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Publication - The Economic Times

## MDOs to Handle Seven Coal India Projects

**New Delhi:** State-owned CIL on Wednesday said it has issued orders for seven coal projects to be developed by mine developer and operators (MDOs). The objective of engaging MDOs through open global tenders is to augment domestic coal production and reduce reliance on import to extent possible.

"Coal India Limited (CIL) has issued letters of acceptance for seven coal projects to be pursued through engagement of Mine Developer and Operators," the maharatna firm said in a statement.

Of these seven projects, three belong to CIL arm Central Coalfields Ltd (CCL) and two to

Mahanadi Coalfields Ltd (MCL)—another subsidiary of CIL. South Eastern Coalfields Ltd and Eastern Coalfield Ltd account for a solitary project each.

The coal behemoth is tracking a total of 15 new coal projects to mine coal through MDOs. CIL will invest ₹20,600 crore on land acquisition, rehabilitation and resettlement issues, and in some cases on railway sidings as well.

The role of MDOs would be to excavate, extract and deliver coal to the companies in accordance with the approved mining plan.

Ownership of the mines and coal rests with CIL. **PTI**

# CIL to rope in private miners for 15 projects

**Our Bureau**  
Kolkata

Coal India Ltd (CIL) has issued letters of acceptance (LoA) to mine developer and operators (MDO) for seven coal projects with a cumulative annual production capacity of about 100 million tonnes (mt).

The state-owned miner is engaging MDOs through open global tenders to increase coal output and reduce import dependency, CIL said in a statement. CIL is tracking 15 greenfield projects to mine coal through the MDO route. The estimated

investment of ₹20,600 crore would largely go towards land acquisition, rehabilitation and resettlement as well as railway sidings.

“Of the seven projects for which it has issued LoA, three belong to Central Coalfields (CCL) and two to Mahanadi Coalfields (MCL) while South Eastern Coalfields (SECL) and Eastern Coalfields (ECL) account for one project each. Two of the projects, Siarmal open cast project (OCP) of MCL in Odisha, having an annual output of 50 mt, and Hura ‘C’ OCP of ECL in West Bengal of 3 mt capacity are expected to start mining operations

## KEY TAKEAWAYS

- Over ₹20,600 crore will go towards land acquisition, infra, R&R
- LoA for two projects to be issued shortly
- Total capacity of 15 projects is 165 mt

during the ongoing financial year,” the release said. LoA for two projects — Madanagar OCP (12 mt) and Pelma OCP (15 mt) of SECL — will be issued shortly. The remaining six projects are at different stages of tendering.

The contract period of engagement is 25 years or the life of the mine, whichever is less.

## ROLE OF MDOs

The total rated capacity of the 15 projects involving MDOs is close to 169 mt. Eleven of these mines are open-cast (165 mt) and the rest underground (4 mt).

The role of MDOs would be to mine and deliver coal to CIL's coal companies in accordance with the approved mining plan. The ownership of the mines and coal would rest with CIL, and the company will handle the sale of coal, it said.

# CIL to engage private mine developers

**A STAFF REPORTER**

**Calcutta:** Coal India plans to use private sector mine developer and operators (MDOs) to scale up production.

The public sector miner on Wednesday said it has issued letters of acceptance for seven coal projects to be pursued through MDOs with a cumulative capacity of 100 million tonnes per year.

Of the seven projects, three belong to Central Coalfields, two to Mahanadi Coalfields (MCL) and one each to South Eastern Coalfields and Eastern Coalfields (ECL).

Two of the projects — the Siarmal open-cast project of MCL in Odisha and the Hura 'C' open-cast project of ECL in



## **ON A HIGHER SCALE**

Bengal — are expected to start mining operations during this financial year.

The coal miner is tracking a total of 15 greenfield coal projects to mine through MDOs. Coal India's investment would be around Rs 20,600 crore, which will be spent on land acquisition, rehabilitation and resettlement and in some cases, railway sidings.

The role of MDOs would be

to excavate, extract and deliver coal to Coal India's companies according to the approved mining plan.

While the ownership of mines and sale of coal is the responsibility of CIL, the bulk of the capex investment would be done by the MDOs besides bringing efficiency in operations. They would also have to coordinate with the state and central pollution control boards to fast-track the required approvals, Coal India said in a statement.

The contract period is 25 years or the life of the mine, whichever is less. The long-term contracts would allow the operators to develop allied infrastructure in the mining projects.

