

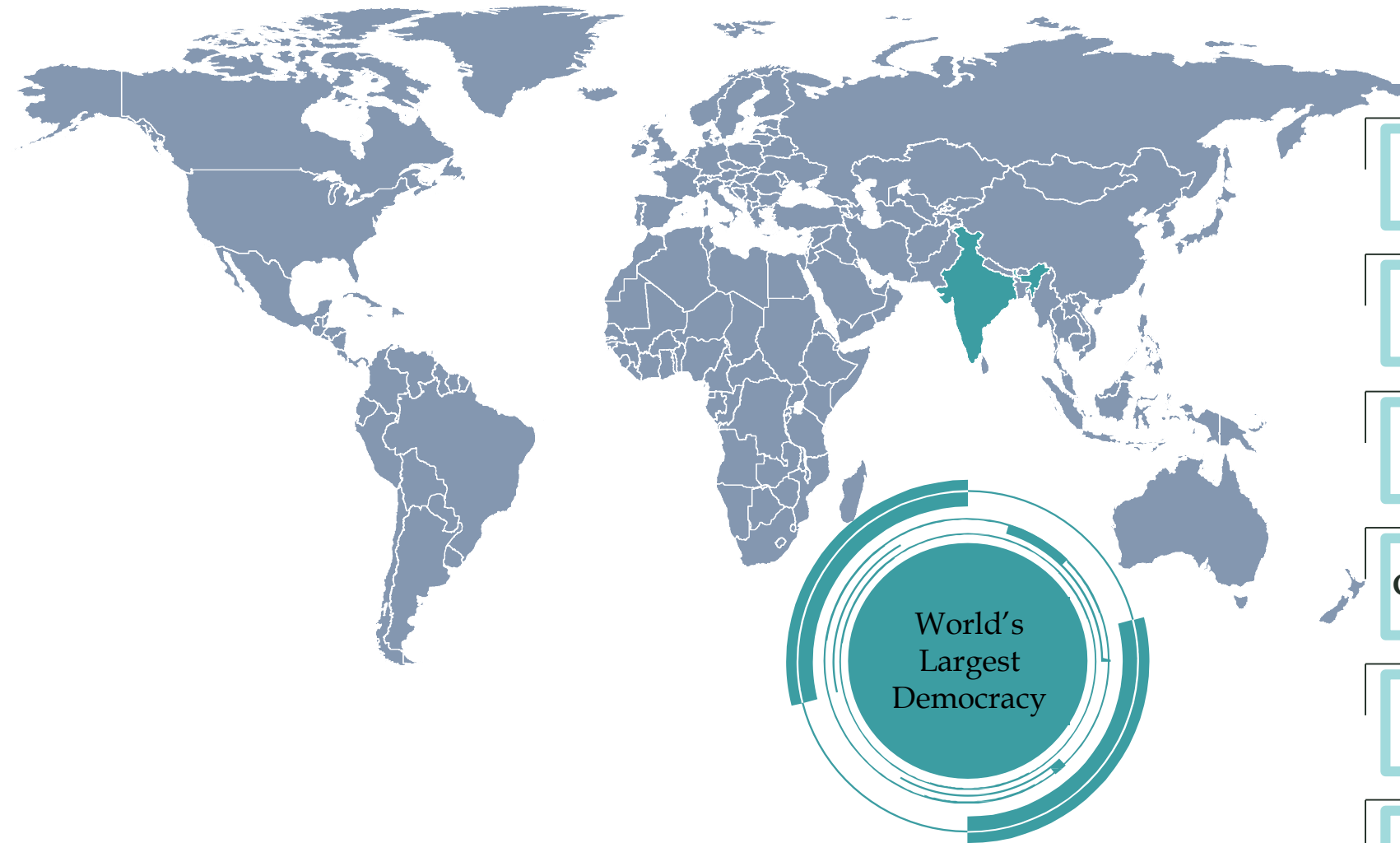


# Investment Opportunities in Indian Mining Sector

**Mining Indaba, 2023**  
**Cape Town, South Africa**  
**6th – 9th February 2023**



# India - At a Glance



**7th**

largest country in the world  
(Area - 3.3 Million sq. km.)

**21.71%**

of forest cover as a country's  
geographical area

**20%**

home to a fifth of the world's  
youth demographic

**Constitution**

Federal (Parliamentary)

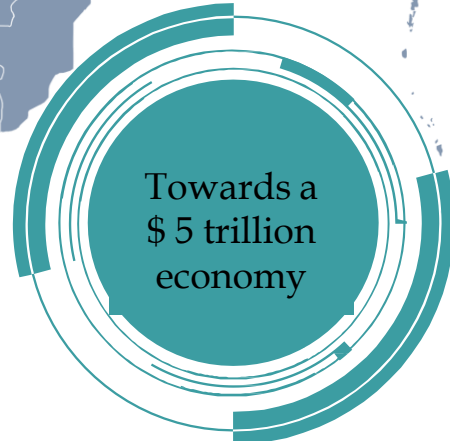
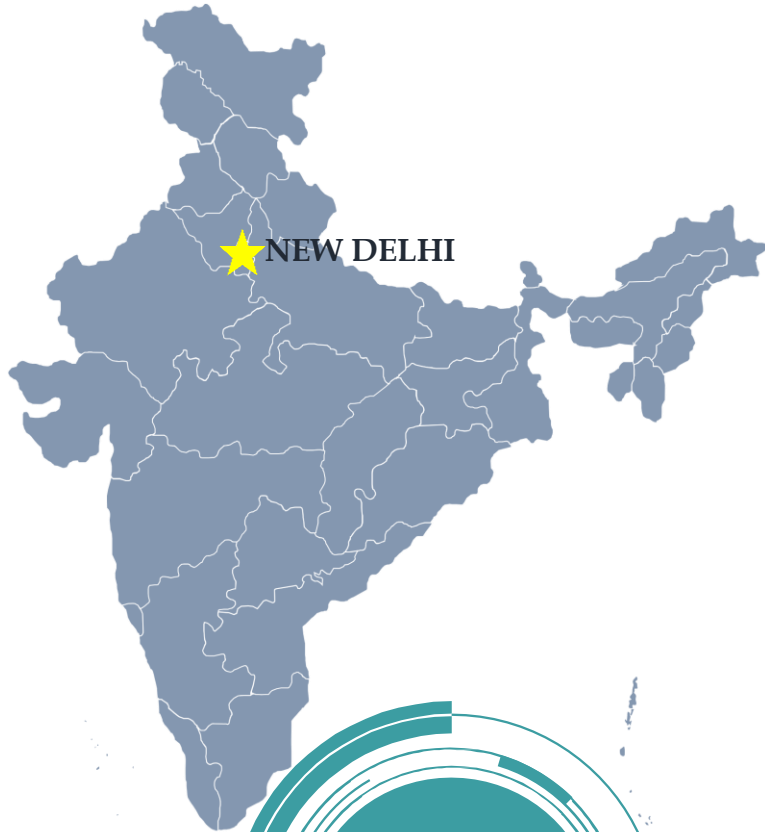
**28**

