MEMORANDUM OF UNDERSTANDING

BETWEEN

CENTRAL COALFIELDS LIMITED

&

COAL INDIA LIMITED.

2019 – 20

Annex-I

Brief about (Central Coalfields Limited).

1	Name of the CPSE	**Central Coalfields Limited**
2	Status (Please tick):	Maharatna/Navratna/**Miniratna**/Others
3	Schedule of the CPSE (Please tick)	A/ **B** /C/D/none
4	Purpose for which CPSE has been setup and the main business now	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.
5	Any capital restructuring during 2017-18, i.e., buy-back of shares, issue of bonus shares, issue of fresh shares, splitting of shares and percentage of PAT given as dividend.	NA
6	Whether shares are listed (if yes, name of stock exchange and price of the share as on date)	NA
7	Any change in Capacity during the year or next year(MoU Year)	An addition of 8.28 MT of coal production is proposed in 2019-20 against the production of 68.72 MT in 2018-19.
8	Any business unit hived off or to be hived off or added or to be added during the year or next year (MoU Year)	NA
9	Brief about the Sector in which the CPSE is operating and national and international environment, regulatory environment etc.	Major chunk of CCL production is power grade coal with CCL's despatch to power house. CCL is fully owned (100%) subsidiary company of CIL, Govt. of India Undertaking. Various Acts and Rules applicable for the operation of coal mines in India namely, Mines Act, 1952, Coal Mines Regulation, 2017, Indian Electricity Rules 1956, Mines Rules, EIA etc.
10	Details of revival plan if approved	*N.A.*
11	Any adverse comments by statutory auditors and its impact on Revenue/Profit/Loss/Assets/Liabilities.	NIL
12	Whether C&AG Supplemented the comments of Statutory Auditor. If not, give details along with impact.	NIL
13	No. and Name of Subsidiaries Company along with amount invested and share in its profits during last five years.	
14	No. and Name of Joint Venture Companies along with amount invested and share in its profit during last five years.	

Annex – II
Mandatory Parameters
Part A
Central Coalfields Limited

Sl. No.	Financial Performance Criteria	Unit	Marks	2018-19 (Actual)	Best in Last 5 years*	MoU Target 19-20					% Improvement
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
1	**Turnover** Revenue from Operations (Net)	Rs. crore	10	12180	11586 (2017-18)	13335	13131	12002	11335	10668	7.81
2	**Operating Profit:**										
	Operating Profit(Profit before tax excluding other income, Extraordinary & Exceptional items) / Operating Profit as a percentage of Revenue from Operations (net)	%	20	19.53	24.97 (2014-15)	20.69	20.35	19.35	18.85	18.35	4.19
3	**Return on investment:**										
	PAT/Average Net Worth	%	20	40.89	39.28 (2013-14))	35.91	35.67	33.67	32.67	31.67	
	Total (A)		**50**								

Other Parameters
Part B
Central Coalfields Limited

Sl. No.	Performance Criteria	Unit	Marks	2018-19 (Actual)	Best in Last 5 years*	MoU Target 19-20					Improvement (%)
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
1	Coal Production	Mil. Tonne	05	68.72	67.04 (2016-17)	77.00	75.80	74.70	73.50	72.30	10.30
2	CAPEX	Rs. Crs	8	766.72#	1702.34# (2017-18)	850.00	765.00	722.50	680.00	663.00	
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	%	3	93.68	-	100	95	90	85	80	1.41
4	Inventory of finished goods and work in progress to Revenue from operations (Net)	No. of Days	3	37	38 (2017-18))	38	40	43	45	47	
5	Trade receivables (Net) as number of days of Revenue from Operations (gross)	No. of Days	3	23	30.92 (2016-17))	25	27	30	32	34	
6	Reduction in claims against the Company not acknowledged as debt on overall basis.	%	3	2.48	22.68 (2017-18)	15	12	10	8	6	

 # Note-The figure quoted by CIL is not correct and not as per CCL book of accounts. The actual figure for FY 2018-19 is Rs1377.27Crs. and in best last five years is Rs.1145.80Crs.

