

# **An Empirical Study Of Corporate Social Responsibility (C.S.R) In Indian Coal Mining Sector With Special Reference To WCL(Maharashtra)**

**Devendra Singh Jadon<sup>1</sup>, Dr. Vaishali Rahate<sup>2</sup>**

<sup>1</sup>(Research Scholar, Datta Meghe Institute of Management Studies, Nagpur)

<sup>2</sup>(Associate Professor Datta Meghe Institute of Management Studies, Nagpur)

## **Abstract:**

Since the Corporate Social Responsibility has become mandate on Corporates, it is required that an approach towards implementation of CSR activities for their stakeholders and society are to be adopted by Corporates in true spirit and on sustainable model. The explicit aim is to determine the relevance of the Corporate Social Responsibility (CSR) and its relationship with sustainability, in order to get the maximum result from CSR activities and to get long term benefit for beneficiaries. This study intends to examine how various industry stakeholders perceive, aspiration, and evaluations of the CSR initiatives of the Coal Mining sector.

The primary CSR initiatives undertaken by Western Coalfields Ltd. (WCL), a fully owned subsidiary company of CIL, are highlighted in this report. Five years' worth of yearly reports, from 2015 to 2020, have been examined for the same. To learn more about how the employees, feel about the CSR initiatives performed by the PSU coal Mining company with operations in the Maharashtra region, a survey was conducted. This study shows that the improvement of health facilities, the development of rural infrastructure, and skill development are the key areas of WCL's CSR investment.

## **Introduction:**

In India, CIL (Coal India Limited) is the largest public Sector Undertaking in Coal Mining Sector, which operates with Seven fully owned subsidiary companies namely South Eastern Coalfields Ltd (SECL), Eastern Coalfields Ltd. (ECL), Western Coalfields Ltd (WCL), Bharat Coking Coal Ltd (BCCL), Central Coalfields Ltd (CCL), Northern Coalfields Ltd (NCL) and Mahanadi Coalfields Ltd. (MCL) as well as Central Mine Planning and Design Institute (CMPDI), a Mine planning and consulting firm. A committee to propose and execute various CSR initiatives at Subsidiary level have been constituted as per the provisions mentioned under Section 135, Companies Act 2013, which should satisfy the objective of the CIL's CSR Policy and also promise a socioeconomic upliftment of people life in the nearby vicinity.

According to Qi Lai (2006), the rapid globalisation and social growth are what gave rise to the CSR movement's appeal. As a result, all businesses are more aware of the need to uphold their C.S.R commitments by enhancing their social and environmental performance. Numerous scholars have looked into how CSR is perceived in the coal Mining Industry. Responsibility and trustworthiness have been sought in the marketplace by both public as well as private sectors. Prior to today, the sole objective of any corporation or corporate was to make a profit, but management is now very concerned with both financial and non-financial parameters while also being risk-aware and maintaining transparency. (Khan Rahat, S.M Khalied Hossain, 2016).

The goal of the study is to identify WCL's CSR initiatives and the extent to which its workers are aware of them. WCL is mandatorily

allocating 2 % of profit or Rs. 2.00 per ton of Coal Production, whichever is higher on CSR Activities. WCL is undertaking various CSR activities as per the Schedule VII of Companies Act, 2013 in the small villages nearby Coal Mining areas.

### **Objectives of the Study**

Many studies on Corporate Social Responsibility and funding for CSR activities in the mining industry have been conducted, but the effectiveness of a specific subsidiary or PSU with regard to CSR initiatives has not been examined as it should have been in the circumstances at hand. This study of WCL/CSR CIL's initiatives was conducted when this research gap was discovered. The study's primary goals are as follows:

- To study the CSR activities conducted by WCL
- To understand the various budgets and expenditure allocation of CSR activities of WCL
- To assess the awareness of CSR amongst the employees of WCL

### **Research Methodology**

#### **Sampling Design**

For this current study, about 50 respondents of various discipline, grade, gender etc. are randomly selected from all of 10 Areas of Western Coalfields Limited

(WCL) by the researcher to get the responses.

#### **Data Source and Collection Process**

The primary data for the current study was gathered through direct personal interviews and questionnaires. It is considered to be descriptive and well exploratory in nature. For the study, a well-designed questionnaire was created. A five-point likert scale was used to collect responses from the targeted audience / respondents to particular questions regarding the PSU's CSR investments. Additionally, secondary data has been gathered for this study. WCL's five-years annual reports from 2015-2020 have been extensively analysed, and all CSR investments were taken into account for the study.