states, 8 union territories and  
768 districts

**5th**

largest economy in the world

# India - At a Glance



## Economic heft

- ❑ **\$3.5 trillion GDP** - 5th largest economy in the world
- ❑ Fastest growing amongst major economies (at 8.7% in 2021) – as per IMF WEO

## A strong digital economy

- ❑ 37 billion no. of transactions of US \$ 770 billion through NPCI's United Payments Interface during Apr-Sep 2022-23

## Demographic advantage

- ❑ **2/3rd** of India's population below 35 years of age
- ❑ **29 years** is the median age of population

## A key partner in a globalized world

- ❑ Foreign trade over **\$1 trillion** (\$1.035 trillion in 2021-22)
- ❑ Exports valued at **\$676 billion** (in 2021-22)

## Strong external sector

- ❑ **\$533 billion** foreign exchange reserves as of end-Sep 2022

## A favoured destination for foreign investors

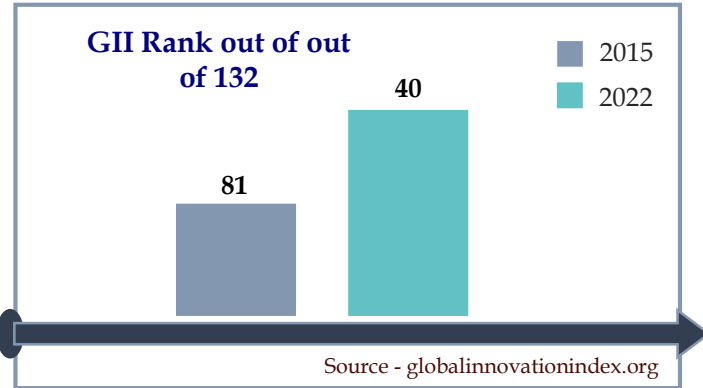
- ❑ **FDI inflow** to India in 2021-22 was **\$84 billion**

## Consumer power

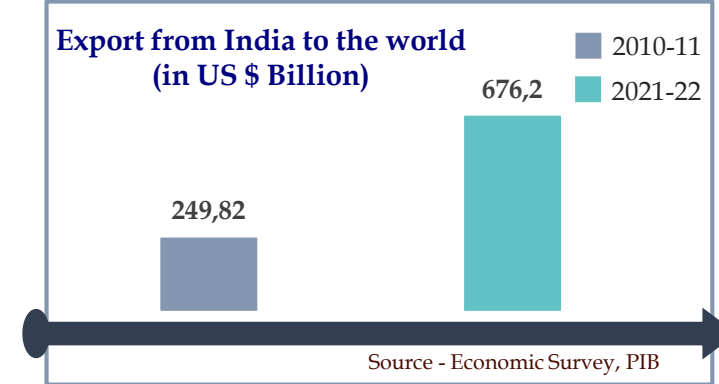
- ❑ **350 million** middle class population
- ❑ **1.4 billion** mobile phone users (2nd in the world after China – 1.44 billion)
- ❑ **825 million** internet users (2nd in the world after China – 1.032 billion)

# India's Growth Story

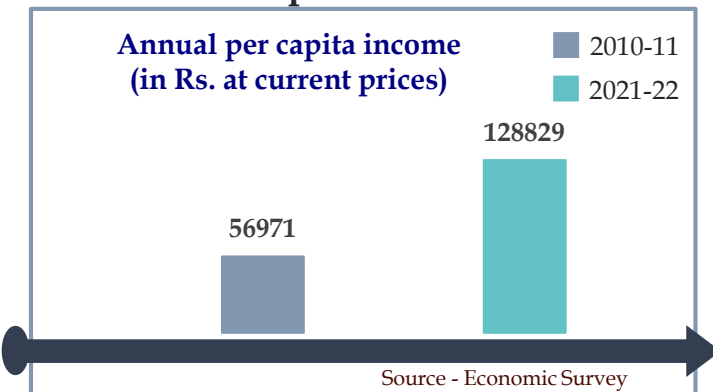
## Climbs 41 places in Global Innovation Index



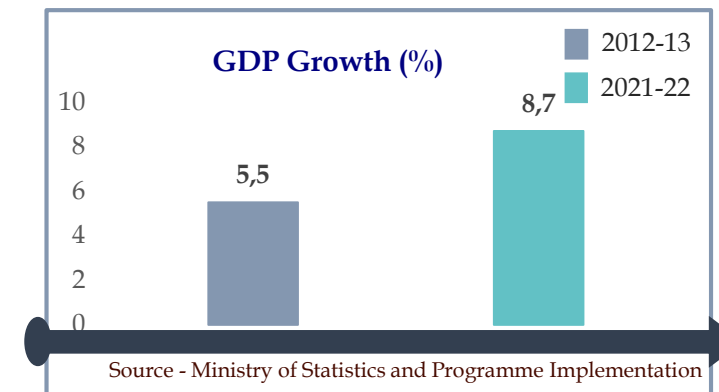
## Export valued at \$422 billion (Merchandise) and \$254 billion (service)



