



Coal India Limited

A Maharatna Company
www.coalindia.in



COAL INDIA - ENERGIZING THE NATION - TRANSFORMING LIVES

COAL INDIA LTD IS A NAME TO RECKON WITH AS THE SINGLE LARGEST COAL PRODUCER IN THE WORLD. IT OPERATES IN A WAY THAT CONTRIBUTES RICHLY TO THE ECONOMY

Coal. A black beauty in the real sense, is a mystery in itself. Paradoxical in nature, it is dark but gives light. It is found deep underground but moves things on the earth's surface and it burns to release energy. It is rock solid, and the backbone of the Indian economy.

Coal energises India. It generates heat, light and electricity. It turns the wheels of economy in India and paves the way for growth and prosperity. It has been the prime objective and way of work for Coal India Limited (CIL), a Maharatna company, which came into being as an organized state-owned coal mining corporate in November 1975. The government of India had then taken over private coal mines.

A GOOD CORPORATE CITIZEN

COAL INDIA LIMITED BEGAN CORPORATE SOCIAL RESPONSIBILITY WHEN THIS WAS A RATHER UNKNOWN CONCEPT AMONG

Empowerment, responsible business or corporate citizenship...one can address it in anyway but the ethos remains the same. Corporate Social Responsibility or CSR is all about giving back to society and supplementing the role of government in enhancing welfare measures of the society. At CIL, we understand this better than many. It's a way of life at CIL. What began as community and peripheral development work in the year 2005, has broadened its sphere of activity and graduated to CSR.

BEGINNING EARLIER THAN MANY

When CSR was still a not-so-known concept among corporates and definitely not made mandatory as per government guidelines, Coal India had already begun taking responsibility for changing society and giving back to people.

A GOOD CORPORATE CITIZEN

Prior to the concept of CSR, CIL and its subsidiaries executed their social responsibility in and around mining areas towards community and peripheral development of the society. This was approved by the Ministry of Coal, Government of India as an umbrella initiative called 'Policy for Community and Peripheral Development' in CIL and its subsidiaries. The same got introduced in June 2005. Thus, was sown the seeds of today's CSR initiatives.

CONCERN FOR COMMUNITY DEVELOPMENT

The main objective of the policy was to lay down- guidelines for the coal companies

to take up development and welfare activities (community development) in the areas of mining operations. The CD programmes covered the components of Special Component Plan (SCP) and Tribal Sub-Plan (TSP), besides CD components for the general population of project sites/ mines. HQ extension. The radius of coverage was normally within 8 kms. Expenditure on activities beyond 8 kms were restricted to 5 per cent of the total allocation for the year for community development activities.

FUND ALLOCATION

The fund for CSR is allocated based on 2% of the average net profit of the company for three immediately preceding financial years or Rs 2.00 per tonne of coal production of previous years, whichever is higher. CIL (HQ) being a holding company executes CSR activities on an all-India basis, including the areas under subsidiary companies. These companies spend 80 per cent of the allocated fund for CSR within a periphery of 25 kms of the project sites/mines/area offices/subsidiary headquarters and the rest 20 per cent in the state/states of operation.

FUNDING FUNDAMENTALS

The fund for the CD activities were allocated by the corporate headquarters to different areas, based on the requirements proposed by the area duly screened by the Welfare Board. To help the companies create a dedicated fund for the purpose, a sum of Re 1 per tonne of coal produced was set aside by all subsidiaries. The loss making (BIFR) subsidiaries were given a grant by CIL at the rate of Re 1 per tonne of coal produced.

TOWARDS WHOLISTIC DEVELOPMENT

The main areas covered as part of the programme stretched from infrastructure development to awareness issues and more.

COMPANY WITH CORPORATE CONSCIENCE

The concept of Corporate Social Responsibility has gained prominence for all avenues. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc., Coal India Ltd. has adopted CSR as a strategic tool for sustainable growth. For CIL, CSR means not only investment of funds for socially beneficial activities but also integration of business processes with social processes.