#### **Analysing Procedures**

The original data gathered from all the sources has undergone critical analysis in order to have a proper knowledge of the study problem. Along with the primary data gathered with the aid of a questionnaire, secondary data gathered from the yearly reports have also been analysed.

### **Data Analysis and Findings**

Expenditure made under the head of CSR by WCL

Table 01: Total CSR Expenditure of WCL

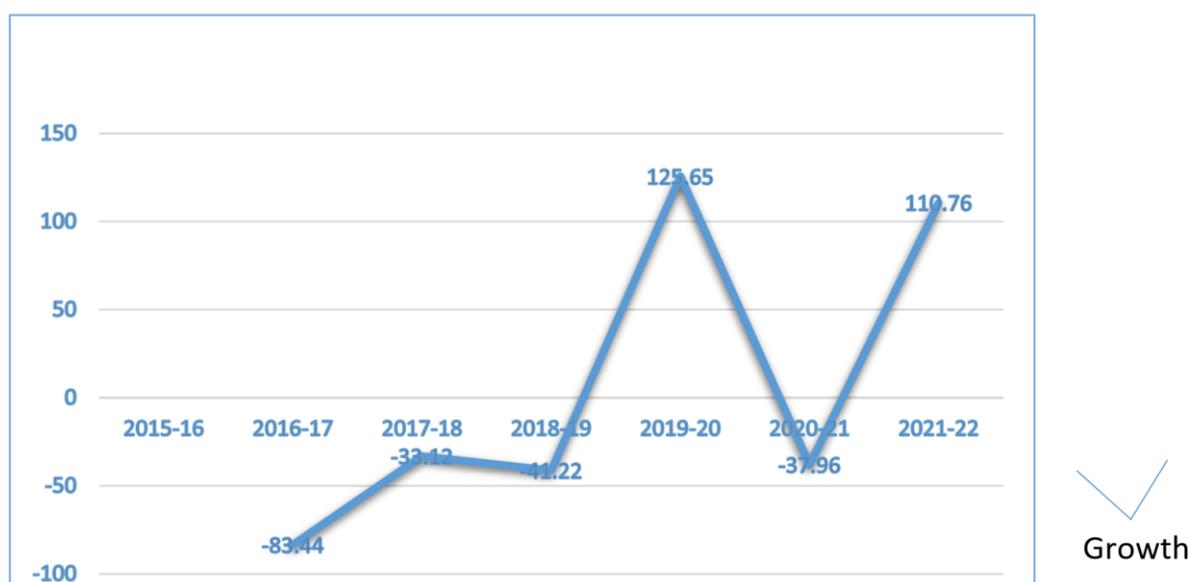
Year	CSR budget		Expenditure (in Rs Crores)	Growth Rate
	As per the Companies Act, 2013 (In Rs. Crores)	As per the CIL CSR Policy (In Rs Crores)		
2015-16	8.66	8.23	65.27	-
2016-17	8.68	8.96	10.81	(-) 83.44 %
2017-18	0	9.12	7.23	(-)33.12 %

2018-19	0	9.24	4.25	(-)41.22 %
2019-20	0	10.64	9.59	(+)125.65 %
2020-21	0	11.53	5.95	(-)37.96 %
2021-22	1.07	10.06	12.54	(+)110.76 %

[Source: Annual Reports of WCL (2015-22)]

Table 1 makes it apparent that WCL's expenditure as a result of Corporate Social Responsibility was very high (64.33 Crores Rs.) since WCL was the part of National wide Swachh Vidhyalaya Abhiyan in FY 2015-16. In the FY 2016-17 expenditure was decreased till 2018-19. Again in FY 2019-20 expenditure on account of CSR was increased to the tune of

