



Opportunities in Commercial Coal Mining in Indian Mining Industry



aXYKno Capital Services Pvt Ltd

(An ISO 9001:2015 Certified Company)

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India Offices: New Delhi, Nagpur, Mumbai, Nagpur, Chennai, Thiruvananthapuram

Global Presence in +48 Countries: America, Australia, Europe, Asia, Africa and Latin America

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Background

- Government of India has opened up the Coal Sector for Commercial Mining inviting the Government & Private players to participate in the Auctions. Earlier, only captive consumers with end-use ownership such as power/steel/cement plant could bid for blocks. Now, any interested party can bid for a coal block and sell coal in the open market.
- Virtual auction process for 41 coal blocks for commercial Coal mining, was announced on 18th June 2020, Ministry of Coal, GoI, which opens up an opportunity of investment of Rs 33,000 crore of capital investment in the sector. About 225 MTPA (Million Tonnes per Annum) of Coal could be produced from these 41 Blocks which would generate a revenue of approx. INR 28,120 Crores per Annum.
- These 41 Coal Blocks are spread across various states viz. Maharashtra (3 Blocks), Chhattisgarh (9 Blocks), Madhya Pradesh (11 Blocks), Odisha (9 Blocks), Jharkhand (9 Blocks).

Benefits

- The Policy aims at removal of distinction between captive mines and non-captive mines..
- Freedom to decide on Sale, Pricing, and Captive utilization thus benefiting the industry to participate in the auction process.
- 100 per cent foreign direct investment (FDI) allowed in the coal sector, global companies can also participate in the auctions.

Sectors benefiting out of this Auctioning

- Metal Industry like Steel, Aluminium etc., Infrastructure sector like Power and Energy, Paper, Fertilizers, Cement, existing MDOs and Mine Contractors, Coal Traders, Engineering EPC Companies, Large Foreign companies in mining, Oil and Natural Gas.etc.

