

**MEMORANDUM OF
UNDERSTANDING**

BETWEEN

COAL INDIA LIMITED

&

CENTRAL COALFIELDS LIMITED

2018-19



Brief about Central Coalfields Limited.

1	Name of the CPSE	Central Coalfields Limited.
2	Status (Please tick): As per DPE guidelines	Sick/Incipient Sick /weak/ None--None
3	Reasons of Sickness, if applicable	N/A
4	Whether registered with BIFR, if yes, details	N/A
5	Schedule of the CPSE (Please tick)	A/B/C/D/none--B
6	Purpose for which CPSE has been setup and the main business now	<i>To produce and market the planned quantity of coal and coal products efficiently and economically in an eco-friendly manner with due regard to safety, conservation and quality.</i>
7	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years.	N/A
8	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years.	N/A
9	Details of revival plan approved earlier	N/A



Annex – II
Mandatory Parameters
Part A
Central Coalfields Limited

Sl. No.	Financial Performance Criteria	Unit	Marks	2017-18 (Actual)	Best in Last 5 years	MoU Target					Improvement (%)
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
1	Turnover Revenue from Operations (Net)	Rs. crore	10	11586.43	11586.43	11786.49	11567.37	11305.36	11041.54	10780.09	-0.16
2	Operating Profit										
	Operating profit (Profit before Tax excluding other Income, Extraordinary and Exceptional Items) :-	%	20	7.2	24.63 (2014-15)	9	7	5	3	2	
	Operating profit as a percentage of Revenue from operations (Net) (%).										
3	Return on investment:										
	PAT as percentage of Average Net Worth	%	20	23.48	50.65 (2012-13)	24	21	18	16	15	
	Total (A)		50								

*As per IMC minutes of MoU 2018-19 dated 20.06.2018, IMC informed that it would be evaluated as per MoU guidelines in case of substantial over-achievement. In that case, evaluation of the subsidiaries will be in the same line as adopted by the DPE at the time of evaluation of 2018-19.

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Other Parameters
Part B
Central Coalfields Limited

Sl. No.	Performance Criteria	Unit	Marks	2017-18 (Actual)	Best in Last 5 years	MoU Target					Improvement (%)
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
1	Coal Production (Million Tons)	Mt	10	63.405	67.047	68.70	67.57	66.45	65.32	64.20	6.57
2	CAPEX (Rs. Crore)	Rs. Crs	10	898.86	1145.8	1100	1042.11	1030.53	1018.95	1007.37	15.94
3	Percentages of value of CAPEX contracts/ projects running/ completed during the year without time/ cost overrun to total value of CAPEX contracts running/ completed during the year (%)	%	5	94.12	100	100	90	80	70	60	-4.38
4	Inventory of coal to Revenue from operations (net) (No. of days)	Days	5	38	38	56	59	63	66	70	
5	Trade receivables (Net) as number of days of Revenue from Operations (Gross) (No. of days)	Days	5	39	24.76	43	44	48	53	58	
6	Reduction in Claims against the Company not acknowledged as debt:										
	Reduction in claims against the Company not acknowledged as debt on overall basis (%)	%	5		-	5	4	3	2	1	

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Sl. No.	Performance Criteria	Unit	Marks	2017-18 (Actual)	Best in Last 5 years	MoU Target					Improvement (%)
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
7	HRM Related Parameters:										
i)	Assessment of level in line with People Capability Maturity Model (PCMM) or equivalent in the CPSE and placing the matter before the Board for taking a decision whether to go for up-gradation in level and if yes, getting the approval for the timelines from the Board. If no, justifiable reason to be recorded in the Board Resolution(Date)	Date	2	New Parameter	-	15-12-18	15.01.19	31.01.19	15.02.19	28.02.19	-
ii)	Online Human Resource Management System (HRMS) Implementation and Integration with Finance Division (consisting of online employee data administration, employee self-service, exit procedure, talent management, etc.)(Date)	Date	4	New Parameter	-	15-12-18	15.01.19	31.01.19	15.02.19	28.02.19	-

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Sl. No.	Performance Criteria	Unit	Marks	2017-18 (Actual)	Best in Last 5 years	MoU Target					Improvement (%)
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
iii)	HR Audit and decision of the Board on recommendations of audit.(Date)	Date	4	New Parameter	-	15-12-18	15.01.19	31.01.19	15.02.19	28.02.19	-
	Total		50								



