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Corporate Social Reporting A Pragmatic Approach For B.C.C.L



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Abstract

In this backdrop the present paper is designed with the objective of defining the need of social reporting by the Bharat Coking Coal Ltd and suggests a system and taxonomy of social reporting in the Dhanbad context.

Bharat Coking Coal Ltd one of the subsidiaries of Coal India Ltd is the major coal producing belt. Its collieries situate in the district Dhanbad.

Apart from welfare of employees, BCCL has embarked on programme of community development with the sole intent to improving the lot of needy is downtrodden people living near and around the coalfields. Apart from development work like augmenting drinking water facilities, health care, education etc.

The region in which BCCL operates consists mainly of SC/ST and Other backward communities. To give a particular thrust to the community development activities mainly directed towards uplift men of the above communities a tribal sub plan and special component plan for the welfare of SC/ST communities was initialed.

BCCL has already generated baseline data in respect of air, water and noise pollution in different coalfields in order to monitor the need of environmental protection True to the concept of the Public sectors BCCL has also played its role as an agent of socio economics change in the region of its operation. The socio economics fallout as a result of its expending activities in Dhanbad is very tangible.

Jharia is one of the most important parts of BCCL. It is important coal mines in India and one of the largest in Asia. Once a treasure troupe of high – quality coking coal , uncontrollable coal fire have turned the mine into a slow burning inferno , but this is a place of smoldering land and noxious fumes that make breathing difficult . Yet thousands of inhabitants cling to this collapsing town, eking out a living. The problem is made worse by the fact that most mine workers including shovel drivers do not wear masks, boots or overalls. According to BCCL, there are 67 active fire zones in Jharia today. Despite the obvious evidence to the contrary. When asked about safety provisions. It's completely denied the fact that workers suffer from respiratory disorders. The solution provide the same level of energy 'services' while phasing out reliance on coal. This is possible because decades of technological progress have moved renewable energy technologies into the mainstream technologies like wind turbines, solar photovoltaic panels, biomass power plant and solar thermal collectors.

Keyword: Social report, Community development, Environmental protection, Socio economics fallout, Turn Around Year, Solar thermal, Solar photovoltaic panels, Biomass power plant, Inclusive Growth,

Introduction

"In a Free enterprise the community is not just another stakeholder in business but is in fact the very purpose of its existence". This is a statement of the founder of the Indian Public Sector. The existing practice or accounting and reporting in the Indian Public Sector lies stress on highlighting financial performance measured by accounting Profit or Loss which is computed on the basis of financial accounting principles and standards . As a result the social performance aspect does not find appropriate coverage in annual report and thus the totality of the performance of the Public Sector Enterprises is not completely disclosed. Over looking social performance in the annual reports lead to the possibility that managerial attention be diverted from the social performance of the undertaking.

In this backdrop the present paper is designed with the objective of defining the need of social reporting by the Bharat Coking Coal Ltd and

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suggests a system and taxonomy of social reporting in the Dhanbad context. **Inevitability of Social Reporting**

At a broader level the philosophical justification for corporate social performance is explained by shocker. They state any social institution and business is no exception operated in social via. a social contract expressed or implied where its survival and growth are based on :-

- (i) The delivery of some socially desirable end to society in general.
- (ii) The distribution of economic social or political groups from which it derives power.

The poor financial performance is many a time depended increased social responsibilities undertaken by them. But the questions that arise are what they do? For whom they are doing? Is there any better way to do? Whether exacting of social responsibilities is the sole cause of poor financial result or some other reasons are hidden deliberately under the blanket of social goals. The system of social reporting answers to some of the questions. Mainly three important issued at macro level. The social performance dimension nature of social performance and the measurement and evaluation criteria for such performance.

Historical saga of B.C.C.L.

BCCL was incorporated in January 1972 to manage and operate the taken over coking coal mines. Its nationalization of the 214 coking coal mines followed soon after in May 1973 and 182 non coking coal units located adjacent to coking coal mines were also put under the control of BCCL. The BCCL become a subsidiary of Coal India Ltd when the later was incorporated in November 1975.

