

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO. 122
ANSWERED ON 07.12.2022

EVALUATION OF MINERALS

122. MS. CHANDRANI MURMU:

Will the Minister of MINES be pleased to state:

- (a) the procedure for evaluation of different minerals particularly iron ore by Indian Bureau of Mines (IBM);
- (b) whether there is a difference of evaluation and auction price with Odisha Mining Corporation and IBM value and if so, the details thereof;
- (c) whether lower price as determined by Indian Bureau of Mines is not a loss to the public exchequer and if so, the details thereof; and
- (d) whether the Average Sale Price of iron ore decreased during post auction period, if so, the reasons therefor?

ANSWER

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

(a): As per Rule 43 of Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016, Indian Bureau of Mines publishes the Average Sale Price (ASP) of each mineral grade / concentrate removed from the mining leases in a month in a State. Computation of ASP is prescribed in Rule 42 of the said rules.

(b): No such information is available with the Ministry of Mines.

(c): The computation of ASP is being done as per existing statutory framework in this regard. The ASP is weighted average of Ex-mine prices reported by all the leaseholders in a State in their monthly returns filed as per the provisions of Rule 45 of Mineral Conservation and Development Rules, 2017. As per Rule 42 of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016, various factors such as transportation cost (or fuel price/ freight etc.), export duty, rent, per unit cost of production etc. have bearing on the computation of Ex-Mine price. Therefore, ASP in a State may be different from sale price of ore from one particular mine or group of mines.

(d): The ASP in a month depends on many factors including market conditions.
