

GOVERNMENT OF INDIA  
MINISTRY OF MINES  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1730**  
ANSWERED ON 01.08.2022

**ENHANCEMENT OF ROYALTY ON MINERALS**

1730. SHRI SUJEET KUMAR:  
DR. AMAR PATNAIK:

Will the Minister of MINES be pleased to state:

- (a) whether Government is considering the enhancement of rates of royalty in case of iron, chromite, and bauxite ores as per the demand of the Odisha Government;
- (b) if so, by when the decision on the enhancement of the rates of royalty is expected to be taken; and
- (c) if not, the reasons therefor?

**ANSWER**

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

(a): The rates of royalty for the minerals iron ore, chromite ore, and non-metallurgical grade bauxite are fixed on ad valorem basis as a percentage of the Average Sale Price. The rate of royalty for metallurgical grade bauxite is fixed as a percentage of London Metal Exchange (LME) Aluminium metal price chargeable on the contained aluminium metal in ore produced for those dispatched for use in alumina and aluminium metal extraction. Hence the increasing value of minerals as per the market / LME is automatically captured in the ad valorem rates as royalty is fixed as a percentage of the value of minerals.

(b) & (c): Royalty rates were last revised on 01.09.2014. The rates of royalty on minerals are revised from time to time under Section 9(3) of the Mines and Minerals (Development and Regulation) Act, 1957.

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