

32

STANDING COMMITTEE ON
COAL AND STEEL
(2012-2013)

FIFTEENTH LOK SABHA

MINISTRY OF COAL

**“CSR ACTIVITIES IN COAL INDIA LIMITED
AND ITS SUBSIDIARIES”**

THIRTY-SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2013/Vaisakha, 1935 (Saka)

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AND ITS SUBSIDIARIES”

Presented to Lok Sabha on 23.4.2013

Laid in Rajya Sabha on 23.4.2013



LOK SABHA SECRETARIAT
NEW DELHI

April, 2013/Vaisakha, 1935 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
COAL AND STEEL (2012-13)

Shri Kalyan Banerjee — *Chairman*

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2. Shri Hansraj Gangaram Ahir
3. Shri Sanjay Bhoi
4. Smt. Jyoti Dhurve
5. Shri Ganeshrao Nagorao Dudhgaonkar
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* Nominated *w.e.f.* 13.12.2012.

Rajya Sabha

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30. Shri Dilip Kumar Tirkey
31. Vacant

SECRETARIAT

1. Shri S. Balsekhar — *Additional Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Arvind Sharma — *Deputy Secretary*

INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Thirty-Second Report (Fifteenth Lok Sabha) on “CSR Activities in Coal India Limited and its Subsidiaries” relating to the Ministry of Coal.

2. The Committee were briefed on the subject matter by the representatives of the Ministry of Coal and Coal Companies on 21st January, 2013 and took oral evidence of the Ministry of Coal on 26th February, 2013.

3. The Committee wish to express their thanks to the officials of the Ministry of Coal and Coal Companies for placing before them and in furnishing material/information from time to time as desired by the Committee.

4. The Report was considered and adopted by the Committee at their sitting held on 17.04.2013.

5. The Committee place on record their profound appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

6. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;
18 April, 2013

28 Chaitra, 1935 (Saka)

KALYAN BANERJEE,
Chairman,
Standing Committee on Coal and Steel.

PART - I

CHAPTER I

Introductory

Corporate Social Responsibility (CSR) can be defined as the “economic legal, ethical and discretionary expectations that society has of organizations at the given point in time.” The concept of corporate social responsibility means that organizations have moral, ethical and philanthropic responsibilities in addition to their responsibilities to earn a fair return for investors and comply with the law. A traditional view of the corporation suggests that its primary, if not sole responsibility is to its owners, or stockholders. However, CSR requires organizations to adopt a broader view of its responsibilities that includes not only stockholders, but many other constituencies as well, including employees, suppliers, customers, the local community, local, state and federal governments, environmental groups, and other special interest groups. Collectively, the various groups affected by the actions of an organization are called “stakeholders”.

1.2 Public Corporations have legal responsibilities to maximize shareholder profits; but a shift in corporate mindset led by social expectations and pressure is causing business leaders to rethink their responsibilities with respect to corporate performance measures in terms of economic impact, social impact and environmental impact – commonly called the Triple Bottom Line.

1.3 Economic growth is possible only through consumption of inputs available in the environment and society. The harnessing of natural resources has a direct impact on the economy, the environment and society at large. Corporate Social Responsibility (CSR) is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations.

1.4 Corporate Social Responsibility is a Company’s commitment to operate in a economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. This commitment is beyond statutory requirements. Corporate Social Responsibility is, therefore, closely linked with the practice of Sustainable

Development. Corporate Social Responsibility extends beyond philanthropic activities and reaches out to the integration of social and business goals. These activities need to be seen as those which would, in the long term, help secure a sustainable competitive advantage.

1.5 A properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes.

1.6 The Standing committee on coal and Steel have examined the CSR of Coal India Ltd. and its subsidiaries in detail. The detailed scrutiny of implementation of CSR activities of these companies and observations and recommendations of the committee are in subsequent chapters.

CHAPTER II

A. Concept of Corporate Social Responsibility and Department of Public Enterprises Guidelines

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives.

2.2 As per Guidelines on Corporate Social Responsibility document for Central Public Sector Enterprises, the planning for Corporate Social Responsibility should start with the identification of the activities/projects to be undertaken. CSR projects/activities may be undertaken in the periphery where a company carries out its commercial activities as far as possible. Where this is not possible or applicable, a Company may choose to locate CSR projects anywhere in the country. Company specific Corporate Social Responsibility strategies should be developed that mandate the design of Corporate Social Responsibility Action Plan (Long-term, medium-term and short-term), with a shift from the casual approach to the project based accountability approach. The business plan under CSR should be integrated with the social and environment concerns related to the business of the company.

2.3 Further, selection of activities under CSR may be made to ensure that the benefits reach the smallest unit *i.e.* village, panchayat, block or district depending upon the operations and resource capability of the company. The approach to CSR planning needs to be shifted from an *ad-hoc* charity to a long term sustainable approach. The Project Management and Monitoring skills available with the companies could be shared as far as possible, with the local administration by training and setting up required structures and systems.

2.4 The long-term Corporate Social Responsibility Plan should match with the long term Business Plan. This should be broken down into medium term and short term plans. Each of these plans should clearly specify:—

- (i) Requirements relating to baseline survey;

- (ii) Activities to be undertaken;
- (iii) Budgets allocated;
- (iv) Time-lines prescribed;
- (v) Responsibilities and authorities defined;
- (vi) Major results expected.

2.5 According to the Guidelines, such plans should also clearly specify the implementation guidelines and the involvement of the implementing agency. The procedures and methodologies prescribed for monitoring should be highlighted as well as the modalities of the concurrent and final evaluation. Finally, there should be a clear specification regarding mandatory documentation of the experience.

2.6 According to the guidelines issued by Department of Public Enterprises for CSR activities that the initiatives of Central Public Sector Enterprises (CPSEs) should consider the following parameters for identification/selection of schemes/projects:—

- (i) Thrust should be given wherever possible to areas related to the business of the CPSEs as a natural corollary to the business.
- (ii) Investment in CSR should be project-based. Mere donations to philanthropic/charity or other organizations would not come under the category of CSR.
- (iii) CSR activities should generate community goodwill, create social impact and visibility.
- (iv) For every project, the time-frame and periodic milestones should be finalized at the outset.
- (v) CSR activities should also involve the suppliers in order to ensure that the supply chain also follows the CSR principles.
- (vi) CSR activities should help in building a positive image of the company in the public perception.
- (vii) CSR activities may be related to United Nations Global Compact Programme on Environment.
- (viii) CSR projects may be closely linked with the principles of Sustainable Development based on the immediate and long-term social and environmental consequences of their activities.

