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STANDING COMMITTEE ON
COAL AND STEEL (2013-2014)
FIFTEENTH LOK SABHA

MINISTRY OF COAL

"CSR ACTIVITIES IN COAL INDIA LTD. AND ITS SUBSIDIARIES"

**[Action Taken by the Government on the Observations/
Recommendations contained in the Thirty-Second Report of the
Standing Committee on Coal and Steel (Fifteenth Lok Sabha)]**



FORTY-THIRD REPORT

**LOK SABHA SECRETARIAT
NEW DELHI
DECEMBER, 2013/AGRAHAYANA, 1935(Saka)**

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Presented to Lok Sabha on 17.12.2013

Laid in Rajya Sabha on 17.12.2013



**LOK SABHA SECRETARIAT
NEW DELHI
December, 2013/Agrahayana 1935 (Saka)**

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COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL(2013-14)

Shri Kalyan Banerjee - Chairman

Name of the Member

Lok Sabha

2. Shri Hansraj Gangaram Ahir
3. Shri Sanjay Bhoi
4. Shri Bansa Gopal Choudhary
5. Smt. Jyoti Dhurve
6. Shri Ganeshrao Nagorao Dudhgaonkar
7. Shri Sabbam Hari
8. Shri Vishwa Mohan Kumar
9. Shri Yashbant N.S. Laguri
10. Shri Pakauri Lal
11. Shri Babu Lal Marandi
12. Shri Govind Prasad Mishra
13. Shri Rajaram Pal
14. Kumari Saroj Pandey
15. Shri Gajendra Singh Rajukhedi
16. Shri K.R.G. Reddy
17. Shri Pashupati Nath Singh
18. Smt. Rajesh Nandini Singh
19. Shri Uday Pratap Singh
20. Shri K. Shivkumar alias J.K. Ritheesh
21. Shri O

Sabha

22. Shri
- 23.
- 24.
- 25.
26. Shri
- 27.
28. Shri
29. Shri
30. Shri
- 31.

SECRETARIAT

1. Shri Shiv Singh - Director
2. Shri Arvind Sharma- Additional Director
3. Shri Amrish Kumar- Executive Officer

INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Forty-Third Report (Fifteenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Thirty-Second Report of the Standing Committee on Coal and Steel (Fifteenth Lok Sabha) on the subject, "CSR Activities in Coal India Ltd. and its Subsidiaries" pertaining to the Ministry of Coal.

2. The Thirty-Second Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 23rd April, 2013. Replies of the Government to all the observations/recommendations contained in the Report were received on 20th September, 2013.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 10.12.2013.

4. An analysis on the Action Taken by the Government on the observations/recommendation contained in the Thirty-Second Report (Fifteenth Lok Sabha) of the Committee is given at **Annexure-II**.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Chapter-I of the Report.

**NEW DELHI;
16 December, 2013
25 Agrahayana, 1935(Saka)**

**KALYAN BANERJEE
Chairman
Standing Committee on Coal and Steel**

REPORT

CHAPTER – I

This Report of the Standing Committee on Coal and Steel deals with Action Taken by the Government on the Observations/Recommendations contained in the Thirty-Second Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel on "CSR Activities in Coal India Ltd. and its Subsidiaries" relating to the Ministry of Coal which was presented to Lok Sabha on 23.04.2013 and laid in Rajya Sabha on 25.04.2013.

2. The Action Taken replies have been received from the Ministry of Coal in respect of all the 22 Observations/Recommendations contained in the Report on 20th September, 2013. These have been categorised as follows:

- (i) Observations/Recommendations that have been accepted by the Government:
Sl. Nos. 2, 3, 4, 6, 10, 12, 14, 15, 16, 17, 18, 21 and 22

Total – 13
(Chapter II)
- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:
Sl. No. 8, 9 and 13

Total – 03
(Chapter III)
- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:
Sl. Nos. 1, 5, 7, 19 and 20

Total – 05
(Chapter IV)
- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:
Sl. No. 11

Total – 01
(Chapter V)

3. The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. In case, where it is not possible for the Ministry to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee desire that further Action Taken notes on the Observations/Recommendations contained in Chapter-I and final Action Taken Replies to the Recommendations contained in Chapter-V of this Report be furnished to them at an early date.

4. The Committee will now deal with the Action Taken by the Ministry on some of their observations/recommendations made in the Thirty-Second Report.

