

QUESTIONNAIRE

**PART I - DATA
COLLECTION**

**FOR REVISION OF RATE
OF ROYALTY 2011**

**(TO BE FILLED UP ONLY BY STATE / UNION TERRITORIES
GOVERNMENTS)**

INDIAN BUREAU OF MINES
MINERAL ECONOMICS DIVISION

**Sub : Input by stakeholders (State Governments/ Mineowners/ Associations)
for revision of rate of royalty.**

As per notification of Ministry of Mines, No.3/3/2011-M.VI dated 13th Sept., 2011 the Study Group on royalty is constituted. All stakeholders (State Governments/ Mineowners/ Associations) are requested to fill the relevant questionnaires and send the desired input to Chief Mineral Economist, Indian Bureau of Mines, Indira Bhavan, Civil Lines, Nagpur at the earliest.

(Dr. R.N. Meshram)
Chief Mineral Economist
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No.212(1)/RRR/ME(I)/2011

Nagpur: Dec., 2011

To,

(State Govts, Association and Mining Companies)

Subject : Study Group on Revision of Rates of Royalty and Dead Rent for major minerals (other than coal, lignite and sand for stowing).

Sir/Madam,

The Ministry of Mines has constituted a Study Group on revision of rates of royalty on major minerals (other than coal, lignite and sand for stowing) vide its O.M. No.3/3/2011-M.VI dated 13.9.2011. A copy of the said O.M. is enclosed herewith for your ready reference.

The Study Group has decided that information/views suggestions etc. from the various State/Union Territory Governments, Ministries, Public/Private sector mineral industry should be elicited through a questionnaire which could then be taken into account by the Study Group while formulating its views on the subject.

A copy of the questionnaire alongwith its annexures is enclosed. You are requested to get the questionnaire filled up and send it to us so as to reach us before 31st Dec., 2011 positively. Your earnest cooperation in this regard is solicited.

Yours faithfully,

Encl. As above.

(Dr. R.N. Meshram)
Chief Mineral Economist

BACKGROUND NOTE OF THE STUDY GROUP ON REVISION OF RATES OF ROYALTY ON MAJOR MINERALS

1. Preamble : The Ministry of Mines, vide its O.M. No.3/3/2011-MVI dated 13.9.2011 constituted a Study Group on the Revision of Rates of Royalty on major minerals (other than coal, lignite and sand for stowing) to study the question of royalty and dead rent in all its aspects and make appropriate recommendations to the Government.

Terms of reference of the Study Group for revision of rates of royalty and dead rent for major minerals (other than coal, lignite and sand for stowing).will be as under:

- (a) To review the existing rates of royalty on minerals (other than coal, lignite and sand for stowing) given in Second Schedule to the Mines and Minerals(Development and Regulation) Act, 1957 and to recommend revision of rates and in case, if necessary, give an additional conditional recommendation on what should be the royalty rate and the mechanism for computation of royalty rates after taking into account the liabilities on the lease holder as envisaged in the draft MMDR Bill, 2011, in the event the Parliament approves the new draft Bill.
- (b) to consider the feasibility of allowing incentivized royalty rates for base metals, noble metals, REE and precious stones to encourage exploration;
- (c) to suggest incentivized royalty rates on ad-valorem basis for beneficiated or concentrated ore;
- (d) to consider and recommend policies relevant to mineral development and administration of royalty regime;
- (e) to suggest appropriate revision in the existing rates of dead rent given in the Third Schedule to the Mines and Minerals(Development and Regulation) Act, 1957.

2. Constitutional and Legislative Provisions: Under the Constitution of India, the States are owners of the mineral right and are entitled to royalty on the minerals mined. The royalty rates for major minerals are fixed by the Government of India and levied as per Section 9 of the Mines and Minerals (Development & Regulation) Act on the mineral removed from the leased areas. It also provides for levy of 'dead rent' for the area included in the mining lease if minerals are not extracted. Thus, the lessee has to pay either the royalty or dead rent whichever is more. The enhancement or reduction of rate of royalty is permitted but the Central Government cannot enhance the rate of royalty in respect of any mineral more than once during any period of three years. The revenues on account of royalty as fixed by the Central Government for major minerals are collected by the State Governments. In case of minor minerals, the State Government has powers to both fix and collect dead-rent/royalty, fees, fines or other relevant charges.

