

An aerial photograph of a coal processing plant. The foreground and middle ground are dominated by large, dark grey piles of coal. A prominent yellow conveyor system is visible, winding through the coal piles. In the background, there are various structures, including a large circular tank and a rectangular building, all set against a hazy, overcast sky. The overall scene depicts a large-scale industrial operation.

# Coal Sector Reforms & Investment Opportunity

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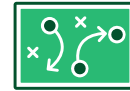
Additional Secretary, Ministry of Coal

# Key reform areas of coal sector in India



## 1. Commercial mining

Coal production by private players without any restriction on end use of coal



## 2. Linkage rationalization

Rationalization of coal linkages to Power/NRS consumers based on distance, cost, quality



## 3. Digitization/ liberalization of approvals

Simplified, quick and transparent approvals via online systems



## 4. Land use policy

De-coaled land acquired under Coal Bearing Area Act 1957 to be used for coal infrastructure and other development activities



## 5. Coking coal enhancement

Enhancement of quantity and quality of domestic coking coal



## 6. Coal gasification

Using coal reserves for clean coal technologies like coal gasification



## 7. Coking coal enhancement

Coal India's production to rise from 620 MT in FY20 to 1 BT by FY25

# Commercial mining has reformed coal block allocation



## Liberal Terms & Conditions

1. Upfront cost based on geological reserve estimate
2. Revenue sharing model based on production of coal and national coal index
3. No restriction on sale/ utilization of coal



## Facilitating private players

4. Single Window Clearance System for mine operationalization
5. PMU at MoC for handholding of coal block allottees in early approvals



## Clean coal technology incentivization

6. Incentives for early production, coal gasification, liquefaction (50% incentive provided for coal gasification)
7. Exploration of CBM is allowed

*New guidelines issued to promote offering of discontinued/abandoned mines on revenue sharing basis to private sector via transparent tendering mechanism*

# Commercial Coal Mining - INVESTMENT PERSPECTIVE



## 1. No end-use restriction

Coal produced can be consumed and/ or sold as may be decided by the Successful Bidder



## 2. Growing Coal Economy

The overall coal production increased by 8.67% to reach 778.19\* MT in FY 21-22 and is expected to reach 900 MT in FY 22-23.



## 3. Incentive on Early Production of Coal

A 50% rebate on the final offer will be provided for quantity of coal produced earlier than scheduled date of production



## 4. Incentive on Coal Gasification/ Liquefaction

A 50% rebate on the final offer will be provided for quantity of coal consumed or sold or both for coal gasification or coal liquefaction