CSR activities by private coal blocks development

Recommendation Serial No.1

5. Although the prime aim of a company was to generate profit, it had 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) had drawn the attention of the policy makers in the Government and had 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 were 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 were 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.

6. The Ministry of Coal in their action taken reply have furnished as follows:-

"M/o Corporate Affairs has informed that there is no provision for Corporate Social Responsibility (CSR) at present in the Companies Act, 1956. However, the Companies Bill, 2012, incorporates the provision of CSR under Clause 135 which states that every company having net worth of Rs.500 Crore or more, or a turnover of Rs.1000 Crore or more or a net profit of rupees Five Crore or more during any financial year shall constitute a CSR Committee of the Board consisting of three or more directors, including at least one independent director, to recommend activities for discharging Corporate Social Responsibilities in such a manner that the company would spend at least 2 percent of its average profits of the previous three years on CSR. The company is also required to disclose its activities in its report or on its website, and to institute a formal policy on CSR."

7. The Committee are unhappy to note that though the Parliament has passed a new legislation Company Act, 2013 and the same was notified on 30th August, 2013, the Ministry of Steel in their action taken reply forwarded to them on 20th September, 2013 has referred to Companies Act, 1956 and stated that there is no provision for CSR activities by private companies. The Committee note that Company Act, 2013 incorporate the new provision (section 135) whereby every company having net worth of Rs.500 Crore or more, or a turnover of Rs.1000 Crore or more or a net profit of rupees Five Crore or more during any financial year shall constitute a CSR Committee of the Board consisting of three or more directors, including at least one independent director, to recommend activities for discharging Corporate Social Responsibilities in such a manner that the company would spend at least 2 percent of its average profits of the previous three years on CSR. While deprecating the casual approach of the Ministry in not furnishing the updated information to the them, the Committee would like that the Ministry should immediately take up the necessary steps to ensure that CSR activities are undertaken by all the private companies to whom coal blocks have been awarded and where production/excavation of coal/lignite have started. The Committee desire that funds earmarked and utilized on CSR activities by these private coal

blocks developers should also be reflected in the Annual Report of the Mining & Coal from the next financial year.

Primary Health Centers by CIL and its subsidiaries

Recommendation Serial No.5

8. The Committee noted that CIL and its subsidiaries had not established any primary health centre, reproductive and child health centres / hospitals and super specialty hospitals. However, the subsidiaries of CIL had 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 had not been established which could cater to the needs of local people/villagers who were otherwise not the regular employees of the CIL and its subsidiaries.

9. The Ministry of Coal in their action taken reply have furnished as follows:-

"CIL(HQ) and its subsidiaries regularly conduct Health and Medical camps including distribution of medicines free of cost in different localities for the benefit of the under privileged and weaker sections of people. In addition, most of the 81 (eighty one) areas of CIL have been provided with Mobile Van for medical care. Out-patient treatment is provided in CIL hospitals for people living in and around mine area."

10. The Committee are dismayed to note over the evasive and unsatisfactory reply of the Ministry with regard to their recommendation for establishing primary health centers, reproductive and child health centers/hospitals and super specialty hospitals. Although, the Ministry of Coal in their action taken replies have informed the Committee that OPD patient treatment is provided in CIL hospital for peoples living in and around mining area, the Committee feel that permanent primary health center be established in Coal Mine Areas by CIL and its subsidiaries instead of conducting medical camps or providing mobile vans. The Committee also like to be apprised the average frequency of medical mobile vans that have been made available in one particular mining area in a week. The area-

wise and subsidiary-wise information of hospitals and mobile vans alongwith the strength of doctors, para medical staff, etc. shall also be provided to the Committee.

Basic Amenities in Coal fields Area

Recommendation Serial No.7

11. The Committee had observed that the roads in coalfield areas were in dilapidated condition and coal companies had failed to keep them roadworthy despite having sufficient funds to maintain them. Further, there was scarcity of drinking water and electricity in the coalfield areas. The Committee recommended that all kutcha roads in the coalfield areas might 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 peoples displaced by coal mine activities and also to ensure that residential quarters in the coalfield areas were not misused for illegal activities by unscrupulous elements of the Society.

