

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
UNSTARRED QUESTION NO. 2523
ANSWERED ON 21.12.2022

ROYALTY RATES OF ORES

2523. SHRI RAMESH CHANDRA MAJHI:

Will the Minister of MINES be pleased to state:

- (a) whether the Government of India is considering the enhancement of rate(s) of royalty in case of Iron/Chromite/Bauxite ores, etc. as per the demand of the State Government of Odisha;
- (b) if so, the details thereof; and
- (c) the time by which a decision on enhancement of rate of royalty is expected to be taken?

ANSWER

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

(a) to (c): 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.

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.