**Fig - 01**

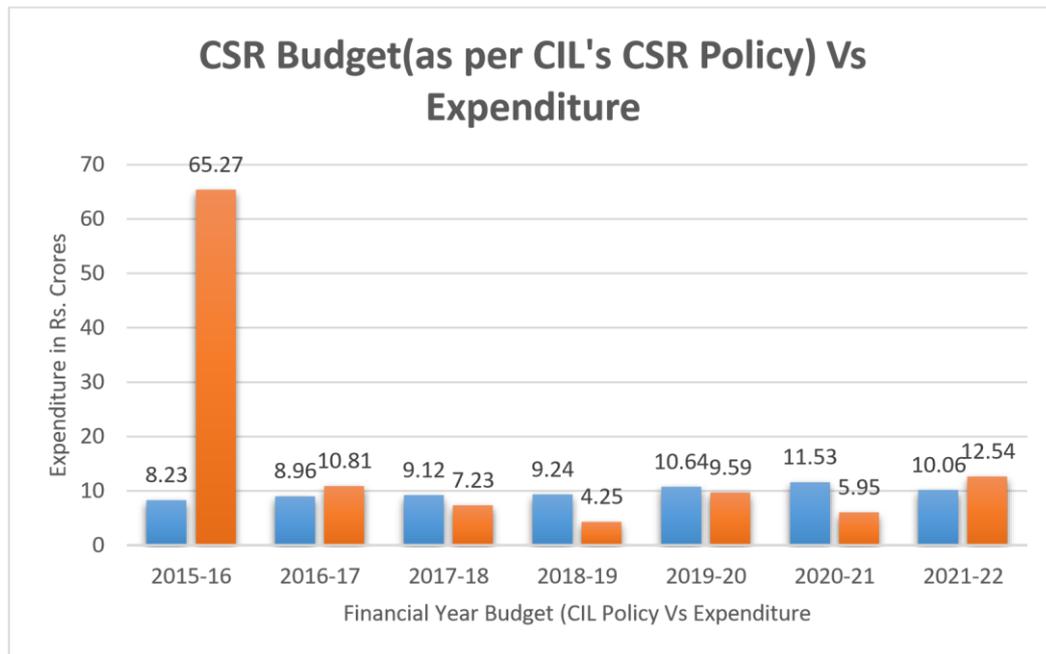


The increase rate of WCL's CSR expenditure from FY 2015-16 to 2020-21 is depicted by the trend analysis in Fig. 01, which is relatively unsure in six years. In the FY 2016-17 the CSR expenditure growth was witnessed negative

more than 100 %. Further during worldwide COVID pandemic WCL helped the society by creating Oxygen Plants in Nagpur and Chandrapur District of Maharashtra and additionally distributed Ration & Food packets in SHRIMIK SPECIAL trains and to local needy community, therefore we can witness growth in CSR expenditure in FY 2021-22.

(83.44). In the FY 2019-20 and 2021-22 WCL shown a positive growth in terms of CSR expenditure to the tune of 125.65 % and 110.76 % in FY 2019-20 & 2021-22 respectively.

Fig - 02



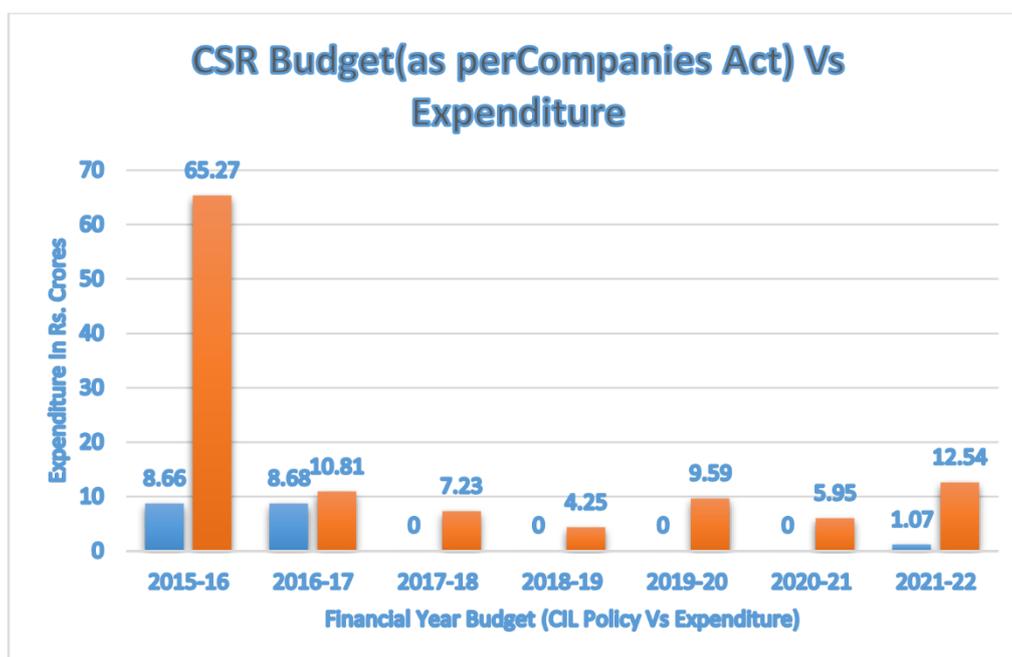
WCL's CSR budget is determined on the bases of Coal India's CSR Policy, wherein the CSR Budget for the subsidiary (WCL) is allocated based on whichever is greater (from A and B) of the following two amounts:

- A. 2% of the company's average net profit over the three most recent fiscal years, calculated in accordance with the Companies Act; or
- B. Rs. 2.00 per tonne of Coal produced during the most recent fiscal year.