12. The Ministry of Coal in their action taken reply have furnished as follows:-

"Subsidiaries of CIL have gradually been converting kutcha roads to all weather roads in the coalfield areas and this process is on. Besides, Subsidiaries of CIL are committed to provide drinking water, land for house construction or monetary compensation in lieu of land and infrastructures for electricity connection to displaced people. Wherever feasible, residential accommodations are provided to the displaced people. All efforts are made to ensure that the residential quarters in the coalfield areas are not misused for illegal activities by unscrupulous elements of the society. Eastern Coalfields Limited has undertaken activities towards building new pucca roads and repairing the old roads which are being used for coal transportation. PWD Roads which are being used for coal transportation are repaired and maintained by NCL and there is a proposal for constructing old transport road which involved approximate cost of Rs.200 Lakhs. In BCCL, budget of Rs.114.60 Lakhs has been provided for construction and repairing of old road between Jharia to Bilaspur which is being used for Coal transportation. SECL

has constructed roads of a total length of around 23 Km. In CCL, around Rupees one crore has been sanctioned for repairs/rehabilitation of Roads/Bridges in Charhi-Ghato-Naya more section which was a diverted section of NH-33 through which Coal Transportation of Hazaribagh Area is done."

13. The Committee were interested to know as to how many residential quarters have been constructed by Coal PSUs in project affected areas and how many families have been benefitted by such CSR activities of Coal India Ltd. and its subsidiary companies. The Committee lament that the response of the Ministry is silent on this aspect. The Committee, therefore, desire that area-wise and subsidiary-wise details may be provided to them. Further, the Ministry in their reply have stated that all efforts are made to ensure that the residential quarters in the coalfields are not misused for illegal activities by anti-social elements. The Committee find that no details have been provided by the Ministry to substantiate their claims as to how is it being ensured. The Committee would, therefore, like to be apprised as to what steps/measures are in place or have been taken to check illegal activities in such unoccupied residential quarters.

CSR activities by NGOs

Recommendation Serial No.16

14. The Committee noted that few NGOs have been given grants by CIL and its subsidiaries to carry out CSR activities in their area. NGOs had 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 had been given ambulances by the PSUs were being used for illegal activities. It was gathered from the reply of the Ministry that NGOs selected for CSR activities did not fulfill the suitable criteria for selection. The Committee had been given to understand that CIL would develop the suitable criteria for selection of NGOs for CSR activities. Needless to say, the Committee were 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.

15. The Ministry of Coal in their action taken reply have furnished as follows:-

"As per MOU entered into between CIL & TISS, CSR activities entrusted to NGO are being certified by TISS on evaluation and verification. As per the extant practical proposals of different NGOs are forwarded to TISS for examination and recommendation and the same has been examined before entrusting any grant for implementation of CSR activities to an NGO."

16. While appreciating that the CIL has entered into MoU with Tata Institute of Social Science(TISS) to evaluate and verify the NGOs to be entrusted with CSR work, the Committee would like the Ministry to furnish the list of NGO's selected before CIL entered into MoU with TISS, the criteria for their selection and the details of the targeted social work completed by these NGO's.

Spill-over of CSR Budget

Recommendation Serial No.19

17. The Committee observed that annual budget of CIL and its subsidiaries for CSR activities was 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 was allocated for execution of CSR activities. The Committee had desired 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.

18. The Ministry of Coal in their action taken reply have furnished as follows:-

"The budget allocation during last three years is as under:

Figure in Crore

2010-11			2011-12			2012-13		
Spill Over	Budget	Total	Spill Over	Budget	Total	Spill Over	Budget	Total
00.00	262.28	262.28	155.38	397.95	555.33	344.22	251.50	595.74

19. The Committee find that the Ministry of Coal have not furnished the desired information about total budget allocation for CSR activity *vis-à-vis* net profit earned by CIL as a holding company and desire the Ministry to furnish the same. The Committee further deplore the spill-over of CSR budget to the next financial years. The Committee are pained to note that even basic amenities like drinking water, education, medical facilities have not been provided in coal mining areas although CIL and its subsidiaries could not spend the full budget amount for CSR in a particular financial year. As no reason for spill over of CSR budget into next year have been furnished by the Ministry, it puts a serious question on the intention, commitment and sincerity of CIL and its subsidiaries towards the social cause. While deprecating huge spill over of unspent money for CSR activities, the Committee would like to know the details of CSR funds allocated by CIL and its subsidiaries during 2013-14 and the steps taken to fully utilize the same.

