

2 Mineral Policy & Legislation

1. POLICY

1.1 National Mineral Policy

The Government of India has enunciated National Mineral Policy 2008, which includes policy measures like assured right to next stage mineral concession, transferability of mineral concessions and transparency in allotment of concession in order to reduce delays which are seen as impediments to investment and technology flow in mining sector in India. These policy initiatives would provide suitable environment for exploration and utilisation of the mineral potential of the country.

Subsequent to enunciation of National Mineral Policy, a few Working Groups have been constituted by Ministry of Mines, Government of India, to suggest the amendments in MMDR Act, 1957, MCR, 1960 and MCDR, 1988.

1.2 Foreign Trade Policy, 2004-2009

The Government has notified the Foreign Trade Policy 2004-2009 incorporating the updated Annual Supplement. The Policy came into force with effect from 1st April 2008. The highlights of the Policy are given below:

Duty Entitlement Pass Book (DEPB) Scheme

This incentive scheme has been extended till May 2009.

Scrap/ Waste in Special Economic Zones (SEZ)

Any waste or scrap or remnant including any form of metallic waste and scrap generated during manufacturing or processing activities of an SEZ unit/Developer/Co-developer shall be allowed to be disposed of in DTA (Domestic Tariff Area) freely subject to payment of applicable Custom Duty.

Focus Market Scheme (FMS)

Following exports shall not be taken into account for computation of entitlement in addition to previous categories:

1. Cement, all types and in all forms, and

2. Primary Steel products as listed in Public Notice No.130 (RE 2007)/2004-09 dated 27.3.08 as amended from time to time.

Focus Product Scheme (FPS)

For exports made w.e.f. 1.4.2008, High Value Added Manufactured goods, as notified in Table 9 of Appendix 37 D of HBP Vol. I shall be entitled to duty credit script equivalent to 2.5% of FOB value of exports.

Market Linked Focus Product

For exports w.e.f. 1.4.2008, products of high export intensity (which are not covered under present FPS List) but which have a low penetration in countries (which are also not covered under present FMS list) would be incentivised and entitled to a duty credit script equivalent to 1.25% of FOB value of exports, provided that the product/sector are destined to specified linked markets for the particular product/sector. Such products/sectors, along with their linked markets, shall be notified in Table 10 of Appendix 37 D of HBP Vol. I

Export Promotion Capital Goods Scheme (EPCGS)

The Customs Duty payable under EPCG Scheme has been reduced from 5% to 3%.

Gems & Jewellery

Sectoral initiatives for Gems & Jewellery under Para 1B.1(iv) (e) read as "Cutting and polishing of gems and jewellery shall be treated as manufacturing for the purpose of exemption under Section 10A of Income Tax Act", has been deleted.

Paras 4A.2 and 4A.2.1 regarding Export of Cut & Polished Diamonds for Certification/Grading have been deleted. Para 4A.14 (Diamond Imprest Authorisation), Para 4A.14.1 (Eligibility) and Para 4A.14.2 (Export Obligation) have been deleted.

Export by Post

In case of exports through Foreign Post Office (including via Speed Post), value of jewellery parcels shall not exceed US\$ 75000 and 20 kg by weight.

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Export of Cut & Polished Precious and Semi-precious Stones for Treatment and Re-import

Gems and Jewellery exporters shall be allowed to export cut and polished precious and semi-precious stones for the treatment and re-import as per customs rules and regulations. In case of re-export, the exporter shall be entitled for duty drawback as per rules.

Export of cement under HS Code 2523 has been prohibited (not permitted to be exported).

(i) However, this restriction shall not apply to supplies of Cement from Domestic Tariff Area (DTA) to units in Special Economic Zones (SEZ) or SEZ Developers/Co-Developers for use within the SEZ only.

(ii) The existing ban on export of cement and cement clinkers shall not be applicable to export to Nepal.

(iii) The existing ban on export of cement and cement clinkers shall not be applicable to export from Ports of Gujarat.

