

**DELEGATION OF POWER TO THE CCL BOARD AND CMD, CCL
(WITH EFFECT FROM 01.05.2019)
(APPROVED IN 471ST BOARD MEETING HELD ON 28.03.2019 AND
CONFIRMED IN 472ND BOARD MEETING HELD ON 29/30.04.2019)**

General Principles governing the Delegation of Powers

1. Delegation of Powers is an effective instrument for expeditious decision making and efficient management.
2. The delegation is made keeping in view the objectives of the company and its accountability to the Government.
3. Certain guidelines are issued by the Government from time to time and they are applicable to all public sector undertakings and have the same force as if incorporated in the Articles of Association. All delegated powers are circumscribed by these guidelines.
4. The delegated powers shall be exercised in line with the established procedures. The recommendation of the committees should be put up to the competent authority for approval.
5. It is an accepted principle in the administration of public funds that in all decisions involving financial implications or which entail departure from an agreed norm, prior concurrence of the Finance shall be obtained.

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DELEGATION OF POWER TO BOARD OF DIRECTORS

OF

CENTAL COALFIELDS LIMITED

The Board shall exercise all powers within the provisions of Article of Association of Central Coalfields Limited and powers delegated by Government/ DPE/CIL from time to time.

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DELEGATION OF POWER TO THE CHAIRMAN-CUM-MANAGING DIRECTOR [CMD],
CENTRAL COALFIELDS LIMITED [CCL]
(Effective from 01.05.2019)

1. The Board of Directors [hereinafter referred as 'Board'] of Central Coalfields Limited [hereinafter referred as 'Company'] shall exercise all powers within the provisions of Articles of Association of the Company and powers delegated by the Government/ DPE/ CIL from time-to-time.
2. The Chairman-cum-Managing Director [hereinafter referred as 'CMD'] of the Company shall exercise full powers of the Board in all matters of administrative/ operational nature except those items listed in **Appendix-A** which will require the approval of the Board.
3. In special circumstances, the CMD may, within the ambit of operational necessity and efficiency or to meet with an emergency, take decision of behalf of the Board, excluding those that may be exercisable by the Board by means of resolutions passed at the meetings of the Board, provided that a report thereon detailing the emergent situation shall be placed before the Board for approval/ratification in the immediately succeeding meeting of the Board.
4. The CMD shall have full powers on behalf of the Company to institute suits, prosecute cases, defend, compound, compromise, or abandon legal proceedings or refer the claims for arbitration and sign vakalatnama, plaints, complaints, written statements, pleadings and other documents and papers in connection with all cases of proceedings in Law / Labour Courts or before the Taxation or any other Statutory/ Administrative authorities, etc.
5. The CMD shall have full powers on behalf of the Company to make and give receipts, release and other discharges for moneys payable to the Company and authorize any of the Directors/Officers/Executives to sign bills, notes, receipts, acceptances, endorsement cheques, release contracts and documents on behalf of the Company.
6. The CMD may sub-delegate, in the interest of better management of the business and affairs of the Company, any of the powers delegated to the CMD hereunder to any of the Directors/Officers/Executives of the Company.

Provided that the exercise of all such powers as so sub-delegated by the CMD shall be subject to the ultimate control, supervision and authority being retained by the CMD, which shall include, without limitation, the authority to revoke, withdraw, alter, modify or otherwise or vary all or any, the powers so sub-delegated by the CMD.

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Provided further that any sub-delegation by the CMD shall be placed before the Board for appraisal/ information.