3. Meaning and Types of Royalty : Royalty is a charge by the owner of the mineral in consideration of the exploitation of mineral resources by the lessee. It is not related to profits earned by the lessee. Instead, it is usually related to quantity of mineral exploited by the lessee or as a proportion of the actual/deemed sales price.

There are various mechanisms through which royalty can be collected. The different systems in vogue in various countries of the world are as follows:

(i) Unit of Production Basis : On this basis, royalty is calculated on either weight or volume basis and the fees are prescribed as Rs., \$ or £, etc. per tonne, or per cu.m., etc. In certain cases this method is considered administratively convenient particularly in case of homogenous mineral commodities. Since in this system, the royalty rate is not sensitive to the price of the mineral, the inflationary increases in the value are not taken care of.

(ii) Ad valorem basis : This is calculated as percentage of the value of the mineral extracted. The advantage of this system lies in the fact that inflationary increase in the prices of the minerals is taken care of and revenue accrual to the Government increases with the increase in the price of the mineral. However, in some cases, problems have been reported with regard to the method of valuation due to which litigation and administrative inconvenience and delays resulted.

(iii) Specific Agreement : The system of fixing royalty on the basis of specific agreements negotiated between the lessor and the lessee for certain operations is prevalent in countries like Ghana, Kenya, Western Australia (Australia), New Brunswick (Canada), etc.

(iv) Profit Based Royalty : Since by concept royalty is a non-profit based system of taxation, linking of royalty with profit is not common. However, a system of levying royalty on the basis of profit is in vogue in case of a certain operations located at Broken Hills, Australia.

(v) Indirect : Some countries do not have any system of royalty as such. However, the loss of revenue from this source is duly compensated indirectly by levying a differential rate in other taxes like income tax specifically applicable to the Mining Companies (as in South Africa and Japan).

4. Status in India : Prior to 1968, the royalty rates used to be notified on ad hoc basis for different minerals on different dates. The rates for 21 minerals were on the basis of unit of production and those for other minerals were on the basis of Pit's Mouth Value. However, the rates for the 21 minerals were also subjected to a ceiling of 20% of Pit's Mouth Value. Thus, the royalty rates prevalent prior to 1968 were directly or indirectly linked to Pit's Mouth Value.

The Government set up a study group in 1966 to carry out for the first time a general and comprehensive review of the royalty rates of all minerals with regard to impact on production, impact on mineral based industry, export, and the state revenues. The royalty rates on the basis of the recommendations of this Study Group were notified in 1968.

This Study Group of 1966 recommended delinking of royalty rate from the Pit's Mouth Value for most of the minerals and suggested a unit of production as the basis. However, actually 'despatches' and not 'production' formed the basis of calculation of the royalty rates.

More or less, the same pattern was continued during the subsequent revisions of the royalty rates, till 2004, when a thrust was given introducing ad valorem basis.

For the last revision notified in 2009, a Study Group was set up in 2006. The terms of reference of this Study Group were:

- (i) To review the existing rates of royalty of minerals (other than coal, lignite and sand for stowing) given in Second Schedule to the Mines and Minerals (Development & Regulation) Act, 1957 and to recommend revision of rates keeping in view the recommendations of the High Level (HODA) Committee set up in the Planning Commission, including inter alia, the following:
 - (a) The need to move decisively towards method of fixation of rates of royalty on the basis of ad valorem rates.
 - (b) Conversion of specific rates recommended by the last Study Group into ad valorem rates.
 - (c) Prevailing international royalty rates (especially those in Western Australia).
 - (d) Incentivised rates for base metals, noble metals and precious stones to encourage exploration.
 - (e) Other considerations relevant to mineral development and administration of royalty regime.
- (ii) To review the guidelines for calculation of ad valorem rates of royalty based on experience of administering the same based on :
 - (a) Valuation of mineral for the purpose of royalty on the basis of transaction value/sale price, including the profit element over and above the unit cost of production and deducting transportation and handling charges.
 - (b) FOB price of minerals for export deducting transportation and handling charges.
- (iii) To suggest incentivised royalty rates on ad valorem basis for beneficiated or concentrated ore.
- (iv) To review and suggest penal action for failure to pay royalty on minerals extracted with special exemptions for allowing moratorium or suitable structure for deferment of royalty payment to support investment in deserving cases.
- (v) To suggest appropriate revision in the existing rates of dead rent given in the Third Schedule to the Mines and Minerals (Development & Regulation) Act, 1957 on an escalating scale, taking into consideration measures for effective deterrence against idle mines.