## Two fold increase in annual per capita income

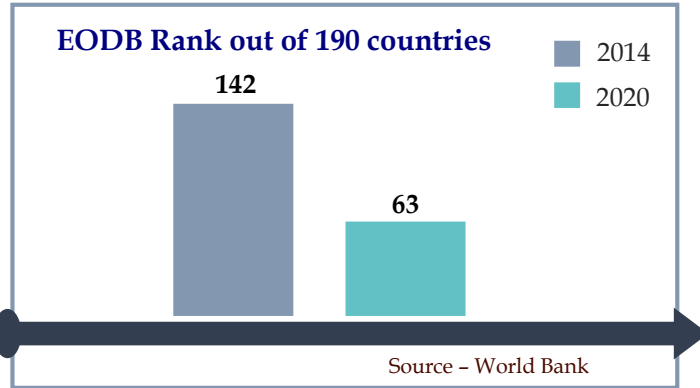


## GDP of over USD 3 trillion

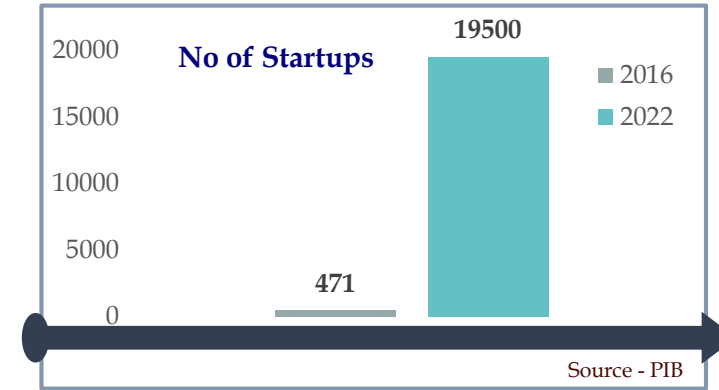


# India's Growth Story

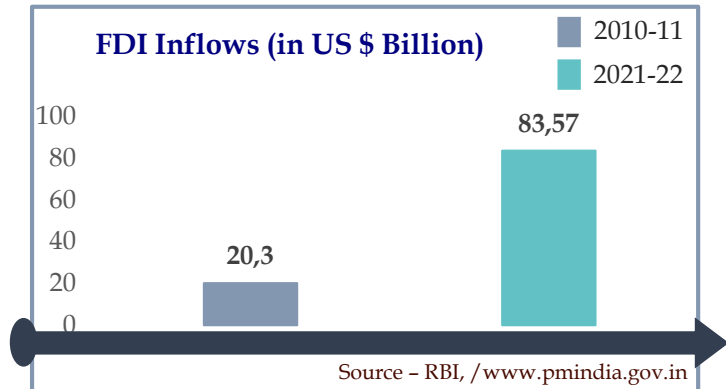
## Climbs 79 places in Ease of Doing Business



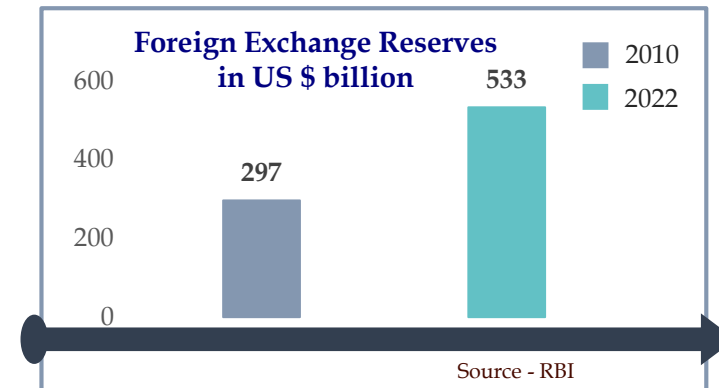
## World's 3rd Largest Startup Ecosystem 107 Unicorns; 80,000+ recognised Startups



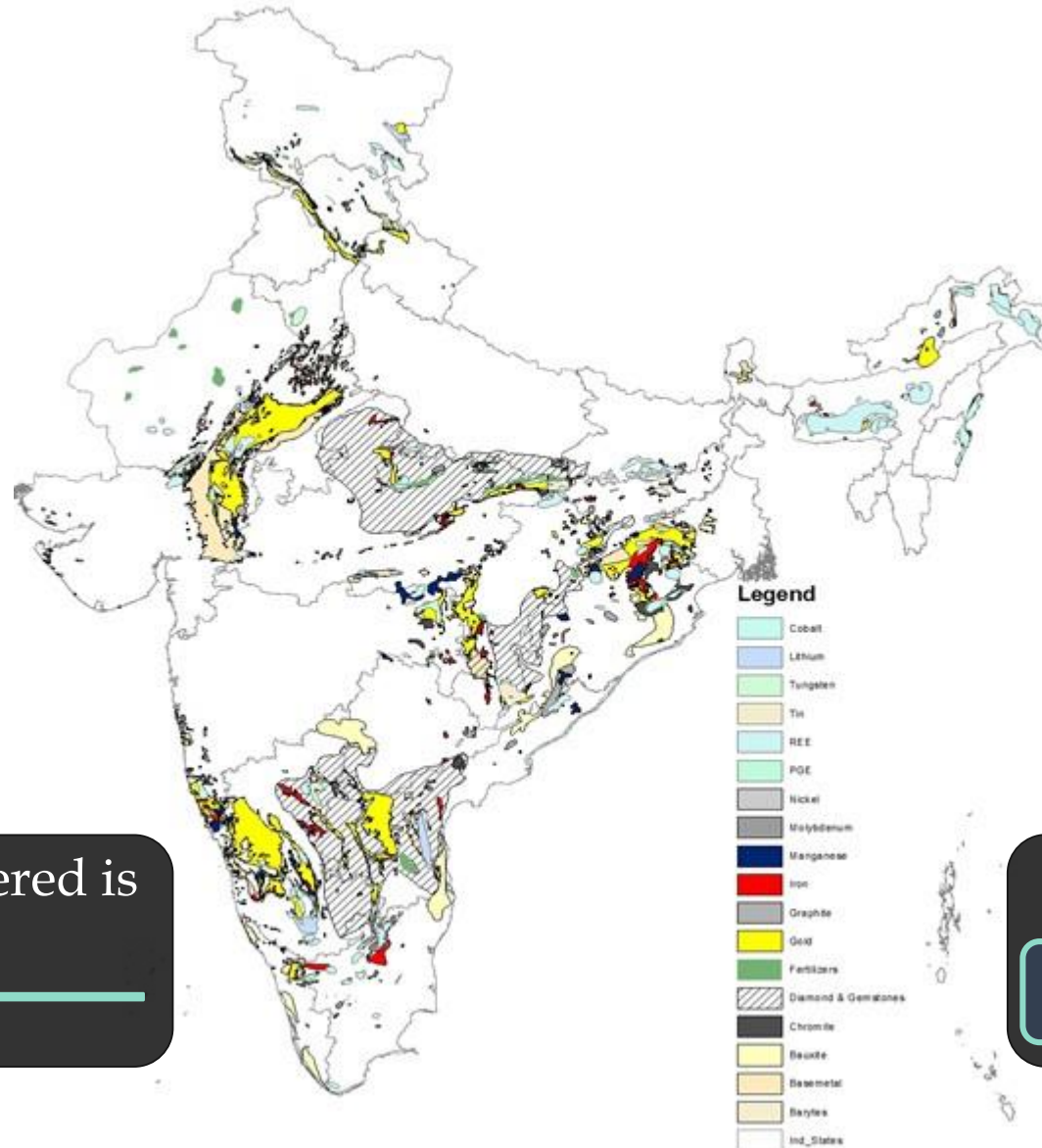
## Making India most attractive global investment destination



