No. 16/150/2015-M.VI (Part II)
Government of India
Ministry of Mines
****

Shastri Bhawan, New Delhi-110001
Dated: 23rd October, 2024

NOTICE FOR PUBLIC CONSULTATION

Subject: Proposal for revision of conversion factor for ASP of metallurgical grade bauxite - reg.

The Average Sale Price (ASP) for bauxite is used in calculation of the value of estimated resources and premium payable in auction of the mineral block. 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 contains a conversion factor of 6.4%. This conversion factor was notified by the Ministry of Mines on 20.09.2019. The said conversion factor was fixed on the basis of contribution of alumina and bauxite to the cost component of aluminium and alumina, respectively.

2. The Ministry of Mines had received references/ representations from various stakeholders 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. Also, four petitions have been filed in various High Courts challenging the said conversion factor. 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.). The Committee has submitted its report.

3. Ministry of Mines proposes to revise the conversion factor for ASP of metallurgical grade bauxite by deducting average logistics cost per tonne. It is proposed that that the revised conversion factor of 4.90% will be made applicable for cases where mining leases are granted pursuant to NITs issued after the publication of the notification for revised conversion factor. For all other mines of metallurgical grade bauxite, the conversion factor would remain as 6.4%.

4. A notification for revision of the conversion factor for metallurgical grade bauxite is enclosed herewith for seeking comments / suggestions from the general public, Governments of States and Union Territories, mining industry stake-holders, industry associations, and other persons and entities concerned.

5. Accordingly, it is requested to kindly furnish comments on the proposal **on or before 23.11.2024**. The comments may be furnished by email at: **so-mines6@gov.in** . The subject of the e-mail should be "Comments / suggestions on the proposal for revision of conversion factor for ASP of metallurgical grade bauxite".

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

Shri Vinod Kumar, Under Secretary to the Government of India
Ministry of Mines
Room No 303,
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 proposal for revision of conversion factor for ASP of metallurgical grade bauxite".

Encl.: As above.

Vinod Kumar
23/10/2024

(Vinod Kumar)
Under Secretary to the Government of India

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

MINISTRY OF MINES
NOTIFICATION

New Delhi, the ___October, 2023.

G.S.R. ___(E).—In pursuance of sub-rule (1) of rule 45 of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016, the Central Government hereby makes the following amendment in the notification of the Government of India, Ministry of Mines number G.S.R. 675(E), dated the 20th September, 2019 notifying the conversion factor for calculation of average sale price of metallurgical grade Bauxite, namely:—

"The conversion factor for calculation of average sale price of metallurgical grade Bauxite, shall be as under, namely:—

(i) 4.90 per cent. for the mining lease granted pursuant to notice inviting tender (for composite licence or mining lease) issued after the date of commencement of this notification.

(ii) 6.40 per cent. for the mining leases not covered under clause (i).".

2. This notification shall come into force on the date of its publication in the Official Gazette.

[F. No. 16/150/2015-M.VI (Part II)]

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Joint Secretary to the Government of India