Sector Highlights

India Ranks

1. **2nd**
   - Crude steel production

2. **7th**
   - Largest bauxite reserves

3. **3rd**
   - Largest finished steel consumer

4. **4th**
   - Iron ore production

5. **4th**
   - Sponge iron production (2018)

6. **7th**
   - Largest coal producer (2019) (as per BP Statistical World Energy Review)

7. **1,430**
   - Operating mines

8. **66.84%**
   - Share of private sector in mineral production (2016-17)

9. **Produces 95 minerals**

10. **GOVERNMENT MINISTRY /DEPARTMENT**
    - Ministry of Steel
    - Ministry of Environment, Forest and Climate Change
    - Department of Land Resources
    - Ministry of Mines
    - Indian Bureau of Mines

11. **INDUSTRY ASSOCIATIONS**
    - Indian Steel Association
    - Indian Stainless Steel Development Association
    - Aluminium Association of India
    - International Copper Association India

12. **GROWTH DRIVERS**
    - Strong End-Sector Demand
      - Construction and automotive sectors set to witness robust growth
    - Proactive Government Policy and Support
      - 100% FDI through automatic route permitted in steel and mining sectors
    - Competitive Advantage
      - Low production and conversion costs
    - Export Opportunities
      - Strategic location of India allows for lower lead times
    - India holds a prominent position in the global trade chain

Number of Mines Top 10 states

Key Stakeholders
## Key Sub-Sectors of Interest

### STEEL

- India’s steel demand is expected to grow by 7.1% in 2019
- Govt. of India plans to increase domestic steel sector’s capacity to 300 MT by 2030-31
- Per capita steel consumption expected to rise to 160 kg by 2030-31

## Key Steel Plants In India

- Steel integrated plants under SAIL (Bhilai, Rourkela, Bokaro, Durgapur and Burnpur)
- Tata steel plant, based in Jamshedpur
- RINL steel plant, in Visakhapatnam
- Alloy steel plants under SAIL (Salem and Visvesvaraya)

## Key Steel SEZs in India

<table>
<thead>
<tr>
<th>DEVELOPER</th>
<th>LOCATION</th>
<th>PRODUCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virej Profiles Ltd</td>
<td>Thane, Maharashtra</td>
<td>Stainless steel engineering products</td>
</tr>
<tr>
<td>SAIL Salem SEZ Pvt Ltd</td>
<td>Salem, Tamil Nadu</td>
<td>Steel</td>
</tr>
<tr>
<td>Orissa Industrial Infrastructure Development Corporation</td>
<td>Jaipur, Orissa</td>
<td>Metallurgical-based engineering and ancillary/downstream industry</td>
</tr>
<tr>
<td>Tata Steel Special Economic Zone (TSSEZ)</td>
<td>Gopalpur, Odisha</td>
<td>Steel and allied downstream industries</td>
</tr>
</tbody>
</table>
### Opportunities

- Housing for all by 2022 scheme - 20 Mn affordable houses to be built by March 31, 2022
- Expanding railway networks
- Developing shipbuilding industry
- Opening up of defence sector for private participation
- Growth in automobile sector

Government to encourage JVs for production and development of advanced products

Transfer of technology for production of Automotive Steel and other Special Steels and Alloys to be facilitated

### Key Sub-Sectors of Interest

#### ALUMINIUM

**Estimated Bauxite Reserves:** 590 MT

Production of iron ore - consisting of lumps, fines and concentrates - increased 22% Y-o-Y to 192 MT in 2016-17

#### OPPORTUNITIES

- Government focus on infrastructure development
- Growing automobile and food packaging industries
- Rapid urbanisation – 100 smart cities planned by 2020

Initiatives such as the Make in India Campaign, Smart Cities, Rural Electrification and a focus on building renewable energy projects under the National Electricity Policy will boost the usage of aluminium

#### KEY PLAYERS

- **NALCO**
  - Being developed by NALCO, in collaboration with Odisha government
- **Vedanta**
  - Downstream aluminium park planned to be developed by Vedanta

**UPCOMING ALUMINIUM PARKS**

- **Angul, Odisha**
  - Being developed by NALCO, in collaboration with Odisha government
- **Jharsuguda, Odisha**
  - Downstream aluminium park planned to be developed by Vedanta

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**Housing for all by 2022 scheme -**

20 Mn affordable houses to be built by March 31, 2022
Key Sub-Sectors of Interest

**MINING**
- Indian mining industry forecast to reach **USD 126 Bn by 2025**
- The total value of mineral production (excluding atomic & fuel minerals) during 2017-18 was estimated at **USD 16.2 Bn**, an increase of **13%** from the previous year
- Cumulative FDI equity inflows into the Metallurgical and Mining industry between April 2000 and March 2019 stood at **USD 15.83 Bn (DPIIT)**