As per the notification vide GSR No. 574 (E) dt. 13.8.2009 royalty rates for minerals viz. asbestos (chrysotile), coal, dolomite, limestone, limekankar, limeshell, monozite, ochre, sand for stowing, slate and tungsten are on the basis of unit-of-production and for rest of the minerals the royalty rates are on advalorem basis. The Ministry of Mines, subsequently issued guidelines for calculation of ad valorem royalty on the minerals covered under this regime in MCR, 1960 as Rule 64D notified vide GSR No.883(E), dated 10.12.2009 (Enclosure-I).

5. Draft MMDR Bill 2011 : The Ministry of Mines has prepared a new draft MMDR Bill, 2011 in line with the Mineral Policy which is likely to be introduced in the winter session of Parliament. The said bill was uploaded on the website of Ministry of Mines.
6. Issues before the Present Study Group : The Study Group has been constituted to consult State Governments, mining industry and other stakeholder and deliberate upon the issues mentioned in the terms of reference. Consistent with the traditional approach, the views of all interest groups will be elicited through circulation of a questionnaire. Accordingly, a questionnaire has been designed and appended.

Enclosure-I

64 D Manner of payment of royalty on minerals on ad valorem basis:-

(1) Every mine owner, his agent, manager, employee, contractor or sub-lessee shall compute the amount of royalty on minerals where such royalty is charged on ad valorem basis, as follows:

(i) for all non-atomic and non fuel minerals sold in the domestic market or consumed in captive plants or exported by the mine owners (other than bauxite and laterite dispatched for use in alumina and metallurgical industries, copper, lead, zinc, tin, nickel, gold, silver and minerals specified under Atomic Energy Act), the State-wise sale prices for different minerals as published by Indian Bureau of Mines shall be the sale price for computation of royalty in respect of any mineral produced any time during a month in any mine in that State, and the royalty shall be computed as per the formula given below :

Royalty = Sale price of mineral (grade wise and State-wise) published by IBM x Rate of royalty (in percentage) x Total quantity of mineral grade produced/ dispatched:

Provided that if for a particular mineral, the information for a State for a particular month is not published by the Indian Bureau of Mines, the latest information available for that mineral in the State shall be referred, failing which the latest information for All India for the mineral shall be referred.

(ii) for the grades of minerals produced for captive consumption (other than bauxite and laterite dispatched for use in alumina and metallurgical industries, copper, lead, zinc, tin, nickel, gold and silver) and those not dispatched for sale in domestic market or export, the sale price published by the Indian Bureau of Mines shall be used as the bench mark price for computation of royalty.

(iii) for primary gold, silver, copper, nickel, tin, lead and zinc, the total contained metal in the ore or concentrate produced during the period for which the royalty is computed and reported in the statutory monthly returns under Mineral Conservation and Development Rules, 1988 or recorded in the books of the mine owners shall be considered for the purposes of computing the royalty in the first place and then the royalty shall be computed as the percentage of the average metal prices published by the Indian Bureau of Mines for primary gold, silver, silver, copper, nickel, tin, lead and zinc during the period of computation of royalty as follows:

Royalty = sale price X rate of royalty in percentage

Where sale price = Average price of metal as published by Indian Bureau of Mines during the month X Total contained metal in ore or concentrate produced X Rupee or Dollar exchange rate selling as on the last date of the month of computation of royalty :

Provided that in case of by-product gold and silver the royalty shall be based on the total quantity of metal produced and such royalty shall be calculated as follows:

Royalty = sale price X rate of royalty in percentage

Explanation – For the purpose of this sub-clause sale price means, average price of metal as published by Indian Bureau of Mines during the month X Total by-product metal actually produced X Rupee or Dollar Exchange rate selling as on the last date of the month of computation of royalty