Under –Utilization of funds by CIL and its subsidiaries

Recommendation Serial No.20

20. The Committee were constrained to observe that the utilization of funds by CIL and its subsidiaries had 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.82crores which accounts for only 14%. Similar trends of under utilization of CSR funds had been witnessed during 2007-08, 2008-09 and 2009-10 respectively. For the year 2012-13, the budget for CSR activities were enhanced to Rs.673.74 crores. The Committee were 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 deprecated 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 spend only Rs.82.00 crores and the same was gross failure of duty on the part of Coal India and its subsidiaries. Although CIL had informed the Committee that they had intention to spend money for CSR activities but in reality they could not spend the money for CSR activities. It showed their callousness. The officers who were in charge of spending money in CSR activities should be punished for dereliction of duty. The Committee observed that officers responsible for CSR activities committed misconduct. The Committee were 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 gave credence to the fact that how the CSR activities were completely ignored by Coal India Limited. This was a sad commentary on the part of such a company which boast of having conferred the status of the 'Maharatna Company'. The Committee recommended 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 desired 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 Ministry of Coal in their action taken reply have furnished as follows:-

"Although the CSR fund for the year 2010-11, 2011-12 could not be utilized due to various constraints, CSR activities have gained momentum after entering into a MOU with TISS. During 2012-13, an amount of Rs. 551.06 Crores have been utilized by way of expenditure and commitment out of the total budget of Rs 595.74 Crore. Further CIL & each of the subsidiaries has selected a backward district in the State for its socio economic development in order to execute CSR activities. Funds will be utilised as per the guidelines of DPE. Regarding identification and implementation of CSR projects during 12th Plan period, action has been initiated. Regarding the funds made available under CSR, presently DPE's guidelines are being followed.

The Department of Public Enterprises (DPE) had framed the CSR guidelines in 2010 and as per CSR policy, the budget allocation for CSR increased tremendously. However, the CIL and its subsidiaries were not geared to utilize the enhanced funds within the financial year. Besides, the CSR projects are to be implemented by specialized agencies. In order to quantify the impact made by CSR activities, baseline data had to be compiled by conducting baseline survey before starting a project. The above formalities took time resulting in slow utilization of funds in initial stage. However, the unutilized fund for 2011-12 was carried over to the next financial year. Further, CIL has taken measures to step up utilization of CSR funds in the current year. A separate Cell in CIL, HQ. as well as its subsidiaries has been established under senior level executives of the Company. For monitoring of CSR activities the Committee comprising of Board Level Directors has been formed at CIL, H.Q and also at its subsidiaries. CIL has entered into a Memorandum of Understanding (MOU) with Tata Institute of Social Science (TISS), A National CSR Hub for extending assistance in implementing CSR activities for CIL and its subsidiaries. Regarding identification and implementation of CSR projects during 12th Plan period, action has been initiated.

Funds for CSR are earmarked and utilised as per the guidelines of DPE. The unutilized fund if any is carried over to the next financial year."

22. The Committee in their recommendation had observed that out of allotment of Rs. 553.33 crores in 2011-12 for CSR activities, Coal India and its subsidiaries could spent only Rs. 82.00 crores and the same was, therefore, gross failure of duty on the part of Company and its subsidiaries. Although the Ministry have replied that they had intention to spend money for CSR activities but in reality it seems that they do not have serious intention to spend it. While pointing out to the callous attitude of the Ministry towards CSR spending, the Committee were of the view that the officers in-charge of spending money on CSR activities must be made accountable for his failure to spend the CSR budget. The Committee are however, dismayed to observe that the Ministry in their reply have not mentioned any action taken against erring officials who have failed to discharge their duty sincerely nor have mentioned the various constraints for under utilizing of CSR funds for the year 2010-11, 2011-12. The Committee therefore reiterate their earlier recommendation and desire

that not only they be apprised of the various constraints faced by CIL and its subsidiaries for under utilization of CSR funds during 2010-11 and 2011-12 but also about the action taken against the Officers responsible. The Committee also deplore the slow action of CIL with regard to preparing an Action Plan for identification and implementation of CSR projects during 12th plan period and would like the Ministry to expedite the same and apprise the Committee.

CHAPTER –II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation Serial No.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.

Action Taken

Observation of the committee has been forwarded to CIL for necessary action so as to ensure that the projects are executed without time & cost overrun.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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.