Snapshot of 41 Coal Blocks earmarked for Auction process

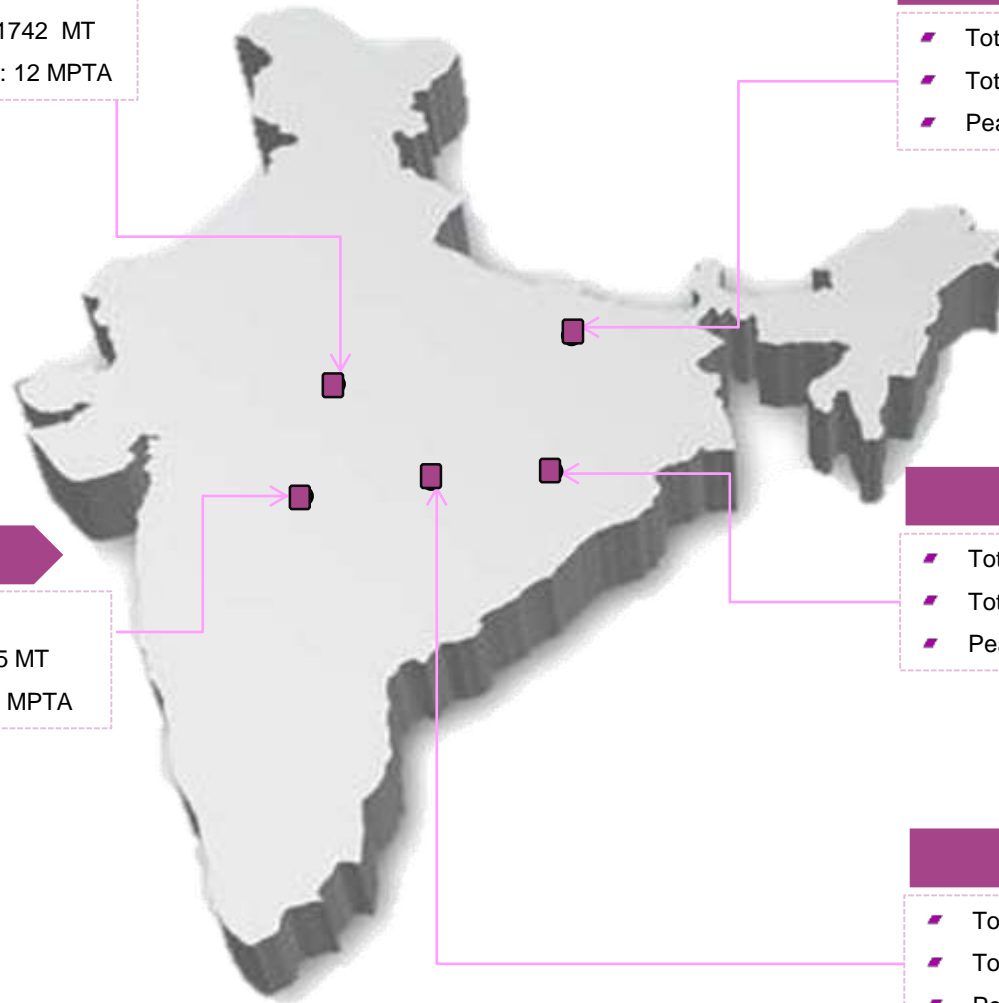


Madhya Pradesh

- Total 11 Blocks
- Total geological reserve : 1742 MT
- Peak production Capacity : 12 MPTA

Jharkhand

- Total 9 Blocks
- Total geological reserve : 2232 MT
- Peak production Capacity : 37 MPTA



Maharashtra

- Total 3 Blocks
- Total geological reserve : 255 MT
- Peak production Capacity : 4 MPTA

Odisha

- Total 9 Blocks
- Total geological reserve : 10749 MT
- Peak production Capacity : 124 MPTA

Chattisgarh

- Total 9 Blocks
- Total geological reserve : 1946 MT
- Peak production Capacity : 44 MPTA