- (ix) Every CPSE should shoulder responsibility for restoring/compensating for any ecological damage that is taking place as a result of its operations.
- (x) Care may be taken to ensure that CPSEs work towards fulfillment of the National Plan goals and objectives, as well as the Millennium Development Goals adopted by our country, ensure gender sensitivity, skill enhancement, entrepreneurship development and employment generation by co-creating value with local institutions/people.
- (xi) Central Public Sector Enterprises should redefine their business continuity plan to factor in hazards, risks and vulnerabilities. They should also create value in innovative social investments in the community and may focus on the areas of “Preparedness and Capacity Building” in Disaster Management (DM).
- (xii) Public-Private Partnership between the Government and the Central Public Sector could also be encouraged to leverage the strengths of the latter in Disaster Management. CPSEs need to network with Ministries in Government of India/NDMA at the National level and State Governments/SDMAs at the State level to strengthen and formalize their role in the DM process for ensuring preparedness of the communities towards disaster resilience.

2.7 Project activities identified under CSR are to be implemented by Specialized Agencies and generally NOT by staff of the CPSE concerned. Specialised Agencies could be made to work singly or in tandem with other agencies these specialized agencies would include:—

- (i) Community based organizations whether formal or informal;
- (ii) Elected local bodies such as Panchayats;
- (iii) Voluntary Agencies (NGOs);
- (iv) Institutes/Academic Organisations;
- (v) Trusts, Missions, etc.;
- (vi) Self-help Groups;
- (vii) Government, Semi-Government and autonomous Organisations;

- (viii) Standing Conference of Public Enterprises (SCOPE);
- (ix) Mahila Mandals/Samitis and the like;
- (x) Contracted agencies for civil works;
- (xi) Professional Consultancy Organisations etc.

2.8 CPSEs should generate awareness among all levels of their staff about CSR activities and the integration of social processes with business processes. Those involved with the undertaking of CSR activities should be provided with adequate training and re-orientation.

2.9 Initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments/Agencies, Self-Help Groups etc., would be dovetailed/synergized with the initiatives taken by the CPSEs. Every care should be taken to ensure that there is no duplication of CSR activities undertaken by the CPSEs with that of programmes run by Central, State and Local Governments.

2.10 While assigning CSR projects to specialized agencies, every possible effort must be made to verify the reliability and clean track record of such agencies. CPSEs may make efforts to prepare suitable panels of such agencies or they may select from panels maintained by Government, Semi-Government, Autonomous Organisation or the National CSR Hub, etc.

2.11 The concept of Corporate Social Responsibility(CSR) has gained prominence from all avenues. Organisations have realized that Government alone will not be able to get success in its endeavour to uplift the downtrodden of Society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc., Coal India has adopted CSR as a strategic tool for sustainable growth. For Coal India in the present context, CSR means not only investment of funds for Social Activity but also Integration of Business processes with Social processes.

2.12 Even much before the issue of CSR has become global concern. Coal India was fulfilling the aspiration of the Society through well-defined Community Development Policy within the periphery of 8 kms. of the Project sites. This has resulted into a harmonious relationship between Coal India and the peripheral Committees. With the introduction of well defined CSR policy as per DPE's guidelines, CSR initiatives are being practiced with broader perspective.

B. CSR Policy of Coal India Ltd.

2.13 The Committee were informed that Coal India Limited has a well-defined CSR policy introduced *w.e.f.* 29.6.2010 based on the guidelines issued by Department of Public Enterprise for Central PSUs on CSR in April, 2010 which is also applicable in respect of subsidiary companies of CIL.

2.14 In a background note furnished to the Committee, the Ministry of Coal has informed that poor and needy people of the society living in and around coalfields/mining areas in different parts of India are the major areas covered under CSR activities, the CSR policy is operational within the radius of 15 KM of the project site and areas including Headquarters. Further CSR activities are also undertaken beyond mining areas within the respective State with the approval as per norms. CIL being a holding company execute CSR activities which are beyond jurisdiction of subsidiary companies.

2.15 Asked about the major CSR activities that have been undertaken by CIL and subsidiaries during the last five year, the Committee were apprised as under:—

- (i) Education facilities.
- (ii) Water supply including drinking water.
- (iii) Health care by providing indoor medical facilities and medicines and conducting medical camps including awareness programmes, providing medical facilities through mobile medical vans.
- (iv) Social Empowerment.
- (v) Infrastructure for village electricity/solar light/pawanchakki etc.
- (vi) Sports and culture.
- (vii) Generation of employment and setting up cooperative society.
- (viii) Infrastructure support.
- (ix) Grant/financial assistance/sponsorship to NGOs for different development work of the nation as well as for undertaking different activities involving upliftment of the society.

- (x) Empowerment of women for education/health and self employment.
- (xi) Relief of victims of natural calamities/disasters.
- (xii) Street lighting and solar lighting system to villagers belonging to BPL.
- (xiii) Construction of playing grounds/stadiums and organizing sports tournaments for villagers.
- (xiv) Financial assistance to concerned State/District Administration for opening Engineering and Medical Colleges.
- (xv) Promotion of sports and cultural activities and support events at State and National level.
- (xvi) Utilisation of Mahila Sabha of the company, club and Women in Public Sector (WIPS) for conducting various CSR activities related to women of the society.
- (xvii) Relief to victims of natural calamities like earthquake, cyclone, drought and flood situation in any part of the country.
- (xviii) Wellness Clinic.
- (xix) HIV/Aids awareness programme.
- (xx) Adoption of village for carrying out the activities like infrastructural development *i.e.* road, water supply, electricity and community centre etc.

2.16 In a background, Ministry of Coal has informed the Committee that CIL believes in 'mining with a human face' through a socially sustainable inclusive development. It pursues a structured CSR policy in and around the coal mining areas to improve quality of life with community consensus and inclusive participation. Some of these are:—

- New CSR Policy adopted and provided CSR budget as 5% of retained earnings of previous year subject to minimum of Rs. 5/- tonne of coal production, whichever is higher.
- Inclusive model of all-round growth for Project Affected Peoples (PAPs).
- Massive social investment in Education, Health and Community Development.