WCL has witnessed 'B' to be more than 'A' in previous many years and therefore C.S.R. budget calculated by CIL's policy is higher than the CSR budget calculated as per Companies Act.

Table – 01 shows the CSR budget as per Companies Act as well as per CIL's C.S.R. policy. Fig – 02 compares the CSR Budget Vs CSR Expenditure for the FY 2015-16 to 2021-22.

Fig - 03



According to Fig – 03 it is evident that WCL CSR Budget for the FY 2017-18 to 2020-21 was Zero as per the provisions of Companies Act, but WCL has made CSR expenditure as a gesture of caring company. Fig – 03 clearly

shows that WCL has always made CSR expenditure more than the legal requirement so that the affected people can be provided better life by CSR activities.

### Theme Wise Expenditure:

Table - 02

Theme	Expenditure (In Rs. Crores)						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Healthcare	0.22	0.04	0.09	0.66	3.83	2.87	10.22
Sanitation	0.13	0.15	0.14	0	0.08	0.09	0.31
Drinking Water	1.17	0.31	0.39	0.44	0.37	0.07	0.46
Education	0.08	1.15	1.12	1.08	1.94	0.38	0.06
Skill Development	0.55	0.35	0.66	0.15	0.87	0.22	0.41
Welfare of Differently Abled	0.00	0.19	0.46	0.50	0.00	0.00	0.00
Women Empowerment	0.00	0.33	0.02	0.00	0.00	0.00	0.06

Setting up hostels and homes for women & orphans	0.00	0.00	0.00	0.00	0.21	0.09	0.00
Environmental	4.93	4.76	0.00	0.00	0.64	0.26	0.22
Protection of National Heritage	0.00	0.02	0.00	0.12	0.00	0.00	0.00
Promotion of sports	0.00	1.15	0.01	0.06	0.34	0.05	0.16
Rural Development Projects	0.18	2.25	4.73	0.99	1.31	1.62	0.64
Swachhta Pakhwada / Swachh Vidhyala Abhiyan	57.04	0.11	0.27	0.25	0.00	0.00	0.00
Disaster Management	0.00	0.00	0.00	0.00	0.00	0.10	0.00
Poverty Eradication	0.03	0.00	0.24	0.00	0.00	0.21	0.00
<b>TOTAL CSR EXP</b>	<b>64.33</b>	<b>10.81</b>	<b>7.23</b>	<b>4.25</b>	<b>9.59</b>	<b>5.95</b>	<b>12.54</b>

Table-02 shows the theme wise expenditure for the FY 2015-16 to FY 2021-22.

#### **CSR Activities on Healthcare theme:**

In the long term, a healthy body and mind transform into a better society and individual. India is a tremendously diversified nation, with a greater availability of healthcare infrastructure in metropolitan areas than in semi-urban areas and rural areas. Since the Coal Mining by Coal India Limited and Western Coalfields Limited(WCL) is being carried out mostly in Rural part of the country, it becomes the major area to work upon by Mining companies. Not only India but all other nations experienced a medical infrastructure catastrophe during the COVID 19 pandemic. In a similar vein, India has also experienced a crisis in terms of Medical Infrastructure, Laboratories, Pharmacies and the availability

of skilled doctors and paramedics in the country's rural areas. WCL has organised regular Health Camps in its local vicinity, provided health care facility with Mobile hospital through a moving van with doctor, medicines and pharmacist. WCL has also invested in National Cancer Hospital, Nagpur, Rashtriyasant Tukdoji Regional Cancer Hospital, Nagpur and other premier institution for purchasing of machines and creation of infrastructure. During the COVID pandemic WCL commissioned 05 (Five) PSA Oxygen Plants in Government Hospitals of Nagpur and Chandrapur District of Maharashtra State with an estimated cost of INR 15.38 Crores. All 05 (Five) PSA Oxygen plants are fully function and operational.

