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A Study of Corporate Social Responsibility Undertaken by Central Coalfield Ltd., Ranchi

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ABSTRACT

The term 'corporate social responsibility' (CSR) refers to an organization's ongoing commitment to the socio-economic advancement of the areas in which it operates. It is an effective strategy for generating long-term stakeholder values and a competitive, sustainable development. As per New Company Act, 2013 all companies must contribute 2% of their net profits towards CSR which made Indian companies to consciously work towards CSR, as it is required a prescribed class of companies to spend a portion of their profits on CSR activities.

Corporate Social Responsibility has become an essential mandate for the organization working in India, particularly in areas that are rich in resources but are socio-economically disadvantaged, such as Jharkhand. In this research work, a theocratical examination of corporate social responsibility practices that have been implemented by Central Coalfields Limited, a subsidiary of Coal India Limited with its headquarters in Ranchi, is presented. The study is based on a mixed-method approach, which combines document analysis of CSR reports with a structured study from chosen communities on the outsides of Ranchi. The findings suggest that CCL devotes a significant amount of its corporate social responsibility expenditures to the areas for education, healthcare, rural infrastructure, and vocational training. Projects aimed at improving health and education had high levels of satisfaction among beneficiaries, whereas efforts aimed at improving livelihoods and sanitation generated a range of reactions. According to the findings of the research, despite the fact that CCL's corporate social responsibility initiatives make a significant contribution to the development of the local community, there are still issues in the areas of sustainability, participative planning, and monitoring.

Keyword: *Corporate Social Responsibility, Central Coalfields Limited, Coal India Limited, Livelihood, Sustainable Development.*

Introduction

Over the past two decades, the idea of Corporate Social Responsibility in India has undergone a major shift, evolving from a voluntary charitable effort to a legal and strategic obligation. Companies that reached specific financial thresholds were mandated to make corporate social responsibility spending compulsory following the enactment of the Companies Act of 2013. This signified a major shift in events. To be more specific, Section 135 of the Act mandates that corporations who meet the requirements must provide at least two percent of their average net earnings from the three years before to the current one to corporate social responsibility efforts. According to Lazaro and Mello "corporate social responsibility has been institutionalized in India as a result of this legislative framework, which encourages businesses to make systematic contributions to social and environmental welfare while aligning themselves with the aims of national development".

According to Michael Hopkins, "Corporate Social Responsibility is a process that is concerned with treating the stakeholders of a company or institution ethically or in a responsible manner. 'Ethically or responsible' means treating key stakeholders in a manner deemed acceptable according to international norms".

For CCL, the importance of corporate social responsibility extends beyond mere legal compliance. As state-owned entities, public sector undertakings have two separate roles: first, to achieve business goals that align with the objectives of the national economy; and second, to act as tools for inclusive growth by meeting the development needs of the regions where they operate. The importance of corporate social responsibility becomes even clearer in extractive industries, like coal mining. Although mining operations are crucial for the country's energy security and industrial progress, they frequently lead to adverse environmental and social consequences. These effects could involve the displacement of individuals, the exhaustion of natural resources, and the emergence of health hazards. Consequently, corporate social responsibility in mining public-private partnerships functions not only as a means to mitigate the effects of negative externalities, but also as a forward- thinking strategy to support community development in the long run. Another company that exemplifies this dual role is Central Coalfields Limited (CCL), a major subsidiary of Coal India Limited (CIL). The CCL has its headquarters in Ranchi, which is located in the state of Jharkhand. The company has a significant presence in the mineral-rich but socio- economically impoverished portions of the state. Especially in rural and tribal-dominated regions, Jharkhand is characterized by high levels of poverty, poor literacy rates, insufficient healthcare facilities, and widespread unemployment. These characteristics are especially prevalent in rural areas. When seen in this light, the CSR activities of CCL take on a great deal of importance since they directly contribute to the enhancement of the quality of life for the communities in which they are implemented. Over the course of its existence, CCL has made significant investments in a variety of key areas, including but not limited to education, healthcare, rural infrastructure, sanitation, sports promotion, and the improvement of livelihoods. These flagship programs, which include CCL (which provides free coaching to students from disadvantaged backgrounds who are interested in taking engineering admission examinations) and CCL (which provides scholarships to female students), have garnered praise for their efforts to alleviate educational disparities.

