



Limestone Excavation and Transport Using Podway



Minerals Mining Industries Pvt. Ltd.
Kathmandu, Nepal



Background

The “Limestone Excavation and Transport using Podway” project spans 19.125 sq km across Argakhanchi, and Pyuthan Districts with an estimated limestone reserve of 506.79 million tons. Utilizing the innovative Podway system, which employs traction electric drives powered by contact networks or onboard storage, the project aims to revolutionize limestone transport, enhancing efficiency and reducing environmental impact. This strategic initiative supports Nepal’s expanding cement industry, with increasing exports particularly to India’s Uttar Pradesh and Bihar, leveraging Nepal’s cement’s competitive quality on the international market.



Sector

Mines and Minerals



Location

Malarani Rural Municipality, Argakhanchi District & Mallarani Rural Municipality, Pyuthan District, Lumbini Province



Land Lease Area

19.125 Sq. km.

Project Rationale

- Estimate Limestone Reserve: 506.79 million ton
- Good quality limestone
 - CaO content : 47.07% and average MgO : 1.71%
- The mining site features varied limestone bed thicknesses.
- Podway uses traction electric drive, revolutionizing transport

Salient Features

- Eastern part (east from Duware Khola) of the leased area consists of the four quarries which lies in the government land.
- All these quarries consist of the cement grade lime stone.
- Leased area accessible by road
- Area feasible for mining

Market Study

- Estimated Annual Cement production: 7.49 million tons (NRB study report 2021)
- Domestic Consumption demand: 9.05 million metric tons in 2018/19
- Cement and clinker exports to India rose to Rs. 2.6 billion in the first seven months of FY 2023/24, up from Rs. 779.3 million the previous year
- Cement exports rose notably from Rs 65 million to Rs 295 million monthly.
- Uttar Pradesh and Bihar, India identified as significant markets.
- Nepali cement is perceived as high-quality by the Nepal Bureau of Standards and Metrology, enhancing its international competitiveness and attracting investments.
- Local limestone use adds value, reduces trade deficit.
- Project to create jobs across production, management, and administration.
- Technology transfer through training, partnerships, and best practices.
- Modern factories adopt eco-friendly practices and waste management.
- Cement factory supports infrastructure development nationwide.
- Government subsidies boost competitiveness against Indian firms.

Project Outcomes



Increased local employment opportunities



Economic development of the region



Community involvement



Tax Revenue for the government



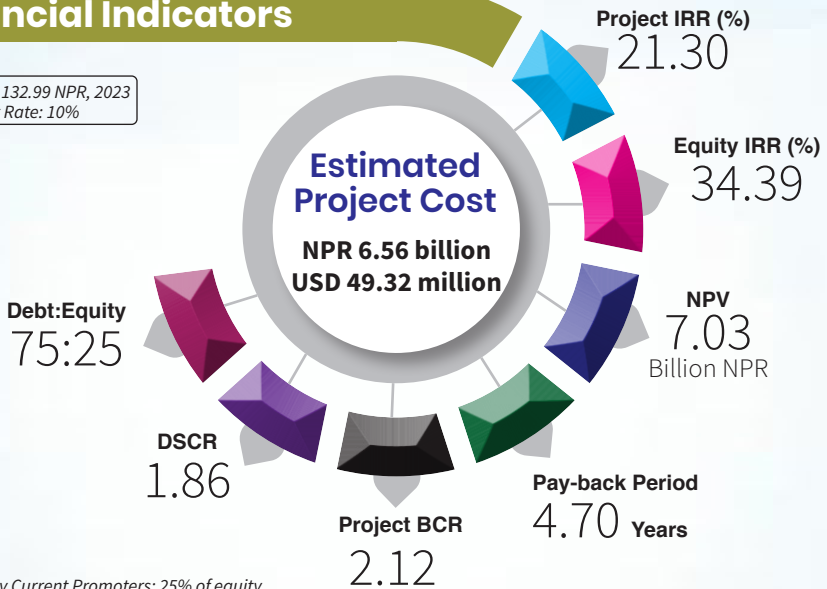
Economic Multiplier Effect



Infrastructure development and improvement in the region

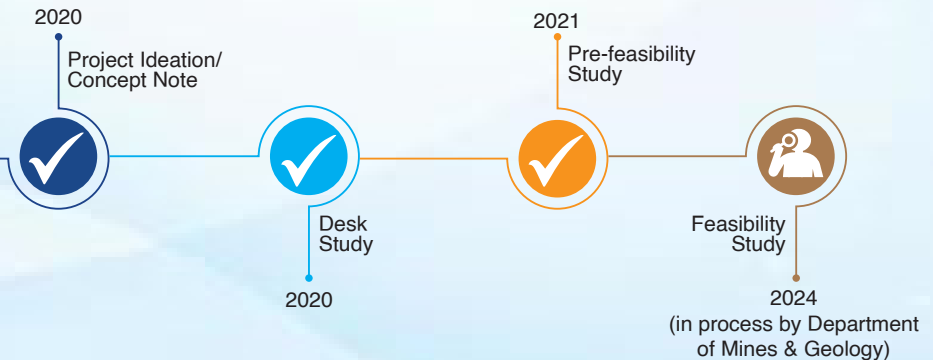
Financial Indicators

Note: 1 USD = 132.99 NPR, 2023
Interest Rate: 10%



- Managed by Current Promoters: 25% of equity
- Additional Equity Investment: Aims to secure 75% of equity
- Debt: 75% (Source: Local banks)

Project Implementation Timeline



Project Implementation Modality



Private
Investment

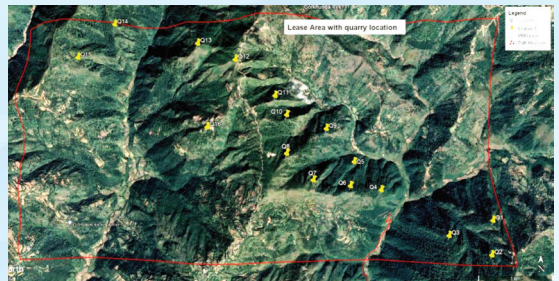


New investors would involve both injecting capital and sharing expertise



Relevant Agencies

- Department of Mines & Geology
- Ministry of Industry, Commerce & Supplies



About the Agency

Minerals Mining Industries Pvt. Ltd., headquartered in Kathmandu, Nepal, operates under License No. 127/075/76 for Prospecting General, which authorizes the company to carry out preliminary studies. Following these studies, along with the necessary feasibility studies and environmental impact assessments (IEE/EIA), the company plans to apply for an Opening General License. The venture is spearheaded by promoters Mr. Kailash Rai and Mr. Mukti Bodh Neupane. Mr. Rai is a seasoned business leader recognized for achieving notable milestones in his career. Mr. Neupane, a Chartered Accountant, has held various influential roles in finance and business. His most prominent position was as Deputy CEO of Hydroelectricity Investment & Development Company Limited (HIDCL), where he served from July 2014 to May 2022, significantly contributing to Nepal's hydroelectric sector with his financial expertise.

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