For the financial year 2007-08 (on annual basis) export of stone aggregate and river sand to Maldives permitted with ceiling of 405,000 tonnes for stone aggregate and 450,000 tonnes for river sand and for the financial year 2008-09 (on annual basis) ceiling of 5265000 tonnes for stone aggregate and 585000 tonnes for river sand.

For the export of above quantity of River sand, Chemical and Allied Products Export Promotion Council (CAPEXIL) shall ensure that the suppliers/extractors have obtained appropriate clearances and the mining of the said sand is not undertaken in the Coastal Regulation Zone Area, which is prohibited under the Coastal Regulation Zone Notification.

For export of iron ore pellets manufactured by Kudremukh Iron Ore Company Ltd the phrase "out of concentrate produced by it" has been dropped under HS Code 26011210.

Custom Duty

1. Basic Customs Duty on crude and unrefined sulphur of heading 250300 has been reduced from 5% to 2%.
2. Basic Customs Duty on phosphoric acid has been reduced from 7.5% to 5%; that on rough cubic zirconia (heading 7104) reduced to 'nil' from 5% and on polished cubic zirconia (heading 7104) to 5% from 10%.

3. Customs duty on iron or steel melting scrap of heading 7204 has been reduced from 5% to nil.

4. Customs duty on aluminium scrap of heading 7602 has been reduced from 5% to nil.

5. Export duty rate on chromium ores and concentrates, all sorts has been increased from Rs.2,000 per tonne to Rs.3,000 per tonne.

6. Export duty rate on iron ore and concentrates, all sorts has been increased to 20%; however, the Central Government has exempted iron ores and concentrates, all sorts, falling under Heading No.11 of the Second Schedule to the Customs Tariff Act, 1975, when exported out of India, from so much of the duty of customs leviable thereon which is specified on the said Second Schedule as is in excess of the amount calculated at the rate of 15% ad valorem.

It is reported further that Export duty on iron ore fines will be eliminated and on lumps will be reduced to 5%.

Import Policy

Under para 6, Chapter 1A. Vol.III, following were inserted and substituted:

M/s. MMTC Limited/M/s. Tamil Nadu Cements Corporation Ltd (TANCEM)/M/s. Puducherry Agro Service and Industries Corporation Ltd (PASIC) shall be permitted to import cement without standard mark from such foreign manufacturers who have applied for registration with Bureau of Indian Standards (BIS) and their applications have been recorded by BIS. The exemption from standard mark available to M/s.MMTC Limited, Tamil Nadu Cements Corporation Ltd (TANCEM)/M/s. Puducherry Agro Service and Industries Corporation Ltd (PASIC) shall be applicable for 150 days from the date of recording of their respective applications or till the grant of regular licence by BIS, whichever is earlier. Imports by M/s. MMTC Limited /M/s Tamil Nadu Cements Corporation Ltd (TANCEM)/M/s Puducherry Agro Service and Industries Corporation Ltd (PASIC) shall be further subject to following conditions:

- (a) The company will ensure conformity of imported cement to the specified BIS standards; and
- (b) The company shall also ensure a special marking on each bag of such imported cement.

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The foreign manufacturers intending to export cement to India under above exemption are required to make application to the Department of Industrial Policy & Promotion, Government of India, for grant of exemption from standard mark under proviso to Section 3 of Cement (Quality Control) Order, 2003.

Alternatively, certification of the products under mandatory quality Indian standards will be permitted under the BIS Production Certification Scheme for Indian importers provided all the following conditions are met:

- (a) Items are required for captive consumption,
- (b) Items are required on continuous basis; and
- (c) Items are procured from pre-identified sources,

Provided that as import of cement is concerned, the conditions (a) and (b) above shall remain suspended till 31-3-2008 and condition (c) would read as:

- (d) Items are procured from pre-identified sources, which have been given a licence to use ISI Mark in accordance with Foreign Manufacturers' Certification Scheme of BIS.

Preferential duty at the rate of 5% has been levied on all the items of Natural Graphites under Exim Code 2504.

Basic duty at the rate of 5% has been levied on all items under Natural barium sulphate (Barytes) under Exim Code 251110.

Import of Marble and Travertine slabs under Exim Code 25151220 from Sri Lanka under the India-Sri Lanka Free Trade Agreement (ISFTA) is allowed only through the port of Kolkata and import of these items shall also be subject to all the conditions applicable on imports under ISFTA.

