

From the Chairman's Desk

Dear colleagues,

We have set ourselves the vision 'To emerge from the position of domestic leader to a leading global player in the energy sector by adopting best practices from mine to market with due care to environmental and societal sustenance.' We are all aware about the key role CIL has to play if it is to contribute to India's remarkable growth story.

To translate this vision into reality, it is imperative that a company such as ours have a robust corporate plan in place. KPMG Advisory Services Limited has been awarded the contract for Consultancy Assistance for Formulation of Corporate Plan of Coal India Limited. The objective of the assignment is to outline a road map for making CIL a global leader. For the next 18 months, KPMG would be spending extensive amount of time on the ground at the CIL Head Quarters and its subsidiaries to understand key issues and hence identify focus areas. Based on in-depth analyses, KPMG would come up with a vision for the company along with a roadmap with key milestones to achieve this transformation.


In an environment which is continuously evolving and becoming competitive, this assignment will help consolidate our efforts in achieving our mission of being the most efficient coal supplier of India. In this context, I wish KPMG all the very best in its endeavour. I would also request that each of us extend full support to KPMG to ensure that this project is a grand success and help us in successfully pursuing the goals set.

Best wishes,

Shri Partha Bhattacharyya

CIL Vision 2020: News

CIL has appointed KPMG to assist in formulating a Corporate Plan to catapult it to a leading global player in the industry. The Terms of Reference for the engagement include the following modules.

Terms of Reference: Corporate Plan for Coal India Limited		
 <p>Corporate Plan</p>	<ul style="list-style-type: none"> Business Environment Analysis and Forecasting New business opportunity analysis Corporate Vision Marketing strategy Strategies for production de-bottle necking, cost reduction & Quick Wins 	<ul style="list-style-type: none"> Capital Management Strategy Supply chain management Risk management strategy Corporate branding Human Resource Strategy Mining technology and strategy development including climate change issues

KPMG team started in mid-November 2009 and has spent last few weeks on the ground both at CIL headquarters and the Subsidiaries to understand the key issues and areas of focus. KPMG submitted the inception report which was discussed with the Core Committee on 1st Jan 2010 and at the CMD Meet on 11th Jan 2010. The name of the project has been finalized “**CIL Vision 2020**”. The Chairman has also agreed to allocate budget for this project as part of the “Change Readiness Exercise”.

KPMG has articulated six aspirations that CIL should pursue in order to accomplish its vision and goals.¹ These aspirations will be further refined through a visioning workshop involving senior management.

Aspiration I: Scale and Revenue – To ensure country’s ability to meet energy needs

- Ensuring energy supply of around 1 billion tonnes of coal equivalent within next ten years through development of coal mines in India and abroad
- Undertake a giant leap in coal production from present level of 400 Mtpa and increase production by 50% in next five years to reach a level of over 600 Mtpa.
- Acquire 50 Mtpa of coal equities abroad in next 10 years.
- Increase in revenue in next 5 years so as to become a US\$ 20 billion company.

Aspiration II: Diversification into related areas – To grow profits in an era of deregulation and garner a larger share of value in the coal chain

- Foraying into power generation, alternative energy sources/ other related adjacencies

Aspiration III: Efficiency Improvement – To reduce / optimize cost in a manner that ensures continuous growth of profits

Aspiration IV: Become an employer of choice – To attract the right talent and retain them

Aspiration V: Focus on Sustainability – To ensure amicable environment for the organization to operate in and grow – both from a social and environmental perspective

Aspiration VI: Focus on Customer Responsiveness / Proximity – To serve the customer better and be prepared for competition in the context of deregulation

¹ 1 Ton of Coal Equivalent (TCE) has been considered to generate 3800 KCal of energy

KPMG Project Contacts

KPMG Project Leadership - Assistance in formulation of Corporate Plan

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In addition to these key people above, a suitably skilled team from KPMG is deployed to cover subsidiaries, areas, units, CIL HQ. In addition, subject matter experts will come in as required to guide the project.

Project Office:

KPMG Advisory Services Private Limited; 10th Floor, Infinity Benchmark, Plot - G-1;
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Nodal officers at Subsidiaries - Contacts

Nodal Officers - Formulation of Corporate Plan

Name & Title	Designation
Mr. M Vishwanathan Eastern Coalfields Ltd	Company Secretary
Mr. P P Gupta Bharat Coking Coal Ltd	GM, Projects & Planning
Mr. P K Guin Central Coalfields Ltd	CGM, Projects & Planning
Mr. Murli Ram Northern Coalfields Ltd	CGM, Projects & Planning
Mr. M K Singh Western Coalfields Ltd	CGM, TS to CMD
Mr. S S Sinha South Eastern Coal Ltd	TS to CMD
r. B N Shukla Mahanadi Coalfields Ltd	GM, Corporate Planning & Projects, Sambalpur
Mr. D P Pandey CMPDI	CGM, Project Appraisal Division
Dr. D Sarkar North Eastern Coalfields	GM, NEC