers the recommendations of the Corporate Governance and Stakeholders' Interface Committee and decides to implement the suggestions in the larger interests of transparency, accountability and shareholder value. Establishment of a dedicated independent Board Committee demonstrates the level of commitment the management has in putting in place a pervasive governance framework flowing from top.
(b) Nomination Committee:
The scope of the Corporate Governance and Stakeholders' Interface Committee was enhanced to act as Nomination Committee as well. Accordingly, the Committee evaluates appointment of Directors on the Board and recommends the same to the Board. This move of the management aims at ensuring increased level of transparency, objective evaluation of the Board strength and impartial selection of new Directors on the Board.

(c) Adoption of Corporate Governance Manual:
On the recommendations of the Corporate Governance and Stakeholders' Interface Committee, the Board approved and adopted, during the last year, a comprehensive Corporate Governance Manual ('the Manual') setting out the procedures for effective functioning of the Board and its Committees. The Manual also incorporates the Code of Business Conduct and Ethics for Directors and Management Personnel, Code of Ethics for Employees, Code of Conduct for Prohibition of Insider Trading and key accounting policies. These policies will be constantly monitored and reviewed by the Corporate Governance and Stakeholders' Interface Committee, from time to time.

(d) Secretarial Audit:
As a strong measure of transparency and control, the Company has, voluntarily, appointed an independent practicing company secretary, who has been conducting secretarial audit. The quarterly reports of this audit are placed before the Board and the annual audit report, as placed before the Board, is included in the Annual Report for perusal.
of shareholders. This audit, as a process, acts both as a preventive check as well as verification of compliance with various applicable corporate and securities laws.

(e) Guidelines for the Board / Committee Meetings:
With a view to institutionalise corporate affairs and set up systems and procedures for advance planning for matters requiring discussion/decisions by the Board and Board Committee, the Company has defined guidelines for meetings of the Board and Board Committees. These Guidelines seek to systematise the decision making process at the meetings of the Board and Board Committees in an informed and efficient manner.

(f) Implementation of the best globally prevalent governance practices:
It is the Company's policy to adopt the best governance practices as laid down in international codes of Corporate Governance and as practiced by well known global companies. The Company, as part of continuing exercise of strengthening its corporate governance practices, examines recommendations of expert committees, from time to time and implements them to the extent feasible.

(g) Role of the Company Secretary in Overall Governance Process:
As per the internationally recommended practice, the Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. All the Directors of the Company have access to the advice and services of the Company Secretary in ensuring an effective functioning of the Board. The Company Secretary administers, attends and prepares minutes of the Board and
Board Committee proceedings in accordance with the statutory requirements as well as added governance norms.

(h) Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India:

The Institute of Company Secretaries of India (ICSI) is one of the premiere professional bodies in India. ICSI has issued secretarial standards on important aspects of day to day business. Though these standards are recommendatory in nature, the Company observes them voluntarily.

6.4.3 Committees

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India (Clause 49) and some of the best practices followed internationally on Corporate Governance. Under the said regulations along with the other practices the company forms the various committees as per the guidelines to ensure smooth corporate governance:

giants as shown in table 6.1 below 1. Standing Committees:

Details of the Standing Committees of the Board and other related information are provided hereunder:

(a) Audit Committee:

The Board has constituted Audit Committee. All the members of the Audit Committee possess financial / accounting expertise. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49. The primary
objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

(b) Corporate Governance and Stakeholders' Interface (CGSI) Committee:
The Board has constituted Corporate Governance and Stakeholders' Interface Committee. This committee looks into the matters of corporate governance practice at all levels and issues related to its information being disclosed to the external of the company.

(c) Employees Stock Compensation Committee:
The Board has constituted Employees Stock Compensation Committee. The Committee was formed to formulate detailed terms and conditions of the Employees Stock Option Scheme.

(d) Finance Committee:
The Finance Committee of the Board reviews the Company’s financial policies, risk assessment, capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable. It also reviews banking arrangements and cash management. It has the right to exercise all powers to borrow money. It also looks into the matters related to Bonds and giving Guarantees.

(e) Health, Safety and Environment (HS&E) Committee:
The Board has constituted Health, Safety and Environment Committee to monitor and ensure maintaining highest standards of
environmental, health and safety norms and compliance with applicable pollution and environmental laws at all works / factories / locations of the Company and to recommend measures, if any, for improvement in this regard. The Committee reviews, the Health, Safety and Environment Policy of the Company, performance on health, safety and environment matters and the procedures and controls being followed at various Plants of the Company and compliance with the relevant statutory provisions.

(f) Remuneration Committee:
The Board has constituted Remuneration Committee to recommend / review remuneration of the Managing Director and Whole time Directors, based on their performance and defined assessment criteria.

(g) Shareholders’ / Investors’ Grievance Committee:
The Shareholders’ / Investors’ Grievance Committee (the Committee), approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redressal of shareholders’/ investors’ complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. The Committee oversees performance of the Registrars and Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company’s Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading)
Regulations, 1992. The Board has delegated the power of approving transfer of securities to the Managing Director and / or the Company Secretary.

2. Functional Committees

The Board may, from time to time, constitute one or more Functional Committees delegating thereto powers and duties with respect to specific purposes.

6.5 Conclusion

Reliance contribution to the community are in the area of health, education, infrastructure development (drinking water, improving village infrastructure, construction of schools, etc), environment (effluent treatment, tree plantation, treatment of hazardous waste), relief and assistance in the event of a natural disaster, and miscellaneous activities such as contribution to other social development organisation etc. The company's corporate social responsibility (CSR) teams at all manufacturing divisions interact with the neighboring community on regular basis. Social welfare and community development is at the core of Reliance's CSR philosophy and continues to be a top priority for the Company. It revolves around the Company's deeply – held belief in the principle of symbiotic relationship with the local communities, recognizing that business ultimately has a purpose—to serve human needs. Close and continuous interaction with the people and communities in and
around the manufacturing division has won the key focus while striving to bring around qualitative changes and supporting the underprivileged. To sum it all, Reliance Industries contribute Rs. 115.51 crores in 2007-2008, which has increased since last financial year from Rs. 26.71 crores. Reliance is indirectly providing livelihood to around 200,000 individual all over the country.

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