**Table -03**

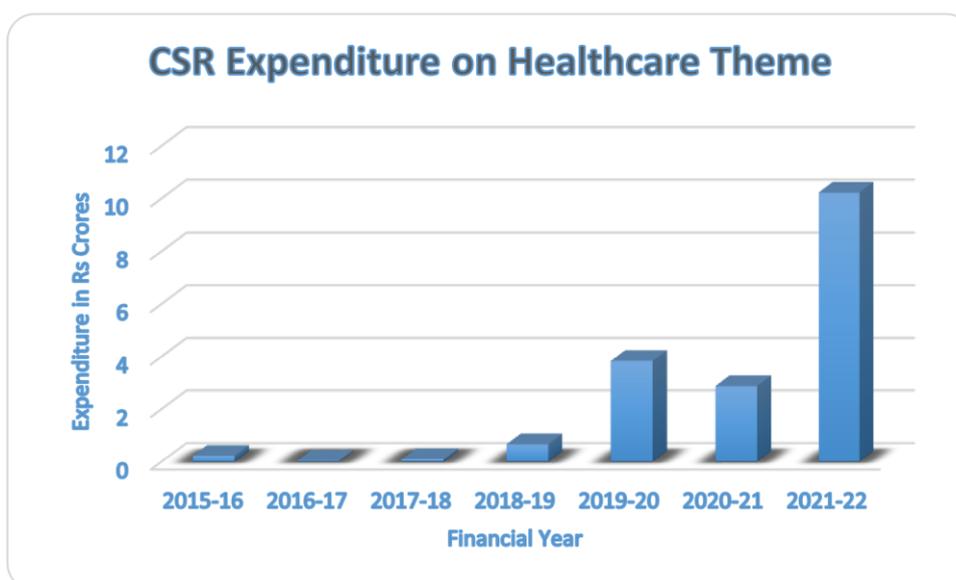
Year	Actual Expenditure (In Rs Crores)	Growth Rate
2015-16	0.22	-

2016-17	0.04	(-)81.82 %
2017-18	0.09	(+)125.00 %
2018-19	0.66	(+)633.33 %
2019-20	3.83	(+)480.30 %
2020-21	2.87	(-) 25.07 %
2021-22	10.22	(+) 256.10 %

The examination of trends also reveals that the growth rate is increasing in Healthcare theme except FY 2020-21 and the growth was

witnessed maximum in FY 2021-22 because of COVID pandemic.

**Fig - 04**



### **CSR in Environment Sustainability and Conservation of Natural Resources**

“The greatest threat to our planet is the belief that someone else will save it” – Robert Swan, WCL has always keen to develop CSR activities for Environmental sustainability therefore various major projects are developed by WCL on Environmental sustainability. A few of such initiatives are listed below:

#### **A. Eco-Mine Tourism and Eco-Park**

Western Coalfields Ltd. (WCL) has launched this creative project in an effort to clarify misconceptions regarding environmental damage and

pollution caused by Coal and Mining operations in India. WCL offers tour package of Two Active Coal Mines i.e. Saoner UG (Underground) Coal Mine and the Gondegaon OCP (Open Cast) Coal Mine. Between the Two locations, an eco-park has been developed where visitors may take in the scenery and learn about the Mining Industry before visiting the actual Coal Mines.

In “Man Ki Baat” programme, the Hon’ble Prime Minister of India, Shri Narendra Modi Ji, acknowledged WCL’s Eco-Park in Saoner and

commended the company for its work in creating the concept of Mine-Tourism.

The country's first of its kind programme to raise awareness of the Mining industry is Eco-Park, a natural reserve site, which is close to a Mining area. Numerous science models, created from Mine waste, may be found in the Eco-Park, including Fountains, Swings, Ocean Pool, and others. The use of Mine water in the Park is a first of its kind effort to foster ecological harmony. Due to the presence of various plants and trees, such as medicinal plants, bamboo plantations, and flower gardens, the majority of the natural forest has been preserved in its original form.

## B. Utilisation of Mine water

Rapid urbanisation and industrialisation, together with population growth, have severely strained the water supply. According to the BAU scenario, India might have a worldwide water shortfall of 40 % by 2030. India likewise has severe water shortage. Water availability per person has been steadily declining at an alarming rate. From 5000 Cu.m in 1950 to roughly 1500 Cu.m in 2020, it has decreased. India might be classified as a country with a water shortage if it drops any further to between 1000 and 1100 Cu.m.

Large amounts of Mine water are collected throughout the Coal Mining operations and then pumped to the surface. The available Mine water may be used for drinking or irrigation by using the proper treatment

techniques. WCL is doing a great job of effectively utilising Mine water from both operational and closed Mines. The endeavour is consistent with the Government of India's Jal Shakti Abhiyan water conservation effort. WCL uses the water collected from the Underground and Opencast Mines for the following purposes:

