

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 1713
ANSWERED ON 13.12.2021

RAISING OF ROYALTY RATES

1713 SHRI SUJEET KUMAR:

Will the Minister of MINES be pleased to state:

- (a) the current rates of royalty on iron, chromite ore, manganese, bauxite and limestone and the rates prior to the revision in 2014;
- (b) Whether it is a fact that despite recommendations from the State Government of Odisha, no decision has been taken to raise the royalty rates, if so, the reasons therefor; and
- (c) whether there is any consideration to raise these rates and by when Government intends to take a call on the matter?

ANSWER

THE MINISTER OF MINES, COAL AND PARLIAMENTARY AFFAIRS
(SHRI PRALHAD JOSHI)

(a): In exercise of the powers conferred under sub-section (3) of Section 9 of the Mines and Minerals (Development and Regulation) Act, 1957, the Central Government notified the rates of royalty vide Gazette Notification dated 01.09.2014 and royalty rates prior to 2014 were notified vide Gazette Notification dated 13.08.2009. The current rates of royalty on iron ore, chromite, manganese ore, bauxite & limestone and the rates prior to the revision in 2014 are given at Annexure.

(b) and (c): In order to evaluate the revision of royalty rates and dead rent for minerals (other than coal, lignite, sand for stowing and minor minerals), the Ministry of Mines vide order dated 09.02.2018 has constituted a Study Group. The Study Group submitted its final recommendation. Meanwhile, it has been decided to constitute a committee to formulate an index based mechanism for valuation of mineral resources and also for pricing for all statutory payments to the Government.

Accordingly, Ministry of Mines vide Order dated 06.04.2021 has constituted a Committee for developing a National Mineral Index (NMI) for valuation of mineral resources, determination of value for auction of mineral concessions and statutory payments for future auctions. Also, Ministry of Mines vide Order dated 27.10.2021 has constituted another committee for reviewing of rates of royalty of those minerals where royalty is calculated on tonnage basis.

Current rates of Royalty of minerals and rates prior to Revision in 2014

S.No	Mineral	Rate of Royalty prior to Revision in 2014	Current Rate of Royalty (since 01.09.2014)
1.	Iron Ore	Ten per cent of sale price on ad valorem basis.	Fifteen per cent. of average sale price on ad valorem basis.
2.	Chromite	Ten per cent of sale price on ad valorem basis.	Fifteen per cent. of average sale price on ad valorem basis
3.	Manganese Ore	(i) Ore of all grades: Four point two per cent of sale price on ad valorem basis.	(i) Ore of all grade : five per cent. of average sale price on ad valorem basis.
		(ii) Concentrates: One point four per cent of sale price on ad valorem basis.	(ii) Concentrates : One point seven per cent. of average sale price on ad valorem basis.
4.	Bauxite	(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 dispatched for use in alumina and aluminium metal extraction.	(a) Metallurgical Grade: Zero point six zero per cent. of London Metal Exchange Aluminium metal price chargeable on the contained aluminium metal in ore produced for those dispatched 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 & aluminium metal extraction and for export.	(b) Non Metallurgical Grade: Twenty five per cent. of average sale price on ad valorem basis for those dispatched for use other than alumina & aluminium metal extraction.
5.	Limestone	(i) L. D. Grade (less than one and half per cent silica content): Seventy two rupees per tonne.	(i) L. D. Grade (less than 1.5 per cent. silica content): Ninety rupees per tonne.
		(ii) Others: Sixty three rupees per tonne	(ii) Others: Eighty rupees per tonne