Action Taken

It may be mentioned that the Department of Public Enterprises (DPE) framed the CSR guidelines in 2010 and as per CSR policy, the budget allocation for

CSR increased accordingly. However, the CIL and its subsidiaries were not geared to utilize these enhanced funds within the financial year. Besides, the CSR projects are to be implemented by specialized agencies. In order to quantify the impact made by CSR activities, baseline data had to be compiled by conducting baseline survey before starting a project. The above activities took time resulting in slow utilization of funds. However, the unutilized fund for 2011-12 was carried over to the next financial year.

In order to step up utilization of CSR funds in the current year, a separate Cell in CIL, HQ. as well as its subsidiaries has been established under senior level executives of the Company. For monitoring of CSR activities, the Committee comprising of Board Level Directors has been constituted at CIL, H.Q and its subsidiaries separately. CIL has entered into a Memorandum of Understanding (MOU) with Tata Institute of Social Science (TISS), A National CSR Hub for extending assistance in implementing CSR activities for CIL and its subsidiaries. Funds will be utilised as per the guidelines of DPE. Regarding identification and implementation of CSR projects during 12th Plan period, action has been initiated.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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 & 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.

Action Taken

The Department of Public Enterprises (DPE) framed the CSR guidelines in 2010. The activities under CSR in CIL and its subsidiaries were taken up thereafter following the formulation of a CSR policy based on DPE's guidelines from June,2010.

Some of the Major CSR initiatives are as under:

- Funding for 500 bedded multi-specialty general hospital for needy and under privileged to Bharat SevashramSangha
- Financial help for Empowerment of under privileged women of the society by virtue of vocational training, Hand embroidery, cutting & 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 Bursts

2011-12**(Rs. in lakhs)**

ECL	447.12	34.67	192.37	0.00	135.97	503.83	1313.96
BCCL	374.62	25.12	96.01	0.00	57.89	0.00	553.64
CCL	149.58	146.00	621.43	4.40	105.03	73.43	1099.87
WCL	98.57	63.92	501.84	0.00	41.41	79.96	785.70
SECL	315.98	173.72	560.20	0.00	238.78	477.32	1766.00
NCL	39.73	110.76	328.56	6.73	29.27	409.73	924.78
MCL	321.60	32.90	499.97	0.00	17.35	575.17	1446.99
CMPDIL	0.00	18.26	24.86	0.00	3.58	2.81	49.51
CIL/NEC	0.00	57.62	176.62	0.00	17.72	7.20	259.16
Total							8199.61

2012-13**(Rs. in lakhs)**

ECL	343.68	0.17	531.85	13.37	25.55	27.80	942.42
BCCL	418.12	86.97	95.26	4.75	133.93	4.29	743.32
CCL	185.61	220.52	793.38	0.58	18.24	147.96	1366.29
WCL	123.49	88.01	1673.11	0.00	54.25	156.71	2095.57
SECL	894.73	1011.93	2442.44	18.60	188.77	106.33	4662.80
NCL	80.00	914.20	635.25	21.30	49.30	63.94	1763.99
MCL	490.99	63.57	1790.15	0.00	106.23	106.06	2557.00
CMPDIL	0.00	49.49	50.42	0.00	4.95	1.04	105.90
CIL/NEC	39.20	343.18	229.66	0.00	32.93	74.26	719.23
Total							14956.52

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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.

Action Taken

The matter of setting up of medical colleges is being taken up expeditiously with State Governments. As regards opening of Super-specialty hospital, SECL has extended financial and infrastructural support for opening of a Super-specialty hospital i.e. Apollo Hospital at Bilaspur, Chattishgarh, which also cater to the needs of local people, besides employees. CCL has started a super-specialty centre for Cardiac patients. In addition, most of the 81 (eighty one) areas of CIL have provided with Mobile Van for medical care. Out-patient treatment is provided in CIL hospitals for people living in and around mine area.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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.

Action Taken

200 cycles were distributed through Dankuni Municipality in March, 2013 with expenditure of Rs.6.00 Lakhs. For the remaining 11 works detailed estimates are under process. As per the priority of the M.Ps of the constituencies concerned, 5 more projects will be taken up in two years i.e. 2013-2014 & 2014-2015.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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.