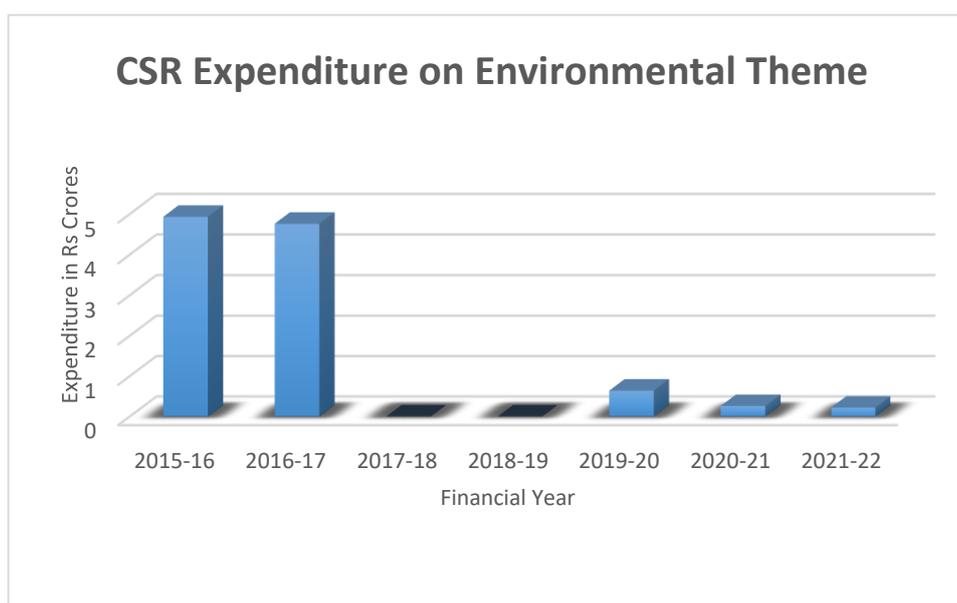
1. Industrial use – Plantation, Dust suppression in OC Mines, Fire-fighting, Washing of Machineries, Water sprinkling in UG working
2. Domestic Use – Water captured from Mines is used for domestic use in residential colonies and offices of projects after appropriate treatment and scientific study.
3. Community supply – Water is supplied for domestic and irrigation purpose to local population of nearby villages.
4. Supply to other industries – WCL is supply water to MAHAGENCO (Maharashtra State Power Generation Company Limited) Nagpur.
5. Bottled water supply – WCL has installed water filtering and bottling plant in Nagpur Area (Coal Neer). This RO Filtered water is distributed to nearby population through SHG (Self Help Groups).

**Table - 04**

Year	Actual Expenditure (In Rs Crores)	Growth Rate
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2015-16	4.93	-
2016-17	4.76	(-)3.57 %
2017-18	0.00	0.00 %
2018-19	0.00	0.00 %
2019-20	0.64	(+)64.00 %
2020-21	0.26	(-)146.15 %
2021-22	0.22	(-)18.18 %

Fig - 05



### C. Rural Development Projects

CSR programmes that promote rural development are extremely important and current. With over 67 percent of the India's population living in rural communities devoid of the majority of basic infrastructure and utilities. WCL invests remarkable amount on development of Rural Infrastructure like:

1. Construction of CC / BT roads in nearby villages
2. Construction of Drains / market place / community toilets/ Community Halls / Deepening and stone pitching of Community ponds / Construction of check dam etc.

Table - 05

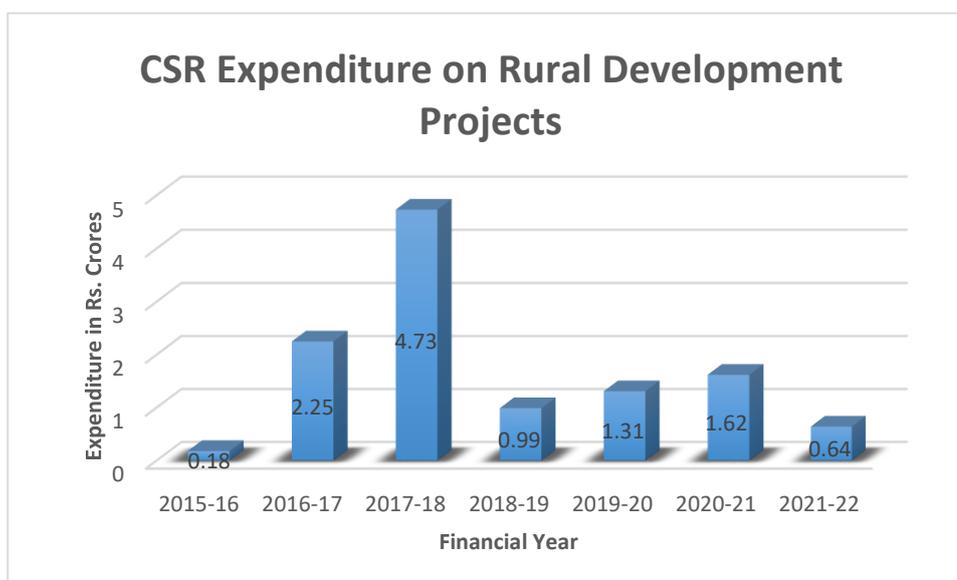
Year	Actual Expenditure (In Rs Crores)	Growth Rate
2015-16	0.18	-
2016-17	2.25	(+)1150.00 %
2017-18	4.73	(+)96.19 %
2018-19	0.99	(-)127.27 %
2019-20	1.31	(-) 261.07 %

