

Chapter 1

Introduction

1.1 Corporate Social Responsibility

Public sector enterprises 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 measured in terms of economic impact, social impact and environmental impact—commonly called the **Triple Bottom line**.

The Corporate Social Responsibility (CSR) is seen as a concept in which companies voluntarily integrate social and environmental concerns into their operations. The idea of being a socially responsible company means doing more than comply with the law by taking concrete measures to address environmental and social concerns. Corporate Social Responsibility (CSR) is a concept whereby organisations 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.

Coal is the only natural resource and fossil fuel available in abundance in India. The major environmental challenges encountering the coal industry are impacts of mine fires, dust suppression and control particularly haul road dust consolidation, treatment of mine waters containing heavy metals/acid mine drainage, restoration of water table and quality of ground and surface water, augmentation of pumped out mine water for drinking purpose, reclamation of mined out areas with pre-determined land use patterns conducive to the local populations etc. The problem of mining-induced displacement and resettlement (MIDR) poses major risks to societal sustainability.

Coal mining and the nature of operations and working conditions involved raise serious environmental and social concerns. The environmental and social issues such as displacement are of special nature as the coal reserves are located in river basins such as Damodar, Barakar, Sone, Wardha, Bramhani, Mahanandi, etc. which are rich in forest cover and are habitats of precious wildlife and indigenous tribal communities. **Mining operations damage the environment and ecology to an unacceptable degree, unless carefully planned and controlled. Therefore, there is a need for balance between mining and environmental requirements. Further, the problem of mining-induced displacement and resettlement poses major risks to social sustainability. Therefore, the coal mining companies have a special responsibility towards environment protection and social development.**

Coal India Limited and its subsidiaries (Company), being coal mining companies are expected to bear significant responsibilities towards environment management, resettlement and rehabilitation of displaced persons, community and peripheral development and safety and welfare of its employees.

1.2 Company Profile

Coal India Limited (CIL) a 'Navratna' Public Sector Undertaking under Ministry of Coal, Government of India produces non-coking coal and coking coal of various grades for diverse applications. As of March 31, 2011, it operated 470 mines in 21 major coalfields across eight states in India, including 164 open cast mines, 275 underground mines and 31 mixed mines (includes both open cast and underground mines). CIL is one of the largest coal producing companies in the world with a total production of 431.32 million metric tonnes during 2010-11. CIL has eight wholly owned subsidiaries¹.

During the year 2010-11, CIL recorded gross sales of ₹ 60,245.21 crore with profit after tax of ₹ 10,867.35 crore. Being a profit making company; CIL has sufficient resources to discharge its responsibilities towards environment, safety and social development.

1.3 Organisational Setup

The Board of Directors of CIL consists of five functional directors including the Chairman. Subsidiaries have their own board of directors comprising of the Chairman cum Managing Director (CMD) and other directors. Subsidiaries are divided into administrative areas headed by General Managers (GMs), comprising of one or more projects, headed by Project Officers.

A Corporate Social Responsibility wing, looking after the community and periphery development, employees' welfare and other welfare activities, functions under the Director (Personnel) in CIL as also in the subsidiaries.

¹ Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Central Mine Planning and Design Institute Limited (CMPDIL), Eastern Coalfields Limited (ECL), Mahanadi Coalfields Limited (MCL), Northern Coalfields Limited (NCL), South Eastern Coalfields Limited (SECL) and Western Coalfields Limited (WCL). All the subsidiaries except CMPDIL produce coal.