No. of mines taken over at the time of nationalization:-

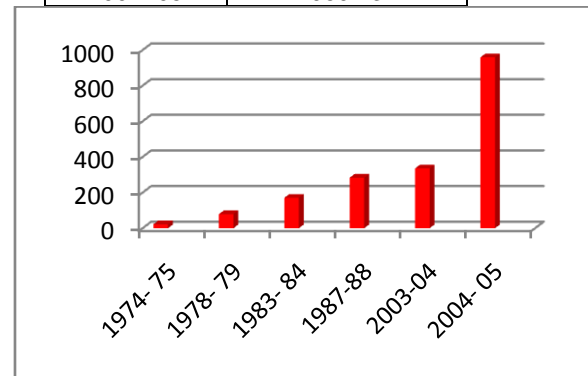
Bharat Coking Coal Ltd one of the subsidiaries of Coal India Ltd is the major coal producing belt. Its collieries situate in the district Dhanbad. During 1st couple of years BCCL did well, but soon headed towards the period of huge losses beginning from 1974 year after year in increasing trend. This happiness due to sudden manifold increase in man power , ghost employees , increase in salaries and wages under National Coal Wage Agreement increase in cost of power. Huge coal theft and absenteeism put fire to the fuel of net losses. Besides increased revenue expenditure on social amenities and perquisite were among other factor which declared BCCL as white elephant and for this it was subject to control of BIFR. After the year 2005-06 BCCL become again raised like a diamond. The profit earning bright from this period as Turn Around Basis. The net losses in several corrores a year even after receipt of Govt. subsidy under coal price retention scheme were reversed

mines under 12 administrative areas. In which no. of Underground Mines – 23, No. of Opencast Mines – 15 , No. of Mixed Mines – 25 out of total 63 coal mines. The Company also runs 6 Coking Coal Washeries and 2 Non Coking Coal Washeries.

BCCL is the major coal producer in its mines in Mohuda and Barakar areas in addition to production of hard coke. BCCL operates a number of sand gathering plant , a network of aerial ropeways for transport of sand and nine coal washeries namely Dugda , Mohuda , Bhojudih , Patherdih , Lodna , Sudamdih , Barora , Moonidih and Modhuban.

Losses period of BCCL

Year	Losses (In crores)
1974- 75	22.23
1978- 79	79.11
1983- 84	170.84
1987-88	283.79
2003-04	336.11
2004- 05	959.43



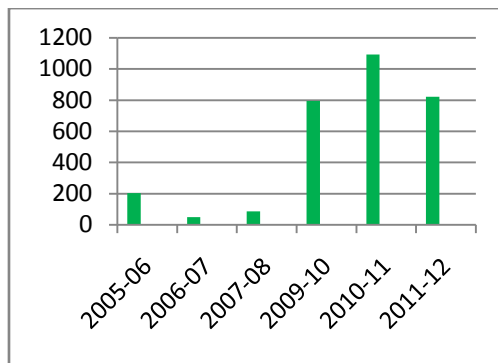
The losses of 22.33 crores in 1974-75 increased to 79.11 crores in 1978-79 due to drop in production of coal increase in wage cost D.A. and under- ground allowances, Again the losses rose to 170.84 crores in 1983- 84 and further to 283.79 in 87.88 , 336.11 crores in 2003-04 and at highest 959.43 crores in 2004-05.

Profitability

The below table speaks of the fact of continued profit earn by BCCL.

Year	Profit (in crores)
2005-06	202.67
2006-07	49.58
2007-08	86.06
2009-10	794.19
2010-11	1093.69
2011-12	822.36

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So after decade of huge losses BCCL starts recovering from the financial year 2005-06 by earning a profit 202.67 crores. This sustainable development marched ahead during the year 2006-07, 2007-08 and has started jumping from the year 2009-10 and 2010-11 by crossing the period of losses seems to be cover and boom period has begun to stay as sustainable development of Coal Industry as whole.

Community Development

Apart from welfare of employees, BCCL has embarked on programme of community development with the sole intent to improving the lot of needy and downtrodden people living near and around the coalfields. Apart from development work like augmenting drinking water facilities, health care, education etc. The major thrust of the programme is on promoting such simple village trades as tailoring, basket weaving, shoe making, food processing etc. Which have the potential to generate self employment?

The region in which BCCL operates consists mainly of SC/ST and Other backward communities. To give a particular thrust to the community development activities mainly directed towards upliftment of the above communities a tribal sub plan and special component plan for the welfare of SC/ST communities was initiated.

The inclusive growths of the Dhanbad district are closely related with economic prosperity of BCCL. It's one of the important life bloods which provide economical strength for individual living here. BCCL makes reserve some part of his profits every year for development of this district. In Mine and Mineral Development Regulation Act BCCL create Mineral Development fund to be constituted and equal amount of fund as that of royalty paid to the State Govt. BCCL provided 26% share in profit for regional development. This fund utilized for the development of this district.

Environment

Ecology and environment from an integrate part of the total development plan of all new project. Right from planning stage itself, environment protection measures both at the macro and micro level are taken into consideration.

BCCL has already generated baseline data in respect of air, water and noise pollution in different coalfields in order to monitor the need of environmental protection.

Reclamation of land after mining operation and tree plantation on a massive scale have been taken up to contain any damage to ecology and environment due to mining operation steps have been taken to contain pollution caused by dust, noise, and water.

Socio Economic Fallout

True to the concept of the Public sectors BCCL has also played its role as an agent of socio economics change in the region of its operation. The socio economics fallout as a result of its expending activities in Dhanbad is very tangible.