## 5. Upfront Amount adjusted in full

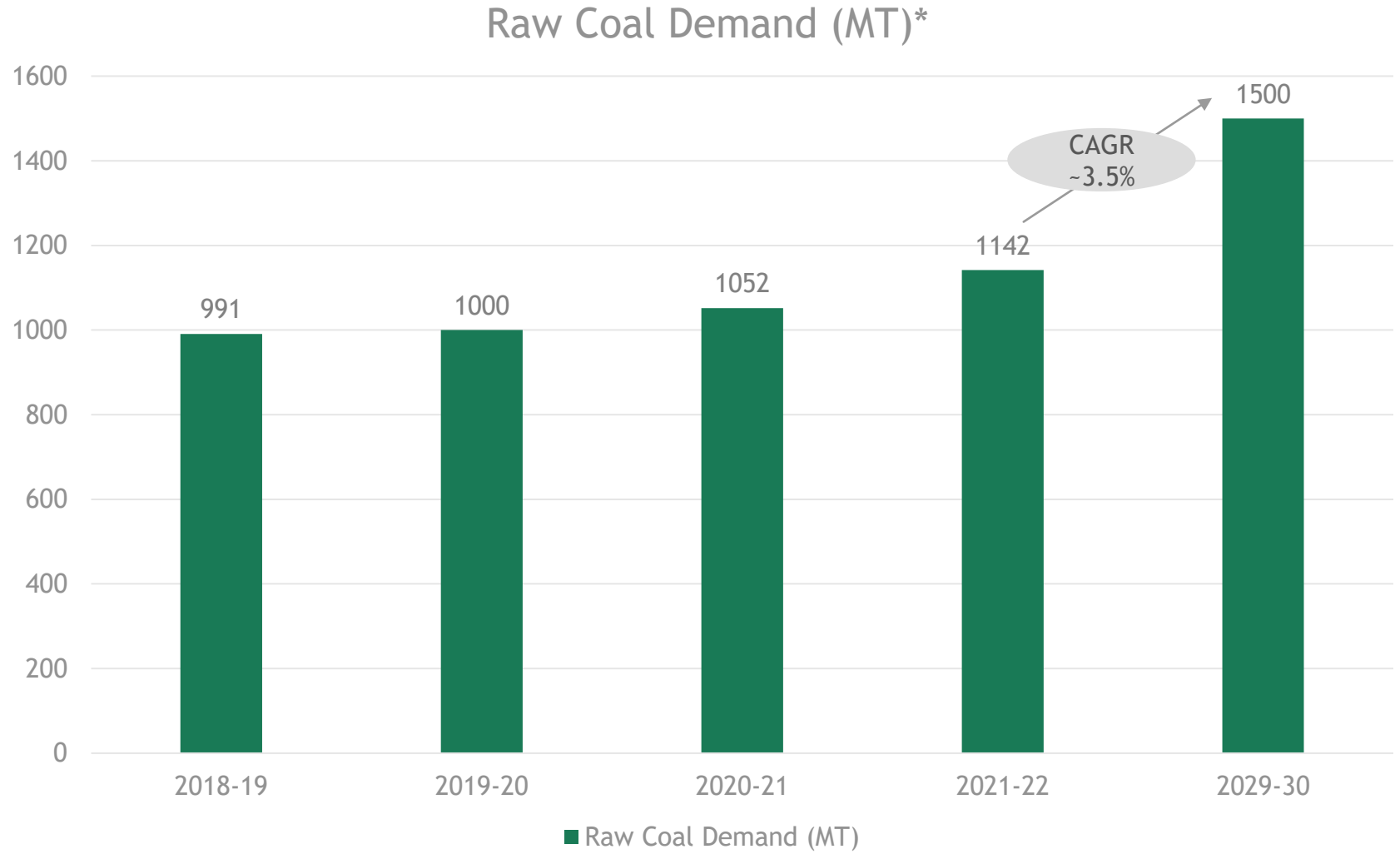
Upfront amount shall be adjusted in full against the monthly payments to be made by the Successful Bidder