(Anil Kumar Jha)
Chairman
Coal India Limited



(Gopal Singh)
Chairman-cum-Managing Director
Central Coalfields Limited

Details of MoSPI Monitored Ongoing Projects of CIL costing = &> Rs 150 Crs for MoU 18-19						
SL. No.	Projects	Comp.	Capacity (Mty)	Milestones	Timeline for Completion	Total Sanctioned Capital in (Rs Crs)
1	Rajrappa OC	CCL	3.00	Authentication of land in Block-II, Dhawaiya Village (121.46Ha or 300 Acres)	Mar'19	510.85
2	Amrapali OC	CCL	12.00	Award of work for construction of Training Centre	Dec'18	858.11
3	Karma OC	CCL	1.00	Award of work for construction of Rain water Harvesting.	Jan'19	162.46
4	Tapin OC	CCL	2.50	Award of work for construction of Haul Road	Mar'19	264.68
5	Churi-Benti UG	CCL	0.81	Construction of two nos. of Air Crossing	Mar'19	163.51
6	North Urimari OC	CCL	3.00	Award of work for construction of Air Conditioned Canteen	Jan'19	179.87
7	Magadh OC	CCL	20.00	Installation of one number road weigh bridge.	Feb'19	706.40

MINISTRY : COAL

Company :CCL

Profit & Loss Statement

2018-19

Production	63.40	63.40	67.57	68.70
Offtake	67.56	67.56	67.57	68.70

Sl. No.	Particulars (Production/Offtake)	Unit	CCL	CCL	CCL	CCL
			2017-18 Actual CCL 63.4 / 67.56	2017-18 Adj. Actual* CCL 63.4 / 67.56	2018-19 VG CCL 67.57 / 67.57	2018-19 EXC CCL 68.7 / 68.7
1	Gross Sales	Rs. Crs	15965.12	15965.12	15643.62	15937.35
2	Less: Excise duties & Others	Rs. Crs	4910.91	4910.91	4663.39	4751.14
3	Net sales / Sale of Products	Rs. Crs	11054.21	11054.21	10980.23	11186.21
4	Other Operating Revenue (Gross)	Rs. Crs	562.35	562.35	614.39	623.14
5	Other Operating Revenue (Net)	Rs. Crs	532.22	532.22	587.14	600.28
6	Revenue from Operations (Net)	Rs. Crs	11586.43	11586.43	11567.37	11786.49
7	Cost of Materials Consumed	Rs. Crs	731.26	731.26	965.84	971.46
8	Changes in inventories of finished goods/work in progress and Stock in trade	Rs. Crs	512.66	512.66	-216.41	-324.61
9	Employee Benefits Expense	Rs. Crs	5490.31	4589.98	5219.19	5219.19
10	Power	Rs. Crs	277.35	277.35	280.72	287.16
11	Corporate Social Responsibility Expense	Rs. Crs	37.90	37.90	42.96	43.42
12	Repairs	Rs. Crs	327.15	327.15	372.93	391.30
13	Contractual Expense	Rs. Crs	1304.07	1304.07	1782.99	1792.47
14	Finance Costs	Rs. Crs	172.01	172.01	200.15	208.75
15	Depreciation/Amortization/ Impairment expense	Rs. Crs	355.72	355.72	364.65	385.05
16	Provisions	Rs. Crs	237.33	237.33	145.30	146.68
17	Write off	Rs. Crs	0.72	0.72	0.00	0.00
18	Stripping Activity Adjustment	Rs. Crs	284.51	284.51	327.74	323.00
19	Other Expenses	Rs. Crs	1022.55	1022.55	1234.20	1251.97
20	Total Expenditure	Rs. Crs	10753.54	9853.21	10720.26	10695.85
21	Operating Profit	Rs. Crs	832.89	1733.22	847.11	1090.65
22	Other Income	Rs. Crs	510.68	510.68	441.11	444.34
23	Profit Before Tax (PBT)	Rs. Crs	1343.57	2243.90	1288.21	1534.99
24	Provision for tax (including MAT/ deferred tax)	Rs. Crs	554.06	925.34	531.23	653.00
25	P&L from discontinued ops / Minority Int	Rs. Crs	0.00	0.00	0.00	0.00
26	Net Profit / Profit after Tax (PAT)	Rs. Crs	789.51	1318.56	756.98	881.99
27	Other Comprehensive Income					
28	Other comprehensive Income (Gross)	Rs. Crs	155.59	155.59	0.00	0.00
29	Tax on other comprehensive income	Rs. Crs	-64.16	-64.16	0.00	0.00
30	Other Comprehensive Income (Net)	Rs. Crs	91.43	91.43	0.00	0.00
31	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	Rs. Crs	880.94	1409.99	756.98	881.99