Action Taken

A MOU has been entered into with TISS, a National CSR Hub, as an external agency to conduct baseline survey wherever needed and for monitoring and

evaluation of CSR projects so that the projects are well formulated and there is a feed back mechanism on the implementation.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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 & 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.

Action Taken

The study of the new CSR guideline is undertaken by TISS. It is progressing expeditiously. The training of the personnel responsible for implementing CSR activities in CIL and subsidiaries is organized through the TISS as nodal agency for CSR activities.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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.

Action Taken

As regards creation of dedicated cadre of officials and employees for implementation of CSR, it may be mentioned that a separate Cell in CIL,H.Q. as well as its subsidiaries has been established under Senior level executives of the

Company. For monitoring of CSR activities, the Committee comprising of Directors of the board has been formed at CIL H.Q and also in its subsidiaries. As already explained, CIL has entered into a Memorandum of Understanding (MOU) with Tata Institute of Social Science (TISS), a National CSR Hub for extending assistance in implementing CSR activities for CIL and its subsidiaries.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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.

Action Taken

As per MOU entered into between CIL & TISS, CSR activities entrusted to NGO are being certified by TISS on evaluation and verification. As per the extant practice, proposals of different NGOs are forwarded to TISS for examination and recommendation and the same has been examined before entrusting any grant for implementation of CSR activities to an NGO.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Comments of the Committee

(Please see para 16 of Chapter I of the Report)

Recommendation Serial No.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 100 crores. For those CPSEs whose net profit during previous year is Rs.100 crores to 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.

Action Taken

Coal India Limited has a well defined policy and it has been giving benefits over and above the guidelines issued by Department of Public Enterprise(DPE) for Central PSU on CSR These guidelines are also applicable in respect of subsidiaries of CIL.

As per the instant proposal, Rs 5/- per tone of coal produced or 5% of the retained profit of previous year whichever is higher, is allocated as CSR budget in subsidiaries and 2.5% of retained profit of previous year in CIL. The aforesaid recommendation has been sent to DPE for its consideration.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.18

The Committee observe that in case of profit of more than 100%, PSU must spent 3 to5%. 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 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.

Action Taken

The economically backward classes, weaker sections, minority sections, backward classes and needy people of the society living in & around coalfields / mining areas are covered under CSR activities. CILs CSR Policy has been revised and as per the new policy, 80% of the fund allocated under CSR is being spent within the radius of 25 Kms of the project / mines and rest 20% of the fund is being spent within the state in which the subsidiary companies are operating.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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.

Action Taken

The observation of the Committee has been intimated to the CIL. Now a two tier Committee, that is one at the Board level Committee consisting of independent Directors & regular Directors and then a CSR Committee comprising of the officers below Board level have been constituted in CIL and in each subsidiaries of CIL for implementation and supervision of CSR activities.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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.

Action Taken

CIL has taken serious note of the observation of the Committee for utilization of CSR funds and implementation of CSR projects. Further CIL has entered into a MOU with TISS for smooth functioning for CSR activities and CSR activities have already gained momentum.

A separate Cell in CIL, HQ. as well as its subsidiaries has been established under senior level executives of the Company. For monitoring of CSR activities the Committee comprising of Directors of the board has been formed at CIL, H.Q and also its subsidiaries. As explained above, CIL has entered into a Memorandum of Understanding (MOU) with Tata Institute of Social Science (TISS), A National CSR Hub for extending assistance in implementing CSR activities for CIL and its subsidiaries. Funds will be utilised as per the guidelines of DPE.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

CHAPTER – III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation Serial No.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.

Action Taken

Extensive tree plantation programme is undertaken every year by the subsidiaries of Coal India Limited through forest experts i.e. State Forest Corporations.

Actions are taken to preserve the top soil removed while opening out, which will be spread over the back filled areas / external OB dumps on reaching the final level before taking up plantation.

Plantation is also undertaken on black filled / reclaimed land, on the OB dumps, around mines and in residential colonies. Besides, avenue plantation in available land in existing as well as new projects is also taken up.

Coal India and its subsidiaries planted various species of local varieties including bamboo over 78 millions saplings over an estimated land area of around 33,700 hectares up to 2012-13. Coal India planted 15.76 Lakh saplings in 2010-11, 20.72 lakhs in 2011-12 and 15.86 lakhs in 2012-13. It is committed to continue plantation which is a part of annual activities in each subsidiary.