## 179% increase in foreign exchange reserves



# The Obvious Geological Potential Map of India (OGP-2020)



Total OGP area covered is  
6.88 lakh sq. km.

18 mineral commodities  
have been identified.

# Indian Mining Sector: An Overview



**Contribution to GDP:** Mining sector contributed **2.26%** to India's GDP in 2021-22.



Gross value added by mining and quarrying at **US \$ 57951.46 million**.



**Minerals produced:** India produces as many as **95** minerals



Fuels



Metallic



Non  
metallic



Atomic



Minor  
minerals  
(building and  
other materials)

## India's contribution and Rank in World Production of Principal Minerals & Metals, 2020

Mineral/Metal	Contribution in world production (%)	India's Rank
Coal	10.69	2 <sup>nd</sup>
Steel (Crude)	5.12	2 <sup>nd</sup>
Aluminium (Primary)	5.53	3 <sup>rd</sup>
Chromite	9.23	4 <sup>th</sup>
Iron Ore	6.77	4 <sup>th</sup>
Manganese Ore	4.95	5 <sup>th</sup>
Bauxite	5.34	6 <sup>th</sup>
Mineral/Metal	Contribution in world production (%)	India's Rank



# Indian Mining Sector: An Overview

**Mineral wealth: India is endowed with rich mineral resources**

In Million tonnes

Mineral	Reserves	Resources	Total resources
Coal	213136	194479	407615
Iron Ore	5474.4	27801.6	33276
Limestone	16335.7	186889	203224.7
Bauxite	656.4	3240.4	3896.8
Chromite	102.2	241.8	344
Copper Ore	207.7	1303.7	1511.4
Manganese Ore	93.4	402.4	495.8
Lead & Zinc Ore	106.1	643.3	749.4
Titanium minerals	14.4	399.2	413.6
Graphite	7.9	186.9	194.8



# Resource Status of Selected Minerals

Mineral	Abundant ←	Adequate ←	Deficient ←	Scarce
Metallic minerals (ferrous)	Iron ore, Chromite (metallic)			Lithium, Nickel, Tungsten, Cobalt, Molybdenum
Industrial and Precious Minerals	Bauxite (metallurgical)	Zinc	Bauxite (chemical grade), Copper, lead	Antimony, Gold, PGE
Energy, Industrial and Fertilizer Minerals	Dolomite, Gypsum, Limestone, Mica, Non-Coking Coal	Graphite	Apatite, Rock Phosphate, Kyanite	Sulphur, Potash, Coking Coal
Precious Stone Minerals				Diamond, Emerald, Sapphire, Ruby

# Indian Mining Sector: An Overview



Total value of MCDR mineral production (excluding atomic, fuel minerals & minor minerals) during 2021-22 has been estimated at **US \$ 17,819 Million (18 Billion)** – an increase of about 69% over that of the previous year.



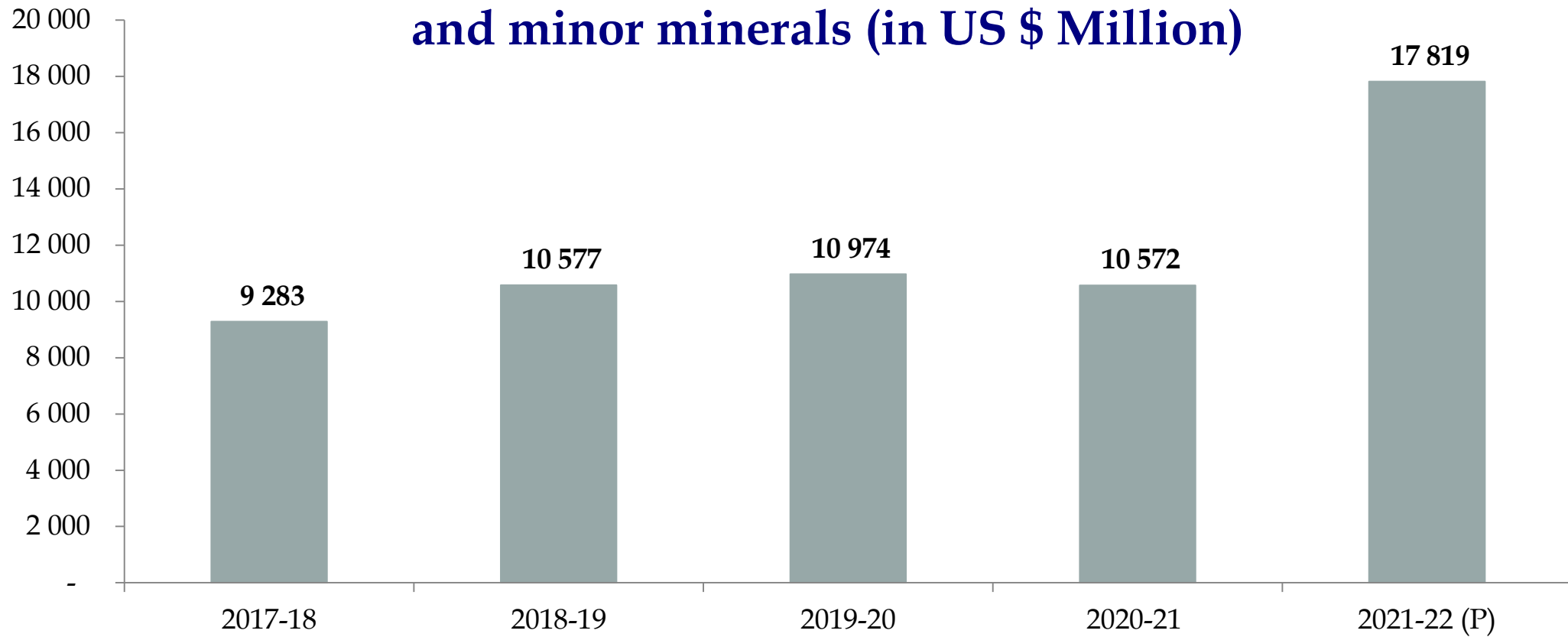
Total value of Coal mineral during 2021-22 has been estimated at **US \$ 14,951 Million (15 Billion)** – an increase of about 14.5% over that of the previous year.