**NATIONAL MINERAL POLICY**
- Aims to increase production of major minerals by **200%**, and reduce the trade deficit by **50%** in **7 years**
- Incentives provided include financial package, right of first refusal at the time of auction
- Creation of Exclusive Mining Zones with approved, in-principal clearances (tied to forest land diversion for non-forestry purposes) - to curtail delay in commencement of mining operations
- Simplification of process for obtaining Environmental and Forest Clearances
- Encourages M&As of mining entities and transfer of mining leases
- Removal of discretion: auction to be sole method of allotment
- Provision of Composite License, i.e. Prospecting Licence-cum-Mining Lease (PL-cum-ML)
- Removing pendency of applications for renewal: Impetus to the mining sector
- Simplification of procedures and avoidance of delay
- Stringent provisions against illegal mining
- Provision to increase maximum areas for mining
- Mining leases to be granted for a period of **50 years**, against **30 years** earlier

**MINES AND MINERAL DEVELOPMENT AND REGULATION (MMDR) AMENDMENT ACT, 2015**
- **Opportunities**
- Only **20%** of the total reserves in India have been mined until now

**Key Sub-Sectors of Interest**

**Indian mining industry forecast to reach USD 126 Bn by 2025**

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Government Initiatives

MINING
- 100% through automatic route in the steel and mining sectors
- 100% through government route for mining titanium
- 100% through automatic route for coal and lignite

NATIONAL MINERAL POLICY 2019
- Proposes to grant ‘industry’ status to mining, with the aim of enhancing financing of private sector
- Mineral bearing area/zone to be earmarked as ‘Mining Land’ in the states’ land records
- Efforts to be made to rationalise areas reserved but unused by PSUs

MINING SURVEILLANCE SYSTEM
- Satellite technology surveillance to check illegal mining

INVESTMENT INCENTIVES
- Profits of companies producing specified metals given tax concession under the Income Tax Act
- Companies undertaking mining in backward districts are eligible for complete tax holiday for a period of 5 years from the start of production, and 30% tax holiday for 5 years thereafter

REDUCED CUSTOM DUTIES
- Significant reduction of duty payable on finished steel products
- Basic Customs Duty reduction on coal tar pitch, battery waste and battery scrap, as well as steel grade limestone and steel grade dolomite
- Customs duty has been cut from 5% to 2.5% on all inputs for producing CRGO Steel

INFRASTRUCTURE DEVELOPMENT
- Government plans to set aside 2.68 Mn hectares of land across 8 states, which will offer ready-made land parcels for steel plants looking to invest or boost capacities in India
- Plan to add 3 critical railway lines to enhance off-take and increase rakes

CAPTIVE MINING FOR COAL
- Companies allowed to set up coal washeries for specific end uses, such as establishing power plants, fertiliser and steel units

M3 METAL MANDI
- A virtual market and transactions portal that aims to aid micro, small and medium enterprises (MSMEs)
ThyssenKrupp: Case Study

April 2016
● ThyssenKrupp reaches out to Invest India

April 2016–April 2017
● Invest India proactively works with stakeholders – including Ministry of Steel, Dept. of Revenue (MoF) and ThyssenKrupp – to present the case of inverted duty structure on manufacturing of electric steel

May 2017
● Announcement of reduction in import duty of raw material for electric steel (from 10% to 5%) made during PM Modi’s visit to Germany

Apr 2018
● ThyssenKrupp inaugurates India’s first Electrical steel plant at Nashik, Maharashtra

NLMK: Case Study

July 2016
● After being directed by the Russian Trade Representation, NLMK meets Invest India for assistance to set up a GOES steel manufacturing facility in the country

● On the basis of NLMK’s state preferences, Invest India provides 6 potential sites for establishment of the GOES plant (based on Invest India’s analysis – that included factors such as land costs, electricity costs, water costs, accessibility to port, etc.) across 3 states – Gujarat, Maharashtra and Odisha

● Pre-feasibility study conducted by Uralnias across 6 sites leads to shortlisting of 2 locations – Sanand in Gujarat and AITL in Maharashtra. Post the pre-feasibility study, a detailed feasibility study was conducted by Uralnias, with Dastur as the Indian EPC contractor

● Invest India then facilitates NLMK’s meetings with key officials from Gujarat and Maharashtra – including the Chief Minister, Chief Secretary, Principal Secretary – Industries Department, and Industrial Development Corporations

July 2019
● AITL shortlisted on the basis of greater incentives offered
HOW WE HELP INVESTORS

- RESEARCH CONTENT PROVIDED
- POLICY ADVISORY/REPRESENTATION
- STAKEHOLDER MEETING
- SITE VISITS
- LOCATION ANALYSIS
- ISSUE RESOLUTION
- REGULATORY CLEARANCE FACILITATION

To find out more
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