Import of marble will be subject to the conditions laid down in Policy Circular No.01(RE-2007)2004-09 dated 26.7.2007.

Import of dolomite and limestone of a size higher than one cubic feet, classified under any Exim Code of Chapter 25 shall be restricted.

List of prescribed substances of Chapter 26 has been omitted.

Import of Uranium ores and concentrates has been restricted under Exim Code 2612 and import subject to Atomic Energy Act, 1962 and rules thereunder.

Import of Titanium ores and concentrates under heading 2614 is free without any policy conditions.

Import of Zirconium ores and concentrates under Exim code 26151000 is free without any policy conditions.

Import of Niobium, Tantalum ores and concentrates under Exim Code 26159020 is restricted and import subject to Atomic Energy Act, 1962 and rules thereunder.

Import of items under Exim Code 68021000 i.e. Tiles, Cubes and similar articles, whether or not rectangular (including square), the largest surface area of which is capable of being enclosed in a square the side of which is less than 7 cm; artificially coloured granules, chippings and powder from Sri Lanka under the India - Sri Lanka Free Trade Agreement (ISFTA) is allowed only through the port of Kolkata and import of these items shall also be subject to all the conditions applicable on imports under ISFTA.

Import of item under Exim Code 68021000 mentioned on above, 68022110 Marble blocks/tiles, 68022120 Marble monumental block and 68029100 Marble, Travertine and Alabaster is permitted freely provided cif value is US \$ 50 and above per square metre except, in case of import of the product from Nepal. However, the said exemption shall be applicable only on such imports, which have been processed/ manufactured out of marble mined in Nepal. The facility will not be available on products which have been manufactured/processed in Nepal using imported marble.

The policy conditions for Exim Code 68022190 'other' and 68029200 'other calcareous' stone amended as "Import permitted freely provided cif value of US \$ 50 & above per square metre".

"The import/export of rough diamonds (HS Code 710210, 710221 or 710231) from/to Venezuela shall be prohibited in view of voluntary separation of Venezuela from the Kimberley Process Certification Scheme (KPCS). No Kimberley Process Certification shall be accepted/endorsed/issued for import and export of rough diamonds from/to Venezuela."

Income Tax on EOUs

Income Tax benefit to 100% EOUs under Sec.10B of Income Tax Act are being extended by Government for one more year, beyond 31.3.2009.

1.3 International Trade Agreements

The Ministry of Commerce & Industry, Department of Commerce, Government of India is engaged in trade negotiations and agreements at multilateral, regional and bilateral levels. It interacts with international agencies such as the World Trade Organisation (WTO), the United Nations Conference on Trade and Development (UNCTAD), the Economic and Social Commission for Asia and the Pacific (ESCAP), etc. as well as individual countries or group of countries on a wide range of issues, including tariff and non-tariff barriers, international commodity agreements, preferential/ free trade agreements, investment matters, etc. Some of the major policy initiatives taken by Government of India during 2007-08 towards evolving improved trading relations at the bilateral, regional and multilateral levels are Doha Round.

Engagements with ASEAN and South-East Asian countries, India-Korea CEPA Negotiations, India-Japan EPA/CEPA Negotiations, India-China Joint Task Force (JTF) for RTA feasibility, India-Nepal Bilateral Trade Agreement, Negotiations between India and Pakistan, India-US Trade Policy Forum, Memorandum of Understanding between India and Mexico, India-EU Trade and Investment Agreement, India-SACU PTA, India-Chile PTA, SAARC Summit, Asia Pacific Trade Agreement (APTA) and Economic and Social Commission for Asia and the Pacific (ESCAP).

1.4 Allocation of Coal Blocks

Till December, 2007, Ministry of Coal has allocated 172 Coal Blocks with geological reserves of coal of 38.05 billion tonnes to eligible companies.

During the year, 2007-08 (April-December, 2007), 45 coal blocks with total geological reserves of 11386 million tonnes were allocated to Public Sector and Private Companies of which 21 blocks with total geological reserves of 8641.53 million tonnes were allocated to Public Sector and Private Companies engaged in power sector.