(iv) for bauxite or laterite ore dispatched for use in alumina and aluminium metal extraction or dispatched to alumina or aluminium metal extraction industry within India, the total contained alumina in the bauxite or laterite ore on dry basis produced during the period for which the royalty is computed and reported in the statutory monthly returns under Mineral Conservation and

Development Rules, 1988 or recorded in the books of the mine owners shall be considered for the purpose of computing the royalty in the first place and then the royalty shall be computed as the percentage of the average monthly price for the contained aluminium metal in the said alumina content of the ore published by the Indian Bureau of Mines, on the following basis namely:-

Royalty =

$$\frac{52.9}{100} \times \text{Percentage of } Al_2O_3 \text{ in the bauxite on dry basis (as reported in the Statutory Monthly return under MCDR)} \times \text{Average monthly price of aluminium as published by the IBM} \times \text{Rupee/ dollar exchange rate (selling) as on the last date of the period of the computation of royalty} \times \text{Rate of royalty (in percentage)}$$

Provided that for computing the royalty for bauxite or laterite dispatched for end use other than alumina and aluminium metal extraction and for exports provisions of this clause shall not apply.

(2) In case of metallic ores based on metal contained in ore and metal prices based on benchmark prices, the royalty shall be charged on dry basis, and the mine owner shall establish suitable facilities for collection of sample and its analysis on dry basis at the mine site.”

Source : The Gazette of India, extraordinary Part II – Section 3 – sub section (i) dt.10.12.2009.

**Study Group on Revision of Rates of Royalty and Dead Rent on Major Minerals
(Other than Coal, Lignite and Sand for Stowing)**

QUESTIONNAIRE

PART I - DATA COLLECTION

(To be filled up only by State / Union Territories Governments)

Name of State / Union Territory : _____

1. (a) Major minerals produced in the State :

(b) Minerals exported from the State :

(Qty. in 000 tonnes, Value in Rs. Lakhs)

2. Total quantity (Qty) and value (Val) of major minerals (grade wise) excluding coal, lignite, fuel oils and natural gas produced during the last four years (2007-08 to 2010-11) (mineral wise) (a)

2007-08		2008-09		2009-10		2010-11	
Qty	Val	Qty	Val	Qty	Val	Qty	Val

3A The annual accrual from royalty enclosed during the last four years (2007-08 to 2010-11) on account of major minerals excluding coal, lignite and sand for stowing. :

Fill up Table No.1A

3B The annual dead rent during the last four years 2007-08 to 2010-11) on account of major minerals excluding coal, lignite and sand for stowing. :

Fill up Table No.1B

(Rs. Lakhs)

4. Total annual revenue accrual during the last four years (2007-08 to 2010-11) (a)

From tax revenues

(b) From non-tax revenues

2007-08	2008-09	2009-10	2010-11

PART II - VIEWS AND SUGGESTIONS
(To be filled up by all)

5. Does the State Government view revenues earned from imposition of royalty :

(Please tick mark the boxes)

- | | | |
|--|---|--------------------------|
| (a) as a contribution to State revenue. | : | <input type="checkbox"/> |
| (b) as a consideration for permitting exploitation of State's mineral resources. | : | <input type="checkbox"/> |
| (c) as a tool for encouraging mining activities in the country | : | <input type="checkbox"/> |
| (d) as a source of fund for local area development | : | <input type="checkbox"/> |
| (e) as a source for community development | : | <input type="checkbox"/> |
| (f) any other criteria please specify | : | <input type="checkbox"/> |

6. What should be the criteria for fixing rates of royalty:
(please give your rating on a scale of 1-8, with 8 as the maximum score)

- | | | |
|---|--|----------------------|
| (a) as a consideration of the revenue it would bring to the State Government. | | <input type="text"/> |
| (b) as a fiscal measure to attract investment. | | <input type="text"/> |
| (c) to promote mineral conservation. | | <input type="text"/> |
| (d) to encourage optimum utilisation of low grade mineral resources. | | <input type="text"/> |
| (e) to bring the royalty rates in tune with international rates. | | <input type="text"/> |
| (f) to attract improved technology, | | <input type="text"/> |
| (g) to encourage export of minerals; and/or | | <input type="text"/> |
| (h) any other criteria, please specify. | | <input type="text"/> |