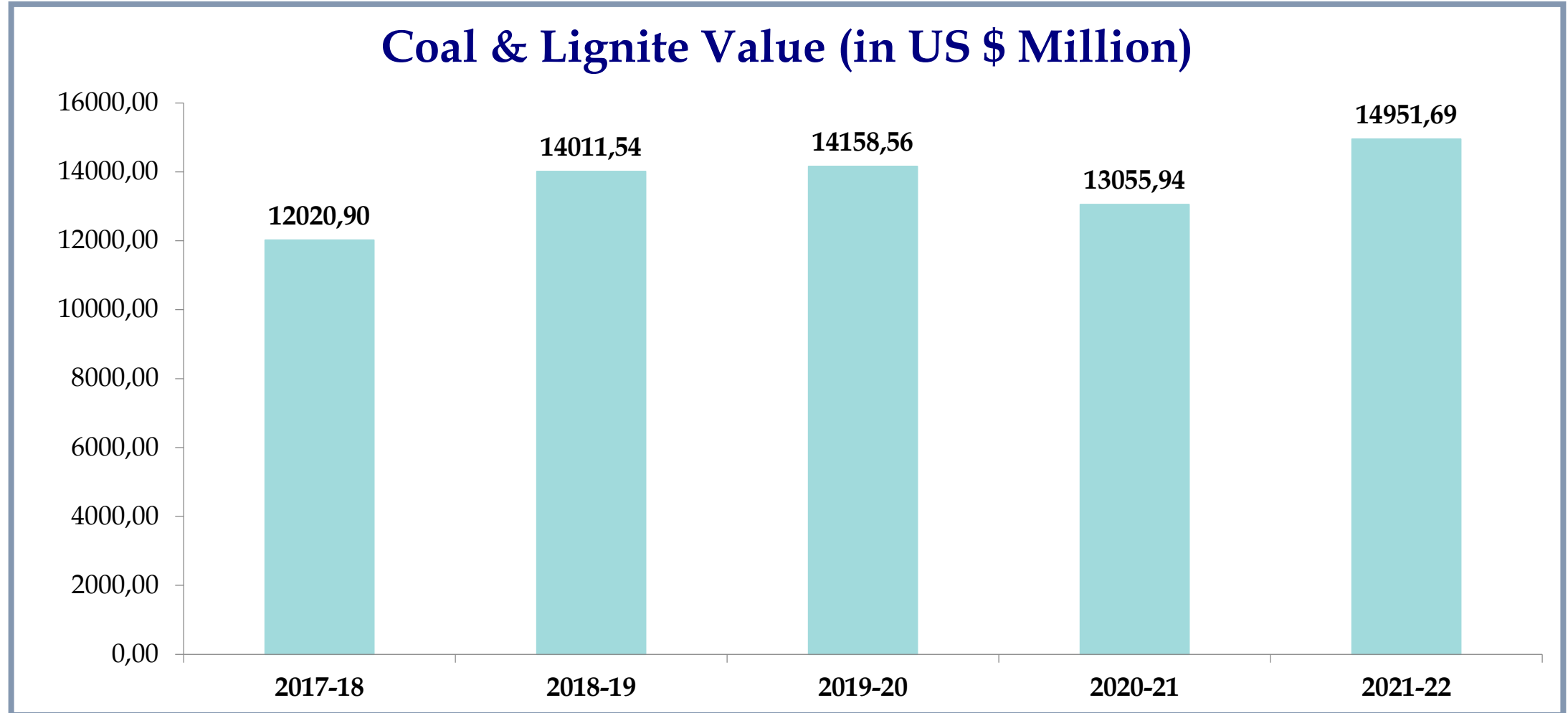
Number of Working Mines in India – **1332**