Now the captive coal and lignite block allottees have been permitted to undertake detailed exploration in all regionally explored/unexplored coal blocks on their own in blocks allocated to them as per the guidelines issued by the Ministry of Coal on 29.08.2007.

1.5 New Exploration Licensing Policy (NELP) -VIII for Oil and Gas Exploration

New Exploration Licensing Policy (NELP) -VIII was announced by the Government of India on 11.4.2009. NELP-VIII offers 70 oil & gas blocks covering a sedimentary area of about 1,63,535 sq.km comprises 24 deep water, 28 shallow water and 18 onland blocks. The country is also offering 10 blocks under the fourth round of Coal-Bed Methane exploration policy. The blocks offered under CBM-IV cover an area of about 5000 sq.km and are spread over seven states. Bids for NELP-VIII and CBM-IV are to close on 10.8.2009.

NELP-VIII and CBM-IV contain some improvements and simplification in the bid evaluation criteria and Model Contract/Model Production sharing Contract. Under NELP, 68 oil and gas discoveries have already been made in 19 exploration blocks.

1.6 High Level Committee for Aero-geophysical Survey

1. The Government constituted a High Level Committee to frame policy guidelines and develop mechanism for acquisition, processing, utilisation and archiving of data accrued through aerogeophysical survey. The High Level Committee will have the following composition :

- | | |
|---|------------|
| (i) Secretary, Ministry of Mines | - Chairman |
| (ii) Additional Secretary (Mines) | - Member |
| (iii) Ministry of Defence (level of Joint Secy. or above) | - Member |
| (iv) Director General, Civil Aviation | - Member |
| (v) Director General, Geological Survey of India | - Member |
| (vi) Controller General, Indian Bureau of Mines | - Member |
| (vii) Director General, National Informatics Centre | - Member |
| (viii) Director, Atomic Minerals Division | - Member |
| (ix) Surveyor General, Survey of India | - Member |
| (x) Advisor, Department of Science and Technology | - Member |
| (xi) Director, Defence Research Development Organisation | - Member |

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- (xii) Director, National Geophysical Research Institute - Member
- (xiii) Director, Directorates of Geology and Mining of State Governments of Madhya Pradesh, Rajasthan, Andhra Pradesh, Chattisgarh, Orissa, Tamil Nadu, Gujarat, Jharkhand, Meghalaya and Karnataka - Member
- (xiv) Director General of Hydrocarbons - Member
- (xv) Director, National Remote Sensing Agency - Member
- (xvi) Director (Exploration) Oil and Natural Gas Corpn - Member
- (xvii) Deputy Director General (Airborne Mineral Surveys and Exploration), Geological Survey of India - Member Secretary

2. The terms of reference of the High Level Committee will be formulation of:

- (i) Policy on grant of permission, utilisation, accessibility and security of aerogeophysical data.
- (ii) Guidelines for coordination with other spatial and geophysical data generation processes for optional utilisation in the national interest.
- (iii) Guidelines for grant of permission of conduct of aerogeophysical surveys.
- (iv) Policy on the use of data covered by security clarifications for official, academic or research use.

3. The Committee may co-opt representatives of Central Government and State Government Organisations as per requirement and will submit its report within a period of one year.

2. LEGISLATION

2.1 Amendment to MMDR Act, 1957

High Level Committee on National Mineral Policy has recommended a policy shift and certain amendments in the MMDR, Act, 1957. The Ministry of Mines is undertaking amendment of the Act in consultation with concerned Ministries and Departments.

2.2 Amendment to MCR, 1960

In order to suggest the amendments in Mineral Concession Rules, 1960 the Government of India has constituted a Working Group under Chairpersonship of Joint Secretary (Mining Policy). The terms of reference for the said working Group for amendment of MCR are given below:

To suggest amendment in the MCR on the basis of the recommendations of the Hoda Committee.

The Ministry of Mines has assigned the task of constituting an Internal Working Group to the Indian Bureau of Mines under the Chairmanship of Chief Mineral Economist to suggest draft amendments on the basis of amendments proposed in MMDR Act.