2.17 Asked about the major CSR initiatives taken by CIL, the Committee were informed as under:—

- Funding for 500 bedded multi-specialty general hospital for needy and under privileged to Bharat Sevashram Sangha.
- Financial help for Empowerment of under privileged women of the society by virtue of vocational training, Hand embroidery, cutting and tailoring, beautician training courses to Karmakutir, Kolkata.
- For construction of 107 single room houses in the Leh District of Jammu and Kashmir for the victims of Cloud Burts.
- Adoption of 14 children affected with Cerebral Palsy through Indian Institute of Cerebral Palsy.
- Imparting of ITI training/education to promote technical skill development of youth on cutting edge courses/trades as well as skill development to readily cater to the core industries.
- Training and Development imparted through Kabiguru Industrial Training Centre (KGITC) as one of the stakeholders on equal sharing basis with DVC and BHEL. The ITI would cater to the specific manpower requirement of Mining Industries and also provide platform to equip the youth with necessary skills for job opportunity.
- Proposed opening of IIIT at Kalyani under PPP Model in West Bengal.
- Five(5) medical colleges proposed to be established by subsidiary companies of CIL in and around coalfield areas in three different States *i.e.* Jharkhand, Odisha and Chhattisgarh.
- Infrastructural grant to Netaji Subhas Chandra Bose Cancer Research Institute for the development of their existing set up of Bone marrow & umbilical cord blood transplantation and stem cells research unit.
- Recently CIL has entered into a MOU with ISM (Indian School of Mines), Dhanbad in the State of Jharkhand to facilitate mining engineering education in close relation with the mining industry. CIL help the ISM by providing Rs. 1.05 crore for Rajiv Gandhi Chair Professor in Mining Environment and Rs. 1.27 crore for CIL Chair.

Professor in Under Ground Mining towards the building corpus fund to meet the salary and other expenses of above mentioned chairs.

2.18 As regards the constraints, the Committee were informed that Lack of Baseline data has been one of the major constraints faced by subsidiaries and CIL. Another constraint is reported to be conflicting demands from various groups in the vicinity to avoid conflicting demands, following steps are reportedly being taken by coal companies:—

- (i) Generally the Local Administration and Local Community are consulted in indentifying and execution of the CSR Project.
- (ii) As far as possible the CSR activities are done through Local authorities help.
- (iii) To avoid conflicting demands in future now baseline survey is being conducted in all places of our operation and the activities will be taken up based on the need identified and impact assessment done after implementation.

2.19 According to Ministry of Coal, CIL is showing a positive commitment towards CSR and setting an example to be a responsible Corporate Citizen by engaging in variety of Socially Responsible activities. Coal India CSR activities should have been made an impact on protection and improving ecology, commitment towards improving the quality of life of the Local Community as well as the Society at large through activities like Community Development, Resettlement and Rehabilitation maintaining ecological balance etc.

2.20 It has further been stated by the Ministry of Coal that CIL believe in cultivating a socially sustainable inclusive development which can contribute to build the better sustainable community through sound business activities and touching the lives of millions of people positively by supporting environmental and health care projects and social, cultural and educational Programmes.

2.21 During the course of evidence the Committee were informed that the overall condition of coal areas particularly roads is in bad shape and there is no provision of potable water and electricity. These conditions are being faced by the people displaced from coalfields. In the absence of tree plantation in and around coalfield areas there is degradation in the environment.

2.22 The Ministry have informed the Committee that CIL and its subsidiary companies are having separate CSR Cells headed by CGM/ GM for executing CSR activities as per the policy. Every Coal Company is having separate Committees for monitoring the progress of the CSR activities.

2.23 The Committee have been further informed that CIL and its subsidiaries has not established any primary health centre, reproductive and child health centres/hospitals and super speciality hospitals. However, the subsidiaries of CIL have dispensaries and hospitals at various coalfields to look after the health needs of its employees.

2.24 TISS the National CSR Hub has been engaged to guide, assist and monitor in implementation of CSR activities in CIL and its subsidiaries including in carrying out the baseline survey. However, CIL has entered into a MOU with Tata Institute of Social Science (TISS) for extending assistance and guidance in implementation of CIL's CSR activities in a befitting manner, which will gain momentum in executing CSR activities.

C. Implementation of CSR Policy

2.25 The Committee have been informed that Coal India Limited has appointed Tata Institute of Social Science (TISS) as Nodal Agency for CSR activities of CIL and its subsidiaries. The TISS will be involved in conducting:—

- Baseline Survey/Need Based Assessment.
- Project formulation based on survey in collaboration with CIL.
- Enlistment of NGOs for CSR activities.
- Monitoring of implementation of CSR projects.
- Documentation of Projects and Impact Assessment.

2.26 TISS will complete Baseline Survey for balance projects in all subsidiaries by 15th May, 2013 and thereafter projects will be finalized on Survey and for 2013-14, each subsidiary will identify one backward district for development work apart from other activities The representative of the Ministry of Coal during the course of evidence informed the Committee that actually, in the project-related cases, after doing the baseline survey, they were able to do the projects. But in respect

of other than project-related, doing this baseline survey in various other places was a little bit difficult one. This is the problem in respect of all the public sector undertakings. This was taken up with DPE. Now, DPE has amended this guideline, and now the baseline survey is not mandatory; wherever project-related things, there we can do the baseline survey and in other places we can do based on the project evaluation mode. That amendment has come. Now, it makes it easy for further implementation of CSR. About one month back, this amendment was made. Now, Coal India is fast-tracking all the CSR projects which were pending for quite some time. Now, we are speeding them up.....Some CSR projects are being delayed because of non-availability of clearances. There are other problems at the panchayat/district/state level halting the progress of the CSR projects.

2.27 The representative of the Ministry also informed the Committee that Coal India facing difficulties in deciding the CSR activities..... There are two-three groups in the villages who are coming up with their own list of CSR activities..... Sometime list of CSR activities are being suggested by MPs/MLAs/District Collectors/BDOs and villagers making it extremely difficult for coal subsidiaries for taking up CSR activities in the absence of clear cut guidelines in this regard.

2.28 Asked about the inspection and surveillance on various CSR activities the Ministry have informed the Committee as under:—

- CIL and its subsidiaries have a structured vigilance set up who undertake periodic system study, inspection and surveillance of various activities including CSR activities.
- Structured Internal Audit system in CIL and its subsidiaries that does regular Audit of various functions of the organization including the CSR activities.
- CAG has pointed-out the absence of Baseline Survey before carrying-out the CSR activities and appointment of an external agency for monitoring the CSR Activity implementation.
- Basically, it involves putting in place proper system and procedures as this has become a major activity. From later part of 2010-11 various process are being developed and put in place for smoother and effective implementation of the CSR activities.

- Based on experience, wherever required, policy commitment has been carried-out and TISS has been engaged to guide us in implementing CSR activities.

2.29 The Committee have apprised that a few reputed NGOs have been given grants who are well experienced and doing social service. Some of the NGOs are as below:—

- Bharat Sevashram, Kolkata
- Child in Need Institute, Pailan, Kolkata
- Ramakrishna Mission Vivekananda Centenary College, Ragahar, Kolkata
- Rehabilitation Centre for Children, Kolkata
- National Association for the Blind, Kolkata

2.30 NGOs have been selected with the recommendations of the local authorities and subsequent in-house CSR committee recommendations. In future CIL, will develop the suitable criteria for selection of NGOs for CSR activities.