# Production of Key Minerals

## Production (Value) of MCDR Minerals (Excluding atomic and minor minerals (in US \$ Million)

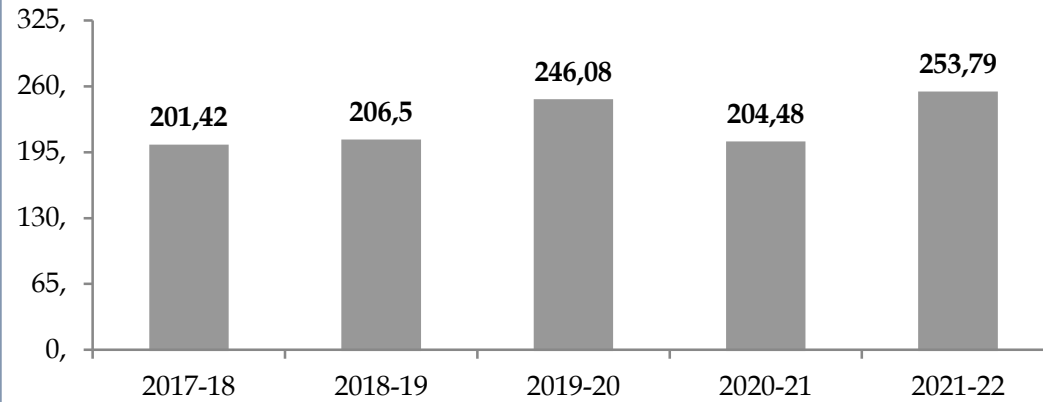


# Production of Key Minerals- Coal & Lignite

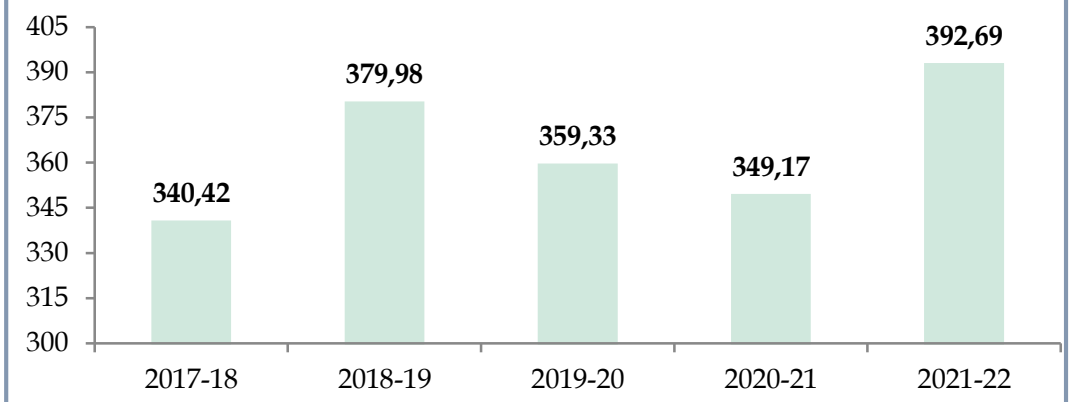


# Production of Key Minerals

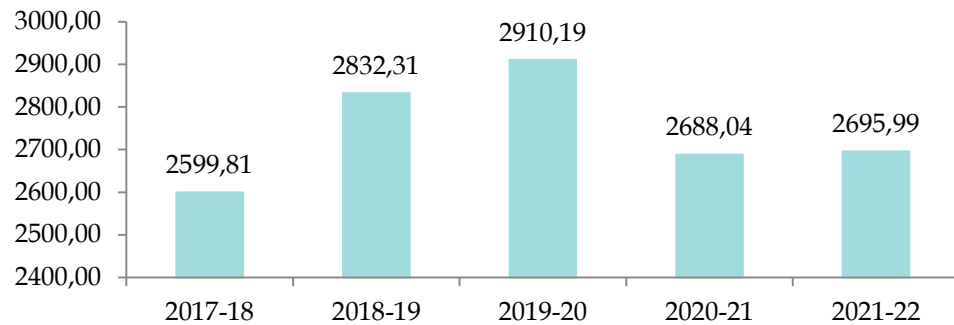
## Iron Ore (in Million Tonnes)



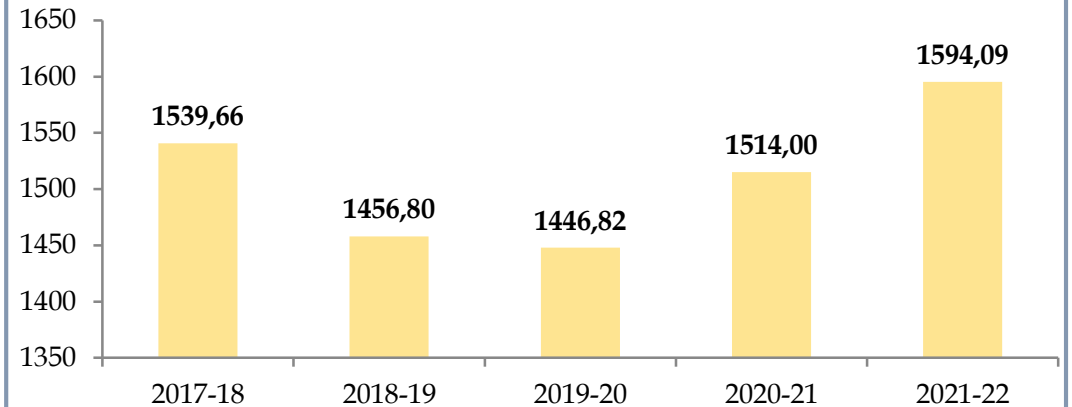
## Limestone (in Million Tonnes)



