

FOREIGN INVESTMENT POLICY OF INDIA
ON
MINING

	Sector Activity	% of FDI allowed	Entry Route
1	Mining		
	Mining and Exploration of metal and Non metal ores including diamond, gold, silver and precious sores but excluding titanium bearing minerals and its ores; Subject to the Mines and Minerals (Development & Regulation Act, 1957)	100%	Automatic Route
1.1	Coal and Lignite		
1.	Coal and lignite mining for captive consumption by power projects, iron & steel and cement units and other eligible activities permitted under and subject to the provision of Coal Mines (Nationalization) Act, 1973.	100%	Automatic Route
2.	Setting up coal processing plants like washeries, subject to the condition that the company shall not do coal mining and shall not sell washed coal or sized coal from its coal processing plants in the open market and shall supply the washed or sized coal to those parties who are supplying raw coal to coal processing plants for washing or sizing.	100%	Automatic Route
1.2	Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities		
	Mining and mineral separation of titanium bearing minerals and ores its value addition and integrated activities subject to sectoral regulations and the Mines and Minerals (Development and Regulation Act 1957)	100%	Government Route

2. Other Conditions

- i) India has large reserve of beach sand minerals in the coastal stretches around the country. Titanium bearing minerals viz. limonite, rutile and leucoxene, and Zirconium bearing mineral including zircon are some of the beach sand minerals which have been classified as 'prescribed substances' under the Atomic Energy Act, 1962.
- ii) FDI for separation of Titanium bearing minerals & ore will be subject to the following additional conditions viz.:
 - (A) Value addition facilities are set up within India along with transfer of technology.
 - (B) 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.
- iii) FDI will not be allowed in mining of 'Prescribed Substances' listed in the Notification No. S. O. 61(E) dated 18.01.2006 issued by the Department of Atomic Energy.
Clarification:
 - 1) For Titanium bearing ores such as limonite, Leucoxene and Rutile, manufacture of titanium dioxide pigment and titanium sponge constitutes value addition. Limonite can be processed to produce 'Synthetic Rutile or Titanium Slag as an intermediate value added product.
 - 2) The objective is to ensure that the raw material available in the country is utilized for setting up downstream industries and the technology available internationally is also made available for setting up such industries within the country. Thus, if with the technology transfer, the objective of the FDI Policy can be achieved, the conditions prescribed at (i) (A) above shall be deemed to be fulfilled.