## 6. Relinquishment of part of a coal mine

The Successful Bidders are allowed to relinquish a part of the partially explored coal mine

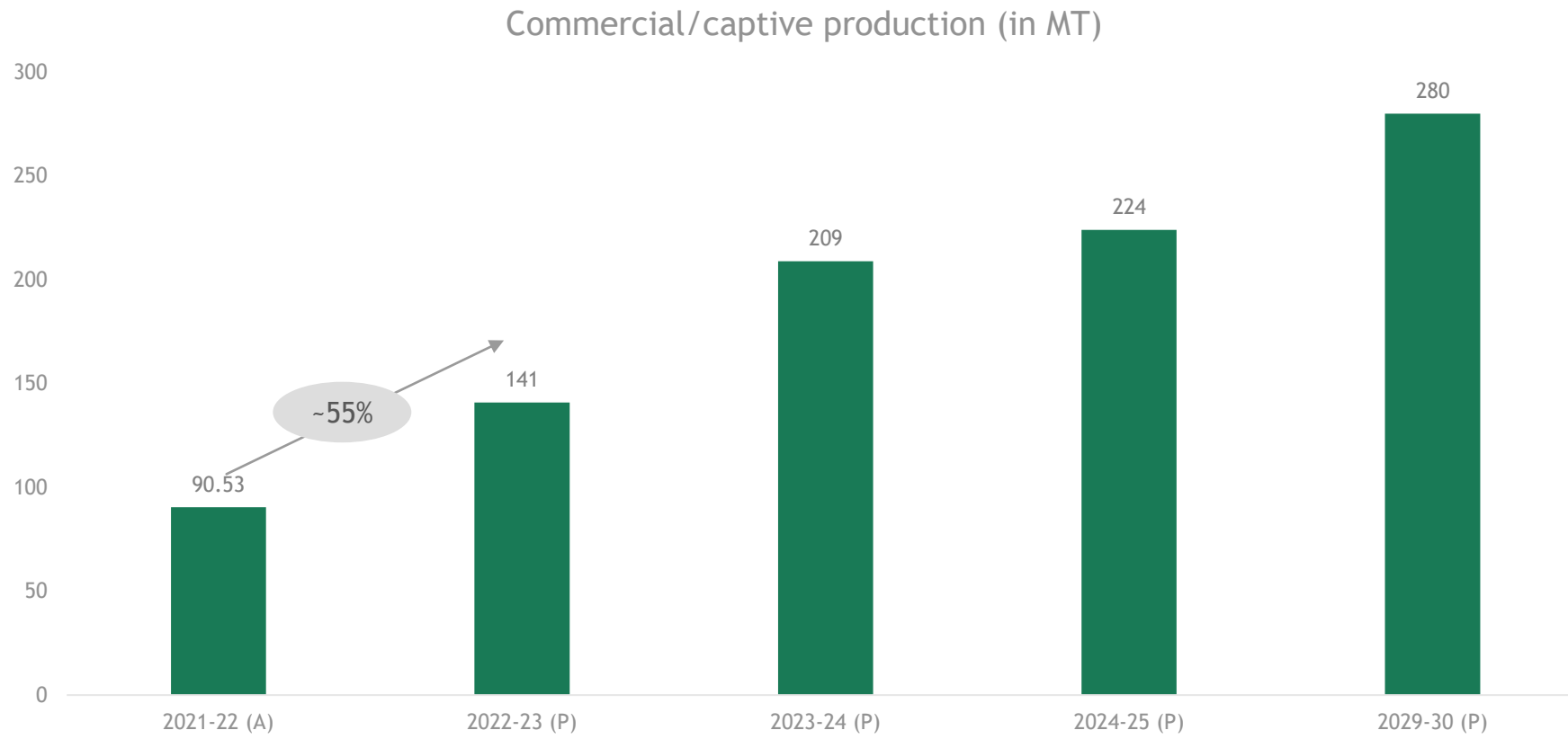
# Investment opportunity fueled with expected Growth in coal demand