D. Training Programme by TISS

2.31 The training programme has been conducted by TISS among the different executives of CIL and Subsidiary companies who are dealing with CSR activities. In the said training programme the related to new guideline on CSR by DPE has also been discussed. Recently, on 31.01.2013, meeting of director's level was held at TISS, Mumbai on CSR activities of CIL and its subsidiaries. For every CSR activity, there is a time bound programme depending upon the Project Report of the work. The authority at various levels for CSR projects has been spelt out in the CSR policy of the company. Subsidiaries-wise details is voluminous and will be submitted due course.

E. CSR proposal for Dankuni Coal Company

2.32 The action taken so far on the CSR proposal of Dankuni Coal Complex is as below:—

- A CSR proposal of 12 Nos. of works was received at DCC *vide* letter dated 17.3.2012. As per the instruction of SECL HQ details were sought by DCC for the suggested work of

providing 200 cycles to needy girl students attending schools in remote areas around Dankuni *vide* letter No. SECL/DCC/06/2012/552 dated 28/29.6.12. The list of 200 girl students was received *vide* letter dtd. 25.7.12.

- Further, detailed estimate and plan of individual and plan of individual remaining 11 Nos. of works was also sought by DCC by SECL *vide* letter dated 30.8.12. In response, to the same, in a letter dated 22.9.12 the value and location of 7 works to be taken up under CSR were received by SECL from the concerned. However, details of 4 works were submitted.
- Accordingly, a reminder dt. 25.9.12 addressed to the concerned was sent by DCC requesting to submit the detailed estimate and plan of each individual work. Further in a letter dt. 9.10.12 the concerned had shown eagerness for the work of providing 200 cycles to needy girl students and therefore was requested *vide* letter No. SECL/DCC/06/2012/1097 dt. 18.10.12 by DCC to arrange to send his comments and details of all the items recommended under CSR. However, till date, the detailed estimate and layout plans of the works have not been received.
- However, the 12 proposed works have been approved in principle by competent authority of SECL on 10.1.13 subject to compliance of due procedure under CIL CSR Policy. The same has been communicated to GM, DCC *vide* letter No. SECL/BSP/CSR/2013/15 dated 20.01.13.
- Subsequently, competent authority approved for financial assistance towards the work of providing 200 cycles to needy girl students who are attending schools in remote areas around Dankuni as per the list of the girl students submitted by the concerned. GM, DCC *vide* his letter No. SECL/DCC/01/F-25/2013/203 dated 11.2.13 handed over a cheque for an amount of Rs. 6 lakh towards the above work to Chairperson, Dankuni Municipality.

Thus, all the 12 Nos. of works proposed to be taken up under CSR have been approved in principle and communicated.

F. Funding Pattern and Utilization of Funds under CSR

2.33 The guidelines issued by Department of Public Enterprises for CSR activities mandated that the CSR budget will be mandatorily

created through a Board Resolution as a percentage of net profit in the following manner:—

Type of CPSEs Net Profit (Previous Year)	Expenditure range for CSR in a Financial Year (% of profit)
(i) Less than Rs. 100 crore	3% - 5%
(ii) Rs. 100 crore to Rs. 500 crore	2% - 3% (subject to a Minimum of Rs. 3 crore)
(iii) Rs. 500 crore and above	0.5% - 2%

Loss-making companies are not mandated to earmark specific funding for CSR activities.

2.34 They should achieve CSR objectives by integrating business processes with social processes wherever possible and taking up such initiatives which do not involve cash outgo, *e.g.*, by synergizing their CSR activities with those of other profit-making companies.

2.35 The CSR Budget should be fixed for each financial year. This funding will not lapse. It will be transferred to a CSR Fund, which will accumulate—as in the case of non-lapsable pool—for the North-East.

2.36 In case CPSEs have different Profit Centres like Factories/Plant locations, they may be allocated separate CSR budgets to be spent by them under the Annual CSR Budget allocations. The annual budget for CSR is allocated based on 5% of the retained earnings of previous year subject to minimum of Rs. 5 per tonne of coal production of previous year. In respect of CIL as a Holding Company 2.5% of retained profit of last year is allocated for execution of CSR activities.

2.37 The Department of Public Enterprise has revised the CSR guidelines on 18th December, 2012 to be made effective from 1.4.2013. The salient features of the revised guidelines are:—

- (i) CSR and Sustainable Development have been clubbed together.
- (ii) Baseline Survey is not mandatory.
- (iii) One backward district is to be taken up for development of weaker section of the society by each subsidiary.
- (iv) Budget not utilized in three consecutive financial years, the unspent amount would be transferred to a centralized sustainability fund created by DPE.

2.38 The budget allocation and actual utilization of fund for CSR activities during the last five years by Coal India Ltd. and its subsidiaries are as under:—

(Rs. in crores)

Company	2007-2008		2008-2009		2009-2010	
	Allocated	Actual	Allocated	Actual	Allocated	Actual
ECL	2.00	0.87	2.40	2.39	2.25	2.49
BCCL	2.40	1.86	2.52	2.16	2.75	1.70
CCL	4.92	3.46	7.17	4.50	8.00	7.86
WCL	4.32	3.51	4.35	3.47	4.47	2.88
SECL	8.85	7.35	9.38	11.64	10.01	7.43
MCL	9.47	9.80	8.80	10.84	9.60	14.92
NCL	4.92	3.18	4.16	2.01	6.23	2.35
NEC	0.12	0.12	0.12	0.12	0.50	0.51
TOTAL	37.00	30.15	38.90	37.13	43.81	40.14

(Rs. in crores)

Company	2010-2011		2011-2012		2012-2013	
	Amount allocated	Actual	Amount allocated	Actual	Total fund available	Amount Spent till Dec.-2012
ECL	05.00	04.75	16.50	13.14	17.76	3.09
BCCL	13.75	03.15	14.50	05.53	34.67	4.77
CCL	25.69	10.98	53.88	11.00	51.46	8.29
WCL	23.00	07.13	55.82	07.86	51.31	8.89
SECL	54.00	15.70	146.44	17.66	139.02	19.02
MCL	52.04	53.45	82.00	14.47	91.98	17.37
NCL	36.00	04.35	93.42	09.25	101.20	3.42
CMPDIL	00.20	00.19	0.77	00.49	1.26	0.49
CIL/NEC	52.60	08.71	90.00	02.54 (CIL, H.Q.) 00.05 (NEC)	119.58	6.74
TOTAL	262.28	108.42	553.33	82.00	608.34	72.08

2.39 Regarding the failure to utilize funds by CIL and its subsidiaries for CSR activities, the Committee have been informed that most of the

subsidiaries and CIL have more or less common constraints. Some of these are listed below:—