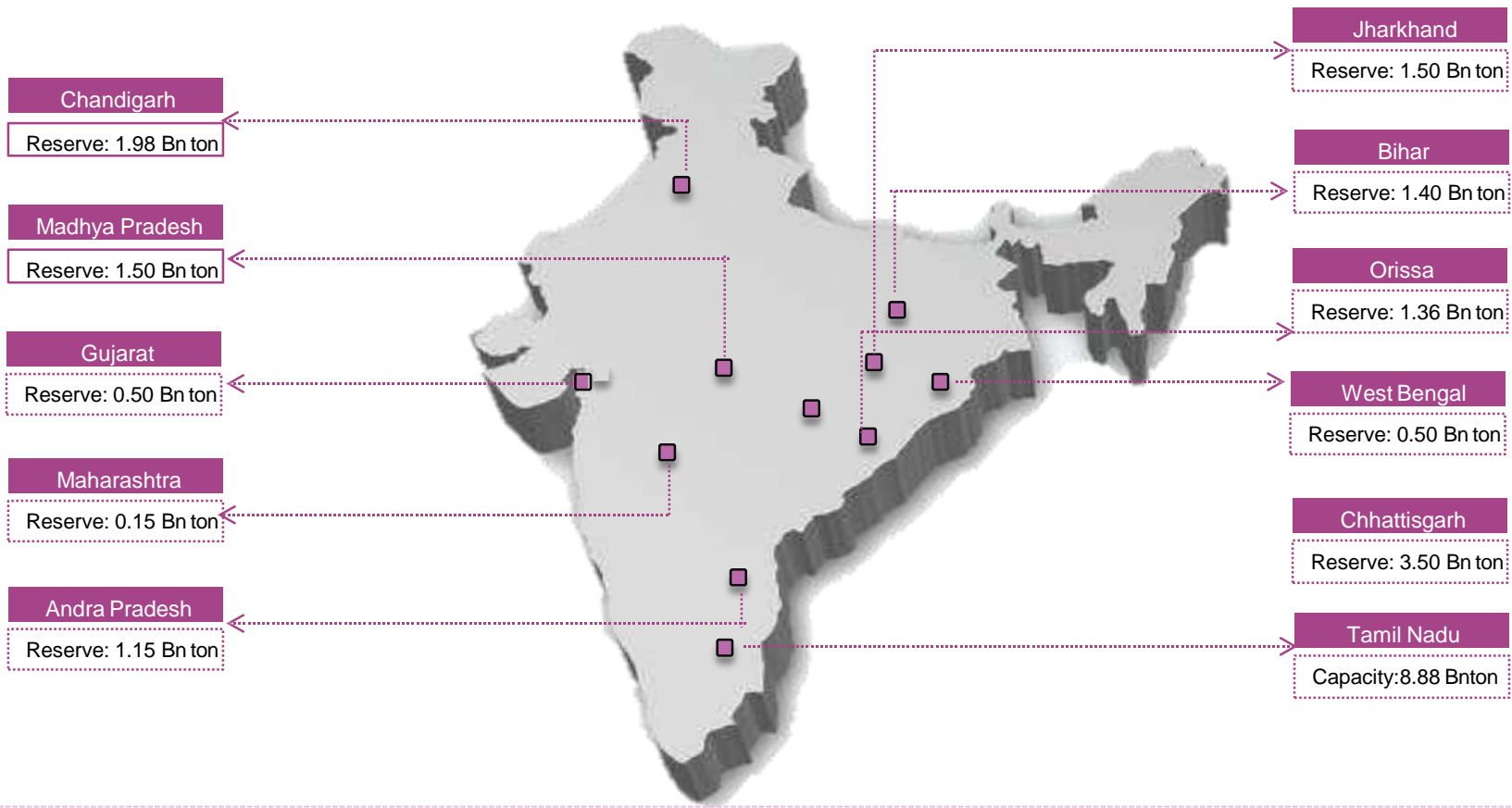
a'XYKno's Capabilities Statement



a'XYKno is No.1 advisor in Mineral Resources Sector in India

Robust advisory portfolio : In Coal, Iron ore, base metals & minerals, aggregating to 22 billion tons of Mineral resources

Strong PAN India Presence – aXYKno - Natural Resources portfolio



Strong in house team of cross functional dedicated professionals across values chain represented by Mining Experts ,Geo-scientists,Mineral,Economist,Financial Modelling Experts, Bid Strategist, Valuation Banker , Logistics Experts, Regulatory & Policy Experts, (CAs, MBAs ,IITians, Experienced Investment Bankers, Engineers (Across sectors) and Lawyers all under one roof.

- aXYKno is pioneer in Competitive Bidding process in the Natural Resources Sector and have successfully advised for more than 35 mineral resources blocks in India, a feat achieved by no other consulting house in the country .Only Company to have exclusive Insights specific to Natural Resources bidding and auctioning.

Scope Of services

(I)High Level Assessment and Short-listing of Blocks to be put up for Auction by various State Governments.

1.Short listing of Mineral Blocks

A. Scoping Studies

- Identifying top 3 mineral Blocks from the list put up for E Auction by State Governments.
- Robust Framework for Short listing of Blocks

B. Techno Commercial Due Diligence & Assessment

- Site Visit & On Ground Truth Collection
- Ranking of Blocks based on Multiple Risk Filters

C. Geological Assessment

- Quality & Geological of Different Seam & Geological Assessment in terms of reserves (tonnage and grade).

2.Technical Due diligence & Assessment among the Shortlisted Blocks.

A. Identification of RISK Profile & Mitigants to overcome.

B. Logistics Assessment

Rail & Road accessibility & Determination of Logistics Costs \

C. Valuation

- Detailed Estimation of CAPEX & OPEX
- Arriving at a Bid Range from Integrated Financial Model

D. Bid Management Advisory

- Analyze Bid structure, model, qualifying conditions and detailed study of bid documents
- Advise Client on the bidding strategy.

For further contact, information

Subodh Kumar Sinha

Executive Director

Tel : +91-9422145109

Email : sksinha@axykno.com

Jayant Kumar Savant

Executive Director

Tel : +91-9665014546

Email : jayant,savant@axykno.com

axykno

growth@axykno.com

www.axykno.com



Mumbai :

405, K P Aurum, Marol
Maroshi Road, Marol,
Andheri East, Mumbai
400059



New Delhi

Kothi No 2, Tansen Marg,
Above United bank of India,
Near Bengali Market, New
Delhi 110001



Nagpur

Level 3, Leela Vista, Bajaj
Nagar , WHC Road,
Nagpur 440010