Jharia is one of the most important parts of BCCL. It is important coal mines in India and one of the largest in Asia. Once a treasure trove of high – quality coking coal, uncontrollable coal fire have turned the mine into a slow burning inferno, but this is a place of smoldering land and noxious fumes that make breathing difficult. Yet thousands of inhabitants cling to this collapsing town, eking out a living. The problem is made worse by the fact that most mine workers including shovel drivers do not wear masks, boots or overalls. According to BCCL, there are 67 active fire zones in Jharia today. Despite the obvious evidence to the contrary. When asked about safety provisions. It's completely denied the fact that workers suffer from respiratory disorders.

The calculation for the true cost of coal examined the following factors:-

- * Cost for society attributable to climate change.
- * Human health impact that result from air pollution.
- * Fatalities due to major accident resulting from mining operations.

BCCL exposed the destruction caused by mining from black lung disease to coal fires and acid mine drainage.

The solution provide the same level of energy 'services' while phasing out reliance on coal. This is possible because decades of technological progress have moved renewable energy technologies into the mainstream technologies like wind turbines, solar photovoltaic panels, biomass power plant and solar thermal collectors.

Welfare Amenities (Present Status)

- 1) Housing – 99.68% employees covered by housing facility. Almost 78436 houses provided by Company to employees in which 52419 houses is standard residences and 26017 houses is non standard residences. 41 colonies with 18000 quarters have been identified for repaired with their maintenance for 3 years. Action is also being taken for repair and maintenance of roads, drains, culverts in and around the colonies.
- 2) Medical - Almost 169261 beneficiaries taking benefit of BCCL medical plans. Some of the important medical activities and performances of BCCL are given below:-

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Company's Initiatives towards community Health, Hygiene and Safety	No. of beneficiary in 2011-12
Medical Mobile Van (MMVs)	1,03,213
CSR clinic	43,349
Health camps	20,450
Mission Mitwa	771
Eye camps	639
F.W. camps	828
Artificial limb center	11
Total beneficiaries	1,69,261

- 3) **Water Supply-** 99.53% population covered by water supply. Under the project "Surplus Mine Water," almost 25000 populations will be benefited. This will not only serve the population in solving drinking water problem and water for irrigation but will also help in artificial aquifer recharging which turn will help in raising water to the zone at appropriate level. 25 nos Pressure filter plant of 5000gph to 15000gph capacity have been installation in different Area of BCCL.
- 4) **Education-** Totally 94 tutorial centers operated by BCCL. In which 54 Primary School, 20 Middle School, 07 High School, 02 Girls High School, 08 DAV Public School, 02 Vidya Vikas Samity, 01 Delhi Public School running in BCCL area.
- 5) **Recreation-** The following Sports and Cultural activities were organized by company during the year 2011-12 as per sports calendar:-
- Chess Inter Area
 - Bridge Inter Area
 - Badminton Inter Area
 - Volleyball Inter Area
 - Kabaddi Inter Area
 - Football Inter Area
 - Cricket Inter Area
 - Zonal Athletic Meet
 - Carom Inter Area
- 6) **Lighting-** Company providing in totally 53 villages solar lighting facilities.
- 7) **Blanket & Sweater distribution –** Totally 10400 Blankets and 4000 Sweaters have been provided by company to needy peoples.

Capital Expenditure to Community Development:-

Year	Expenditure (in laces)
2008-09	215.78
2009-10	275.88
2010-11	315.00
2011-12	550.00

During the year 2011-12 the approx expenditure on CSR/CD works was 550.00 laces which is higher at 74.60% than last year expenditure. The Budget provision for the year 2011-12 was Rs. 1450.00 laces out of which Rs. 115.00 laces was exclusively earmarked for medical services under CSR.

Suggestions

BCCL should make Social Income Statement as given format:-

- Social Benefits and cost to staff
- Social Benefits to staff
 - Medical and Hospital facilities

- Educational facilities
 - Canteen facilities
 - Recreation, entertainment and cultural activities
 - Housing and Township facilities
 - Water supply , Conductional electricity
 - Training and career development
 - Provident fund , Gratuity, Bonus, Insurance benefit
 - Holidays leave , encashment & LIC
 - Other benefits
- B) Social cost to staff:-
- Lay off and involuntary termination.
 - Extra house put in officers voluntarily.etc.

Total cost of staff

Net Social Income to staff (A-B)

- Social Benefits and cost to community:-

A) Social Benefits to community:-

- Local taxes paid to Panchayat Municipality
- Environmental improvements
- Generation of Job potential
- Generation of business. etc

B) Social costs to community:-

Increase in cost of living in the vicinity on account of the comment plants.

Total cost of staff:-

Net Social Income to community (A-B)

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