

Royalty on iron ore

2110. SHRI RAMA CHANDRA KHUNTIA: Will the Minister of MINES be pleased to state:

- (a) whether the Ministry has taken steps to publish the average sale price of iron ore;
- (b) whether the Indian Bureau of Mines has taken steps to publish the monthly sale price;
- (c) why the sale price of similar grade minerals published for Odisha is less than that of neighbouring States; and
- (d) whether the Ministry proposes to devise a scientific method for discovery of price for payment of royalty on iron ore and if so, by when?

THE MINISTER OF STATE OF THE MINISTRY OF MINES (SHRI DINSHA J. PATEL): (a) and (b) In terms of Rule 64D of the Mineral Concession Rules, 1960, 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 Indian Bureau of Mines publishes State-wise sale prices for different minerals for computation of royalty on monthly basis, which is also made available on the website of Indian Bureau of Mines for the public.

(c) As per Section 9 of the Mines and Minerals (Development and Regulation) Act, 1957, royalty is levied on any mineral removed or consumed by a miner or his agent, manager, employee, contractor or sub-lessee from leased area as per rate specified in Second Schedule for that mineral, which implies that the royalty is to be levied on value of mineral at lease area, and not on the market price obtained at a place away from the mines, since such market price could invariably include other costs not related to mining of minerals like transportation etc. So while the market price for a mineral produced in different States may be same, the sale price published by the Indian Bureau of Mines, being based on the pit mouth value of mineral taking into account the other non-mining costs, may differ for different States.

(d) The Ministry has set up a Study Group on revision of rates of royalty and dead rent for major minerals (other than coal, lignite and sand for stowing) on 13.9.2011, where issues on royalty on iron ore is also referred.