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MINISTRY : COAL

Company :CCL

BALANCE SHEET DATA

Sl. No.	Particulars (Production/Offtake)	Unit	2017-18 Actual CCL 63.4 / 67.56	2017-18 Adj. Actual* CCL 63.4 / 67.56	2018-19 VG CCL 67.57 / 67.57	2018-19 EXC CCL 68.7 / 68.7
	<u>EQUITY AND LIABILITIES</u>					
1	Paid-up Capital	Rs. Crs	940.00	940.00	940.00	940.00
2	Reserve & Surplus	Rs. Crs	2538.42	3158.89	2739.67	2830.57
3	Net Worth	Rs. Crs	3478.42	4098.89	3679.67	3770.57
4	Capital Reserves	Rs. Crs	0.00	0.00	0.00	0.00
5	Non-Controlling Interests	Rs. Crs	17.76	17.76	17.76	17.76
6	Total Equity	Rs. Crs	3496.18	4116.65	3697.43	3788.33
7	Long Term Borrowing	Rs. Crs	0.00	0.00	0.00	0.00
8	Provisions	Rs. Crs	3202.35	2610.50	3362.16	3362.16
9	Other Non-Current Liabilities	Rs. Crs	498.55	498.55	523.48	523.48
10	Deffered Tax Liability	Rs. Crs	0.00	0.00	0.00	0.00
11	Total Non-Current Liabilities	Rs. Crs	3700.90	3109.05	3885.63	3885.63
12	Current Borrowings	Rs. Crs	150.00	150.00	142.50	142.50
13	Trade Payables	Rs. Crs	163.45	163.45	171.62	171.62
14	Other Finnacial Liabilities	Rs. Crs	565.98	565.98	481.08	481.08
15	Other current Liabilities	Rs. Crs	4906.13	4906.13	6843.34	6843.34
16	Provisions	Rs. Crs	2291.46	1168.73	1677.98	1677.98
17	Total Current Liabilities	Rs. Crs	8077.02	6954.29	9316.53	9316.53
18	Total Equity & Liabilities	Rs. Crs	15274.10	14179.99	16899.59	16990.50
	<u>NON-CURRENT ASSETS</u>					
19	Property, Plant & Equipment	Rs. Crs	2424.41	2424.41	2626.23	2626.23
20	Capital Work-in-Progress & Intangible Assets under Development	Rs. Crs	2096.44	2096.44	2201.26	2201.26
21	Non-Current Investment	Rs. Crs	0.00	0.00	0.00	0.00
22	Non-Current Loans & Advances, Other Financial Assets	Rs. Crs	839.93	839.93	881.93	881.93
23	Deferred Tax Assets	Rs. Crs	1047.58	1047.58	1099.96	1099.96
24	Other Non-Current Assets	Rs. Crs	1507.87	1507.87	1583.26	1583.26
25	Total Non-Current Assets	Rs. Crs	7916.23	7916.23	8392.64	8392.64
	<u>CURRENT ASSETS</u>					
26	Inventories	Rs. Crs	1349.23	1349.23	2032.78	1955.98
27	Trade Receivables	Rs. Crs	1745.31	1121.00	1961.01	1950.12
28	Loans	Rs. Crs	0.00	0.00	0.00	0.00
29	Cash, Cash equivalents & Other Bank Balances	Rs. Crs	1396.07	1375.88	1242.14	1290.83
30	Other Current Assets	Rs. Crs	2867.26	2417.66	3271.02	3400.92
31	Total Current Assets	Rs. Crs	7357.87	6263.77	8506.95	8597.85
32	Total Assets	Rs. Crs	15274.10	14180.00	16899.59	16990.49

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MINISTRY : COAL
Company :CCL
MANAGEMENT RATIOS

Sl. No.	Particulars (Production/Offtake)	Unit	2017-18 Actual CCL 63.4 / 67.56	2017-18 Adj. Actual* CCL 63.4 / 67.56	2018-19 VG CCL 67.57 / 67.57	2018-19 EXC CCL 68.7 / 68.7
1	Inventories (Coal Stock) (Net)	Rs. Crs	1206.37	1206.37	1869.26	1792.26
2	Trade Receivables (Net)	Rs. Crs	1745.31	1121.00	1961.01	1950.12
3	Revenue From Operations (Gross)	Rs. Crs	16527.47	16527.47	16258.01	16560.49
4	Revenue from Operations (Net)	Rs. Crs	11586.43	11586.43	11567.37	11786.49
5	PAT	Rs. Crs	789.51	1318.56	756.98	881.99
6	Average Net worth	Rs. Crs	3361.70	3671.93	3579.04	3624.50
	Net worth - earlier Year	Rs. Crs	3244.97	3244.97	3478.42	3478.42
	Net worth - current Year	Rs. Crs	3478.42	4098.89	3679.67	3770.57
	Capital Reserve (due to issue of bonus share)	Rs. Crs				
	Adjusted Net Worth	Rs. Crs	3478.42	4098.89	3679.67	3770.57
7	Operating Profit	Rs. Crs	832.89	1733.22	847.11	1090.65
8	Inventory of Finished Goods and work in progress to Revenue from operations (Net)	Days	38	38	59	56
9	Trade Receivables (net) as number of days of Revenue from operations (gross)	Days	39	25	44	43
10	PAT or Surplus / average Net Worth	%	23.49	35.91	21.15	24.33
11	Operating Profit/Surplus as percentage of revenue from operations (net)	%	7.19	14.96	7.32	9.25

