

No. 16/150/2015-M.VI(PartII)

Government of India

Ministry of Mines

Shastri Bhawan, Dr. Rajendra Prasad Road

New Delhi-110 001

Dated:- 15th July, 2022

NOTICE FOR PUBLIC CONSULTATION

Subject: Proposal for amendment of the Mines and Minerals (Development and Regulation) Act, 1957 for bringing reforms in mineral sector - Additional proposal for consultation - reg.

Vide Notice No. M.VI-1/3/2022-Mines VI dated 25.05.2022, a brief note on the proposals under consideration for amendment in the MMDR Act was published in the Ministry's website for comments/suggestions from the general public, Governments of States and Union Territories, mining industry stake-holders, industry associations, and other persons and entities concerned.

2. In this regard, a brief note on an additional proposal regarding change in conversion factor for calculation of ASP for metallurgical grade bauxite is enclosed herewith.

3. Accordingly, it is requested that comments/ suggestions on the above issues may be sent on or before 30.07.2022.

4. The comments/suggestions may be sent by e-mail in MS-Office Word file to the following ID:

jspolicy-mines@gov.in

The subject of the e-mail should be "Comments/ suggestions on the additional proposal".

5. Alternatively, comments/suggestions may also be sent by post to the following address:

Shri Mustaq Ahmad, Director
Ministry of Mines
Room No 313,
D-Wing Shastri Bhawan,
Dr Rajendra Prasad Road
New Delhi -110 001

The envelope may kindly be superscribed on the top with "Comments/ suggestions on the additional proposal".

Encl.: As above.

Yours faithfully,



(Mustaq Ahmad)

Director

Annexure

Note for consultation on additional proposal

A. Change in conversion factor for calculation of ASP for metallurgical grade bauxite

Rule 45 of the Mineral(OAHCEM) Concession Rules, 2016, provides formula for calculation of ASP for metallurgical grade bauxite on the basis of London Metal Exchange (LME) price of aluminium. The formula includes a conversion factor of 6.4%. This conversion factor was notified by the Ministry of Mines on 20.09.2019.

2. Ministry of Mines has received references/ representations from State Governments, various industry associations and companies for revising this conversion factor stating that the ASP arrived through the present conversion factor is very high as compared to actual price of bauxite. In view of repeated references, the Ministry referred the issue of rationalization of ASP for metallurgical grade bauxite to the Committee constituted under the chairmanship of Shri Praveen Kumar, IAS (Retd.) for developing National Mineral Index.

3. Based on the report of the Committee, it is proposed to revise the conversion factor to arrive at the ASP for metallurgical grade bauxite on the basis of LME price of aluminium for Financial Year 2020-21 after factoring in the logistics cost in taking the ore from mine to the plant and the contribution towards royalty, DMF and NMET.

4. Accordingly, it is proposed to notify the revised conversion factor as 4.23%. This will rationalise the calculation of ASP for metallurgical grade bauxite. Also, necessary amendment would be made in the Mineral(OAHCEM) Concession Rules, 2016 to provide that whenever the conversion factor is revised, the revised conversion factor would be applicable for all the MLs, whether auctioned before or after the revision of the conversion factor, for the minerals removed or consumed from the leased area after such revision.

