

MEMORANDUM OF UNDERSTANDING

BETWEEN

MAHANADI COALFIELDS LIMITED

&

COAL INDIA LIMITED.

2019 – 20

Brief about (Mahanadi Coalfields Limited).**Annex-I**

1	Name of the CPSE	Mahanadi 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 2018-19, 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 2018-19 are as below: Buyback of shares 442967 nos, Rs.44.2967 crs. % of PAT given as dividend 64.20%
6	Whether shares are listed (if yes, name of stock exchange and price of the share as on date)	
7	Any change in Capacity during the year or next year(MoU Year)	An addition of 15.85 MT of coal production is proposed in 2019-20 against the production of 144.15 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)	NIL
9	Brief about the Sector in which the CPSE is operating and national and international environment, regulatory environment etc.	MCL mainly produces power grade coal .MCL's despatch to power sector during 2017-18 was about 99.274 MT &during 2018-19 is 102.527 MT. MCL is a subsidiary of CIL.CIL is under administrative control of Ministry of Coal, Govt. of India. Various Acts and Rules are applicable for the operation of coal mines in India namely, The Mines Act, 1952, Coal Mines Regulation, 2017, Indian Electricity Rules 1956, Mines Rules etc.
10	Details of revival plan if approved	<i>N.A</i>
11	Any adverse comments by statutory auditors and its impact on Revenue/Profit/Loss/Assets/Liabilities.	<i>NIL</i>
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-C .
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-D .

Other Parameters
Part B
Mahanadi Coalfields Limited

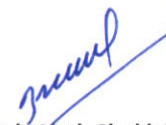
Sl. No.	Performance Criteria	Unit	Marks	2018-19 (Actual)	Best in Last 5 years*	MoU Target					Improvement (%)
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
1	Coal Production	Mil.Tonne	05	144.15	143.06 (2017-18)	160.00	157.60	155.20	152.70	150.30	9.33
2	CAPEX	Rs. Crs	8	1423.09	1367.87 (2017-18)	1700.00	1530.00	1445.00	1360.00	1326.00	7.51
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	84.21	-	100	95	90	85	80	12.81
4	Inventory of finished goods and work in progress to Revenue from operations (Net)	No. of Days	3	9.13	6.65 (2016-17)	9	10	13	15	17	
5	Trade receivables (Net) as number of days of Revenue from Operations (gross)	No. of Days	3	6.44	7.95 (2013-14)	8	10	13	15	17	
6	Reduction in claims against the Company not acknowledged as debt on overall basis.	%	3	2.74	24.09 (2017-18)	15	12	10	8	6	
7	Production Efficiency Parameter: 04Marks										
i	% Improvement in Departmental Equipment Capacity Utilisation of OC Mines over previous year.	%	3	New parameter	New parameter	85.00	74.00	63.30	53.00	48.00	
ii	% Improvement in Departmental Equipment Capacity Utilisation of UG Mines over previous year.	%	1	New parameter	New parameter	28.30	25.50	24.00	22.60	21.60	

Sl. No.	Performance Criteria	Unit	Marks	2018-19 (Actual)	Best in Last 5 years*	MoU Target					Improvement (%)
						Excellent	V.G.	Good	Fair	Poor	
						100%	80%	60%	40%	20%	
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



(Bholu Nath Shukla)
Chairman-Cum- Managing Director
Mahanadi Coalfields Limited.

Annex III
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	VG
1	Revenue from Operations -Gross	Rs. crore		13698.06	15693.71	20599.85	24293.38	23435.19	26380.34	28,277.27	28,704.09
	Revenue from Operations -Net		Actual	10522.12	11668.48	13458.93	13976.92	14451.70	17013.00	18,244.14	18,519.69
2	a. Profit before Tax	Rs. crore		5429.08	5314.24	6260.41	6852.41	7336.88	9277.49	9,786.44	10,040.72
	b. Other Incomes			1526.24	1384.25	1346.28	1484.02	1211.89	1568.50	1,509.89	1,555.19
	c. Extraordinary & Exceptional items			1.82	0.00	0.00	0.00	0.00	0.00		
	d. Prior Period Items			0.00	-10.22	-22.33	0.00	0.00	0.00		
	e. Operating Profit/ Loss (a-b+/-c+/-d)		Actual	3904.66	3919.77	4891.8	5368.39	6124.99	7708.99	8,276.55	8,485.53
	Operating Profit (%)	%		37.11%	33.59%	36.35%	38.41%	42.38%	45.31%	45.37%	45.82%
3	a. PAT	Rs. crore		3624.30	3554.10	4184.72	4489.70	4758.51	6035.95	6,367.08	6,532.51
	b. Net Worth at year end			5561.89	4476.04	4317.70	3376.54	2901.51	3833.54	5,595.12	5,640.89
	c. Average Net worth			7249.74	5018.97	4396.87	3847.12	3139.03	3367.53	4,714.33	4,737.21
	d. 1) PAT/ Net Worth	%	Actual	65.16%	79.40%	96.92%	132.97%	164.00%	157.45%	113.80%	115.81%