Sl. No.	Performance Criteria	Unit	Marks	2018-19 (Actual)	Best in Last 5 years*	MoU Target 19-20					Improveme. (%)
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
7	****Production Efficiency Parameter: 04 Marks**										
i	% Improvement in Departmental Equipment Capacity Utilisation of **OC Mines** over previous year.	%	3	New parameter	New parameter	30.00	22.50	14.80	8.10	4.10	
ii	% Improvement in Departmental Equipment Capacity Utilisation of **UG Mines** over previous year.	%	1	New parameter	New parameter	97.80	82.60	21.70	15.70	6.50	
	** Note-These targets are unrealistic but as it has been imposed by CIL in spite of so many requests from CCL, the company (CCL) has no option but to agree with it.										
8	**HR Parameters: 11 Marks**										
i.	Achievement of HR parameters of continuous nature as per list given in **Annexure-A**	No. of Parameters	4	New parameter	New Parameter	8	7	6	5	4	-
ii.	Safety Audit of all mines & compliance of recommendations of Safety Audit, if any.	Date	4	New parameter	New parameter	31.01.2020	15.02.2020	28.02.2020	15.03.2020	31.03.2020	-
iii.	At least 15 initiatives for women employees for work life balance as well as leadership development for subsidiaries as per **Annexure-B**	Date	3	New parameter	New parameter	31.01.2020	15.02.2020	28.02.2020	15.03.2020	31.03.2020	-
9	**Parameter relating to CPSE Conclave: 3 Marks**										
i.	Procurement(Goods & Services) through MSME	%	3	New Parameter	New Parameter	25	20	18	16	14	
10	**Safety Parameters: 07 Marks**										
i.	% Reduction in Fatal injury over average lowest of previous 3 years out of 5 years	%	4	New Parameter	New Parameter	20	15	10	5	No reduction	
ii.	% Reduction in Serious injury over average lowest of previous 3 years out of 5 years	%	3	New Parameter	New Parameter	20	15	10	5	No reduction	
	Total		**50**								

*Best in last 5 years is prior to and excluding FY 2018-19.

(Anil Kumar Jha)
Chairman
Coal India Limited

(Gopal Singh)
Chairman–Cum- Managing Director
Central Coalfields Limited.

Annex III
PART A - TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 Tgt Very Good	2019-20 Tgt Excellent
1	Revenue from Operations -Gross	Rs. crore		10743.06	12059.17	13963.00	15274.10	16527.47	17295.13	18640.15	18930.32
	Revenue from Operations -Net	Rs. crore	Actual	8784.57	9728.32	10833.51	10774.82	11586.43	12179.90		
		Rs. crore	MoU (Exc)	8723.01	8880.96	9845.80	12002.70	11187.63	11786.49	13131	13335
2	a. Profit before Tax (incl. OCI)	Rs. crore		2525.87	2740.34	3118.74	2393.65	1499.19	2661.93	2859.29	3035.53
	b. Other Incomes	Rs. crore		396.38	344.21	464.10	561.75	508.96	313.03	294.86	301.83
	c. Exceptional & Extraordinary	Rs. crore									
	d. Prior Period Items			11.27	-33.11	-5.10	0.00	0.00	0.00	00	00
	e. Operating Profit/ Loss (a-b+/-c+/-d)	Rs. crore	Actual	2118.22	2429.24	2659.74	1831.90	990.23	2348.90		
		Rs. crore	MoU (Exc)				2916.47	736.92	1090.65	2564.43	2733.70
3	a. PAT	Rs. crore		1671.76	1770.61	1914.70	1401.14	880.97	1684.78	1810.22	1921.79
	b. Net Worth at year end	Rs. crore		4502.95	5812.38	5973.47	3245.42	3478.85	5142.72	5574.53	5609.43
	c. Average Net worth	Rs. crore		4255.52	5157.67	5892.93	4609.45	3362.14	4310.79	5358.63	5376.08
	d. 1) PAT/ Net Worth	%	Actual	37.13	30.46	32.05	43.17	25.32	32.76	32.47	34.26
		%	MoU (Exc)								
	e. PAT/ Avg Net Worth	%	Actual	39.28	34.33	32.49	30.40	26.20	39.08		
		%	MoU (Exc)				47.17	34.50	24.00	33.78	35.75
	f. Paid-up Share Capital	Rs. crore		940	940	940	940.00	940.00	940.00	940	940
	g. GoI share	%									
	h. Reserves and surplus	Rs. crore		3562.95	4872.38	5033.47	2305.42	2538.85	4202.72	4634.53	4669.43
4	Total Expenses	Rs. crore		6666.35	7299.08	8173.77	8962.97	10751.79	9800.73	10566.32	10601.42
5	Total Incomes	Rs. crore		9180.95	10072.53	11297.61	11336.57	12095.39	12492.93	13425.61	13636.95
6	Total expenses/ Total Incomes	%		72.61	72.47	72.35	79.06	88.89	78.45	78.70	77.74
7	Detail of other incomes										
	a. Interest	Rs. crore		302.67	252.87	330.58	255.12	201.02	115.29		
	b. Dividend	Rs. crore		17.33	29.93	30.78	23.25	10.59	4.92		
	c. Other Incomes	Rs. crore		76.38	61.41	102.74	283.38	297.35	192.82		
	d. Total	Rs. crore		396.38	344.21	464.10	561.75	508.96	313.03	294.86	301.83