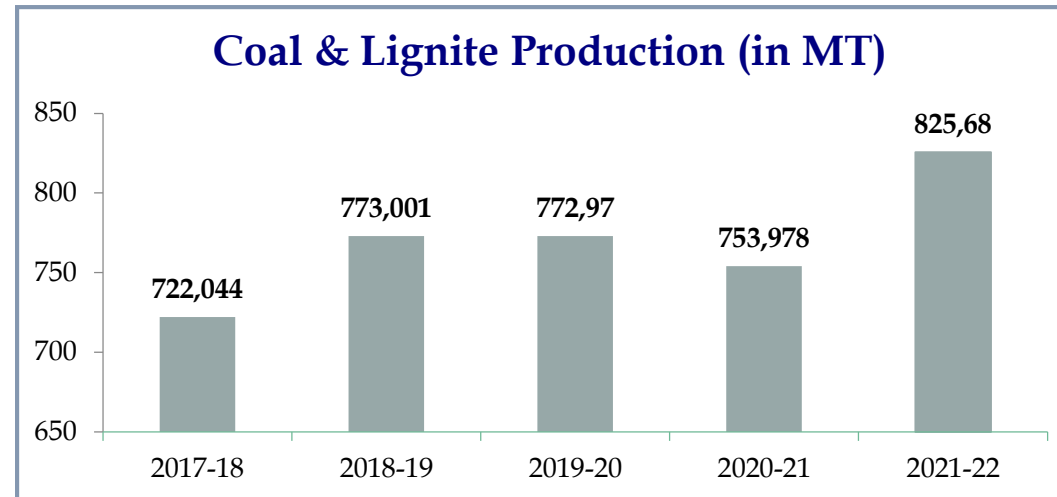
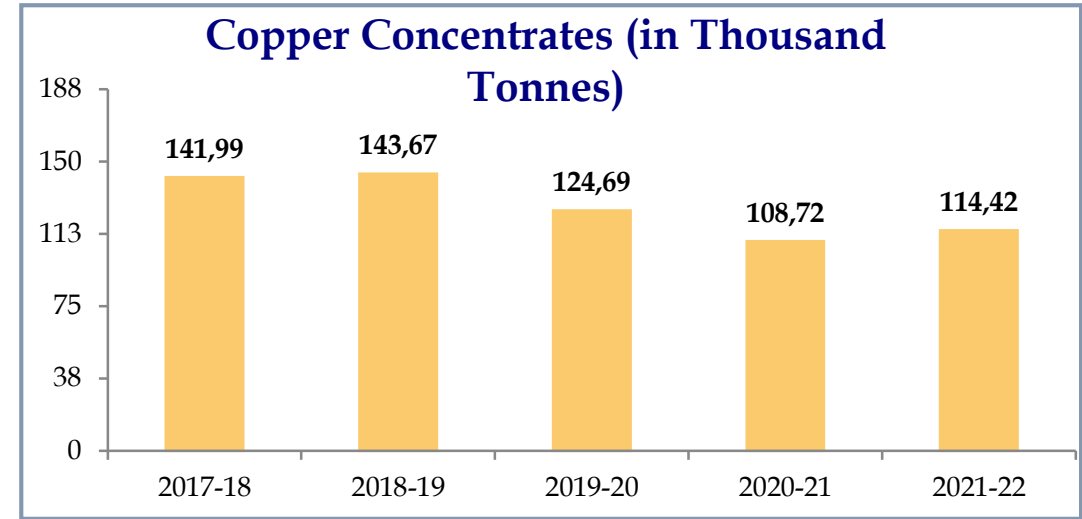
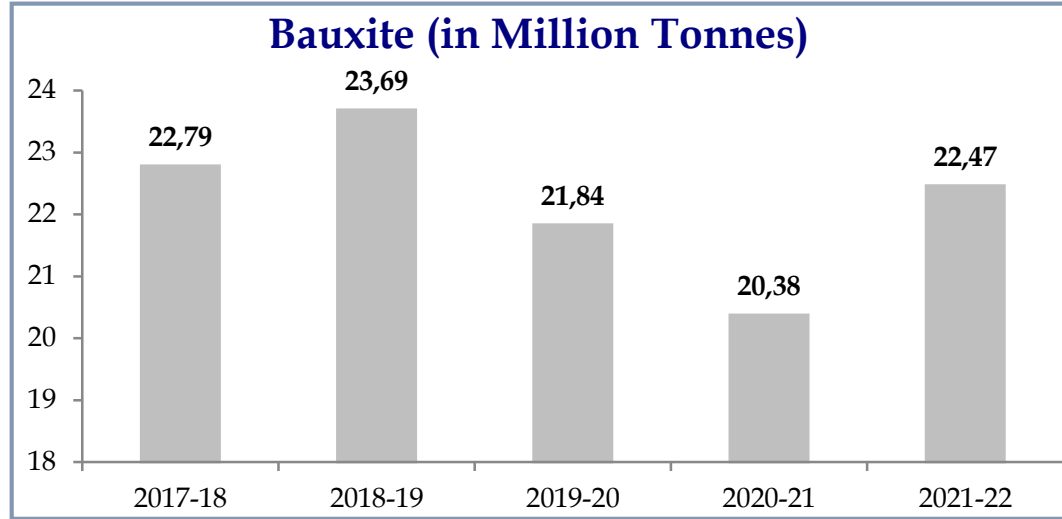
## Manganese Ore (in Thousand Tonnes)



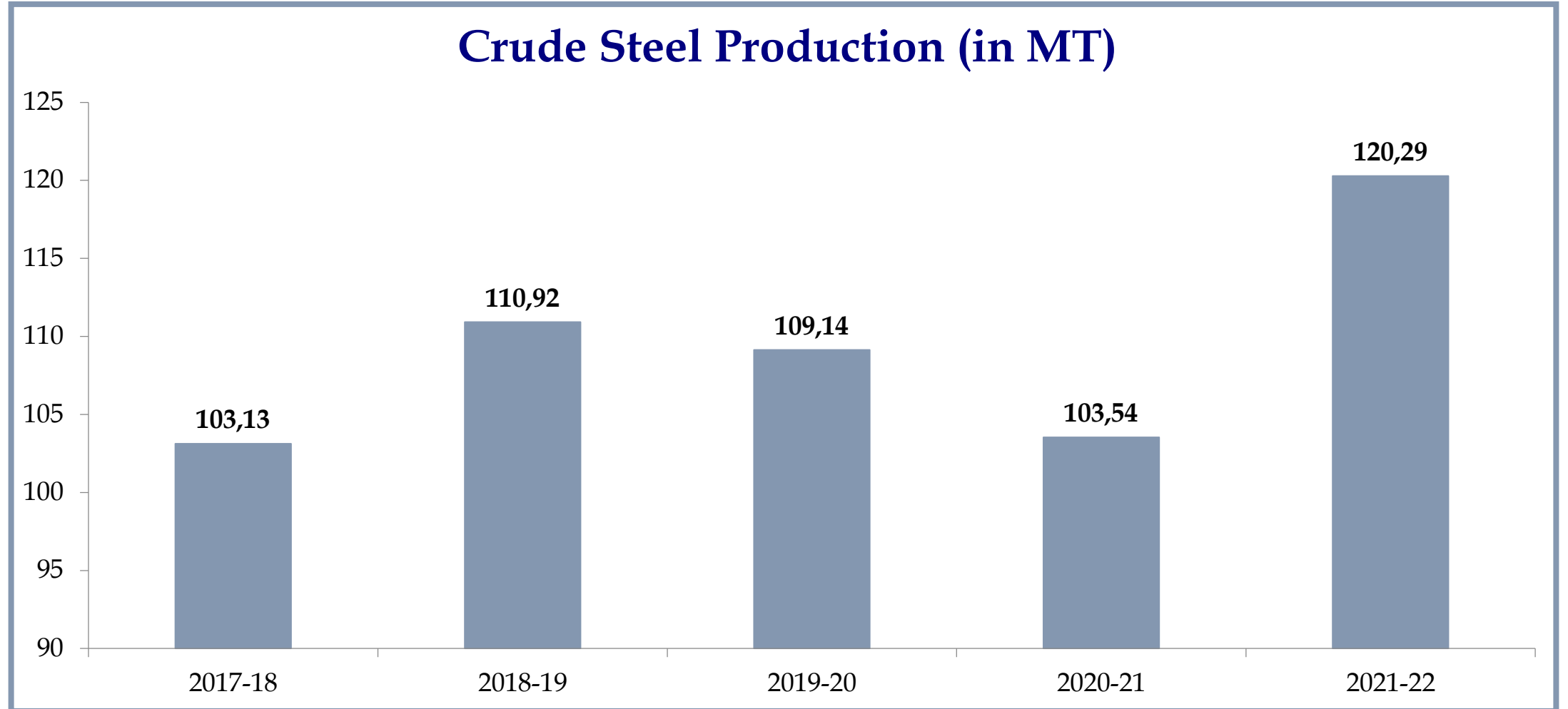
## Zinc Concentrates (in Thousand Tonnes)



