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**PART-II, SECTION 3, SUBSECTION (i) ]**

GOVERNMENT OF INDIA  
MINISTRY OF MINES

New Delhi, the 10<sup>th</sup> December, 2009

**Notification**

GSR 883(E)- In exercise of the powers conferred by section 13 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following rules further to amend the Mineral Concession Rules, 1960, namely :-

1. (1) These rules may be called the Mineral Concession (Amendment) Rules, 2009.  
(2) They shall come into force on the date of their publication in the Official Gazette.
  
2. In the Mineral Concession Rules, 1960 (hereinafter referred to as the "Principle rules") for rule 64D, the following rule shall be substituted, namely:-

**"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 despatched 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 despatched for use in alumina and metallurgical industries, copper, lead, zinc, tin, nickel, gold and silver) and those not despatched 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, 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 despatched for use in alumina and aluminium metal extraction or despatched 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 despatched 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.”

(F.No. 16/90/2009-MVI)

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(Ajita Bajpai Pande)

Joint Secretary to Government of India

Note: The Principal Rules were published in the Official Gazette vide GSR No 1398 dated 26.11.1960 (Notification No. M-II-159(1)/57 dated 11.11.1960).