- As per DPEs guidelines planning for undertaking CSR activities are to be prepared to ensure that the benefits reach the economically backward and needy people of the society in villages, panchayats, blocks or districts and planning needs to be the long term sustainable approach. Such planning for execution of CSR activities needs considerable time and comes on the way of timely completion/utilization of the allocated budget.
- After June, 2010, there was sudden increase of fund for CSR activities. Infrastructure was not adequate to handle the entire activities. Besides requirement for Baseline Survey before taking up CSR activities also contribute to delay and less expenditure.
- CSR projects are to be implemented by specialized agencies and in order to quantify the impact made by CSR activities, baseline data is to be created by conducting baseline survey before start of any project. The observance of the above formalities is time taking resulting delay in the finalization and completion of the projects within the budgeted period.
- In order to execute CSR activities involvement of Local Authorities are required which also needs considerable time.
- The budget provision of on introduction of CSR Policy of CIL are much higher than that of the guideline given by DPE. Moreover, the spillover amount of the previous year is being carried over to the next financial year.
- Time consuming clearance from outside agency *i.e.* State Government/District administration, lengthy procedure formalities etc. Enforcement of code of conduct for various election in different States at different times for implementing for CSR activities also stand on the way of utilization of budget provision under CSR.
- Mandatory Baseline survey as per DPEs guideline has been one of the constraints in timely completion of the activities. The proposal received for consideration under CSR did not

have baseline survey. As such, in conducting Need Assessment/Base Line survey, the projects could not be finalized in time.

- Proposals submitted by various agencies in some cases were not in the proper format which required more time in addressing the same.
- Some projects have suffered because of delay in clearances from village panchayat/nagar panchayats due to inter group rivalry etc.
- The data provided earlier was based on the actual amount spent whereas there were number of projects which have been sanctioned and amount committed the expenditure for which will take place in future.

2.40 The Ministry of Coal have further informed the Committee about some of the other constraints which have been faced in utilizing the entire CSR budget. These are as under:—

- As per DPEs guidelines planning for undertaking CSR activities is to be prepared to ensure that the benefits reach the smallest unit *i.e.* village, panchayat, block or district and planning needs must be of long term sustainable approach. Such planning for execution of CSR activities needs considerable time and comes on the way of timely completion/ utilization of the allocated budget.
- CSR projects are to be implemented by specialized agencies and in order to quantify the impact made by CSR activities, baseline data is to be created by conducting baseline survey before start of any project. The observance of the above formalities is time taking resulting delay in the finalization and completion of the projects within the budgeted period.
- In order to execute CSR activities involvement of Local Authorities are required which also needs considerable time. Delay in getting NOC/Site Clearance from local authority is an area of constraint. Some projects have suffered because of delay in clearances from village Panchayat/Nagar Panchayats due to inter group rivalry etc.

2.41 Late clearance from outside agency *i.e.* State Government/ District administration, lengthy procedure formalities etc. Enforcement of code of conduct for parliament as well as assembly election in West Bengal and different States at different times for implementing for CSR activities also stand on the way of utilization of budget provision under CSR.

PART II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

1. Although the prime aim of a company is to generate profit, it has to contribute to social and environmental objectives by integrating Social corporate responsibility as a strategic investment into its business. The concept of Corporate Social Responsibility (CSR) has drawn the attention of the policy makers in the Government and has gained significance making incumbent on the part of public or private enterprises to sell out a percentage of their earnings for the welfare of the society and the area in which they are operating. The importance of CSR necessitated the issuance of guidelines on Corporate Social Responsibility for Public Sector Enterprises by the Department of Public Enterprises, Ministry of Heavy Industry and Public Enterprises. Since the guidelines issued by the Government are applicable to Central Public Sector Enterprises (CPSEs) only, the Committee would like the Government to frame such guidelines for Private Sector Enterprises also as there is growing participation by their companies in exploitation of coal reserves and other major infrastructural projects.

2. The Committee have given to understand that CIL has well defined CSR Policy introduced *w.e.f.* 29.6.2010 based on the guidelines issued by Department of Public Enterprise for Central PSUs on CSR in April, 2010 which is also applicable to all the subsidiary companies of CIL. The poor and needy people of the society living in and around coalfields/mining areas in different parts of India are the major beneficiaries who are covered under CSR activities. The Committee also note that CSR policy is operational within the radius of 15 KM of the project site and areas including Headquarters. Further, CSR activities are also undertaken beyond mining areas within the respective State with the approval as per norms laid down in this regard. CIL being a holding company, execute CSR activities which are beyond jurisdiction of subsidiary companies. Although, the CSR Guidelines issued by Department of Public Enterprises mandates that the planning for CSR should

start with the identification of the activities/projects to be undertaken the scrutiny of utilization of funds by subsidiary companies of CIL indicate that no such advance planning has been done. The Committee, therefore, would like CIL and its subsidiaries to identify the CSR activities and projects well in advance so that the same could be completed without any time and cost overrun.

3. The Committee also note that CIL is claiming to have fulfilled the aspiration of Society through well defined Community Development Policy which has resulted into the harmonious relationship between CIL and peripheral Committee, the scrutiny of CSR activities undertaken by CIL and its subsidiaries reveals that no perceptible progress is discernible as the funds allocated for the purpose have not been fully utilized by the companies and therefore much more is needed to be done to realize the objectives of the policy.

4. The Committee have been informed that CSR activities of CIL and its subsidiaries have made an impact on protection and improving ecology, commitment towards improving the quality of life of the Local Community as well as the Society at large through activities like Community Development, Resettlement and Rehabilitation, maintaining ecological balance, etc. The Ministry has, however, only furnished a list of major CSR activities undertaken by CIL and its subsidiaries during the last five year. The Committee would, therefore, like to be apprised of the detailed report on each component of CSR activities undertaken by CIL and its subsidiaries during the last five years.

5. The Committee note that CIL and its subsidiaries have not established any primary health centre, reproductive and child health centres/hospitals and super specialty hospitals. However, the subsidiaries of CIL have dispensaries and hospitals at various coalfields to look after the health needs of its employees. The Committee would like the Ministry to specify the precise reasons as to why the Primary Health Centre and Reproductive and Child Health Centre and Super-specialty Hospitals have not been established which could cater to the needs of local people/villagers who are otherwise not the regular employees of the CIL and its subsidiaries.

6. The Committee observe that Coal India subsidiaries have proposed for establishment of five medical colleges in or around coalfield areas in three different States *i.e.* Jharkhand, Odisha and Chhattisgarh. While recommending that all necessary ground work for setting up these medical colleges be immediately taken up, the Committee also desire that one or two super-specialty hospital may also be set up in and around coalfield areas along with the proposed medical college. The Committee also expect that local people/villagers in the peripheral area of the coal mine areas covered by these hospitals be also given subsidized treatment in these hospitals.