7. (a) What should be the basis for fixing rates of royalty (By tonnage or on ad valorem basis)? : Fill up Table No. 2 enclosed .
(to be indicated mineral-wise)

(b) Are the current rates of royalty appropriate for the ensuing three-year period? : same as above

(c) If the answer is no, suggested rates of royalty for different minerals and grades may be indicated. : same as above

8. What is the period before which royalty rates should be revised to provide stability in rates with particular reference to ad valorem rates? :

9. Whether the State Government considers that a percentage of accrual from royalty should be earmarked for infrastructure development and/or protection of environment in mineral bearing areas. : Yes No

If yes, then indicate the percentage figure. :

10. Whether the guidelines for computing royalty on minerals on ad valorem basis notified by executive order under rule 64D of Mineral Concession Rules, 1960 are comprehensive? : Yes No

(Copy of the guidelines appended for ready reference as Annexure-I)

If the answer is no, then

(a) Site specific problem that have actually arisen out of application of guidelines in practice. : Attach separate sheet if necessary. (details to be given mineral-wise)

(b) Suggest specific amendments to the guidelines.

11. Should the Second Schedule of the MM (D&R) Act have a separate entry for "overburden material including rejects or tailings". : Yes No

If the answer is yes, then

(a) justification citing specific cases of actual experience. : Attach separate sheet if necessary. (details to be given mineral-wise)

(b) suggested rate.

12. (a) Do you suggest incentivized royalty rates for beneficiated or concentrated ore : Yes No

If yes, please indicate the mineralwise Suggested rates alongwith necessary justification : Attach separate sheet if necessary. (details to be given mineral-wise)

13. (a) Are the current rates of Dead Rent in force appropriate? : Yes No

(b) If not, please indicate the suggested rates along with the justification. : Attach separate sheet if necessary.

(c) Should there be separate rate of dead rent for different minerals ? : Yes No

If yes, then what should be the rate and justification therefor? : Attach separate sheet if necessary. (details to be given mineral-wise)

14. Any other information relevant to the subject. : Attach separate sheet, if necessary.

Place :.....

Signature :.....

Date :.....

Name :.....

Designation:.....

Table No.1A

Q. No. 3A : ROYALTY ACCRUED
in respect of Major Minerals (other than petroleum, natural gas, coal,
lignite and sand for stowing)

(Rs. in Lakhs)

Mineral		Royalty Accrual			
Sl.No.	Name	2007-08	2008-09	2009-10	2010-11

I. Metallic

- 01 BAUXITE
- 02 CHROMITE
- 03 COPPER ORE
- 04 GOLD
- 05 ILMENITE
- 06 IRON ORE
- 07 LEAD ORE
- 08 MANGANESE ORE
- 09 SILVER
- 10 TIN
- 11 TUNGSTEN
- 12 ZINC ORE

Any other mineral
 (please include in the list)

(Rs. in Lakhs)

Mineral		Royalty Accrual			
Sl.No.	Name	2007-08	2008-09	2009-10	2010-11

II. Non-Metallic

- 01 AGATE
- 02 ANDALUSITE
- 03 APATITE
- 04 ASBESTOS
- 05 BALL CLAY
- 06 BARYTES
- 07 CALCAREOUS SAND
- 08 CALCITE
- 09 CHALK
- 10 CLAY (OTHERS)
- 11 CORDIERITE
- 12 CORUNDUM
- 13 DIASPORE
- 14 DOLOMITE
- 15 EMERALD
- 16 FELSITE
- 17 FELSPAR
- 18 FIRECLAY
- 19 FLUORITE
- 20 FUSCH QUARTZITE
- 21 GARNET
- 22 GRAPHITE
- 23 GYPSUM

(Rs. in Lakhs)