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# **CIL outsources mines to take on pvt players**

TIMES NEWS NETWORK

**New Delhi:** Coal India (CIL) is outsourcing development and operation of new mines to MDOs (mine developer & operators) for the first time as the state-run behemoth seeks to become competitive in an effort to take on private miners.

CIL last week appointed MDOs for seven greenfield mines with a combined annual production capacity of 100 million tonne and is in the process of awarding eight more. The 15 mines together have a rated capacity of 169 million tonne. Eleven of these are open cast and expected to produce 165 million tonne per year of coal.



# No dethroning coal in the next two decades

The country's largest natural gas source at least in the next two decades and touched upon a need for a judicious increase in the price of coal.

Coal India has an ambitious production target of 700 million tonnes (mt) in 2025-26. Based on the current production trend, that is the anticipation for March 31, 2023.

The target is definitely ambitious. We began FY20 estimating a quantum jump of 70 mt to breach the target. So far we have produced 61 mt more coal than last fiscal. Given the present production pace, we feel upbeat about sailing past the target by FY close. On a progressive basis, we consistently maintained double-digit output growth. This was cat-

egorical in bringing the annual output growth rate down by nearly half to 6.4 per cent from 12.4 per cent at the start of the fiscal.

What steps are being taken by Coal India this year to prevent a situation seen last summer?

A: Rich is the friend in times of adversity. We are augmenting our output capacity through the opening of greenfield projects and the expansion of existing projects. In the current fiscal we have started three mines with three more in the pipeline. During the past two financial years, CIL has approved a total of 30 projects which contribute to incremental capacity creation of an aggregate 278 mt/year. These will start contributing in a phased manner.

Coal India has managed a significant improvement in the bottom line in H1FY23 despite pressures on operational costs and wage negotiations. Can the trend per-



**Q** A price increase is necessary and bound to happen. Whatever the increase it should take care of our EBITDA. We will also consider the impact on the price of energy in the country. We will take all our stakeholders on board and endeavour to balance the price increase judiciously

**PRAMOD AGRAWAL**  
Coal India chairman

sist without any increase in the price of coal?

A: Our consolidated PAT of Rs 14,670 crore in H1FY23 was the highest ever, for the first half of any fiscal till now, despite capping our prices close to five years. To balance the wage increase, provisioning

has already begun on a quarterly basis starting Q3FY22. A price increase is necessary and bound to happen. The idea is we have to be adequately compensated and whatever the increase it should take care of our EBITDA.

While protecting our bot-

tom line we will also consider the impact on the price of energy in the country because the coal price increase has a cascading effect on various factors. We will take all our stakeholders on board and endeavour to balance the price increase judiciously.

What is the broader outlook of coal over the next 5 years especially since the country has set an ambitious target on renewables? How is Coal India gearing up to protect its future amid the shifting energy base?

A: Coal is not threatened by the growth of renewables for now. Coal cannot be dethroned from its energy pedestal for the next two decades if not more. In a welcome move, renewables are growing but not at the break pace that they can effectively displace coal in the country's energy basket.

This then coal continues to shoulder the backbone of India's electricity generation. Coal India shall hold its energy leadership in the future as well.

We are also moving into wide power generation using AIJGW generation by FY24. In the wake of increasing energy demand, I feel, no single fuel can cater to the entire demand and it has to be a mix of all

available sources. Coal India will be strongly contributing to share.

What are the digitalisation initiatives being taken at Coal India to improve operational efficiency?

A: Digitalisation and automation are not a choice but an imperative to compete in the open market and increase transparency and operational efficiency. In a first of its kind, we are going for digitalisation of the mining process in 7 select OC mines at SECL and NCL, to extract additional quantities of coal at lower costs by 2024. We are pursuing fully automated coal handling through the CHP-300 combination.

ERP implementation has hastened efficiency in major modules like payroll, finance, materials management, procurement, production, sales and marketing. The whole idea is to increase productivity, widen the customer base and decrease input dependency.

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Publication - The New Indian Express



### **Coal India conducts 1st IR Conclave in Bhubaneswar**

Bhubaneswar: Shri Vinay Ranjan, Director (Personnel & Industrial Relations (IR)), Coal India Limited inaugurated Coal India's 1st IR Conclave-2022, on a theme "Creating Business Enabling IR Environment", here on Thursday.

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# चौधरी कोल इंडिया के नए मार्केटिंग चीफ

धनबाद। आईओएफएस 1996 बैच के अधिकारी मुकेश चौधरी कोल इंडिया के नए मार्केटिंग चीफ (निदेशक-कोयला उत्पादन एवं प्रेषण) बने हैं।