2.3 Amendment to MCDR, 1988

In order to suggest the suitable amendments in Mineral Conservation and Development Rules, 1988 the Government of India has constituted a Working Group under the Chairpersonship of Joint Secretary (Mining Policy). The terms of reference for the said Working Group for amendment of MCDR are given below :

To suggest amendments in the MCDR on the basis of the recommendation of the Hoda Committee.

Another Working Group has been constituted by Ministry of Mines under the Chairpersonship of Senior Deputy Director General, GSI, Kolkata to suggest the amendment in MCDR, 1988. The terms of reference of the Working Group are as follows :

- (a) Suggesting changes in the MCDR in light of National Mineral Policy, 2008 and recommendation of Hoda Committee on National Mineral Policy.
- (b) Setting parameters of Geological Working for quantification and quality assessment of exploration data generated in RP, PL and LAPL.

2.4 Mines and Minerals (Development & Regulation) Act

1. The Central Government had enunciated a new National Mineral Policy in March 2008. In order to give effect to the direction envisioned in the new Mineral Policy, the Ministry of Mines circulated a draft Cabinet Note on proposed legislative changes, after due consultations with the important mineral producing State Governments vide Ministry's O.M. Number 16/57/2005-MVI dated 14.1.2009. The Ministry received comments in this consultation, which were duly considered.

2. However, while taking the amendments for legislative vetting, it was suggested in the discussions that the existing law had already been amended several times and in order that the objects and reasons emanating from the Mineral Policy clearly reflected, repeal of the prevailing Mines and Minerals (Development and Regulation) Act, 1957, and drafting of a new legislation would be preferable. As per this suggestion, the Ministry of Mines has now framed a new draft Mines and Minerals (Development & Regulation) Act, which is available on the website of Ministry. In this respect, comments on the draft new Act are invited from the stakeholders.

2.5 Revision of Rate of Royalty and Dead Rent on Major Minerals (Other than Coal, Lignite and Sand for Stowing)

1. The Ministry of Mines had set up a Study Group on 24.8.2006 under the Chairmanship of Additional Secretary (Mines) to consider revision of rates of royalty and dead rent on major minerals (Other than Coal, Lignite and Sand for Stowing) and to make appropriate recommendation to the Government. The Study Group submitted its report to the Government on 27.09.2007. Based on the recommendation of the Study Group, the Central Government revised the rates of Royalty and Dead Rent vide Official Gazette Notification Number GSR 574 (E) dated 13th August 2009 and GSR 575 (E) dated 13th August 2009, respectively, in respect of minerals (other than minor mineral, coal, lignite and sand for stowing). The revised rates of royalty and dead rent would be effective from the date of notification, i.e 13th August 2009.

2. The highlights of the revised rates are as follows:

(i) Royalty rates for minerals amphibole asbestos, china clay/kaolin (including ball clay, white shale and white clay), graphite, iron ore, quartz, silica sand, moulding sand and quartzite to be shifted from tonnage basis system of royalty to ad valorem basis. The Hoda Committee had recommended that the rates of royalty should move forward decisively on ad valorem basis. The basic principle of fixing ad valorem rate of royalty ensures that the market forces themselves take care of the increase and decrease of royalty accruals and further intervention from the Government is not required except in exceptional cases.

(ii) Royalty rates for 9 minerals, chrysotile asbestos, dolomite, limestone, lime kankar, lime shell, monazite, ochre, slate and tungsten, would continue to attract unit of production based royalty because it was held that shifting over to ad valorem rates for these minerals is not administratively feasible.

(iii) For base metals (copper, zinc, lead, etc.) and bauxite and laterite dispatched for extraction of alumina and aluminium, the rates of royalty would continue to be linked to the international benchmark metal prices. This would ensure higher royalty payment for high grade ore and lower royalty payment for low grade ore. However, in case of bauxite and laterite despatched for non-metallurgical uses, royalty would be levied on ad valorem basis as per the national benchmark price published by Indian Bureau of Mines (IBM).

(iv) There is a steep increase in the rates of dead rent from second year of mining lease in order to discourage dormant holdings.