Mineral		Royalty Accrual			
Sl.No.	Name	2007-08	2008-09	2009-10	2010-11
24	JASPER				
25	KAOLIN				
26	KYANITE				
27	LIME KANKAR				
28	LIMESHELL				
29	LIMESTONE				
30	MAGNESITE				
31	MICA				
32	MOULDING SAND				
33	OCHRE				
34	PHOSPHORITE				
35	PYRITES				
36	PYROPHYLLITE				
37	QUARTZITE				
38	SALT (ROCK)				
39	SAND (OTHERS)				
40	SAPPHIRE				
41	SILICA SAND				
42	SILLIMANITE				
43	SLATE				
44	STAUROLITE				
45	STEATITE				
46	SULPHUR				
47	VERMICULITE				

(Rs. in Lakhs)

Mineral		Royalty Accrual			
Sl. No.	Name	2007-08	2008-09	2009-10	2010-11

- 48 WOLLASTONITE
49 AMETHYST
50 AQUAMARINE
51 DIATOMA. EARTH
52 EPIDOTE
53 LITHIUM ORE
54 OPAL
55 DUNITE
56 LATERITE
57 SERPENTINE
58 SHALE
59 TOURMALINE
60 VANADIUM
61 PERLITE

Any other mineral
(please include in the list)

III. Precious and Semi-precious Stones

- 1 DIAMOND

Any other mineral
(please include in the list)

Grand Total

Table No.1B

**Q. No. 3B : DEAD RENT ACCRUED
in respect of Major Minerals (other than petroleum, natural gas, coal,
lignite and sand for stowing)**

Mineral		Dead Rent Accrual (Rs. in Lakhs)			
Sl.No.	Name	2007-08	2008-09	2009-10	2010-11

I. Metallic

- 01 BAUXITE
- 02 CHROMITE
- 03 COPPER ORE
- 04 GOLD
- 05 ILMENITE
- 06 IRON ORE
- 07 LEAD ORE
- 08 MANGANESE ORE
- 09 SILVER
- 10 TIN
- 11 TUNGSTEN
- 12 ZINC ORE

Any other mineral
(please include in the list)

Mineral		Dead Rent Accrual (Rs. in Lakhs)			
Sl.No.	Name	2007-08	2008-09	2009-10	2010-11

II. Non-Metallic

- 01 AGATE
- 02 ANDALUSITE
- 03 APATITE
- 04 ASBESTOS
- 05 BALL CLAY
- 06 BARYTES
- 07 CALCAREOUS SAND
- 08 CALCITE
- 09 CHALK
- 10 CLAY (OTHERS)
- 11 CORDIERITE
- 12 CORUNDUM
- 13 DIASPORE
- 14 DOLOMITE
- 15 EMERALD
- 16 FELSITE
- 17 FELSPAR
- 18 FIRECLAY
- 19 FLUORITE
- 20 FUSCH QUARTZITE
- 21 GARNET
- 22 GRAPHITE
- 23 GYPSUM

Mineral		Dead Rent Accrual (Rs. in Lakhs)			
Sl.No.	Name	2007-08	2008-09	2009-10	2010-11
24	JASPER				
25	KAOLIN				
26	KYANITE				
27	LIME KANKAR				
28	LIMESHELL				
29	LIMESTONE				
30	MAGNESITE				
31	MICA				
32	MOULDING SAND				
33	OCHRE				
34	PHOSPHORITE				
35	PYRITES				
36	PYROPHYLLITE				
37	QUARTZITE				
38	SALT (ROCK)				
39	SAND (OTHERS)				
40	SAPPHIRE				
41	SILICA SAND				
42	SILLIMANITE				
43	SLATE				
44	STAUROLITE				
45	STEATITE				
46	SULPHUR				
47	VERMICULITE				

Mineral		Dead Rent Accrual (Rs. in Lakhs)			
Sl. No.	Name	2007-08	2008-09	2009-10	2010-11

- 48 WOLLASTONITE
49 AMETHYST
50 AQUAMARINE
51 DIATOMA. EARTH
52 EPIDOTE
53 LITHIUM ORE
54 OPAL
55 DUNITE
56 LATERITE
57 SERPENTINE
58 SHALE
59 TOURMALINE
60 VANADIUM
61 PERLITE

Any other mineral
(please include in the list)

III. Precious and Semi-precious Stones

- 1 DIAMOND

Any other mineral
(please include in the list)

