

MEMORANDUM OF UNDERSTANDING

BETWEEN

COAL INDIA LIMITED

&

MINISTRY OF COAL

2019 – 20

Brief about (Coal India Limited).

Annex-I

1	Name of the CPSE	Coal India 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.	Information for FY 2017-18 are as below: % of PAT given as dividend 145.90%						
6	Whether shares are listed (if yes, name of stock exchange and price of the share as on date)	<i>(Amount in Rs.)</i> <table border="1"> <thead> <tr> <th></th> <th>NSE</th> <th>BSE</th> </tr> </thead> <tbody> <tr> <td>Price as on 10.05.2019</td> <td align="center">241.25</td> <td align="center">241.55</td> </tr> </tbody> </table>		NSE	BSE	Price as on 10.05.2019	241.25	241.55
	NSE	BSE						
Price as on 10.05.2019	241.25	241.55						
7	Any change in Capacity during the year or next year(MoU Year)	An addition of 53.12 MT of coal production is proposed in 2019-20 against the production of 606.88 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)	Production of 29 mines suspended during 2018-19(till Feb' 19) & 5 new mines are likely to start contribution during 2019-20.						
9	Brief about the Sector in which the CPSE is operating and national and international environment, regulatory environment etc.	Major chunk of CIL production is power grade coal with CIL's despatch to power house during 2017-18 was about 456 Mt & during the 2018-19 is 488 MT. CIL is under administrative control of Ministry of Coal, Govt. of India. 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.	Separate sheet attached as Annexure-A.						
14	No. and Name of Joint Venture Companies along with amount invested and share in its profit during last five years.	Separate sheet attached as Annexure-B.						

Annex – II
Mandatory Parameters
Part A
Coal India Limited

Sl. No.	Financial Performance Criteria	Unit	Marks	2018-19 (RE)	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	92000	85862 (2017-18)	100000	95000	90000	85000	80000	3.26
2	Operating Profit Operating profit (Profit before Tax excluding other Income, Extraordinary and Exceptional Items) Operating profit as a percentage of Revenue from operations (net).	%	20	15.00	22.25 (2013-14)	17.5	15.50	14.50	14.00	13.50	3.33
3	Return on investment: PAT / Average Net Worth	%	20	58.15	38.46 (2015-16)	68	65	63	62	61	11.78
	Total (A)		50								

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

**Other Parameters
Part B
Coal India Limited**

Sl. No.	Performance Criteria	Unit	Marks	2018-19 (RE)	Best in Last 5 years*	MoU Target					Improvement (%)
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
1	Coal Production	Mil.Tonne	07	606.88	567.37 (2017-18)	660	650	640	630	620	7.10
2	CAPEX	Rs. Crs	10	6842.00 (Prov.)	9334.55 (2017-18)	10000	9000	8500	8000	7800	31.54
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	%	4	80	78.20 (2017-18)	100	95	90	85	80	18.75
4	Inventory of finished goods and work in progress to Revenue from operations (Net)	No. of Days	3	23	21 (2017-18)	21	23	26	28	30	-
5	Trade receivables (Net) as number of days of Revenue from Operations (gross)	No. of Days	3	22	24 (2017-18)	20	22	24	26	28	-
6	Reduction in claims against the Company not acknowledged as debt on overall basis.	%	3	-	19.57 (2017-18)	15	12	10	8	6	-
7	Production Efficiency Parameter: 04 Marks										
i	% Improvement in Departmental Equipment Capacity Utilization of OC Mines over previous year	%	2	68.45* *Absolute Value in %	New parameter	15	12	10	8	6	12