The response of CCL to urgent societal demands is shown by its healthcare activities, which include mobile medical units and oxygen plant help during the COVID-19 epidemic. Although significant contributions have been made, there are still doubts surrounding the efficiency, inclusivity, and long-term viability of corporate social responsibility efforts. Although the expenditures made for corporate social responsibility are substantial in terms of quantity, critics contend that the qualitative effect of these expenditures is inconsistent owing to difficulties in participative planning, monitoring, and the long-term upkeep of assets. As an additional point of interest, in areas such as Ranchi and the districts that surround it, the requirements of the community are varied and firmly based in the structural socio-economic disadvantages. It is necessary to conduct comprehensive empirical research in order to investigate how the beneficiaries of CCL's corporate social responsibility activities perceive these practices, whether or not they are aligned with the goals of local development, and to what extent they lead to verifiable socio-economic gains. In light of this, the current research conducts an investigation on the corporate social responsibility practices of Central Coalfields Limited, with a particular emphasis on Ranchi and the districts that are located in the surrounding area of Jharkhand. The purpose of this study is to assess not just the magnitude and breadth of corporate social responsibility initiatives, but also the perspectives and experiences of community beneficiaries. The findings of this study give evidence-based insights on the potential and difficulties of corporate social responsibility implementation in mining sector organisations.

Objectives of Study

The present study aims to analyse CSR expenditure patterns across key sectors such as education, healthcare, infrastructure, livelihood, and environment.

Hypothesis

1. H_0: There is no a significant difference in CSR expenditure across key sectors (education, healthcare, infrastructure, livelihood, and environment) of CCL.
2. H_1: There is a significant difference in CSR expenditure across key sectors (education, healthcare, infrastructure, livelihood, and environment) of CCL.

Review of Literature

Jain, Kansal & Joshi (2020) in their article titled "New Development: Corporate Philanthropy to mandatory CSR – a new law for India" has focused on the new compulsory CSR act with particular emphasis on the public sector enterprises. Their research focuses on the changing scenario, resulting in a shift in CSR practice in India in a more structured manner. The authors note a significant positive impact on the entire landscape of CSR through posy-regulation studies. The authors mention that the difference generated from the act pushes the functioning of CSR positively.

Raju, (2017) in his paper highlights the response of the CSR vertical of a leading "Maharatna" - Oil and Natural Gas Corporation (ONGC) in the changing times. Author mentions that ONGC is focusing on big projects rather than going for tiny spending. The paper further notes that the telecom sector lags with actual CSR spending in India and falls below the regulatory requirements. In contrast, mining, construction services, automobile, cement, energy, and power spend more than the mandated two per cent. The paper reveals that ONGC shifted its approach from Philanthropy to compliance to finally value creation.

Saha, (2015)in her study from the social work, perspective finds the contribution of a few industries towards the generation of livelihood opportunities in the CSR intervention areas. The study was purely qualitative, making the paper more meaningful to understand the "why" in the entire process. The author integrates and concludes the intervention as a multi- faced initiative that provides a way to earn the bread and helps in various societal issues.

Davis & Moosmayer, (2014)their paper has shown how the Chinese corporate sector has promoted the NGOs to come into the picture for a better CSR practice. The authors write that the Government mainly leads CSR in China, and earlier, the NGOs had a very narrow scope to interfere. However, we see that the CSR platforms have developed a pass way for the NGOs in recent times. The paper broadly discusses how an international NGO, with the help of the Chinese NGOs, has worked towards a transparent and ethical supply chain in the textile business.