Grand Total

Table No. 2
Q. No. 7 : SUGGESTED RATES OF ROYALTY
 (If no change is sought the same may be indicated in the Table)

Sl. No./ Mineral with grade	Existing rate of royalty	Suggested royalty		Justification
		Basis (by tonnage/ ad valorem)	Rate	
1. Apatite & Rock Phosphate: (i) Apatite (ii) Rock Phosphate : (a) Above 25 per cent P ₂ O ₅ (b) Up to 25 per cent P ₂ O ₅	Five per cent of sale price on ad valorem basis. Eleven per cent of sale price on ad valorem basis. Six per cent of sale price on ad valorem basis.			
2. Asbestos : (a) Chrysotile (b) Amphibole	Eight hundred and eighty rupees per tonne. 15% of sale price on ad valorem basis			
3. Barytes	Five and half per cent of sale price on ad valorem basis.			

Sl. No./ Mineral with grade	Existing rate of royalty	Suggested royalty		Justification
		Basis (by tonnage/ ad valorem)	Rate	
4. Bauxite and Laterite	(a) Zero point five zero per cent of London Metal Exchange aluminium metal price chargeable on the contained aluminium metal in ore produced for those despatched for use in alumina and aluminium metal extraction. (b) Twenty five per cent of sale price on ad valorem basis for those despatched for use other than alumina and aluminium metal			
5. Brown Ilmenite (Leucoxene), Ilmenite, Rutile and Zircon	Two per cent of sale price on ad valorem basis.			
6. Cadmium	15% of sale price on ad valorem basis.			
7. Calcite	Fifteen per cent of sale price on ad valorem basis.			

Sl. No./ Mineral with grade	Existing rate of royalty	Suggested royalty		Justification
		Basis (by tonnage/ ad valorem)	Rate	
8. China clay/Kaolin (including ball clay, white shale and white clay) (a) Crude (b) Processed (including washed)	8% of sale price on ad valorem basis. 10% of sale price on ad valorem basis.			
9. Chromite	10% cent of sale price on ad valorem basis.			
10. Coal including Lignite	*			
11. Columbite - tantalite	10% cent of sale price on ad valorem basis.			
12. Copper	4.2% of London Metal Exchange copper metal price chargeable on the contained copper metal in ore produced			
13. Diamond	11.5% of sale price on ad valorem basis.			
14. Dolomite	Rs.63/- per tonne.			
15. Felspar	12% of sale price on ad valorem basis			

Sl. No./ Mineral with grade	Existing rate of royalty	Suggested royalty		Justification
		Basis (by tonnage/ ad valorem)	Rate	
16. Fireclay (including plastic, pipe, lithomargic and natural pozzolanic clay)	Twelve per cent of sale price on ad valorem basis.			
17. Fluorspar (also called fluorite)	6% of sale price on ad valorem basis			
18. Garnet : (a) Abrasive (b) Gem	Three per cent of sale price on ad valorem basis. Ten per cent of sale price on ad valorem basis			
19. Gold : (a) Primary (b) By-product gold	2% of London Bullion Market Association price (commonly referred to as “ London Price”) chargeable on the contained gold metal in ore produced. 3.3% of London Bullion Market Association price (commonly referred to as “ London Price”) chargeable on by- product gold metal actually produced.			

Sl. No./ Mineral with grade	Existing rate of royalty	Suggested royalty		Justification
		Basis (by tonnage/ ad valorem)	Rate	
20. Graphite : (a) with 40 per cent or more fixed carbon but less than 80 per cent fixed carbon (b)with less than 40 per cent fixed carbon	2% of sale price on ad valorem basis 12% of sale price on ad valorem basis			
21. Gypsum	Twenty per cent of sale price on ad valorem basis.			
22. Iron Ore : Lumps, fines and concentrates all grades	10 % of sale price on ad valorem basis			
23. Lead	7% of London Metal Exchange lead metal price chargeable on the contained lead metal in ore produced. 12% of London Metal Exchange lead metal price chargeable on the contained lead metal in the concentrate produced.			
24. Limestone : (a)L.D. grade(less than one and half per cent silica content) (b)Others	Rs.72/- per tonne. Rs.63/- per tonne			
25. Lime kankar	Rs.63/- per tonne			

