

No. 1/6/2021-Mines VI
Government of India
Ministry of Mines

Shastri Bhawan, New Delhi
Dated: 12th August, 2022

NOTICE FOR INDUSTRY CONSULTATION

Subject: Industry consultation on the issue of Utilization of Low and Lean Grade Iron Ore Resources in the Country.

Ministry of Mines constituted an Inter-Departmental Committee to inter-alia recommend specific steps to various stakeholders to ensure Utilization of Low and Lean Grade Iron Ore Resources in the Country. The Committee constituted by this Ministry has submitted its report and given specific recommendations.

2. Accordingly, a brief note for consultation on the issue is enclosed for comments / suggestions from the mining industry associations and companies concerned.

3. It is requested that the comments / suggestions on the note for consultation and the recommendations contained therein may be furnished to this Ministry by **31.08.2022**.

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 issue of Utilization of Low and Lean Grade Iron Ore Resources in the Country”.

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 -110001

The envelope may kindly be superscribed on the top with “Comments/ suggestions on the issue of Utilization of Low and Lean Grade Iron Ore Resources in the Country”.

Encl.: As above.

Yours faithfully,

(Abhishek Kumar Upadhyaya)
Under Secretary to the Government of India

Enclosure**Note for consultation on the issue of Utilization of Low and Lean Grade Iron Ore Resources in the Country**

1 . Ministry of Mines constituted an Inter-Departmental Committee to inter-alia recommend specific steps to various stakeholders to ensure Utilization of Low and Lean Grade Iron Ore Resources in the Country. The Committee constituted by this Ministry has submitted its report.

2. The comments / suggestions of the mining industry associations and companies concerned are requested on the following recommendations of the committee:

(i) To mandate eighty percent (80%) of the total mineral produced in a year by the holder of a mining lease, which is below fifty-eight percent (58%) Fe grade; to be upgraded through beneficiation to produce beneficiated ore of sixty-two percent (62%) Fe grade and above.

(ii) In case of shortfall in beneficiating the eighty percent (80%) of Low-Grade iron ore of below fifty-eight percent (58%) Fe, which shall be assessed on a quarterly basis, the lessee shall pay to the State Government, an amount of royalty and premium as applicable to the iron ore lumps or fines of 62-65% grade, as the case may be, on the difference between the minimum quantity of mineral to be beneficiated in the said quarter and the quantity actually beneficiated. A reconciliation of the total amounts thus paid shall be done at the end of the year and on such reconciliation, if it is found that the lessee has beneficiated more than or equal to the minimum quantity of low-grade ore to be beneficiated as required under S.No. (1) for that year as a whole, then any amount paid by the lessee for the shortfall in beneficiation in any quarter or quarters of that year shall be adjusted with the amounts to be paid for the last quarter of that year. For non-auctioned mines, such shortfall will attract an amount equal to the four (4) times of royalty to be paid on the iron ore of grade 62-65% Fe, for lumps or fines, as the case may be, in addition to the actual royalty to be paid on such quantity at the time of its removal or consumption.

(iii) Where the lessee does not maintain the minimum quantity of ore to be beneficiated as required under S.No. (i), for two successive years and fails to pay the amount so payable on such shortfall after 2 years, then the State Government may terminate such lease after giving the lessee a reasonable opportunity of being heard. Further, the State Government may pre-empt such low-grade material below 58% Fe content and may suitably dispose it off in a manner as deemed fit.

(iv) To allow the transfer of low-grade ore to the neighbouring mines for its beneficiation, if the neighbouring mines have such beneficiation plant. If such transfer is done to a neighbouring mine or to a merchant beneficiation plant outside the lease area, then such quantity will be counted under the mandatory 80% limit. Suitable provisions have to be made in the rules to account for the transfer of low-grade ore from one mine to another so that there may not be any loss of revenue to the State Governments and also there may not be any incidence of double royalty.

(v) To encourage the use of low-grade ore/slimes, the committee proposes to charge the royalty, bid premium, and other statutory levies on the grade and quantity of throughput ore for beneficiation, irrespective of the location of the plant whether inside or outside the lease area. A concession of 5% in the rate of royalty on the quantity of low grade ore beneficiated through wet process and 10% concession in the rate of royalty on the quantity of low grade ore beneficiated through dry process may be given. Such concession may be allowed on 20% quantity of the annual production of Iron-Ore of all grades. This benefit may be considered to be extended only to the portion of the low-grade ore having Fe contents below 58%, which is upgraded to 62% Fe contents and above.

(vi) For considering beneficiation of the existing stacks of low grade ore and slimes, within and outside the lease area, belonging to the existing lessee, after verification by the State Government, over and above the 20% capping as prescribed above through suitable statutory provisions.

(vii) To consider the policy for an initial period of 5 years which will again be reviewed after 5 years.

(viii) Provision for additional marks in the Star Rating for such miners in case they beneficiate over and above their mandated quantity.

(ix) Levy of an additional amount for not achieving the mandated beneficiation of 80% of the annual production of such low-grade ore below 58% Fe grade, may be considered after two years of the notification of the rule.