	2) PAT/ Avg Net Worth		Actual	49.99%	70.81%	95.17%	116.70%	151.59%	179.24%	135.06%	137.90%
	f. Paid-up Share Capital			186.40	186.40	186.40	141.23	706.13	661.84	661.84	661.84
	g. Gol share										
	h. Reserves and surplus			5375.49	4289.64	4131.30	3235.31	2224.33	3190.06	4,951.64	4,997.41
4	Total Expenses	Rs. crore		6617.46	7748.71	8567.13	8608.53	8326.71	9304.01	9,967.59	10,034.16
5	Total Incomes			12048.36	13052.73	14805.21	15460.94	15663.59	18581.50	19,754.04	20,074.88
6	Total expenses/ Total Incomes	%		54.92%	59.36%	57.87%	55.68%	53.16%	50.07%	50.46%	49.98%
7	Detail of other incomes										
	a. Interest	Rs. crore		1366.91	1239.23	1206.97	1288.57	1047.30	1220.88		
	b. Dividend			43.40	54.98	92.29	114.45	107.26	102.41		
	c. Other Incomes			115.93	90.04	47.02	81	57.33	245.21		
	d. Total			1526.24	1384.25	1346.28	1484.02	1211.89	1568.5	1,509.89	1,555.19
8	a. Cash and Bank Balance and equivalent			10179.45	10514.68	11611.96	15116.73	13376.48	13299.18		
	b. Investment in mutual funds			653.00	225.00	1345.00	202.00	0.00	1000.83		
	c. Investment in shares other than subsidiary/ JVs)			0.00	0.00	0.00	0.00	0.00	0.00		
	d. Total (a+b+c)			10832.45	10739.68	12956.96	15318.73	13376.48	14300.01		
	e. Cash credit/ Over-draft loan/ Short-Term loan			0.00	0.00	0.00	0.00	0.00	0.00		
	f. Balance in Current account			226.56	199.47	226.51	396.48	205.49	432.07		
9	Dividend paid/ declared for the year, excluding Dividend Tax			5983.16	3841.82	3608.45	2982.00	4350.00	3875.00	3,820.25	3,919.50

Annex III
PART B - TREND Analysis

Sl. No.	Financial Performance Criteria	Unit	Target	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 (Actual)	2019-20 Tgt	
			v/s Actual							VG	Excellent
1	Coal Production	Mt	Actual	110.44	121.38	137.90	139.21	143.06	144.15	157.60	160.00
2	CAPEX	Rs. crore	Actual	876.84	836.50	1202.82	1279.00	1367.87	1423.09	1530.00	1700.00
3	CAPEX contracts/ projects running/ completed without time/ cost overrun to total value of CAPEX	%	Actual	-	-	-	-	79.07	84.21	95	100
4	Inventory of finished goods and work in progress (coal)	Rs. crore		418.53	386.79	346.82	254.70	400.78	425.46	499.84	456.65
5	Inventory of finished goods and work in progress to RO(Net)	Days	Actual	14.52	12.10	9.41	6.65	10.12	9.13	10.00	9.00
6	Trade Receivables (net)	Rs. crore	Actual	298.39	447.30	1123.16	1066.49	606.86	465.24	774.72	629.13
7	Trade receivables (Net) as number of days of RO(gross)	Days	Actual	7.95	10.40	19.90	16.02	9.45	6.44	10.00	8.00

RO- Revenue from Operation

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

Sl. No.	Parameter
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.	Operationalisation of succession plan as per CIL Executive Talent Management Policy.
iv.	Updation of Biodata & its verification of all eligible candidates for DPC up to the 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 e.g. IITs, IIMs, NITs, ICAI. etc.
vi.	Regular updation of Online Human Resource Management System (HRMS).
vii.	Submission of recommendation of Initial Review Committee for the cases of Executives who will be attaining the age of 50/55 years till the quarter of January 2020 to March 2020 by 30 th September 2019.
viii.	Implementation of HR Audit Recommendations.

