

Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion
(FC Section)

Press Note No. 6 (2008)

Subject: FDI Policy for mining of Titanium bearing minerals and ores.

India has large reserves of beach sand minerals in the coastal stretches around the country. Titanium bearing minerals viz. Ilmenite, rutile and leucoxene, and Zirconium bearing minerals including zircon are some of the beach sand minerals which have been classified as "prescribed substances" under the Atomic Energy Act, 1962.

2. Under the Industrial Policy Statement 1991, mining and production of minerals classified as "prescribed substances" and specified in the Schedule to the Atomic Energy (Control of Production and Use) Order, 1953 were included in the list of industries reserved for the public sector. Vide Government of India Resolution No. 8/1(1)/97-PSU/1422 dated 6th October 1998 issued by the Department of Atomic Energy laying down the policy for exploitation of beach sand minerals, private participation including Foreign Direct Investment (FDI), was permitted in mining and production of Titanium ores (Ilmenite, Rutile and Leucoxene) and Zirconium minerals (Zircon). FDI up to 74% was permitted with prior approval of the Government in pure value addition projects without mining and mineral separation as well as integrated projects comprising both mining & mineral separation and value addition.

3. Vide Government of India Notification No. S.O.61(E) dated 18.1.2006, the Department of Atomic Energy re-notified the list of "prescribed substances" under the Atomic Energy Act 1962. Titanium bearing ores and concentrates (Ilmenite, Rutile and Leucoxene) and Zirconium, its alloys and compounds and minerals/concentrates including Zircon, were removed from the list of "prescribed substances".

4. On a review of the extant policy on FDI, Government of India has now decided as under:

4.1 FDI up to 100% will be allowed with prior Government approval in mining and mineral separation of titanium bearing minerals & ores, its value addition and integrated activities subject to sectoral regulations and the Mines and Minerals (Development and Regulation Act 1957).

4.2 FDI for separation of titanium bearing minerals & ores will be subject to the following additional conditions viz.:

- i. value addition facilities are set up within India along with transfer of technology;
- ii. disposal of tailings during the mineral separation shall be carried out in accordance with disposal of tailings during the mineral separation shall be carried out in accordance with regulations framed by the Atomic Energy Regulatory Board such as Atomic Energy (Radiation Protection) Rules, 2004 and the Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987.

5. FDI will not be allowed in mining of "prescribed substances" listed in the Government of India Notification No. S.O. 61(E) dated 18.1.2006 issued by the Department of Atomic Energy.

4. FDI Policy announced vide Annex to Press Note 4(2006) dated 10th February 2006 stands modified to the above extent.

Vilrj 12/3/2008
GOPAL KRISHNA

Joint Secretary to the Government of India

D/o IPP F.No. 5(10)/2006-FC dated 12th March, 2008

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