



Introduction of Commercial Mining in Coal Sector (1/2)

- Need to reduce import of substitutable coal and increase Self-reliance in coal production.
- Government will introduce competition, transparency and private sector participation in the Coal Sector through:
 - **Revenue sharing mechanism instead of regime of fixed Rupee/tonne**
 - Earlier, only captive consumers with end-use ownership such as power/steel plant could bid for blocks
 - Now, any interested party can bid for a coal block and sell coal in the open market



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Introduction of Commercial Mining in Coal Sector (2/2)

- **Entry norms will be liberalised**
 - Nearly **50 blocks to be offered immediately**
 - No eligibility conditions, only upfront payment with a ceiling
- **Exploration-cum-production regime for partially explored blocks**
 - Against earlier provision of auction of fully explored coal blocks, *now even partially explored blocks to be auctioned*
 - Will allow private sector participation in exploration

Production earlier than scheduled will be incentivised through rebate in revenue-share



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Diversified Opportunities in Coal Sector (1/2)

- **Coal Gasification/Liquefaction will be incentivised through rebate in revenue share**
 - Will result in significantly lower environment impact
 - Will assist India in switching to a gas-based economy



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Diversified Opportunities in Coal Sector (2/2)

- **Infrastructure development of Rs. 50,000 crore**
 - For evacuation of enhanced CIL's target of 1 billion tonnes coal production by 2023-24 plus coal production from private blocks
 - Includes Rs 18,000 crore worth of investment in mechanised transfer of coal (conveyor belts) from mines to railway sidings
 - This measure will also help reduce environmental impact



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Liberalised Regime in Coal Sector (1/2)

- **Coal Bed Methane (CBM) extraction** rights to be auctioned from Coal India Limited's (CIL) coal mines
- **Ease of doing business** measures, such as Mining Plan simplification, will be taken
 - Mining Plan has been shortened, made amenable for loading online
 - To allow for automatic 40% increase in annual production



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Liberalised Regime in Coal Sector (2/2)

- **Concessions in commercial terms given to CIL's consumers (relief worth Rs 5,000 crore offered)**
- Reserve price in auctions for non-power consumers reduced, credit terms eased, and lifting period enhanced



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Enhancing Private Investments in the Mineral Sector (1/2)

Structural reforms to boost growth, employment and bring state-of-the-art technology especially in exploration through:

- **Introduction of a seamless composite exploration-cum-mining-cum-production regime**



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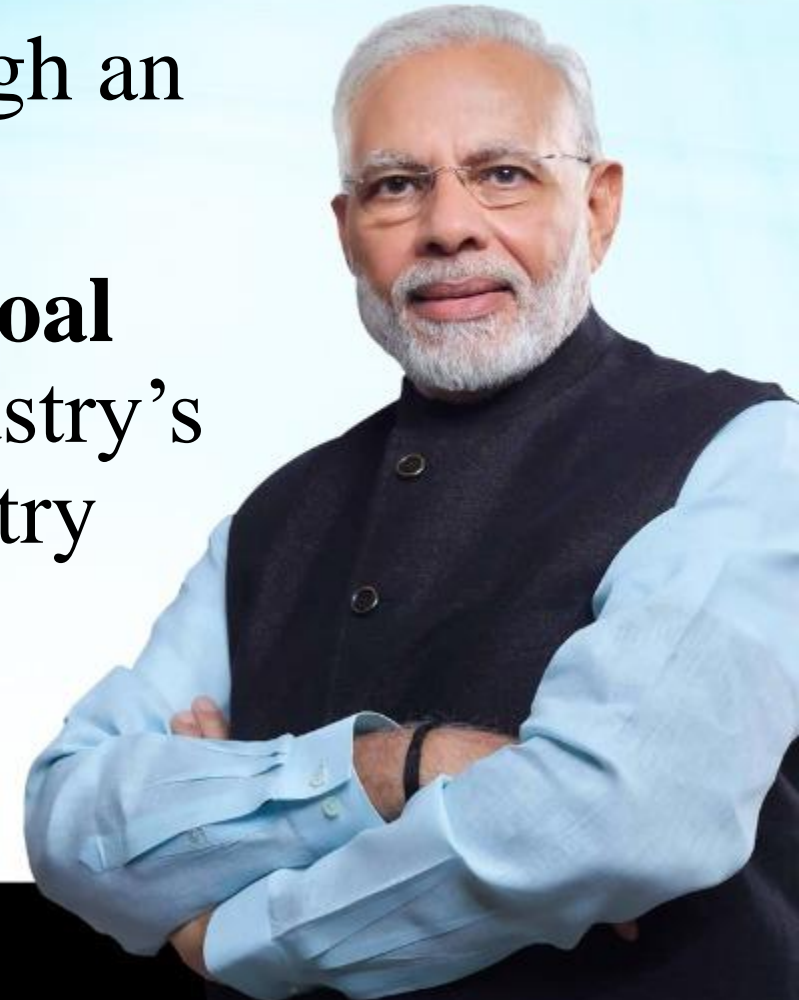