3. The rates of royalty for coal and lignite would continue to be levied as per the Official Gazette Notification Number GSR 522(E) dated 1st August 2007.

4. The rates of royalty for uranium would continue to be levied as per the Official Gazette Notification Number GSR 96(E) dated 13th February 2009.

5. New rates of royalty and dead rent are as follows:

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Rates of Royalty

1. Apatite and Rock Phosphate:
 - (i) Apatite
Five per cent of sale price on *ad valorem* basis.
 - (ii) Rock Phosphate:
 - (a) above 25 per cent P_2O_5
Eleven per cent of sale price on *ad valorem* basis.
 - (b) upto 25 per cent P_2O_5
Six per cent of sale price on *ad valorem* basis.
2. Asbestos :
 - (a) Chrysotile
Eight hundred and eighty rupees per tonne.
 - (b) Amphibole
Fifteen per cent of sale price on *ad valorem* basis.
3. Barytes
Five and half per cent of sale price on *ad valorem* basis.
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 extraction and for export
5. Brown Ilmenite (Leucoxene),
Ilmenite, Rutile and Zircon
Two per cent of sale price on *ad valorem* basis.
6. Cadmium
Fifteen per cent of sale price on *ad valorem* basis.
7. Calcite
Fifteen per cent of sale price on *ad valorem* basis.
8. China clay/Kaolin (including
ball clay, white shale and white clay):
 - (a) Crude
Eight per cent of sale price on *ad valorem* basis.
 - (b) Processed (including washed)
Ten per cent of sale price on *ad valorem* basis.
9. Chromite
Ten per cent of sale price on *ad valorem* basis.
10. Coal (including Lignite)
*
11. Columbite-tantalite
Ten per cent of sale price on *ad valorem* basis.
12. Copper
Four point two per cent of London Metal Exchange Copper metal price chargeable on the contained copper metal in ore produced.
13. Diamond
Eleven point five per cent of sale price on *ad valorem* basis.
14. Dolomite
Sixty three rupees per tonne.
15. Felspar
Twelve per cent of sale price on *ad valorem* basis.
16. Fire Clay (including plastic,
pipe, lithomargic and natural
pozzolanic clay)
Twelve per cent of sale price on *ad valorem* basis.
17. Fluorspar (also called fluorite)
Six point five per cent of sale price on *ad valorem* basis.
18. Garnet :
 - (a) Abrasive
Three per cent of sale price on *ad valorem* basis.
 - (b) Gem
Ten per cent of sale price on *ad valorem* basis.

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19. Gold :
- (a) Primary Two per cent of London Bullion Market Association Price (commonly referred to as "London Price") chargeable on the contained gold metal in ore produced.
 - (b) By-product gold Three point three per cent of London Bullion Market Association Price (commonly referred to as "London Price") chargeable on the by-product gold metal actually produced.
20. Graphite :
- (a) with 40 per cent or more fixed carbon Two per cent of sale price on *ad valorem* basis.
 - (b) with less than 40 percent fixed carbon Twelve per cent 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 Ten per cent of sale price on *ad valorem* basis.
23. Lead
- Seven per cent of London Metal Exchange lead metal price chargeable on the contained lead metal in ore produced.
 - Twelve point seven per cent of London Metal Exchange lead metal price chargeable on the contained lead metal in concentrate produced.
24. Limestone :
- (a) L.D. Grade (less than one and half per cent silica content) Seventy two rupees per tonne.
 - (b) Others Sixty three rupees per tonne.
25. Lime Kankar Sixty three rupees per tonne.
26. Limeshell Sixty three rupees per tonne.
27. Magnesite Three per cent of sale price on *ad valorem* basis.
28. Manganese Ore:
- (a) Ore of all grades Four point two per cent of sale price on *ad valorem* basis.
 - (b) Concentrates One point four per cent of sale price on *ad valorem* basis.
29. Crude Mica, Waste Mica and Scrap Mica Four per cent of sale price on *ad valorem* basis.
30. Monazite One hundred and twenty five rupees per tonne.
31. Nickel Zero point one two per cent of London Metal Exchange nickel metal price chargeable on contained nickel metal in ore produced.
32. Ochre Twenty rupees per tonne.
33. Pyrites Two per cent of sale price on *ad valorem* basis.
34. Pyrophyllite Twenty per cent of sale price on *ad valorem* basis
35. Quartz Fifteen per cent of sale price on *ad valorem* basis.
36. Ruby Ten per cent of sale price on *ad valorem* basis.
37. Silica sand, Moulding sand and Quartzite Eight per cent of sale price on *ad valorem* basis