7. The CMD shall exercise the delegated powers subject, at all times, to due compliance with the following, in each case, as may be amended and modified from time to time.
 - a. Provisions of the various applicable laws, (including, without limitation, the Companies Act, 2013) and all rules and regulations made thereunder; all orders, directions, guidelines, as may be, issued by the relevant Government, judicial authorities and government authorities (collectively the “Applicable Laws”);
 - b. The rules, policies, budgets, guidelines and regulations as may be approved/laid down by the Board (collectively the “Board Guidelines”); and
 - c. The Memorandum of Association (“MoA”), Articles of Association (“AoA”), and Code of Conduct of the Company.
8. The CMD shall exercise the delegated powers subject also to the following:
 - a. All projects & contracts shall be concluded only on the written & well reasoned recommendations of the Committee.
 - b. All appointments/promotions shall be made through duly constituted Selection Committee/Departmental Promotion Committee.
 - c. Sale of moveable property shall be made through public auction after following prescribed procedure of survey off and condemnation.
 - d. Company should ensure existence of adequate management information system to monitor activities/performance of all Departments, Areas, etc.
9. Nothing contained herein shall be deemed to, in any manner restrict or limit, the authority of the Board to revoke, withdraw, alter, modify or otherwise or vary all or any, the powers delegated hereunder and/or the manner of delegation of such powers, and/or the delegate of such powers.
10. Nothing contained herein shall be deemed to, in any manner restrict or limit, the power of the Board to directly exercise any power delegated to the CMD (including any power further sub-delegated by the CMD), and the Board shall be entitled to exercise all such powers, notwithstanding any such delegation.

Conversely, for the reasons recorded in writing, CMD may request the Board to consider any proposal falling within his delegated powers.

11. In the exercise of any power, the CMD shall exercise commercial prudence to ensure that the Company receives adequate value for money and/or other resources expended by the Company and there is fairness and equity in Company’s dealings with all its stakeholders, including the employees, service providers, contractors, supplies, and third parties.

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Appendix-A

Sl. no.	Item	Delegation of Powers to the Board of Directors
A	COMPANY MATTERS	
A-1	Mergers & Acquisition in India and abroad	All proposals shall require approval of the Board who shall exercise the powers subject to the conditions that; (i) it should be as per the growth plan and in the core area of functioning of the PSE, (ii) conditions/limits would be as in the case of establishing joint ventures/ subsidiaries, and (iii) the Cabinet Committee of Economic Affairs (CCEA) would be kept informed in case of investments abroad
A-2	Joint Ventures, subsidiaries and overseas offices	All proposals shall require approval of the Board who shall exercise the power subject to the following: a) The ceiling on equity investment to establish joint ventures and subsidiaries in India shall be 15% of the net worth of the Company in one project limited to Rs.500 Crore. b) The overall ceiling on such investment in all projects put together shall be 30% of the net worth of the Company. c) The establishment of Subsidiaries and opening of offices abroad may be finalized with the concurrence of the Administrative Ministries.
A-3	Technology joint ventures and strategic alliances	All proposals to enter into technology joint ventures, strategic alliances and to obtain technology and know-how by purchase or other arrangements subject to Government guidelines as may be issued from time to time.
A-4	Starting ancillary Industries	All proposals shall require approval of the Board.
B	BUDGET	
B-1	Capital Budget	Capital Budget shall require approval of the Board.
B-2	Revenue Budget	Revenue budget shall require approval of the Board. <i>Note: Prior approval of CIL Board to be taken if budgetary support is required.</i>
B-3	Re-allocation of capital Funds	All proposals for re-appropriation of capital funds subject to the following shall require approval of Board: a) It falls outside the budget approved by the Board; or b) It is for diversion of funds earmarked for a new project.