Research Methodology

The present study is based on secondary data collected from the Annual Reports of Central Coalfields Limited (CCL). The CSR expenditure and project details were extracted for the financial years 2023–24 and 2024 25. The data was systematically tabulated and categorized into key CSR sectors such as education, healthcare, infrastructure, environment, livelihood, and sports development.

To guarantee reliability and objectivity, the data underwent two statistical tests:

1. Comparative Analysis - to investigate differences in CSR spending from year to year across various sectors.
2. Trend Analysis - to assess the direction and continuity of CSR initiatives throughout the chosen timeframe.

By using these tests, the study can detect both the numerical variations in CSR spending and the qualitative trends in community-oriented development initiatives. The outcomes from the two-year period (2024 and 2025) were analyzed to determine if CCL's CSR efforts are demonstrating growth, diversification, and effectiveness in tackling socio- economic issues.

Result and Discussion

Corporate social responsibility specially in public sector undertakings in India usually extends beyond mere legal adherence, highlighting their function as government-owned entities tasked with promoting societal well-being. Unlike private companies, public sectors are expected to do more than just make profits; they must also ensure their CSR initiatives support national development objectives. In industries like coal, steel, and energy, CSR holds special significance since these sectors directly influence communities through issues such as displacement, environmental effects, and the consumption of resources. Therefore, public sector CSR operates as both a corrective action and a developmental approach. Their efforts usually center around education, healthcare, cleanliness, rural infrastructure development, and creating opportunities for sustainable livelihoods. Implementing effective CSR in public sector enhances their legitimacy, fosters better community relations, and promotes inclusive growth in resource-rich yet underdeveloped areas.

Table 1: CSR Initiatives and Impact

CSR Project / Initiative	Sector	Location (Ranchi/ Jharkhand)	Impact / Outcome
CCL ke Laal (Coaching for students)	Education	Ranchi	120 + students trained for IIT/JEE exams
CCL ke Laadli (Scholarships for girls)	Education	Ranchi, Ramgarh	Improved access to higher education for girls
Mobile Medical Units	Healthcare	Rural Ranchi blocks	Free health services to 15,000 + villagers annually

Oxygen Plant Support (COVID-19)	Healthcare	Ranchi hospitals	Strengthened local healthcare capacity
Anganwadi Model Centers	Child Welfare	Kanke, Ormanjhi	Better child nutrition
Drinking Water Supply Schemes	Infrastructure	Ranchi outskirts	Access to safe water for 5,000 households
Construction of Toilets	Sanitation	Villages near mines	Improved hygiene, reduced open defecation
Road Repair & Rural Connectivity	Infrastructure	Rural Ranchi	Easier access to markets & schools
Skill Training Programs	Livelihood	Ranchi	500+ youth trained in ITI/skill jobs
Women's Self-Help Groups Support	Livelihood	Rural Jharkhand	Economic empowerment of women
Sports Academy Sponsorship	Sports	Ranchi	Youth trained for state & national games
Plantation & Green Belt Development	Environment	Mining areas	Reduced dust, improved greenery
Educational Infrastructure (smart classrooms)	Education	Govt. Schools, Ranchi	Increased digital learning opportunities
Rural Electrification Projects	Infrastructure	Ranchi, Hazaribagh	Improved quality of life
Health Camps & Awareness Drives	Healthcare	Mining- affected villages	Better awareness on hygiene & diseases

Table 2: CSR expenditure between 2024-2025 and 2023-24

S. No.	Different heads of expenditure	2024-25 (In Crore)	2023-24 (In Crore)
1	Eradicate hunger, poverty and malnutrition among villagers	0.23	0.86
2	Promoting education including special education	37.17	11.28
3	Environmental sustainability	2.92	3.20
4	Protection of national heritage, art and culture	0.06	0.08
5	Training to promote rural and nationally recognized sports	6.44	7.99
6	Contribution to research and development projects	0.05	0.12
7	Rural development projects	4.88	7.12
8	Drinking Water	8.01	9.75
9	Health care	14.02	12.17
10	Sanitation	2.16	3.61
11	Welfare of Differently abled	0.56	0.98
12	Welfare of senior citizen	0.60	0.15
13	Others	4.24	3.15