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Enhancing Private Investments in the Mineral Sector (2/2)

- **500 mining blocks would be offered** through an open and transparent auction process
- **Introduce Joint Auction of Bauxite and Coal mineral blocks** to enhance Aluminum Industry's competitiveness. Will help aluminium industry reduce electricity costs



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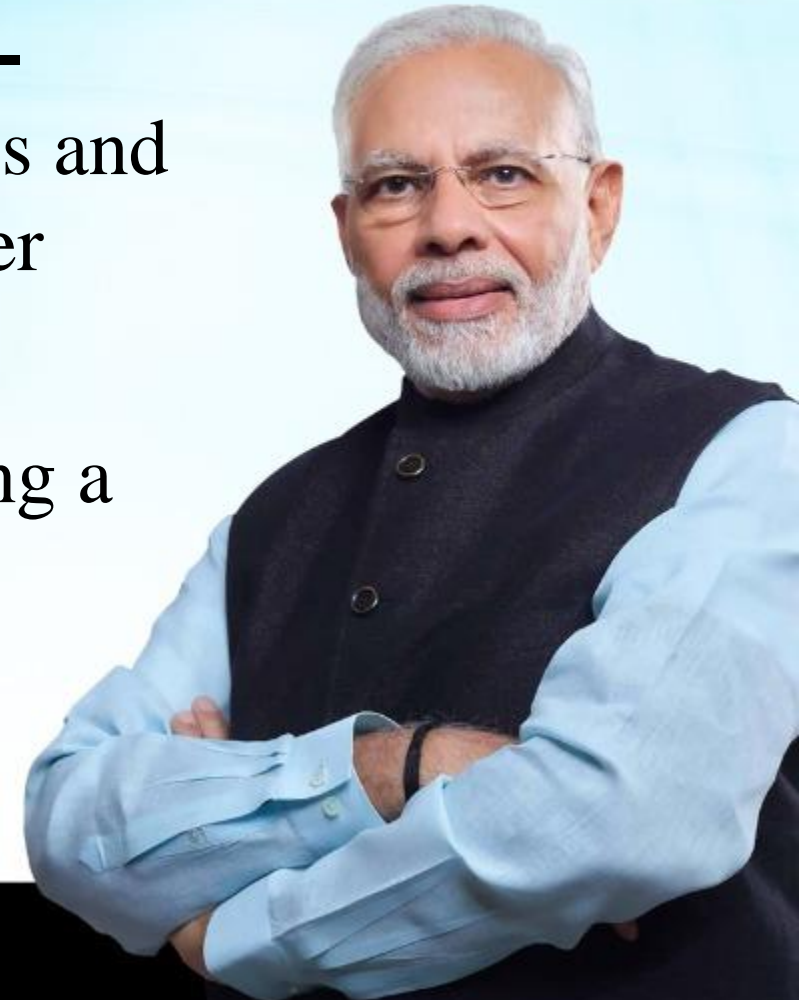


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Policy Reforms – Mineral Sector

- **Remove distinction between captive and non-captive mines** to allow transfer of mining leases and sale of surplus unused minerals, leading to better efficiency in mining and production
- Ministry of Mines is in the process of developing a **Mineral Index** for different minerals
- **Rationalisation of stamp duty payable** at the time of award of mining leases



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Enhancing Self Reliance in Defence Production

‘Make in India’ for Self-Reliance in Defence Production -

“Vocal for our Local”:

- Notify a list of weapons/platforms for ban on import with year wise timelines
- Indigenisation of imported spares
- Separate budget provisioning for domestic capital procurement
- Will help reduce huge defence import bill
- Improve autonomy, accountability and efficiency in Ordnance Supplies by **Corporatisation of Ordnance Factory Board**



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Policy Reforms - Defence Production

- **FDI limit in the defence manufacturing under automatic route will be raised from 49% to 74%**
- **Time-bound defence procurement process and faster decision making will be ushered in by :**
 - Setting up of a Project Management Unit (PMU) to support contract management
 - Realistic setting of General Staff Qualitative Requirements (GSQRs) of weapons/platforms
 - Overhauling Trial and Testing procedures