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Sl. no.	Item	Delegation of Powers to the Board of Directors
C	CAPITAL WORKS	
C-1	New projects/ Schemes included in the approved plan outlay and Budget	All proposals beyond Rs.20.00 Crore in each case. <i>Note: All proposals beyond Rs.500.00 Crore in each case or beyond net worth of the Company or beyond such amount as may be specified by the Government of India guidelines on the subject from time to time, whichever is less would require approval of CIL Board.</i>
C-2	New projects/ Schemes not included in the approved plan outlay and Budget	All proposals beyond Rs.5.00 Crore in each case or beyond 50% of the approved capital budget of previous year taking all activities together, whichever is lower.
C-3	Deviation in the approved Project Report or Capital expenditure in excess of sanctioned estimates	Beyond 10% of the originally approved project cost in each case or beyond limit of sanctioning power to the CMD to approve projects, whichever is higher.
D	PURCHASE AND CONTRACT	
D-1	Purchase orders/ Contracts	<p><u>On Open Tender</u></p> <p>a) Lowest Tender – beyond Rs.19.00 Crore b) Single Tender – beyond Rs.2.00 Crore</p> <p><u>On Limited Tender</u></p> <p>a) Lowest Tender – beyond Rs.5.00 Crore b) Single Tender – beyond Rs.2.00 Crore</p> <p><u>Without Calling for Tender</u></p> <p>a) Purchase of Proprietary items from O.E.M. – beyond Rs.4.00 Crore b) Without Tender through negotiation – beyond Rs.30.00 Lakh (reasons to be recorded in writing) c) Approval for repair contract value (Spares plus Services etc.) – beyond Rs.1.00 Crore in respect of repairs on single enquiry basis through OEMs/their authorized service agencies.</p> <p><u>Repeat Order:</u> Beyond 25% of the original ordered value.</p>
D-2	Sanction local purchase	Beyond Rs.2.00 Crore per annum.
D-3	Changes in the rates of approved contracts	All proposals where contract value exceeds Rs.2.00 Crore.
D-4	Grant of Quantity and/or Time Extensions	All proposals outside the policy approved by the Board.
D-5	Settlement of disputes with suppliers/ contractors	Beyond Rs.1.00 Crore of disputed amount in each case and beyond Rs.5.00 Crore per annum.

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E	SALES	
E-1	Sale of coal and other products at negotiated prices/ other than notified prices including e-auction.	All proposals outside the policy laid down by the Government/ CIL Board/ Board.
E-2	Sale of scraps, unserviceable/ obsolete spares, tyres, and surveyed off equipment.	All proposals beyond Rs.10.00 Crore in each case.
E-3	Sale of movable property.	All proposals beyond Rs.50.00 lakh in each case, or Rs.15.00 Crore per annum, whichever is lower.
E-4	Sale of surplus/ obsolete immovable property other than acquired area/land.	All proposals shall require Board approval.
F	OTHER FINANCIAL MATTERS	
F-1	Borrowings	All proposals for borrowing other than for working capital, subject to guidelines issued by the CIL.
F-2	Investment of Company's Funds.	All proposals outside the guidelines issued by CIL/ Govt. from time to time and policy approved by the Board.
F-3	Loans/advances to other than employees.	All proposals and those for payment of advance or any deposits with government bodies, Central/State PSUs like Railways, Rites, etc; beyond Rs.25.00 lakh.
F-4	<i>Ex-gratia</i> payment other than in accordance with the Scheme.	All proposals shall require Board approval.
F-5	Grants and donations	All proposals beyond Rs.1.00 lakh in each case or beyond Rs.25.00 lakh per annum, whichever is lower. <i>Note: Contributions to political parties, directly or indirectly, is strictly prohibited.</i>
F-6	Publicity and advertisement	All proposals beyond the approved budget.
F-7	Entertainment	All proposals beyond the approved budget.
F-8	Program/Activity Sponsorships	All proposals beyond Rs.1.00 lakh in each case; or beyond Rs.25.00 lakh per annum, whichever is lower.
F-9	Any other revenue expenditure	All proposals beyond the approved budget.
G	OTHER EXPENDITURE	
G-1	Hiring of land and Buildings	All proposals beyond Rs.5.00 lakh per annum in each case and total of Rs.60.00 lakh per annum, whichever is lower.