2020-21	1.62	(+)38.89 %
2021-22	0.64	(-)104.69 %

Table – 05 shows that a remarkable amount is invested by WCL on development of rural infrastructure FY

2018-19, FY 2019-20 & 2021-22 have negative growth rate.

**Fig – 06**



#### **D. Swachhta Pakhwada / Swachh Vidhyalaya Abhiyan**

Swachh Vidhyalaya is a nationwide flagship program of Government of India under Swachh Bharat Abhiyan. The thrust area of this campaign is to ensure that every school located in country should have a set of

functioning and well maintained sanitation, water and hygiene facility for students. All the PSUs and Private sector has contributed widely in this campaign and WCL has also constructed 4425 toilets in Government Schools in the state of Madhya Pradesh.

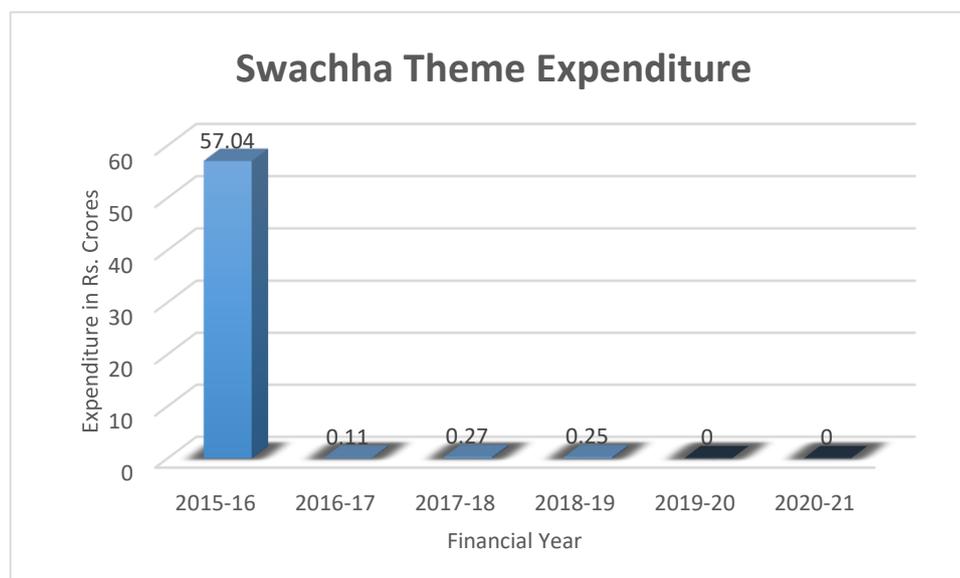
**Table - 06**

Year	Actual Expenditure (In Rs Crores)	Growth Rate
2015-16	57.04	
2016-17	0.11	(-)51754.55 %
2017-18	0.27	(+)59.26 %
2018-19	0.25	(-)8.00 %
2019-20	0.00	0.00 %
2020-21	0.00	0.00 %
2021-22	0.00	0.00 %

As mentioned in Table – 06 the CSR expenditure in the FY 2015-16 was maximum to the tune of Rs. 57.04 Crores due to construction of 4425 toilets in the state of Madhyapradesh

(M.P) under Swachh Vidhyalay Abhiyan. Whereas, the expenditure in FY 2019-20 to 2021-22 was zero due to COVID pandemic.