# Production of Key Minerals



# Production of Crude Steel





# Domestic Demand for Minerals is Likely to Grow Manifold Over the Next Few Years

Various Government initiatives under varied stages of implementation...

Non-exhaustive

1



Make in India

2



Building 100 Smart Cities

3



Introduction of high speed trains

4



e- Mobility

5

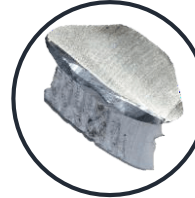


Per capita consumption of mineral rate lowest in the world

Will lead to growth in demand for mineral intensive sectors



Steel



Aluminum



Copper & other Base Metals



Lithium, Cobalt, etc.

# ADVANTAGE INDIA

1



Ease of doing business

2



Concessions granted through Auction (ML & CL)

3



Distinction between captive and non captive mines removed

4



Period of concession 50 years

5



Enhancing Freight Corridor for easy evacuation of minerals

6



FDI in Mining – 100 % FDI in Mining allowed through automatic route

7



## Easy evacuation

- Major mineral deposits are close to sea coast.
- Augmentation of infrastructure for evacuation of minerals

8



- Private Sector allowed in exploration.
- 50% exploration expenses of CL holder to be borne by NMET.
- Transfer of Mining Concession allowed.

9




- Faceless regulation of mining.
- Drone survey introduced.

10



- Mines available through online auction.

# Conducive Regulatory Environment



India has introduced auction regime for allocation of mineral concession. Two types of concessions – Mining lease (**ML**)/Prospecting licence-cum-mining lease or composite license (**CL**)



Since 2015, **208** blocks of different minerals are auctioned in the country.



Currently **86** blocks are placed for auction by State Governments.



Any Company registered in India can participate in auction.

# Conducive Regulatory Environment



100% FDI is allowed in Indian mineral sector.



Geological data is available in public domain ([www.gsi.gov.in](http://www.gsi.gov.in))



Any interested person can suggest a block for auction



Government will put up such blocks for auction after examination of such proposal.



There is no end use restriction for auctioned blocks.

# Conducive Regulatory Environment



Transfer of auctioned blocks are allowed.



Private exploration agencies notified by Government can conduct prospecting operations without a prospecting license.



Financial support to exploration agencies through dedicated trust fund (**NMET**).



Auctioned brownfield projects have the facility of transfer of Statutory clearances from previous owner.

# Regulatory Framework/Investment opportunities- Coal Mining

Simplified online Coal Block allocation process to promote commercial mining.

To date 117 coal mines- auctioned & allocated.

Auction of mines for Prospecting License-cum-Mining Lease (PL cum ML) also.

352 Bt of Coal & 46 Bt of Lignite Resource

Imports dependence - 20% of demand.

Scope for substitution by opening new coal mines in India.

Domestic coal 2X to 3X cheaper than landed cost of imported coal.

# Strong Potential For Growth Of Steel Sector

Per capita consumption of steel about one-third of world average.

Strong commitments in infrastructure investment by public and private sectors.

Projected increase of 25% in demand for steel by FY 2024-25

Indian steel industry in expansion mode to meet growing domestic demand

BF-BOF route of steelmaking, using iron ore and coking coal, to contribute to expansion in the medium-term

Increasing usage of scrap in steelmaking and movement towards circular economy in the long-term

Massive opportunity for investments in low-carbon steelmaking



# Investment Opportunities

Per Capita steel consumption to rise from 70 Kg in FY 2020-21 to 158 kg by FY2030-31.

Per Capita Aluminum Consumption in India at 2.5 kg is much below the global average of 11kg.

Per Capita income on India to increase from USD 2000 to USD 10000 by 2047

86 Blocks of different minerals (other than Coal) are available for auction

130-140 Coal Blocks will be available for auctioned in the next Round  
Estimated demand in 2030: ~1500 MT

Drive towards Green energy and climate change – the requirement of minerals such as Aluminium, Quartz, Copper, Zinc, Li, Cobalt, REE are poised to increase manifold.

# Opportunities

## Invest in India

- Opportunities across exploration and Mining

## Technology enablement

- Tie-ups for Mining technologies
- Digitisation in mining
- Improving safety

## Import Agreements

- Long term linkages for deficient minerals to secure supply and price

## Acquisition of strategic assets overseas

- Explore models of JV partnership/mine operators for overseas assets
- Explore opportunities to diversify import sources

THANK YOU