The year wise subsidiary wise tree plantation during the last 3 years and plantation proposed to be undertaken during 2013-14 are as under :

Subsidiary	During 2010-11	During 2011-12	During 2012-13
	Plantation No	Plantation No	Plantation
ECL	62500.00	195000	51000
BCCL	13215.00	343000	46916
CCL	100000.00	405800	302000
MCL	98550.00	75600	31000
WCL	302000.00	226000	160000

SECL	417600.00	386000	483000
NCL	482000.00	441000	452247
NEC	100500.00		60,000
TOTAL	1,576,365	2,072,400	1,586,163

The Tree Plantation Target for 2013-14 for Coal India is 825000

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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 crore for Rajiv Gandhi Chair Professor in Mining Environment & 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. 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.

Action Taken

Imparting education is an area which is covered under the Scope of CIL's CSR Policy. Indian School of Mines(ISM) Dhanbad is a Premier Government Institution which imparts education related to mining and environment amongst others and the students with degree obtained from ISM Dhanbad mostly cater to the need of the mining industries. MoU is under operation & Support to ISM, Dhanbad is given for creating two Chair Professors in Mining and Environment. They will help the organisation in technical support and other related academic support for CIL as well as mining and allied industrial input facility for students that will increase their employability in Industry. Releasing fund for ISM, Dhanbad will not affect other CSR activities being undertaken by CIL and its subsidiaries.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Recommendation Serial No.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.

Action Taken

In most of the CSR activities being undertaken, people's representatives such as Representative of Local Authorities, MPs and MLAs are being associated while finalising the CSR activities. Now with the engagement of TISS, impact assessment is also done on case to case basis.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

CHAPTER – IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation Serial No.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.

Action Taken

M/o Corporate Affairs has informed that there is no provision for Corporate Social Responsibility (CSR) at present in the Companies Act, 1956. However, the Companies Bill, 2012, incorporates the provision of CSR under Clause 135 which states that every company having net worth of Rs.500 Crore or more, or a turnover of Rs.1000 Crore or more or a net profit of rupees Five Crore or more during any financial year shall constitute a CSR Committee of the Board consisting of three or more directors, including at least one independent director, to recommend activities for discharging Corporate Social Responsibilities in such a manner that the company would spend at least 2 percent of its average profits of the previous three years on CSR. The company is also required to disclose its activities in its report or on its website, and to institute a formal policy on CSR.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Comments of the Committee

(Please see para 7 of Chapter I of the Report)

Recommendation Serial No.5

The Committee note that CIL and its subsidiaries have 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. 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.

Action Taken

CIL(HQ) and its subsidiaries regularly conduct Health and Medical camps including distribution of medicines free of cost in different localities for the benefit of the under privileged and weaker sections of people. In addition, most of the 81 (eighty one) areas of CIL have been provided with Mobile Van for medical care. Out-patient treatment is provided in CIL hospitals for people living in and around mine area.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Comments of the Committee

(Please see para 10 of Chapter I of the Report)

Recommendation Serial No.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 peoples 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.

Action Taken

Subsidiaries of CIL have gradually been converting kutchra roads to all weather roads in the coalfield areas and this process is on. Besides, Subsidiaries of CIL are committed to provide drinking water, land for house construction or monetary compensation in lieu of land and infrastructures for electricity connection to displaced people. Wherever feasible, residential accommodations are provided to the displaced people. All efforts are made to ensure that the residential quarters in the coalfields areas are not misused for illegal activities by unscrupulous elements

of the society. Eastern Coalfields Limited has undertaken activities towards building new pucca roads and repairing the old roads which are being used for coal transportation. PWD Roads which are being used for coal transportation are repaired and maintained by NCL and there is a proposal for constructing old transport road which involved approximate cost of Rs.200 Lakhs. In BCCL, budget of Rs.114.60 Lakhs has been provided for construction and repairing of old road between Jharia to Bilaspur which is being used for Coal transportation. SECL has constructed roads of a total length of around 23 Km. In CCL, around Rupees one crore has been sanctioned for repairs/rehabilitation of Roads/Bridges in Charhi-Ghato-Naya more section which was a diverted section of NH-33 through which Coal Transportation of Hazaribagh Area is done.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Comments of the Committee

(Please see para 13 of Chapter I of the Report)

Recommendation Serial No.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.