7. During the course of evidence it was brought to the notice of the Committee that the roads in coalfield areas are in dilapidated condition and coal companies have failed to keep them roadworthy despite having sufficient funds to maintain them. Further, there is scarcity of drinking water and electricity in the coalfield areas. The Committee recommend that all kutchra roads in the coalfield areas may be made roadworthy and a provision of drinking water and electricity, particularly, for the people displaced from the coal areas be immediately made and they be apprised of the action taken by each subsidiary company of CIL in this regard. The Committee would also like the coal companies to earmark small houses for people displaced by coal mine activities and also to ensure that residential quarters in the coalfield areas are not misused for illegal activities by unscrupulous elements of the Society.

8. Since coal mining has a cascading affect on the environment in and around the coalfield areas, it is imperative that sufficient plantation is done in the coalfield areas to save ecology and environment. The Committee would, therefore, like the coal companies to carry out massive plantation, particularly, bamboo plantation in the coalfield areas. The Committee would like to be apprised about the subsidiary-wise plantation work already undertaken during the last three years and that proposed to be undertaken during 2013-14.

9. Coal India has recently entered into a Memorandum of Understanding with Indian School of Mines (ISM), Dhanbad to facilitate mining engineering education in close association with the mining industry. CIL help the ISM by providing Rs. 1.05 crores for Rajiv Gandhi Chair Professor in Mining Environment and

Rs. 1.27 crores for CIL Chair Professor in Under Ground Mining towards the building corpus fund to meet the salary and other expenses of above mentioned chairs. However, the Committee are baffled over providing Rs. 1.05 crores and Rs. 1.27 crores for Rajiv Gandhi Chair and CIL Chair respectively for providing salary and other expenses. The Committee strongly feel that this amount could have been utilized for other pressing CSR activities rather than a corpus utilized for salary, etc. The Committee would like to be apprised of the desirability of providing the above amount for the aforesaid purpose. The Committee would also like to be apprised on the status of the MoU entered with ISM.

10. The Committee note that 12 CSR works proposal in the Dankuni Municipality in Southern Eastern Coalfield Command Area which also include providing of 200 cycles to needy girl students attending school at remote areas to Dankuni has been pending since 17.2.2012. Though, all the 12 works proposed to be undertaken under CSR have been approved in principle and communicated and an amount of Rs. 6 lakh handed over to the Chairman Dankuni Municipality, the Committee recommend that these works to be expedited at the earliest and they be apprised about the present status of all the 12 works.

11. During the course of evidence the representative of the Ministry of Coal informed the Committee that CIL and its subsidiaries are finding it difficult to conduct the Baseline Survey which was mandatory for undertaking CSR activities in various places. Now Department of Public Enterprise has amended these guidelines which has helped CIL and its subsidiaries for fast tracking of all the CSR projects which were pending for quite some time. The Committee expect that at least now with amendment in the guidelines, all the pending CSR projects will be progressed on fast track basis.

12. CIL and its subsidiaries have structured Internal Audit System that carry out audit of various functions of the organization including CSR activities. Comptroller General of Accounts has also pointed out the absence of Baseline Survey before carrying out CSR activities and appointment of an external agency for monitoring the CSR activity implementation. The Committee would like to know the status report in this regard.

13. The representative of the Ministry of Coal has also informed the Committee that conflicting demands are pouring in for undertaking CSR activities from MPs/MLAs/District Collectors/BDOs and villagers making extremely difficult for coal companies to undertake such projects. To avoid conflict demand in future Baseline Survey is being conducted in all places of operation and all the activities will be taken up based on the need identified and impact assessment done after implementation. Though the Committee understand the difficulties being faced by coal companies in identifying and implementing CSR projects they desire that in the case of conflicting demands, consideration should be given to the views/suggestions of people representatives and also based on the impact assessment studies aimed at benefiting society at large.

14. The Committee note that CIL has appointed Tata Institute of Social Science (TISS) as nodal agency for CSR activities in CIL and its subsidiaries. This will complete Baseline Survey for balance projects in all the subsidiaries by 15th May, 2013 and the projects will be finalized on the basis of their survey. The training programme has been conducted by TISS among the different executives of CIL and its Subsidiary companies who are dealing with CSR activities. In the said training programme, the issues related to new guideline on CSR by DPE has also been discussed. Recently, on 31.01.2013, meeting of director's level was held at TISS, Mumbai on CSR activities of CIL and its subsidiaries. The Committee recommend that the study to be conducted by TISS be expedited immediately and they be apprised of the progress in this regard. The Committee also desire that training to the personnel responsible for implementing CSR activities in CIL and its subsidiaries be made a regular feature.

15. The Ministry have informed the Committee that CIL and its subsidiary companies are having separate CSR Cells headed by CGM/GM for executing CSR activities as per the policy. Every Coal Company is having separate Committees for monitoring the progress of the CSR activities. The Committee would like to draw the attention of the Ministry to their recommendation contained in the 24th Report (DFG 2012-13) where it was specifically recommended that coal companies must create a discipline and cadre consisting officers and employees for looking after the implementation of the CSR scheme and to ensure that money allocated for CSR activities

is fully utilized. Keeping in view the importance of CSR, the Committee would like to reiterate their earlier recommendation that a separate discipline and cadre having experience and proficiency in the related subject be created in CIL and its subsidiaries.

16. The Committee note that few NGOs have been given grants by CIL and its subsidiaries to carry out CSR activities in their area. NGOs have been selected with the recommendations of the local authorities and subsequent in-house CSR committee recommendations. During the course of evidence it was brought to the notice of the Committee that some NGOs and village panchayats who have been given ambulances by the PSUs were being used for illegal activities. It is gathered from the reply of the Ministry that NGOs selected for CSR activities did not fulfill the suitable criteria for selection. The Committee have been given to understand that CIL will develop the suitable criteria for selection of NGOs for CSR activities. Needless to say, the Committee are of the firm view that NGOs for undertaking CSR activities should be selected keeping in view their track record and after following vigorous selection process.

17. The Committee note that Central Public Sector Enterprises (CPSEs) are required to spend 3 to 5% of their profit for CSR activities in the previous year whose profit is less than Rs. 100 crores. For those CPSEs whose net profit during previous year is Rs. 100 crores to Rs. 500 crores they are required to spend 2 to 3% of profit during previous year subject to a minimum of 3 crores. All other PSUs whose profit is Rs. 500 crores and above they are required to spend 0.5% to 2%. However, loss making companies are not mandated to earmark specific funding for CSR activities. The Committee are dismayed to note that guidelines issued by Department of Public Enterprise for CSR activities are discriminatory against those CPSEs whose net profit is less than 100 crores as they have to shell out a higher percentage of their profit than those having projects above Rs.500 crores and therefore, need to be revisited. The Committee would, therefore, like the Ministry of Coal to take up the matter with Department of Public Enterprise to revise the existing guidelines.