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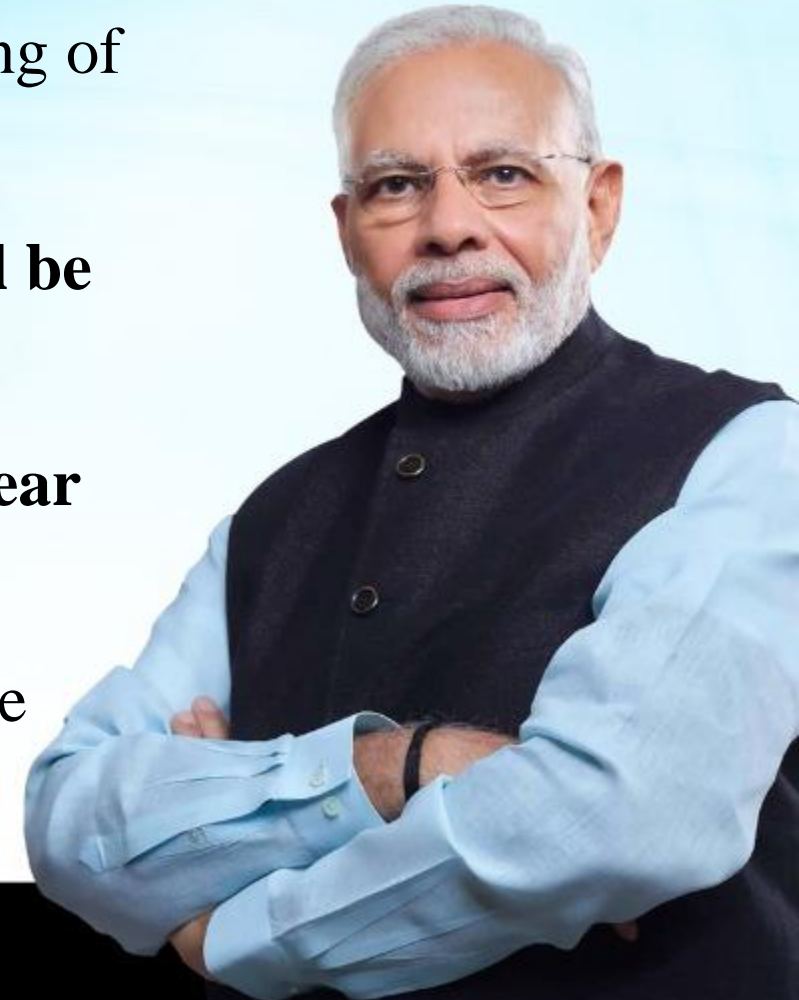


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Reduction in Flying Cost – Efficient Airspace Management

- Only 60% of the Indian airspace freely available for flying of civilian aircraft
- **Restrictions on utilisation of the Indian Air Space will be eased** so that civilian flying becomes more efficient
- Will bring a total **benefit of about Rs 1,000 crore per year** for the aviation sector
- Optimal utilisation of airspace; reduction in fuel use, time
- Positive environmental impact



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More World-Class Airports through PPP (1/2)

- AAI has awarded three airports out of six bid for Operation and Maintenance on Public-Private Partnership (PPP) basis
- Annual revenue 6 airports in 1st round Rs 1,000 crore (against current profit of Rs 540 crore per year). AAI will also get a down payment of Rs 2,300 crore



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More World-Class Airports through PPP (2/2)

- **Six more airports** identified for 2nd round.
Bid process to commence immediately
- **Additional investment by private players in 12 airports** in 1st and 2nd rounds expected around **Rs. 13,000 crore**
- **Another six airports will be put out for the third round of bidding**



