



वेस्टर्न कोलफील्ड्स लिमिटेड

Western Coalfields Ltd.

(भारत सरकार का उपक्रम)

(A Govt. Of India Enterprise)

मु.महाप्रबंधक (योजना एवम परियोजना) का कार्यालय Office of the C.G.M. (Projects & Planning)

पंजीकृत कार्यालय: कोल एस्टेट, सिविल लाइन्स, नागपुर - 440001 फ़ैक्स क्रमांक - 0712 2512440

Regd. Office.: Coal Estate, Civil Lines, Nagpur - 440 001. Telephone No - 0712 2512350

e-mail : gmcpcwclplanning@ymail.com

Ref. No.: WCL/PLG/2014-15/923

Date: 14.01.2015

To,
The Head,
Department of Business Management,
Rashtrasant Tukadoje Maharaj Nagpur University,
Nagpur.

Sub:- Work award for Consultancy assistance to develop a business model to enable Western Coalfields Limited to open new projects with special emphasis on cost analysis and reorientation of existing loss making ongoing projects for sustaining the production and viability'.

Dear Sir,

With the reference in above ,Iam to inform you that the competent authority is pleased to award the above work to your organisation for a total value of 2477000/- inclusive of service tax @ 12.36% and education cess as may be applicable..

The scope of work in detail is as below:-

The Scope of Work shall include the following activities grouped further into separate modules:

3.1 Corporate Objective

To develop a business model to enable Western Coalfields Limited to open new projects with special emphasis on cost analysis and reorientation of existing loss making ongoing projects for sustaining the production and viability.

3.2 Business Environment Analysis and Forecasting:

- Analysing the existing loss making on-going projects considering their techno-economic parameters and also study the future scenario thereon considering the existing infrastructures.
- To consider the present & future scenario of capital requirements of each loss making ongoing project as per provision of PR and prepare a comparative statement over financial parameters (head wise) after updation of the same.
- Study and suggest required changes in technical/financial parameter to sustain the production of such loss making project fulfilling norms of financial viability.
- Study the overall technical and financial aspects of each approved but not commissioned project report of ongoing and future group. Considering the present / future requirement of capital & financial viability in order till maintain in existing capacity and manpower of the Company in future also.
- Prepare a business model to enable WCL to open new projects with emphasis on cost analysis for sustaining the production and viability.



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- vi) Issues related to hindrance coming out of land acquisition /getting physical possession of land / forestry/environmental clearances, cost plus issues, R&R Policy, RRZ Policy etc. must also be studied and addressed for each such approved ongoing/future project, not commissioned yet?
- vii) Future R & D activities – likely thrust areas in energy sector in general and coal sector in particular, worldwide and in Asia.
- viii) Techno-economical analysis of cost plus projects with special emphasis on market strategy of every sector / govt. sector.

3.3 Strategies for production de-bottlenecking, cost reduction & Quick Wins

- i) Examination of cost structure (direct & indirect) across Corporate & Areas (nature & quantum) at different levels across both core & support processes
- ii) Identify potential levers of cost reduction.
- iii) Prioritise the initiatives based on criticality and impact on Client
- iv) Identification of quick win opportunities that result in tangible gains in short span of time without significant investments
- v) Asses potential benefits of defined improvements initiative and suggest internal requirement where ever applicable
- vi) Ways to fully de-bottleneck production at existing Client's mines.

3.4 Marketing Strategy

- i) Build scenario and assess implication of likely legal and structural changes in energy market scenario – with specific reference to coal market
- ii) Segment mapping and identification of opportunities and threats in each segment for evolving a positioning strategy to continue to be the leader in the changed market scenario
- iii) Assessment of existing customer management approach & processes in line with the global best practises and define improvements initiatives for Client.
- iv) Suggest strategy for Customer Relationship Management(CRM)
- v) Analysing and forecasting different external factors to influence pricing policy and developing a pricing strategy for the entire product spread
- vi) Restructuring of marketing and distribution organisation, if needed.

3.5 Risk Management strategy



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- i) Identification of marketing, operational and financial risks.
- ii) Assessment of risks.
- iii) Suggest risk management strategies.