Source:  
\*Coal Controller website

Long Term Outlook positive indicating good investment opportunity.

# Consistent growth expected in commercial mining in coming decade (FY22-30)



## Ministry of coal has liberalized multiple approvals making it quick and convenient for coal producers

	Reform details	Impact
1	Prior central govt. approval not required if allocation/ vesting/ allotment order issued	<b>18 mines</b> approved under new regime with PRC <b>48.1 MTPA</b> reducing approval time by minimum <b>1 year</b>
2	Mining lease for coal or lignite is now granted to govt. companies for 50 year compared earlier 30 years	All CIL (300+) mines benefitted
3	Captive users can sell 50% coal to open market after meeting captive requirements	<b>9.1 MT coal sold</b> under relaxed captive coal mine coal usage guidelines
4	Mine plan is not required to be modified for production in excess up to 50% of sanctioned rated capacity	2 mines received <b>2.4 MTPA</b> increased so far; ~10 mines are in pipeline for 50% enhancement of capacity with expected increased PRC of <b>~8 MTPA</b>
5	Online system of submission and approval of Mining Plan & Single window clearance system for all clearances	<b>36 mines</b> online applications processed in <b>&lt;3 months</b> compared to (6-12) months in previous manual regime



# Key steps for incentivizing coal gasification in country



50% rebate in auction bid price



Long term coal linkage from CIL

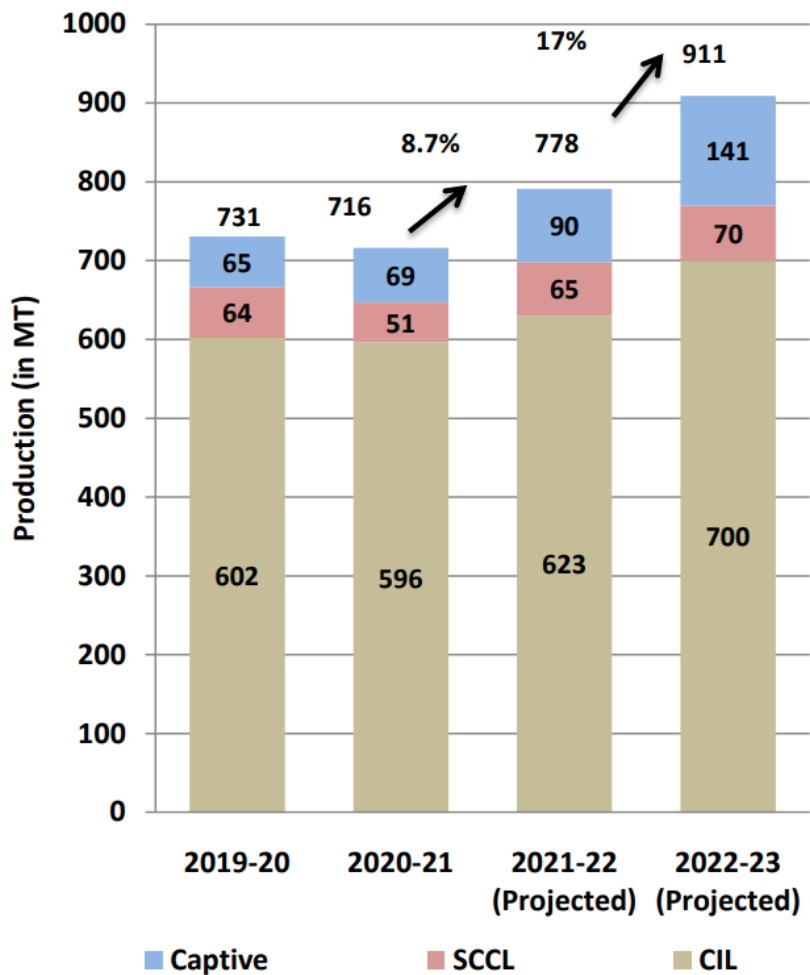


PLI scheme to promote both private and public sector

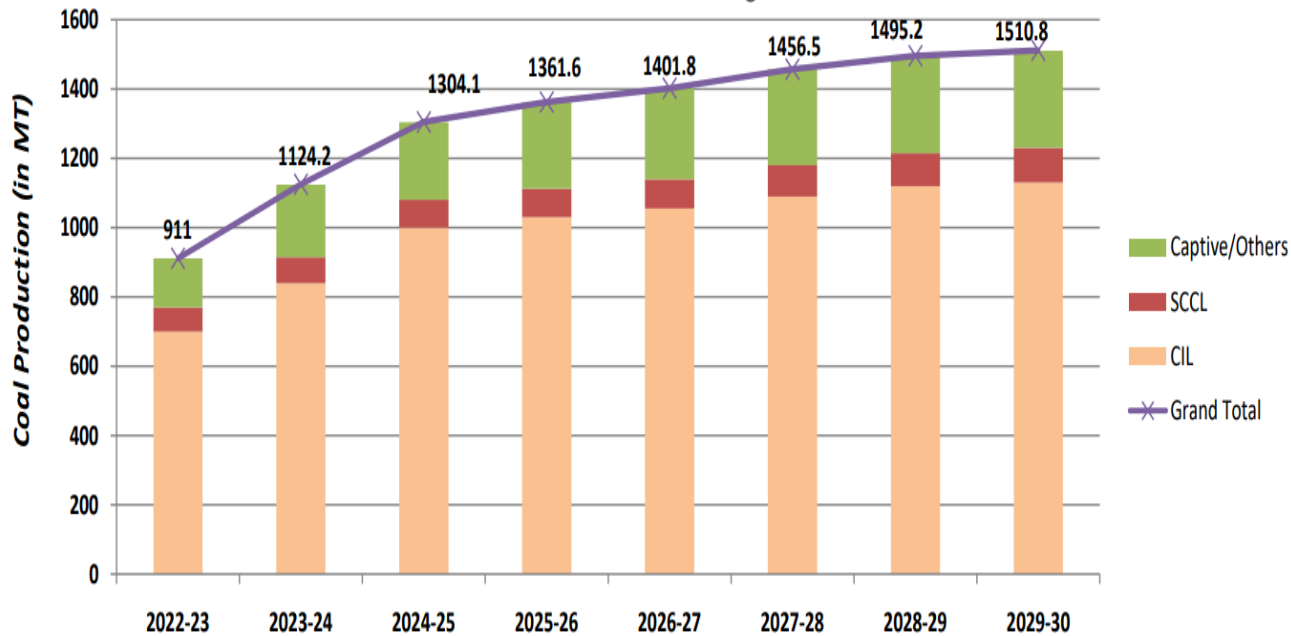


Coal reforms are delivering results; domestic production is registering strong growth and 150% growth is envisaged by FY30

### All India Coal Production Trend



### 150% Growth expected in Coal Production by FY30



Thank You