Sl. No./ Mineral with grade	Existing rate of royalty	Suggested royalty		Justification
		Basis (by tonnage/ ad valorem)	Rate	
26. Limeshell	Rs.63/- per tonne			
27. Magnesite	3% of sale price on ad valorem basis.			
28. Manganese Ore : (a) Ore of all grades (b) Concentrates	4.2% of sale price on ad valorem basis. 1.4% of sale price on ad valorem basis.			
29. Crude Mica, Waste Mica & Scrap Mica	4% of sale price on ad valorem basis.			
30. Monazite	Rs.125/- per tonne.			
31. Nickel	0.12% of London Metal Exchange nickel metal price chargeable on the contained nickel metal in ore produced.			
32. Ochre	Rs.20/- per tonne.			
33. Pyrites	2% of sale price on ad valorem basis.			
34. Pyrophyllite	20% of sale price on ad valorem basis.			
35. Quartz	15% of sale price on ad valorem basis			

Sl. No./ Mineral with grade	Existing rate of royalty	Suggested royalty		Justification
		Basis (by tonnage/ ad valorem)	Rate	
36. Ruby	10% of sale price on ad valorem basis.			
37. Silica sand, moulding sand and quartzite	8% of sale price on ad valorem basis.			
38. Sand for Stowing	**			
39. Selenite	10% of sale price on ad valorem basis.			
40. Sillimanite	2.5% of sale price on ad valorem basis.			
41. Silver (a) By-product (b) Primary silver	7% of London Metal Exchange price chargeable on by-product silver metal actually produced. 5% of London Metal Exchange silver metal price chargeable on the contained silver metal in ore produced			
42. Slate	Rs.45/- per tonne			
43. Talc, Steatite and Soapstone	18% of sale price on ad valorem basis.			
44. Tin	7.5% of London Metal Exchange tin metal price chargeable on the contained tin metal in ore produced			

Sl. No./ Mineral with grade	Existing rate of royalty	Suggested royalty		Justification
		Basis (by tonnage/ ad valorem)	Rate	
45. Tungsten	Rs.20/- per unit per cent of content WO ₃ per tonne of ore and on pro rata basis.			
46. Uranium	Royalty on mineral uranium at the rate of two per cent of the computation amount received by M/s. Uranium Corporation of India Limited (UCIL), for the mineral uranium and the total amount of royalty will be apportioned among the different states on the basis of			
47. Vanadium	20% of sale price on ad valorem basis.			
48. Vermiculite	3% of sale price on ad valorem basis			
49. Wollastonite	12% of sale price on ad valorem basis.			
50. Zinc	8% of London Metal Exchange zinc metal price on ad valorem basis chargeable on the contained zinc metal in ore produced. 8.4% of London Metal Exchange zinc metal price on ad valorem basis chargeable on the contained zinc metal in concentrate produced.			

Sl. No./ Mineral with grade	Existing rate of royalty	Suggested royalty		Justification
		Basis (by tonnage/ ad valorem)	Rate	
51. All other minerals not here-in- before specified. [Agate Clay (others), Chalk, Corundum, Diaspore, Dunite, Felsite, Fuschite, Kyanite, Jasper, Perlite, Rock Salt, Shale, Pyroxenite, etc.]	10% of sale price on ad valorem basis.			
<p>* Rates of Royalty in respect of item 10 relating to Coal including Lignite as revised vide notification number G.S.R. 522(E), dated the 1.8.2007 of the Government of India, Ministry of Coal, shall remain in force until revised through a separate notification by the Ministry of Coal.</p> <p>** Rates in respect of item 38 relating to Sand for Stowing as revised vide notification number G.S.R. 214(E) dated the 11th April, 1997 will remain in force until revised through a separate notification by the Ministry of Coal.</p> <p>Note: The rates of royalty for the State of West Bengal in respect of the minerals except the mineral specified against item number 11 shall remain the same as specified in the notification of the Government of India in the Ministry of Steel and Mines (Department of Mines) number G.S.R. 458(E), dated the 5th May, 1987, till the outcome of litigation pending in the Supreme Court of India.</p>				