3.6 Mining technology & Product Development including meeting climate change issues

- i) Examine trends in coal mining and consumption, technology up gradation, capital spending, etc. to determine the product areas with maximum potential.
- ii) Assess mining techniques practiced by the Client and compare it with methods and equipment in other Subsidiary.
- iii) Examining various means of improving product quality and product mix to provide optimum benefit both to customer and the company.
- iv) Suggest appropriate product development technology.
- v) Examine Environment management policy of the Client and suggest specific initiatives required to meet the climate change issues without compromising on Client's interest.
- vi) Mass production technology in underground mine/Existing mine

3.7 Business Modelling ,Change Management & Implementation Plan

- i) Based upon defined strategy & growth objectives formulate a long term business plan highlighting capital and revenue expenditure, income and fund flow, undertake setting of Key Responsibility Areas (KRAs) & Key Performance Indicators (KPIs).
- ii) Define a frame work for identifying physical/financial/manpower requirement in line with defined strategy
- iii) Identification of financial variables & risks and evolve different financial scenarios through generation of a business model.
- v) Identify key changes across various levels and suggest change management strategy. Also suggest profile of change leaders.
- vi) Organise (a) various sensitization programs for top management level, and (b) interactive workshops for middle management level for acceptability of the changes and implementation of different modules of Business Model.
- vii) Formulate reporting mechanisms to monitor the implementation of the business improvement plan on a rolling basis, and provide continuous updates to highlight deviations from the plan

4.1 The field work should be carried on Based on 3.1 to 3.7



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The field work should be carried on 05 Under Ground Projects(Patharkhera Area - 01mines, , Pench Area -01 mines,Kanhan Area -01 mines, Chandrapur Area -01 mines& Wani North Area-01 mines) 04 Nos.of Opencast mine(01 no. in Wani area,01 no in Pench Area,01 mine Ballarpur area ,01 mine in Nagpur area) and CMPDI for analysis of PR preparation module .However,the gainful utilization of existing infrastructure, manpower and other resources are to be taken in to consideration.

5.1 Deliverables & Terms of Payments

5.1.1 20%advance payment will be made.

5.1.2 60% on submission of Final report.

5.1.3 20% on satisfactory completion of assignment. (I.e.approval of WCL Board of Final report.)

Sl	Deliverables	Time schedule of delivery from date of Contract
1	Inception Report	45 days
2	Interim Report	Four months
3	Draft Report	Eight months
4	Final Report	Fifteen months
5	Sensitization Programmes	Six months
6	Interactive Workshops at various levels involving all Area of WCL	Eight months
7	Implementation Plan, Change Management Plan & Business Model - (Draft)	Twelve months
8.	Implementation Plan, Change Management Plan & Business Model - (Final)	Fifteen months

All the deliverables shall be submitted in one original and 15 (Fifteen) copies along with softcopy in pdf format. 25 copies of Executive summary of the report is required to be submitted.

The acceptance period for the above deliverables shall be as follows:



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|--------------------|----------|
| 1 Inception Report | 45 days |
| 2 Interim Report | 120 days |
| 3 Draft Report | 240 days |
| 4 Final Report | 450 days |

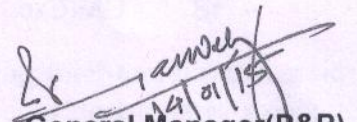
Within the above stipulated days for respective deliverables, the Client will inform the Firm whether the report has been accepted or not. If no acceptance is given within above stipulated days the report will be taken as accepted. Payments will be released only after acceptance of the report within 30 days after presenting the bill along with acceptance certificate from the Client.

The Client shall provide venue and normal classroom facilities for organizing sensitization programmes and interactive workshops. Number of sensitization programmes shall not be less than 4 (four) and number of interactive workshops shall not be less than 12(Twelve).

6.1 Paying authority will be **GENERAL MANAGER (FIN) WCL NAGPUR.**

7.1 The period of contract will be for fifteen month.

8.1 Facilities/Help required from WCL during the project are to be intimated after discussion.


General Manager(P&P)
WCL,HQ,
Nagpur.

Cc:- for kind information.

1.DT(P&P)

Distribution:

1. Notice Board, CMC, WCL, Nagpur
2. Director (Tech) (Operations), WCL, Nagpur
3. Director (Tech) (P&P), WCL, Nagpur.
4. RD, RI-IV, CMPDI, JARIPATKA, NAGPUR.
5. CGM (Operation)



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6. GM/TS to CMD.
7. GM(S&C)
8. General Manager (Production), WCL, Nagpur.
- ✓ 9. General Manager (System), WCL, Nagpur – for display Document on website of WCL
10. GM (NT), WCL (HQ), Nagpur.
11. GM(PR)/HRD,WCL,HQ,Nagpur.-
12. General Manager (Finance), WCL, Nagpur.
13. CGMs/GMs, WCL, Nagpur/Pench/Kanhan/Wani/Chandrapur/Ballarpur/Majri/PKD
WNA/Umrer Areas – with two copies each for displaying on Notice Board.
14. GM (Vigilance) WCL,HQ,Nagpur.
15. GM (CMC) WCL,HQ,Nagpur.
16. Chief of Internal Audit WCL,HQ,Nagpur.
17. GM(E&M) WCL,HQ,Nagpur
18. GM(Exc.) WCL,HQ,Nagpur