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Sl. no.	Item	Delegation of Powers to the Board of Directors
G-2	Hiring of Firms & Institutions as Consultants	<p>(i) All proposals beyond Rs.10.00 lakh in each case; or beyond Rs.50.00 lakh per annum, whichever is lower. <i>Note: All proposal of hiring of consultant on nomination basis shall require approval of Board</i></p> <p>(ii) All proposals beyond Rs.20.00 lakh in each case of Public Institution like CIMFR/ISM/BHU/IIT/TERI etc. <i>Note: All proposals for hiring of consultants on nomination basis beyond the limits specified above shall require Board approval. All proposals shall be GFR compliant.</i></p> <p><i>Note: All proposals requiring hiring of foreign consultancy firms would require approval of CIL Board.</i></p>
G-3	Hiring of Individual experts/ advisor.	All proposals beyond the policy/guidelines of CIL shall require Board approval.
G-4	Engagement of CA/CMA/CS firms for internal audit, stock/assets verification, performance audit, secretarial audit, Tax audit, GST audit, etc.	All proposals shall require Board approval.
H	WRITE-OFF OF LOSSES	
H-1	Write-off of loss in coal stocks periodically due to deterioration.	Beyond the limits prescribed by the CIL Board.
H-2	Write-off of stocks.	Beyond the limits prescribed by the CIL Board.
H-3	Write-off of losses otherwise than due to deterioration.	Beyond the limits prescribed by the CIL Board.
H-4	Waiving of compensation from contractors/ suppliers.	Beyond the limits prescribed by the CIL Board.
H-5	Write-off of loss of cash.	Beyond the limits prescribed by the CIL Board.
H-6	Survey off	All proposals for premature survey off of assets beyond Rs.10.00 lakh or for machines/ vehicles that have completed its rated life but the proposal falls outside the guidelines issued by CIL.
H-7	Write-off/Demolition of civil construction on account of mining/ safety consideration	All proposals where written down value exceeds 10% of the original cost.
I	PERSONNEL MATTERS	
I-1	Schemes for HRD	All proposals to structure and implement schemes relating to personnel and human resource management, training, voluntary or compulsory retirement schemes, etc.

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Sl. no.	Item	Delegation of Powers to the Board of Directors
I-2	Framing of Recruitment, Services, Conduct and other rules in case of non executives.	All proposals shall require approval of the Board.
I-3	Formation of Cadres	All proposals shall require approval of the CIL Board.
I-4	Pay Scales, Revisions, Grant of Allowances, Perquisites etc.	All proposals shall require approval of the CIL Board.
I-5	Creation of posts.	All proposals for creation of Executive posts beyond E-4 grade and for creation of any post outside the manpower budget approved by the Board subject to CIL guidelines issued from time to time.
I-6	Appointments.	All proposals for Executive posts subject to CIL guidelines issued from time to time. <i>(Note: In case of appointment non executives full/powers will be exercised by Board).</i>
I-7	Deputation Abroad	All proposals shall require approval of the Board.
I-8	Opening of Schools, Training centre, skill development centre etc.	All proposals outside the policy laid down by the Board.
I-9	Allotment of Company's quarters to other than employees.	All proposals outside the policy laid down by the Board.
J	MISC. ADMINISTRATIVE MATTERS	
J-1	Payment of land Compensation for land acquired under CBA(A&D) Act 1957 & RFCTLARR Act 2013	All proposals outside the policy laid down by the Government/ CCL Board/CIL Board/ Ministry/ CIL R&R Policy. <i>(Note: all proposals approved by CMD should be under intimation to the Board).</i>
J-2	Payment of R&R benefits such as shifting allowance, ex-gratia/ compensation in respect of civil structure, Trees, Crops standing on the land acquired under CBA (A&D) Act 1957&RFCTLARR Act 2013 and lump-sum payment of Rs. 3lakh to adult in lieu of alternate house site.	All proposals outside the policy laid down by the Government/ CIL Board/ CCL Board/ Ministry/ CIL R&R Policy.
J-3	Payment to State Forest Dept. for plantation work, compensatory afforestation, penal CA, NPV etc.	All proposals outside the policy laid down by the Government/ CIL Board/ CCL Board.
J-4	To approve CSR Schemes/Projects	All proposals beyond Rs.25.00 lakh in each case or beyond the provision for CSR expenditure laid down in the Companies Act, 2013.

---The End---