Action Taken

The budget allocation during last three years is as under:

Figure in Crore

2010-11			2011-12			2012-13		
Spill Over	Budget	Total	Spill Over	Budget	Total	Spill Over	Budget	Total
00.00	262.28	262.28	155.38	397.95	555.33	344.22	251.50	595.74

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Comments of the Committee

(Please see para 19 of Chapter I of the Report)

Recommendation Serial No.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.82crores 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.

Action Taken

Although the CSR fund for the year 2010-11, 2011-12 could not be utilized due to various constraints, CSR activities have gained momentum after entering into a MOU with TISS. During 2012-13, an amount of Rs. 551.06 Crores have been utilized by way of expenditure and commitment out of the total budget of Rs 595.74 Crore. Further CIL & each of the subsidiaries has selected a backward district in the State for its socio economic development in order to execute CSR activities. Funds will be utilised as per the guidelines of DPE. Regarding

identification and implementation of CSR projects during 12th Plan period, action has been initiated. Regarding the funds made available under CSR, presently DPE's guidelines are being followed.

The Department of Public Enterprises (DPE) had framed the CSR guidelines in 2010 and as per CSR policy, the budget allocation for CSR increased tremendously. However, the CIL and its subsidiaries were not geared to utilize the enhanced funds within the financial year. Besides, the CSR projects are to be implemented by specialized agencies. In order to quantify the impact made by CSR activities, baseline data had to be compiled by conducting baseline survey before starting a project. The above formalities took time resulting in slow utilization of funds in initial stage. However, the unutilized fund for 2011-12 was carried over to the next financial year. Further, CIL has taken measures to step up utilization of CSR funds in the current year. A separate Cell in CIL, H.Q. as well as its subsidiaries has been established under senior level executives of the Company. For monitoring of CSR activities the Committee comprising of Board Level Directors has been formed at CIL, H.Q and also at its subsidiaries. CIL has entered into a Memorandum of Understanding (MOU) with Tata Institute of Social Science (TISS), A National CSR Hub for extending assistance in implementing CSR activities for CIL and its subsidiaries. Regarding identification and implementation of CSR projects during 12th Plan period, action has been initiated.

Funds for CSR are earmarked and utilised as per the guidelines of DPE. The unutilized fund if any is carried over to the next financial year.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

Comments of the Committee

(Please see para 22 of Chapter I of the Report)

CHAPTER – V
OBSERVATIONS/RECOMMENDATION IN RESPECT OF WHICH FINAL
REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation Serial No.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.

Action Taken

Execution of CSR activities has since gained momentum and is progressing much faster in 2013-14.

[Ministry of Coal, O.M.No.54012/2/2013-PRIW II dated 20.9.2013]

NEW DELHI;
— **December, 2013**
— **Agrahayana, 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 10 DECEMBER, 2013 IN COMMITTEE ROOM 'E', PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1530 hrs. to 1600 hrs.

PRESENT

Shri Kalyan Banerjee - Chairman

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 Pakauri Lal
7. Shri K.R.G. Reddy
8. Shri Pashupati Nath Singh

RAJYA SABHA

9. Shri Ali Anwar Ansari
10. Shri T. Rathinavel
11. Shri Sanjay Raut

SECRETARIAT

1. 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 Action Taken Reports:-

- (i) Draft Action Taken Report on "CSR Activities in Coal India Limited and its subsidiaries" relating to the Ministry of Coal

(ii)	**	**	**	**
(iii)	**	**	**	**
(iv)	**	**	**	**
(v)	**	**	**	**
(vi)	**	**	**	**

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.

ANNEXURE-II
(Vide Para IV of Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE THIRTY-SECOND REPORT
OF THE STANDING COMMITTEE ON COAL AND STEEL**

I.	Total No. of Recommendations made	22
II.	Recommendations that have been accepted by the Government <i>(vide recommendation at Sl. Nos. 2, 3, 4, 6, 10, 12, 14, 15, 16, 17, 18, 21 and 22)</i>	13
	Percentage of total	59%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies(<i>vide Recommendation at Sl. No. 8, 9 and 13</i>)	03
	Percentage of total	14%
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee <i>(vide recommendation at Sl. Nos. 1, 5,7, 19 and 20)</i>	05
	Percentage of total	23%
V.	Recommendations in respect of which final replies of the Government are still awaited (<i>vide recommendation at Sl. No. 11</i>)	01
	Percentage of total	4%