PART A - TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 Tgt	
			v/s Actual							Very Good	Excellent
	d. Total	Rs. crore		396.38	344.21	464.10	561.75	508.96	313.03	294.86	301.83
8	a. Cash and Bank Balance and equivalent	Rs. crore		2816.37	3947.62	4188.61	1674.15	1356.21	1086.06	1213.04	1243.08
	b. Investment in mutual funds	Rs. crore		595.68	394.37				52.56		
	c. Investment in shares other than subsidiary/ JVs)	Rs. crore									
	d. Total (a+b+c)	Rs. crore		3412.05	4341.99	4188.61	1674.15	1356.21	1138.62	1213.04	1243.08
	e. Cash credit/ Over-draft loan/ Short-Term loan										
	f. Balance in Current account	Rs. crore		32.97	61.95	934.66	288.64	152.31	243.64		
9	Dividend paid/ declared for the year, excluding Dividend Tax	Rs. crore		1003.05	354.74	1457.00	3634.04	531.10	297.04	1031.82	1095.42

Note: Trend would be given for actual figures for preceding five years (audited).

Annex III

PART B - TREND Analysis (As per Annual Reports)

Sl. No.	Financial Performance Criteria	Unit	Target v/s Actual	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 Target VG	2019-20 Target Excellent
1	**Coal Production**	Mt	Actual	50.02	55.652	61.324	67.047	63.405	68.72		
			MoU (Exc)	53.55	56	61		70.50	68.70	75.83	77
2	**CAPEX**	Rs. crore	Actual	657.18	595.82	638.33	1145.80	898.86	1377.27		
			MoU	500	585	585	600.00	650.00	1100.00	765	850
3	**CAPEX contracts/ projects running/ completed without time/ cost overrun to total value of CAPEX**	%	Actual				100	94.12	93.68		
			MoU (Exc)				100	100.00	100.00	95	100
4	**Inventory of finished goods and work in progress (coal)**	Rs. crore		1067.28	1178.54	1313.62	1925.17	1206.37	1229.85	1450.47	1397.30
5	Inventory of finished goods and work in progress to RO(Net)	Days	Actual	44.35	54.99	46.01	65.22	38.00	36.86		
			MoU (Exc)				39.15	35.00	56.00	40	38
6	Trade Receivables (net)	Rs. crore	Actual	1875.72	1465.57	1365.58	1293.79	1745.31	1095.13		
			MoU (Exc)	1600.00	2325.00	2101.44	1629.40	1513.00	1950.12	1378.86	1300.63
7	**Trade receivables (Net) as number of days of RO(gross)**	Days	Actual	63.73	35.67	34.34	30.92	38.54	23.11		
			MoU (Exc)			57.61	35.54	26.00	43.00	27	25

RO- Revenue from Operation

Annexure-A

The list of HR parameters of continuous nature is as below:

Sl. No.	Parameters
i.	Continuation of Online submission of ACR/APAR in respect of all executives (E0 &above) along with compliance of prescribed timeline w.r.t writing of ACR/APAR.
ii.	Continuation of online Quarterly vigilance clearance updation for Senior executives (E5 and above).
iii.	Operationalization of succession plan as per CIL Executive talent Management Policy
iv.	Updation of Biodata & its verification of all eligible candidates for DPC upto cut off date 30.09.2019 by 30.10.2019.
v.	Continuation of talent management & career progression by imparting at least 1 week training of at least 5% Executives (E0 & above) in Centre of Excellence within India eg. IITs, IIMs, NITs, ICAI etc.
vi.	Regular updation of online Human Resource Management System (HRMS).
vii.	Submission of recommendations of Initial review Committee for the cases of Executives who will be attaining the age of 50/55 years till the quarter of Jan'2020 to March'2020 by 30th September '19.
viii.	Implementation of HR Audit Recommendations.