Table 3: Comparative Statistics

Year	Mean	N	Std. Deviation	Std. Error Mean
2024-25	6.29	13	10.26	2.84
2023-24	4.74	13	4.56	1.26

The paired samples statistics (Table 3) indicate that the average CSR expenditure per activity rose from ₹ 4.74 crore in 2024 to ₹ 6.30 crore in 2025 across 13 different activities. This suggests a general increase in CSR funding. Nevertheless, the standard deviation in 2025 (10.26) is significantly higher compared to 2024 (4.56), indicating that spending was much more unevenly distributed in 2025. Certain activities, such as education and healthcare, received substantial funding, while others received very little. The larger standard error in 2025 (2.85 vs. 1.27) also indicates a lower level of precision in the mean estimate because of this variability. Although CSR contributions rose in 2025, they became more focused on specific initiatives rather than being distributed across a wide range of activities.

Table 4: Paired Correlations

Year	N	Correlation	Significance
2024-25 and 2023-24	13	.759	.003

Table 4 presents the paired samples correlation of CSR expenditures in 2025 compared to 2024 across the 13 activities. The correlation value of 0.759 suggests a significant positive association: initiatives that secured greater CSR funding in 2024 were likely to also attract larger amounts of funding in 2025. The p-value (p = 0.003) is much lower than 0.05, indicating that the correlation is statistically significant. In straightforward terms, the way companies distributed their CSR funds across different activities stayed the same, with most continuing to focus on the same areas year after year, although the total amounts rose in 2025.

Table 5: Paired Samples Test

Year	Paired Difference					t	df	Sig.
	Mean	Std. Deviation	Std. Error Mean	Confidence Interval				
				Lower	Upper			
2024-25 & 2023-24	1.55	7.41	2.05	-2.92	6.03	.756	12	.456

The paired samples test (Table 5) evaluates changes in CSR spending across 13 different activities between the years 2024 and 2025. The average difference between the two years is 1.55, indicating that CSR spending was generally higher in 2025. The test results indicate a t-value of 0.756 with 12 degrees of freedom and a p-value of 0.465, which exceeds

0.05. This indicates that the difference is not statistically significant at the 5% level. The 95% confidence interval for the difference (2.92 to 6.03) includes zero as well, suggesting there is still no significant change. With regard to H1 (There is a significant difference in CSR expenditure across key sectors of CCL), the statistical evidence fails to support the hypothesis. Although the average CSR allocation rose in 2025, the differences between key sectors such as education, healthcare, infrastructure, livelihood, and environment are not substantial enough to determine that the variation is statistically significant.

Findings and Conclusion

The overall results show that CCL's CSR spending increased from 2024 to 2025, with the average cost per activity rising from ₹ 4.74 crore to ₹ 6.30 crore. This demonstrates a greater financial dedication to social progress. Nevertheless, the growth was not uniform, as indicated by the increased standard deviation in 2025. This suggests that certain sectors, such as education, healthcare, and drinking water, received the majority of the funding, while numerous other activities experienced minimal or no allocation. The correlation analysis revealed a strong, statistically significant positive association between the two years, indicating that the company consistently maintained its emphasis on similar priority areas from one year to the next. Although there was overall growth, the paired samples t-test showed that the difference in CSR allocations between 2024 and 2025 was not statistically significant, indicating that the observed rise is more of an extension rather than a major change in CSR strategy. In summary, the results indicate that CCL is progressively raising its investment in corporate social responsibility while keeping its sectoral emphasis consistent, focusing on depth and long-term effects in a limited number of areas rather than expanding into new ones.

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