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38. Sand for stowing	**
39. Selenite	Ten per cent of sale price on <i>ad valorem</i> basis.
40. Sillimanite	Two and half per cent of sale price on <i>ad valorem</i> basis.
41. Silver:	
(a) By -product	Seven per cent of London Metal Exchange Price chargeable on by - product silver metal actually produced.
(b) Primary silver	Five per cent of London Metal Exchange silver metal price chargeable on the contained silver metal in ore produced.
42. Slate	Forty five rupees per tonne.
43. Talc, Steatite and Soapstone	Eighteen per cent of sale price on <i>ad valorem</i> basis.
44. Tin	Seven point five per cent of London Metal Exchange tin metal price chargeable on the contained tin metal in ore produced.
45. Tungsten	Twenty rupees per unit per cent of contained WO_3 per tonne of ore and on pro-rata basis.
46. Uranium	***
47. Vanadium	Twenty per cent of sale price on <i>ad valorem</i> basis.
48. Vermiculite	Three per cent of sale price on <i>ad valorem</i> basis.
49. Wollastonite	Twelve per cent of sale price on <i>ad valorem</i> basis.
50. Zinc	Eight per cent of London Metal Exchange zinc metal price on <i>ad valorem</i> basis chargeable on contained zinc metal in ore produced. Eight point four per cent of London Metal Exchange zinc metal price on <i>ad valorem</i> basis chargeable on contained zinc metal in concentrate produced.
51. All other minerals not here-in before specified [Agate, Clay (Others), Chalk, Corundum, Diaspore, Dunite, Felsite, Fuschite, Kyanite, Quartzite, Jasper, Perlite, Rock Salt, Shale, Pyroxenite, etc.]	Ten per cent of sale price on <i>ad valorem</i> basis.

*. Rates of royalty in respect of item No. 10 relating to Coal (including Lignite) as revised vide notification number G.S.R. 522 (E), dated the 1st August, 2007, of the Government of India in the Ministry of Coal shall remain in force until revised through a separate notification by the Ministry of Coal.

**Rates of royalty in respect of item No.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 Department of Coal.

***. Rates of royalty in respect of item No.46 relating to Uranium as revised vide notification number G.S.R. 96(E), dated the 13th February, 2009, will remain in force until revised.

Note : The rates of royalty and dead rent for the State of West Bengal in respect of the minerals except the mineral specified against item No.10 relating to coal (including lignite) 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 pending litigation in the Supreme Court of India.

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RATES OF DEAD RENT

1. Rates of dead rent applicable to the leases granted for low value minerals are as under:

Rates of dead rent in rupees per hectare per annum

Second year of lease	Third year and fourth year	Fifth year onwards
200	500	1000

2. Two times the rate specified in paragraph 1 in case of lease granted for medium value mineral (s).
3. Three times the rates specified in paragraph 1 in case of lease granted for high value mineral (s)
4. Four times the rates specified in paragraph 1 in case of lease granted for precious metals and stones.

Note:

1. For the purpose of this notification -
 - (a) **“precious metals and stones”** means gold, silver, diamond, ruby, sapphire and emerald ;
 - (b) **“high value minerals”** means semi-precious stones (agate, gem garnet), corundum, copper, lead, zinc, asbestos (chrysotile variety) and mica ;
 - (c) **“medium value minerals”** means chromite, manganese ore, kyanite, sillimanite, vermiculite, magnesite, wollastonite, perlite, diaspore, apatite and rock phosphate, fluorite (fluorspar) and barytes ;
 - (d) **“low value minerals”** means minerals other than precious metals and stones, high value minerals and medium value minerals.
-