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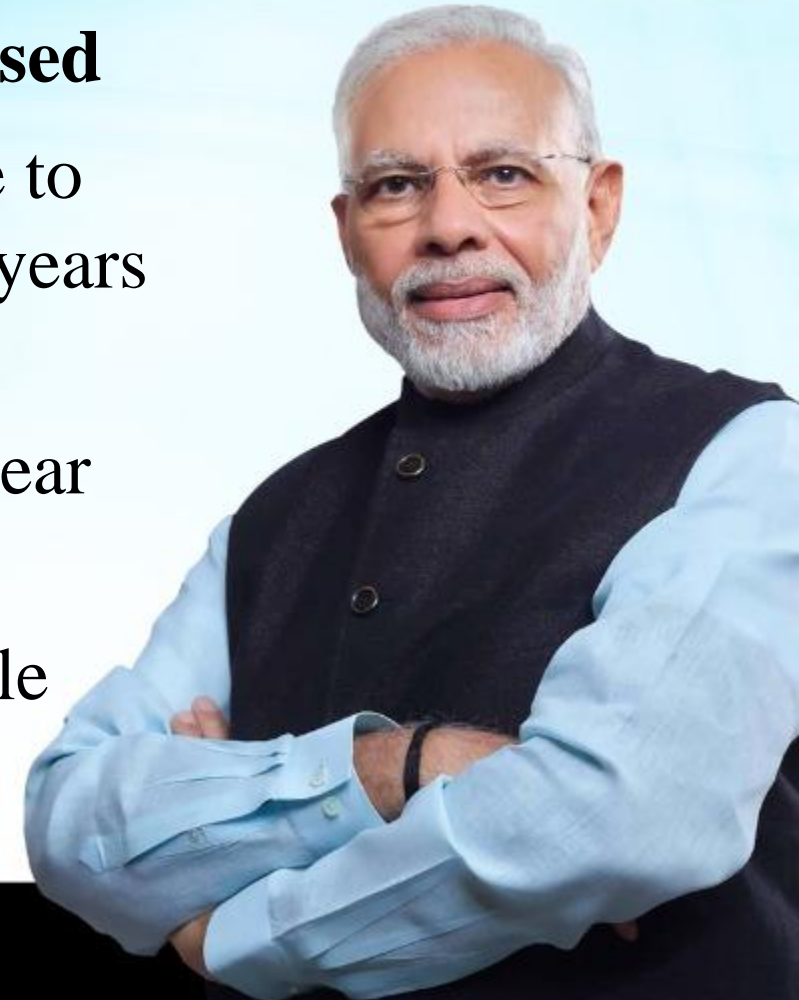


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India to become a global hub for Aircraft Maintenance, Repair and Overhaul

- **Tax regime for MRO ecosystem has been rationalised**
- Aircraft component repairs and airframe maintenance to increase from Rs 800 crore to Rs 2000 crore in three years
- Major engine manufacturers in the world would set up engine repair facilities in India in the coming year
- **Convergence between defence sector and the civil MROs** will be established to create economies of scale
- **Maintenance cost for airlines will come down**



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Tariff Policy Reform

A. Consumer Rights

- DISCOM inefficiencies not to burden consumers
- Standards of Service and associated penalties for DISCOMs
- DISCOMs to ensure adequate power; load-shedding to be penalised

B. Promote Industry

- Progressive reduction in

cross-subsidies

- Time bound grant of open access
- Generation and transmission project developers to be selected competitively

C. Sustainability of Sector

- No Regulatory Assets
- Timely payment of Gencos
- DBT for subsidy; Smart prepaid meters



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Privatisation of Distribution in UTs

- Sub-optimal performance of power distribution and supply
- Power Departments/Utilities in Union Territories will be privatised
- Will lead to better service to consumers and improvement in operational and financial efficiency in Distribution
- Provide a model for emulation by other utilities across the country



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Boosting private sector investment in Social Infrastructure via revamped VGF Scheme

- Social Infrastructure Projects suffer from poor viability
- Government will enhance the quantum of Viability Gap Funding up to 30% each of Total Project Cost as VGF by Centre and State/Statutory Bodies
- For other sectors, VGF existing support of 20% each from Centre and States/Statutory Bodies shall continue
- Total outlay is Rs. 8,100 crore
- Projects to be proposed by Central Ministries/State Government/Statutory entities



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Boosting private participation in Space activities (1/2)

- Indian private sector will be a co-traveller in India's space sector journey
 - Will provide **level playing field for private companies** in satellites, launches and space-based services
 - Will provide **predictable policy and regulatory environment** to private players



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Boosting private participation in Space activities (2/2)

- Private sector will be allowed to **use ISRO facilities** and other relevant assets to improve their capacities
- **Future projects** for planetary exploration, outer space travel, etc, to be **open for private sector**
- **Liberal geo-spatial data policy** for providing remote-sensing data to tech-entrepreneurs



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Atomic Energy-Related Reforms

- Establish **research reactor in PPP mode** for production of medical isotopes—promote welfare of humanity through affordable treatment for cancer and other diseases
- Establish **facilities in PPP mode** to use irradiation technology for food preservation—to compliment agricultural reforms and assist farmers
- Link India's robust start-up ecosystem to nuclear sector—**Technology Development cum Incubation Centres** will be set up for fostering synergy between research facilities and tech-entrepreneurs



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