15 INITIATIVES FOR WOMEN EMPLOYEE FOR WORK-LIFE BALANCE AS WELL AS EADERSHIP DEVELOPMENT

Annexure-B

Sl.	Initiatives	Description	Timeline	Communication to CIL HQ
1	Balance for Better theme (in line with the theme of International Women's Day 2019) to encourage how to balance work and home front	To conduct a 2 days workshop by the Subsidiary (in HQ or Areas as per feasibility) in line with the theme wherein all the females are encouraged to share their stories of how they balance their work and home.	The best three story to be recognized by the CMD of the company on 1st November 2019 (along with other programmes of Foundation day)	Communicate details by 25th October 2019
2	Upkeep / Maintenance / Renovation (wherever applicable) of Ladies Toilet/Mahila Shauchalay	Cleanliness and beautification to be done in and around the ladies toilet before the celebration of Mahila Shauchalay Swachhta Diwas.	Mahila Shauchalay Swachhta Diwas to be celebrated in HQ and each Area on 30th October 2019	Photographs to be shared of the Diwas by 15th November 2019
3	Launching of Women's Safety App to be used in time of need	To complete preparation and operation of this Safety App wherein the females shout will send information to two emergency numbers	By 30th November 2019	Communication details to be sent HQ by 15th December 2019
4	Installation of Sanitary Vending Machines in all HQs and mechanism for disposal of the sanitary napkins	To ensure the machine is installed at the appropriate place in HQs along with its disposal system	By 31st December 2019	Communication details to be sent HQ by 31st December 2019
5	Fun Activity/Programme for Girl Child (wards of employees) (in line with National Girl Child day celebrated every 24th January)	Conducting fun programmes for girl children across Subsidiaries. Modalities to be decided by Subsidiary.	By 31st December 2019	Communicate details with photo by 31st Dec. 2019
6	Organizing Physical Wellness Programme focusing on Yoga & Meditation sessions, martial arts etc.	Modalities to be decided by each Subsidiary	On 15th of every month from Aug.'19 till December 2019	Share the compiled all area/hq photos by 30th of that month
7	Organizing Mental Wellness Programme focusing on Stress Management	Modalities to be decided by each Subsidiary	On 15th of every month from Aug.'19 till December 2019	Share the compiled all area/hq photos by 30th of that month
8	Organize 2 Health camps (regular checkup) for female employees	Regular check for all the females posted across the Subsidiaries	By 31st December 2019	Communicate details with photo by 31st Dec. 2019

Sl.	Initiatives	Description	Timeline	Communication to CIL HQ
9	Awareness programme on Females Lifestyle diseases such as Breast Cancer, PCOS, Cervical cancer or any other gynecological diseases, amongst other diseases	At least Two programmes to be conducted across Subsidiaries	By 30th November 2019	Feedback summary with photos to be shared with CIL HQ by 5th December 2019
10	Behavioural Skills Training Programme to be conducted for below E5 Managerial Females across Subsidiaries	Participants E5 & below Females, Inter Disciplinary, Inter Area	Workshop Deadline by 30th November 2019	Share the feedback of participants in summarized form along with photographs by 5th December 2019
11	Behavioural Skills Training Programme for E6 and above level female managerial executives	Participants E6 & above Females, Inter Disciplinary, Inter Area	Workshop Deadline by 30th November 2019	Share the feedback of participants in summarized form along with photographs by 5th December 2019
12	Conducting at least one Brainstorming Session for Females Executives	Modalities to be decided by each Subsidiary	By 30th September 2019	The adopted Ideas which is implemented by the Subsidiary to be shared by 30th November 2019
13	"Chai par Charcha" with GM	Female employees to celebrate their birthday with the GM (on 1st day of that month)-with the objective of once a year chance to provide feedback and suggestions	On 1st day of every month till December 2019 on pilot basis	Share the compiled photos of all area/ HQ photos by 10th of that month
14	Women Safety in work place	Two programmes each of one day	3rd week of November' 19	To be communicated to Policy Cell, CIL
15	Leadership development for women employees	One Programme to be conducted	3rd week of November' 19	To be communicated to Policy Cell, CIL

CCL-Milestones of MOSPI Monitored Projects for MOU 2019-20 (MOU Parameters)

SL. No.	Subs	Projects	Cap (Mty)	MILESTONES	Total Sanctioned Capital (Rs Crs)	Timeline for Completion
1	CCL	Rajrappa OC	3.00	Verification of 200 acres of GM land	510.85	MAR.'20
2	CCL	Amrapali OC	12.00	Construction of new canteen building	858.11	MAR.'20
3	CCL	Karma OC	1.00	Floating of tenders for construction of community centre	162.46	MAR.'20
4	CCL	Tapin OC	2.50	Award of work for construction of Rest shelter	264.68	MAR.'20
5	CCL	Churi-Benti UG	0.81	Floating of tenders for construction of ground reservoir	163.51	MAR.'20
6	CCL	North Urimari OC	3.00	Construction of 4 'D' type quarters	179.87	MAR.'20
7	CCL	Magadh OC	20.00	Installation of one road weigh bridge	706.40	FEB.'20