**Fig - 07**

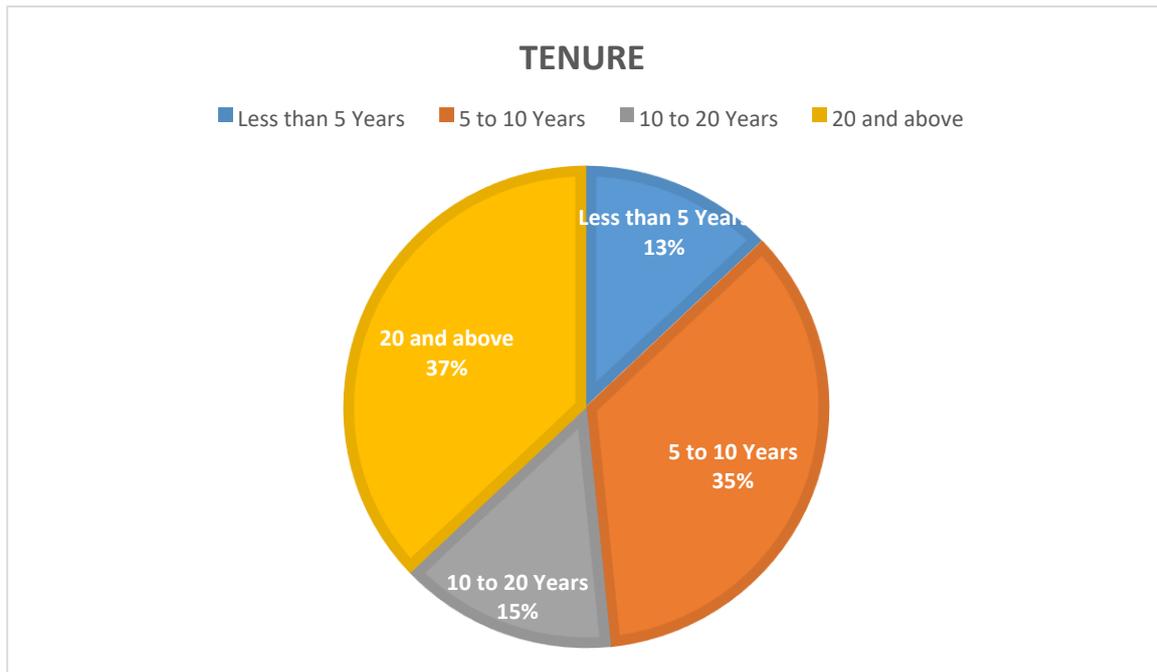


### **Awareness of CSR amongst employees of WCL**

There were 13 questions in the questionnaire and the information was gathered from employees in Coal Mining areas and establishments in the state of Maharashtra. The sample size was 62, therefore all 62 responses are collected through online questionnaire which was send online to target audience. 13 questions include 03 questions on the demographical information and remaining 10

question were related to Employee awareness about Corporate Social Responsibility(CSR).

It is found from the questionnaire that out of total 62 respondents, 55 were Male respondents and 07 were Female. About 23 Employees were working with WCL for 20 years or more, 22 Employees were having service of 5 to 10 years with company and 09 respondents were having 10 to 20 years of Experience with the company remaining were having fewer than 05 years of experience.



As per the data analysis, 98.40 % employees were aware of Corporate Social Responsibility (CSR) as terminology, 1.60 % were unaware of CSR. 66.10 % employees were clear about the true meaning of CSR concept, while 33.90 % were somewhat clear about the concept of CSR, but Zero cases were found wherein employees were not clear about CSR. All the employees were aware of company having CSR Policy or programme.

59.70 % employee accepted that main driving forces behind company's CSR efforts are Community Environment concerns (59.70%), Regulatory Compliances (53.20 %) and Brand Reputation were chosen by 45.20 % of employees.

All 62 respondents were aware that Company have separate allocation of funds for CSR Implementation.

82.30 % employees agreed that Company evaluate their CSR activities where as 16.10 % were not aware of the same. 79.7 % employees were aware that organization reports the CSR information to stakeholders.

47.60 % employees were aware that organization gives incentives to Employees volunteers for CSR activities.

### Conclusion

Mining sector is critical to India's economy and social wellbeing. Mining sector contributes around 2.5 % of the Gross Domestic Product (GDP). This study provides a fundamental understanding of the corporate norms in the Maharashtra region. The aforementioned conclusion indicates that WCL is doing a remarkable job of highlighting the relationship between the company and the community. WCL is making every effort to help the community in every way it can. The following are the main CSR priorities for the company:

- A. Healthcare
- B. Sanitation
- C. Rural Development Projects

It can also be concluded that the projects so undertaken are executed well but media coverage remains at lower end. Company should look for the sustainability part of CSR

projects also. This most recent study has demonstrated that some of sectors are very neglected, wherein least initiatives are undertaken such as Women Empowerment, Protection of National, Eradication of Poverty etc. The current study also suggests that WCL's CSR committee pay attention to other societal sectors that are frequently ignored by policymakers by comprehending the CSR requirements of society as a whole. This may guarantee the nation's overall progress.

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