

## CHAPTER 3

### ENVIRONMENT MANAGEMENT SYSTEM

A well documented Environmental Management System in the form of Policy / Manual acts as a tool in implementing and improving various environmental programmes through judicious allocation of manpower, assignment/ delegation of responsibilities and optimum utilization of resources.

#### 3.1 Corporate Environmental Policy

**3.1.1** The Corporate Environment Policy (CEP) of CIL was originally approved by its Board of Directors (BoD) in December 1995. The National Environmental Policy (NEP) was formulated by the GoI in September 2006. The NEP enjoined upon all concerned – Central, State/UT and local – to prepare action plans on identified themes and formulate their own strategies for environment protection to be consistent with the NEP. However, CIL amended its original CEP and formulated a comprehensive Environment Policy (Policy) only in March 2012. No reason was found on record for the delay of six years in its revision to be in line with NEP.

We also observed that the Policy in vogue in CIL was due for revision in March 2017. However, this was reviewed and revised policy was put in place only in December 2018 after a delay of 20 months.

**3.1.2** While according EC for the projects of the subsidiaries from time to time, MoEF&CC stipulated that a well laid down Environment Policy duly approved by the BoD of the subsidiaries needs to be in place. We observed that six<sup>6</sup> out of its seven coal producing subsidiaries did not formulate a policy as mandated, on the plea that they followed the policy formulated by CIL. We further observed that the policy of CIL was not even put up to the BoD of these subsidiaries except BCCL for consideration, thereby disregarding the mandatory conditions stipulated in the EC. We also observed that the Policy approved by BoD of BCCL for adherence, was not revised as it followed the policy formulated by CIL.

In the absence of an approved policy, different subsidiaries dealt with similar issues in different manner as discussed in paras 7.1.3.2, 7.1.3.3 and 7.3.1.2 *infra*. This also offered scope for discretion in the implementation of environmental activities. In the Exit Conference, the subsidiaries stated (November 2018) that the revised Policy of CIL would be referred to their respective BoD. Further developments are awaited (November 2018).

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<sup>6</sup> ECL, CCL, WCL, SECL, NCL and MCL

**3.1.3** We further observed that although guidelines containing the responsibility and delegation at different levels in environment discipline were formulated by CIL, the same were not dovetailed in their operating manual by the subsidiaries.

**Audit Summation**

Coal India Limited (CIL) amended its original Corporate Environment Policy (CEP) and formulated a comprehensive Environment Policy only in March 2012, followed by a revised policy in December 2018. However, six out of seven coal producing subsidiaries of CIL did not formulate a policy as mandated by MoEF&CC which stipulated that a well laid down Environment Policy duly approved by the Board of Directors of the subsidiaries needs to be in place. Further, guidelines containing the responsibility and delegation at different levels in Environment discipline were formulated by CIL, but the same were not dovetailed in their operating manual by the subsidiaries.