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		2017-18 Actual CCL 63.4 / 67.56	2017-18 Adj. Actual* CCL 63.4 / 67.56	2018-19 VG CCL 67.57 / 67.57	2018-19 EXC CCL 68.7 / 68.7
Equity					
Issued, Subscribed and Paid-up Equity Share Capital	Rs. Crs	940.00	940.00	940.00	940.00
Issued, Subscribed and Paid-up Preference Share Capital	Rs. Crs	0.00	0.00	0.00	0.00
Capital Redemption Reserve	Rs. Crs	0.00	0.00	0.00	0.00
Capital Reserve	Rs. Crs	0.00	0.00	0.00	0.00
General Reserve	Rs. Crs	0.00	0.00	0.00	0.00
Balance as at Beginning	Rs. Crs	2029.00	2029.00	2068.48	2068.48
Addition during the period/Transfer from retained earnings	Rs. Crs	39.48	39.48	39.48	39.48
Transfer to other reserves	Rs. Crs	0.00	0.00	0.00	0.00
Buyback of equity shares	Rs. Crs	0.00	0.00	0.00	0.00
Tax on Buyback	Rs. Crs	0.00	0.00	0.00	0.00
Issue of Bonus Share	Rs. Crs	0.00	0.00	0.00	0.00
Balance as at end	Rs. Crs	2068.48	2068.48	2107.96	2107.96
Retained Earnings					
Balance as at Beginning	Rs. Crs	215.26	215.26	326.12	326.12
Transfer to/from Retained earnings	Rs. Crs	0.00	0.00	0.00	0.00
Adjustments during the period	Rs. Crs	0.04	0.04	0.04	0.04
Total comprehensive income/Profit during the period	Rs. Crs	789.52	1409.99	756.98	881.99
Appropriations	Rs. Crs	0.00	0.00	0.00	0.00
Transfer to General reserve	Rs. Crs	-39.48	-39.48	-39.48	-39.48
Transfer to other reserves	Rs. Crs	0.00	0.00	0.00	0.00
Interim Dividend	Rs. Crs	-531.10	-531.10	-461.76	-490.10
Final Dividend	Rs. Crs	0.00	0.00	0.00	0.00
Corporate Dividend Tax	Rs. Crs	-108.12	-108.12	-94.01	-99.78
Tax on Buyback	Rs. Crs	0.00	0.00	0.00	0.00
Issue of Bonus Share	Rs. Crs	0.00	0.00	0.00	0.00
Balance as at end	Rs. Crs	326.12	946.59	487.89	578.79
Other Comprehensive Income					
Balance as at Beginning	Rs. Crs	52.39	52.39	143.82	143.82
Remeasurement of Defined Benefits Plans	Rs. Crs	91.43	91.43	0.00	0.00
Balance as at end	Rs. Crs	143.82	143.82	143.82	143.82
Other Equity	Rs. Crs	2538.42	3158.89	2739.67	2830.57
Equity Attributable to Equityholders of the company	Rs. Crs	3478.42	4098.89	3679.67	3770.57
Non-controlling Interest	Rs. Crs	17.76	17.76	17.76	17.76
TOTAL EQUITY	Rs. Crs	3496.18	4116.65	3697.43	3788.33

* Amount in Adj. Column does not include the impact of increase in Gratuity Ceiling Limit from Rs. 10 Lakh to Rs. 20 Lakh

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DECLARATION

To achieve the Aspirational target of CIL i.e. 652.25 Mt coal production & 681.20 Mt coal offtake, assurance is hereby given that all out efforts will be made to achieve corresponding aspirational target of 76.35 Mt (Coal Production) & 77.00 Mt (Offtake) in respect of Central Coalfield Limited.

A handwritten signature in black ink, appearing to be 'Gopal Singh', written over a circular stamp or seal.

(Gopal Singh)

Chairman-cum-Managing Director
Central Coalfields Limited