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

Annexure-B

Sl.	Initiatives	Description	Timeline	Communication to CIL HQ
1	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
2	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
3	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
4	Organizing Physical Wellness Programme focusing on Yoga & Meditation sessions, martial arts etc.	Modalities to be decided by each Subsidiary	On 15th of that month till December 2019	Share the compiled all area/hq photos by 30th of that month
5	Organizing Mental Wellness Programme focusing on Stress Management	Modalities to be decided by each Subsidiary	On 15th of that month till December 2019	Share the compiled all area/hq photos by 30th of that month
6	Organizing Therapeutic Wellness Programme focusing on various fun therapy such as dance therapy, music therapy etc.	Modalities to be decided by each Subsidiary	On 15th of that month till December 2019	Share the compiled all area/hq photos by 30th of that month
7	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
8	Awareness programme on Females Lifestyle diseases such as Breast Cancer, PCOS, Cervical cancer or any other gynaecological diseases, amongst other diseases	Atleast 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
9	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

Sl.	Initiatives	Description	Timeline	Communication to CIL HQ
10	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
11	Programmes on Gender sensitization	Awareness amongst Male employees to emphasize with the Female employees on personal as well as professional front	By 31st December 2019	Communicate details with photo by 31st Dec. 2019
12	"Prerna"-Engage Females in organizing one unique CSR Activity for the benefits of localities (around their office)	Subsidiary to recognize /initiate such unique activity(ies) which Females employees will undertake during the CSR Pakhwada for the benefits of localities (around their office)	During CSR Pakhwada 2019	To be communicated to the CSR Dept of CIL HQ at the end of Pakhwada of 2019
13	Women Safety in work place	Two programmes each of one day	3 rd week of November' 19	To be communicated to Policy Cell, CIL
14	Leadership development for women employees	One Programme to be conducted	3 rd week of November' 19	To be communicated to Policy Cell, CIL
15	Workshop on work life balance for female employees	One programme to be conducted	By 31 st December' 19	To be communicated to Policy Cell, CIL

Annexure – C

Company	2013-14		2014-15		2015-16		2016-17		2017-18		2018-19	
	Investment (Rs Cr)	PBT (Rs Cr)	Investment (Rs Cr)	PBT (Rs Cr)	Investment (Rs Cr)	PBT (Rs Cr)	Investment (Rs Cr)	PBT (Rs Cr)	Investment (Rs Cr)	PBT (Rs Cr)	Investment (Rs Cr)	PBT (Rs Cr)
MJSJ Coal Ltd	57.06	---	57.06	---	57.06	---	57.06	---	57.06	---	57.06	---
MNH SHAKTI Ltd	59.57	---	59.57	---	59.57	---	59.57	---	59.57	---	59.57	---
Mahanadi Basin Power Ltd	0.05	---	0.05	---	0.05	(0.02)	0.05	(0.01)	0.05	(0.01)	0.05	(0.03)
Mahanadi Coal railway Ltd					0.03	---	0.03	(0.01)	0.03	(0.01)	0.03	(0.01)

Details of Subsidiaries of Mahanadi Coalfields Limited with amount invested in Share Capital and share in its profit (during last five years)

a. Investment in JVs (Book value)*(Amount in Rs. Crores)*

Joint Ventures	2018-19	2017-18	2016-17	2015-16	2014-15
NIL					

b. Total Share in Profits/losses from JVs*(Amount in Rs. Crores)*

Joint Ventures	2018-19	2017-18	2016-17	2015-16	2014-15
NIL					

MCL-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	MCL	Ananta OCP Expn. Ph-III	15	Possession of Forest land (30 Ha)	207.28	Mar-20
2	MCL	Bhubaneswari OCP	20	Construction of SILO (80 %)	490.1	Mar-20
3	MCL	Jagannath Re-organisation	6	Coal production 5.0 MT in Extension Area	337.66	Mar-20
4	MCL	Hingula-II OCP Expn. Ph-III	15	Possession of Forest land (23 Ha).	479.53	Mar-20
5	MCL	Balaram OCP Extension	8	2nd phase levelling at Jammunalli R&R site.	172.08	Mar-20
6	MCL	Kaniha OCP	10	Sanction of compensation for Land, Tree and Structure of village Balarampur, Kaniha and Adaitaprasad (2nd phase)	457.77	Mar-20
7	MCL	Basundhara (W) Extn	7	Online Submission of Final EMP to MoEFCC for grant of EC (8.75Mty)	620.42	Mar-20
8	MCL	Kulda OCP	10	Construction of diversion road from Bankibahal Chowk to Chattarjhor Nallah along Basundhara River over embankment at Basundhara Area (phase-I)	302.96	Mar-20
9	MCL	Kulda Expn OCP	15		319.26	
10	MCL	Siarmal OCP	40	Consideration in EAC for grant of EC (50 Mty)	3756.36	Mar-20
11	MCL	Garjanbahal OCP	10	Coal Production of 4.0 MTe	1375.38	Mar-20