18. The Committee observe that in case of profit of more than 100%, PSU must spent 3 to 5%. The main object of spending in CSR is to improve infrastructure and social activities in and around

operational areas of the PSUs. It is the responsibility of PSU to eradicate illiteracy and other prejudicial activities of Society in and around area of their operations. It is the obligation of the PSU to bring development in rural areas, areas dominated by weaker section, backward class and minority section. It is the duty of the PSU that every children in and around the area gets their education and poor children enjoy their childhood and develop their full blossomed personality. For building up the rural India, PSU's must take effective role in implementing CSR activities so that good relationship is build up between PSU's and inhabitants of the locality.

19. The Committee observe that annual budget of CIL and its subsidiaries for CSR activities is allocated based on 5% of the retained earnings of previous year subject to minimum of Rs. 5 per tonne of coal production of previous year. In respect of CIL, as a Holding Company, 2.5% of retained profit of last year is allocated for execution of CSR activities. The Committee would like the Ministry to furnish the detail of the total budget allocation for CSR activities during the last three years based on the net profit earned during these years.

20. The Committee are constrained to observe that the utilization of funds by CIL and its subsidiaries has been very discouraging. During 2010-11, against the Budget allocation Rs. 262.28 crores the actual expenditure was Rs. 108.42 crores which comes to 41% only. Similarly, against the budget allocation of Rs. 553.33 crores during 2011-12 the actual expenditure has been only Rs. 82 crores which accounts for only 14%. Similar trends of under utilization of CSR funds have been witnessed during 2007-08, 2008-09 and 2009-10 respectively. For the year 2012-13 the budget for CSR activities has been enhanced to Rs. 673.74 crores. The Committee are further dismayed to note the poor utilization of available funds for CSR activities by Central Coalfields Ltd. as it could spent only Rs. 8.29 crores upto December 2012 against the total available fund of Rs. 51.46 crores. Similarly WCL, SECL and NCL could also utilize Rs. 8.89 crores, Rs. 19.02 crores and Rs. 3.42 crores against the total available funds of Rs. 51.31 crores, Rs. 139.02 crores and Rs. 101.20 crores respectively. The Committee deprecate non-utilisation of budgetary funds for CSR activities by the Coal India and its subsidiaries. In fact out of allotment of Rs. 553.33 crores in 2011-12, Coal India and its subsidiaries could spent only Rs. 82.00 crores

and the same is, therefore, gross failure of duty on the part of Coal India and its subsidiaries. Although they have said that they had intention to spend money for CSR activities but in reality they do not have interest to spend the money for CSR activities. It shows their callousness. The officers who are in charge of spending money in CSR activities should be punished for dereliction of duty. The Committee observe that officers responsible for CSR activities committed misconduct. The Committee are apprehensive whether CIL and its subsidiaries would be able to spend the increased allocation for CSR activities given the pace of expenditure during the last five years. This gives credence to the fact that how the CSR activities are being completely ignored by Coal India Limited which is a sad commentary on the part of such a company which boast of having conferred the status of the 'Maharatna Company'. The Committee recommend the Coal India Limited must prepare an action plan for identification and implementation of CSR projects on war footing during 12th Plan period. The Committee would like Coal India Limited to shoulder more responsibility in implementing and monitoring CSR projects being undertaken by its subsidiaries by reviewing them at regular intervals. The Committee also desire that funds made available under CSR to Coal PSUs be kept separately in Nationalized Banks and released as per the approved CSR activities.

21. The Committee observe that existing monitoring mechanism in place in all the coal companies has been far from satisfactory. The CGM/GM heading CSR Cell have utterly failed in discharging their lawful duties. The Director(P) of each subsidiaries are incompetent enough to implement the CSR schemes. The Committee recommend that CSR cell should be headed by Board Level Senior Officer and he should be made accountable in case of slackness in the implementation of CSR projects and action taken against accordingly.

22. The Ministry have cited late clearance from outside agencies *i.e.* State Government/District administration, lengthy procedure formalities etc. enforcement of code of conduct for parliament as well as assembly election in different states at different times for implementing for CSR activities also stand in the way of utilization of budgetary provision under CSR. The reply of the Ministry that under utilization of CSR funds by coal companies has been as a result of enforcement of code of conduct

for Parliament and Assembly elections in some of the States is quite shocking. The Committee would like to remind the Ministry and coal companies that these elections are held only once in five years and the code of conduct remains in force only for a brief period. This is nothing but a lame excuse for hiding the incompetency of officers responsible for implementation of CSR projects. The Committee would like the Ministry to facilitate coal companies in removing the constraints being faced by coal companies in the utilization of CSR funds which ultimately affects the implementation of such projects.

NEW DELHI;
18 April, 2013

28 Chaitra, 1935 (Saka)

KALYAN BANERJEE,
Chairman,
Standing Committee on Coal and Steel.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
COAL AND STEEL HELD ON 21 JANUARY 2013 IN COMMITTEE
ROOM 'B', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1130 hrs. to 1345 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Hansraj G. Ahir
3. Shri Ganeshrao Nagorao Dudhgaonkar
4. Shri Vishwa Mohan Kumar
5. Shri Yashbant N. S. Laguri
6. Shri Babu Lal Marandi
7. Shri Govind Prasad Mishra
8. Shri Gajendra Singh Rajukhedi
9. Shri K.R.G. Reddy
10. Shri Pashupati Nath Singh
11. Shri Om Prakash Yadav

Rajya Sabha

12. Shri Ali Anwar Ansari
13. Shri Pradeep Kumar Balmuchu
14. Smt. Smriti Zubin Irani
15. Shri Sanjay Raut

16. Shri Dhiraj Prasad Sahu
17. Shri Dilip Kumar Tirkey

SECRETARIAT

1. Shri S. Bal Shekar — *Additional Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Arvind Sharma — *Deputy Secretary*

WITNESSES

Ministry of Coal and its PSU's

1. Shri S.K. Srivastava, Secretary, Coal
2. Smt. Zohra Chatterji, Additional Secretary (Coal)
3. Shri Sailesh Kumar Singh, Joint Secretary (LA)
4. Smt. Anjali Srivastava, JS&FA
5. Shri S.Narsingh Rao, Chairman, Coal India Limited (CIL)
6. Shri P.E. Ketchap, Director(Personnel), Bharat Coking Coal Limited
7. Shri G. Singh, CMD, Central Coal Limited
8. Shri R. Sinha, CMD, Eastern Coal Limited
9. Shri A.N. Sahay, CMD, Mahanadi Coalfields Limited
10. Shri T.K. Lahiri, CMD, Northern Coalfields Limited
11. Shri D.C. Garg, CMD, Western Coalfields Limited
12. Shri S. Bhattacharya, CMD, Singareni Collieries Company Limited
13. Shri B. Surinder Mohan, CMD, Neyveli Lignite Corporation Limited
14. Miss Shanti Lata Sahu, Director, Neyveli Lignite Corporation Limited
15. Shri S.K. Acharya, Director, Neyveli Lignite Corporation Limited

2. At the outset, the Chairman welcomed the Secretary, Ministry of Coal and other representatives of Ministry of Coal and Coal PSUs to the sitting of Committee convened in connection with briefing on the subject, "CSR Activities in Coal India Ltd. and its subsidiaries".