COMMUNITY DEVELOPMENT PROGRAMMES

★ Creation of community assets (infrastructure) like provision for drinking water, construction of school buildings, check dams, village roads / linked roads and culverts, dispensary and health centres, community centres, market place, etc.



★ Skill development and capacity building like vocational training, income generation programmes, and entrepreneurship development programmes.

★ Literacy programmes, adult education, formation of Village Working Groups (VWG), mahila mandals etc.

★ Awareness programmes and community activities, like health camps, medical



aides, family welfare camps, AIDS awareness programmes, immunisation camps, sports and cultural activities, plantation etc.

All activities under the CD programmes were conducted in environment-friendly ways and in a way that was socially acceptable to the local people.

Much before the issue of CSR became a global concern, CIL was aware of its

corporate social responsibility and was fulfilling the aspirations of the society through a well-defined 'Community Development Policy'. Today, CIL pursues a structured CSR policy around coal mining areas to improve quality of life with community consensus and inclusive participation.

SUSTAINABLE DEVELOPMENT

The main objective of the CSR policy is to lay down guidelines for the subsidiary companies of CIL to make CSR a key business process for the sustainable development of society. It aims at supplementing the role of government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. CIL will act as a good corporate citizen. With this backdrop, the CSR policy of CIL was framed after incorporating the features of the Companies Act, 2013 and as per notification issued by the Ministry of Corporate Affairs, Govt of India, on February 27, 2014 as well as DPE's guidelines.



His Excellency Shri Pranab Mukherjee, Hon'ble President of India giving away the 'Rashtriya Khel Protsahan Puraskar 2015' to Mr. Sutirtha Bhattacharya, Chairman CIL on 29 August 2015, in Rashtrapati Bhavan, New Delhi.

Coal India Limited (CIL) the Maharatna coal mining CPSU bagged the coveted 'Rashtriya Khel Protsahan Puruskar 2015' award in recognition of its contribution in the field of 'encouragement to sports through Corporate Social Responsibility'.

His Excellency Shri Pranab Mukherjee, Hon'ble President of India gave away the award to Shri. Sutirtha Bhattacharya, Chairman, CIL who received it on behalf of CIL on 29 August, 2015 In formal function in Rashtrapati Bhavan, New Delhi.

CIL and its subsidiaries are actively associated with promotion and development of sports within and outside the organization for development of human capital. The company promotes rural sports in and around the areas of its operations.

CIL as Principal Partner Sponsor contributed Rs. 4 Crores towards Hockey Champions Trophy held at Bhubaneswar from 6-12 December 2014. The Odisha based CIL subsidiary Mahanadi Coalfields Limited paid the sponsorship amount. Further, CIL was also the Title sponsor of the 'National Senior Ranking Badminton Tournament 2015' held at Bangalore from 14 to 18 April 2015 contributing Rs. 15 Lakhs towards the cause.

The company also has a well defined "Coal India Sports Promotion Association" (CISPA) whose primary objectives, among others, include formulation of the policy for promoting excellence in sports at State, National/International level, to advise and assist in the improvement and construction of Sports Academy and grounds and to supplement country's efforts to help sports persons reach higher level of performance.

CISPA is planning to undertake the following projects in its subsidiary companies for the development of sports.

(i) Establishment of 'Hockey Excellence Center' at Vasundhara Area, Sundergarh, MCL at a project cost of 4.90 crores.

(ii) Establishment of 'Archery Academy' at Sonbhadra District, Uttar Pradesh in NCL with the project cost of Rs. 30 Lakhs.

(iii) Establishment of Athletic Academy at Jayant Project, NCL with project cost of around 53 Lakhs.

(iv) An MoU has been signed on 17th June 2015 between the Govt. of Jharkhand and Central Coalfields Limited for establishing Sports Academy and Sports University at the existing World class stadium/infrastructure in Hotwar, Ranchi where National Games 2011 was organized. Initial expenditure for innovation and maintenance is Rs 35 Crores.