3. Thereafter, the Secretary, Ministry of Coal briefed the Committee on the subject, and informed that Coal India has a well defined policy for CSR which was introduced in June, 2010, based on the guidelines of the Department of Public Enterprises. The Committee were informed that the CSR activities of Coal India Ltd.'s subsidiary companies are implemented within a radius of 15 kilometers of the project and in respect of Coal India Ltd. as a holding company, 2.5 per cent of the retained profit is allocated for execution of CSR activities.

4. The Committee then discussed the points relating to shortfall in the utilisation of the allocated funds for CSR activities by various subsidiaries of CIL, various constraints faced by Coal India Ltd. and its subsidiary companies in implementing CSR projects, steps taken by the Government/CIL in implementation of CSR activities in a befitting manner.

5. The Chairman, thereafter thanked the witnesses for appearing before the Committee as well as for furnishing valuable information discussed by them. He also directed them to furnish information on points on which the Ministry could not reply during the sitting to the Committee Secretariat, within one month.

A copy of verbatim proceedings of the sitting of the Committee has been kept on record.

The Committee then adjourned.

ANNEXURE II

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
COAL AND STEEL HELD ON 26 FEBRUARY 2013 IN COMMITTEE
ROOM 'D', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hrs. to 1700 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Sanjay Bhoi
3. Smt. Jyoti Dhurve
4. Shri Vishwa Mohan Kumar
5. Shri Pakauri Lal
6. Shri Babu Lal Marandi
7. Shri Govind Prasad Mishra
8. Shri Gajendra Singh Rajukhedi
9. Shri K.R.G. Reddy
10. Shri Pashupati Nath Singh

Rajya Sabha

11. Smt. Smriti Zubin Irani

SECRETARIAT

1. Shri S. Bal Shekar — *Additional Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Arvind Sharma — *Deputy Secretary*

WITNESSES

Ministry of Coal and its PSU's

1. Shri S.K. Srivastava, Secretary, Ministry of Coal
2. Shri A.K. Bhalla, Joint Secretary, Ministry of Coal
3. Shri Sailesh Kumar Singh, Joint Secretary
4. Smt. Anjali Srivastava, Joint Secretary and FA
5. Shri M.R. Anand, Economic Advisor
6. Shri D.N. Prasad, Advisor(P)
7. Shri V. Peddana, Director, Parl./Vig.
8. Shri M.K. Sharma, Director (PMS)
9. Shri S. Narsingh Rao, Chairman, Coal India Ltd.
10. Shri R. Mohan Das, Director (P&IR), CIL
11. Shri A.N. Sahay, CMD, MCL
12. Shri A.K. Debnath, CMD, CMPDIL
13. Shri T.K. Lahiry, CMD, BCCL and NCL
14. Shri D.C. Garg, CMD, WCL
15. Shri G. Singh, CMD, CCL
16. Shri N. Kumar, CMD, SECL
17. Shri R. Sinha, CMD, ECL
18. Shri B. Surender Mohan, CMD, NLC
19. Shri S. Bhattacharya, CMD, SCCL

2. At the outset, the Chairman welcomed the Secretary, Ministry of Coal and other representatives of Ministry of Coal and Coal PSUs to the sitting of Committee convened in connection with the oral evidence on the subject, "CSR Activities in Coal India Ltd. and its subsidiaries".

3. Thereafter, the Secretary, Ministry of Coal informed the Committee about the Ministry's decision to regularly review the CSR spending by CIL and its subsidiaries during its review meetings. The Committee were also apprised that CIL has been asked to start a process of building up of an Action Plan to implement CSR activities for 2013-14.

4. The Committee then broadly discussed the basis of fund allocation for CSR Activities by Coal PSU's *vis-a-vis* Department Public Enterprises Guidelines, reasons for shortfall in the utilisation of the allocated funds for CSR activities by various subsidiaries of CIL and the steps taken by CIL for a time-bound implementation programme of CSR Activities and involvement of local administration, MP's and MLA's in carrying out CSR Activities in their respective constituencies.

5. The Committee also directed the Ministry of Coal to submit detailed information on the news reports alleging child labour in coal mines of Coal India Ltd. in Meghalaya.

A copy of verbatim proceedings of the sitting of the Committee has been kept on record.

The Committee then adjourned.

ANNEXURE III

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
COAL AND STEEL HELD ON 17 APRIL 2013 IN COMMITTEE
ROOM 'B', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1430 hrs. to 1500 hrs.

PRESENT

Shri Kalyan Banerjee—*Chairman*

MEMBERS

Lok Sabha

2. Shri Hansraj G. Ahir
3. Shri Sanjay Bhoi
4. Shri Vishwa Mohan Kumar
5. Shri Yashbant N.S. Laguri
6. Shri Govind Prasad Mishra
7. Shri Rajaram Pal
8. Shri Gajendra Singh Rajukheddi
9. Shri Pashupati Nath Singh
10. Shri Om Prakash Yadav

Rajya Sabha

11. Shri Ali Anwar Ansari
12. Dr. Pradeep Kumar Balmuchu
13. Smt. Smriti Zubin Irani
14. Shri Dhiraj Prasad Sahu

SECRETARIAT

1. Shri S. Bal Shekar — *Additional Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Arvind Sharma — *Deputy Secretary*

2. At the outset, Chairman welcomed the Members to the sitting of the Committee.

3. The Committee thereafter took up for consideration the following Draft Reports:—

- | | | | | | |
|-------|---|-----|-----|-----|-----|
| (i) | *** | *** | *** | *** | *** |
| (ii) | *** | *** | *** | *** | *** |
| (iii) | Report on “CSR Activities in Coal India Limited and its subsidiaries” relating to the Ministry of Coal. | | | | |
| (iv) | *** | *** | *** | *** | *** |

4. The Committee adopted the Reports without any changes/modifications. The Committee then authorized the Chairman to finalise the Reports on the basis of factual verification from the concerned Ministry and present the same to both the Houses of Parliament.

The Committee then adjourned.

*** Do not pertain to this Report.

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