

GOVERNMENT OF INDIA
MINISTRY OF MINES
LOK SABHA
STARRED QUESTION NO. *207
TO BE ANSWERED ON 16.03.2022

ROYALTY RATES OF MINERALS

*207. SHRIMATI CHINTA ANURADHA:
SHRI CHANDRA SEKHAR BELLANA:

Will the Minister of MINES be pleased to state:

- (a) whether the Government has revised the royalty rates with respect to major minerals found in Andhra Pradesh;
- (b) if so, the details thereof; and
- (c) if not, the time by which the royalty rates of the major minerals were last revised and the steps taken by the Government for revision of rates of major minerals?

ANSWER

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

(a) to (c): **A statement is laid on the Table of the House.**

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. *207 REGARDING ROYALTY RATES OF MINERALS RAISED BY SHRIMATI CHINTA ANURADHA AND SHRI CHANDRA SEKHAR BELLANA, HON'BLE MEMBERS OF PARLIAMENT FOR REPLY ON 16.03.2022.

(a) to (c): 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 has notified the rates of royalty of major minerals vide Gazette Notification dated 01.09.2014. The rate notified are at annexure-I.

In order to examine revision of royalty rates and dead rent for minerals (other than coal, lignite, sand for stowing and minor minerals), Ministry of Mines vide order dated 09.02.2018 constituted a Study Group. The Study Group submitted its recommendations on 25.07.2019. Further, a Committee has been constituted on 06.04.2021 to formulate an index based mechanism for valuation of mineral resources and also for pricing for all statutory payments to the Government. The committee has given its first report on 31.01.2022. Ministry of Mines vide Order dated 27.10.2021 constituted a committee for reviewing of rates of royalty of those minerals where royalty is calculated on per tonne basis and the committee has submitted its report on 07.03.2022.

Second Schedule to the MMDR Act, 1957.

RATES OF ROYALTY IN RESPECT OF MINERALS AT ITEMS 1 TO 9, 11 TO 40 AND 42 TO 55

1. Apatite and Rock Phosphate:	
(i) Apatite	Five per cent. of average sale price on <i>ad valorem</i> basis.
(ii) Rock Phosphate	Twelve and half per cent. of average sale price on <i>ad valorem</i> basis.
a. Above 25% P ₂ O ₅	Six per cent. of average sale price on <i>ad valorem</i> basis.
b. Upto 25% P ₂ O ₅	
2. Asbestos:	
(i) Chrysotile	Eight Hundred and Eighty rupees per tonne.
(ii) Amphibole	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
3. Barytes:	Six and half per cent. of average sale price on <i>ad valorem</i> basis.
4. Bauxite and Laterite:	(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) Non Metallurgical Grade: Twenty five per cent. of average sale price on <i>ad valorem</i> basis for those dispatched for use other than alumina and aluminium metal extraction.
5. Brown Ilmenite (Leucoxene), Ilmenite, Rutile and Zircon:	Two per cent. of average sale price on <i>ad valorem</i> basis.
6. Cadmium:	
7. Calcite:	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
8. China clay or Kaolin: (including ball clay and white shale, white clay)	Eight per cent. of average sale price on <i>ad valorem</i> basis.
(i) Crude	
(ii) Processed (including washed)	
9. Clay others:	Twenty rupees per tonne.
10. Coal (including Lignite):	*
11. Chromite:	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
12. Columbite-tantalite:	Ten per cent. of average sale price on <i>ad valorem</i> basis.
13. Copper:	Four point six two per cent. of London Metal Exchange Copper metal price chargeable on the contained copper metal in ore produced.
14. Diamond:	Eleven point five per cent. of average sale price on <i>ad valorem</i> basis.
15. Dolomite:	Seventy-five rupees per tonne.

16. Dunite:	Thirty rupees per tonne.
17. Felspar:	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
18. Fire Clay: (including plastic, pipe, lithomargic and natural pozzolanic clay)	Twelve per cent. of average sale price on <i>ad valorem</i> basis.
19. Fluorspar: (also called fluorite)	Eight per cent. of average sale price on <i>ad valorem</i> basis.
20. Garnet:	
(i) Abrasive	Four per cent. of average sale price on <i>ad valorem</i> basis.
(ii) Gem	Ten per cent. of average sale price on <i>ad valorem</i> basis.
21. Gold:	
(i) Primary	Four per cent. of London Bullion Market Association Price (commonly referred to as London Price) chargeable on the gold metal in ore produced.
(ii) By-product gold	Three point three per cent. of London Bullion Market Association Price (commonly referred to as London Price) chargeable on the by-product gold metal actually produced.
22. Graphite:	
(i) With 80 per cent. or more fixed carbon	Two hundred and twenty-five rupees per tonne.
(ii) With 40 per cent. or more fixed carbon but less than 80 per cent. fixed carbon	One hundred and fifty rupees per tonne.
(iii) With 20 per cent. or more fixed carbon but less than 40 per cent. fixed carbon	Sixty-five rupees per tonne.
(iv) With less than 20 per cent. fixed carbon	Twenty-five rupees per tonne.
23. Gypsum:	Twenty per cent. of average sale price on <i>ad valorem</i> basis.
24. Iron Ore: (CLO, Lumps, fines and concentrates all grades)	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
25. Lead:	<p>(a) Eight point five per cent. of London Metal Exchange Lead metal price chargeable on the contained lead metal in ore produced.</p> <p>(b) Fourteen point five per cent. of London Metal Exchange Lead metal price chargeable on the contained lead metal in the concentrate produced.</p>
26. Limestone:	
(i) L. D. Grade (less than 1.5 per cent. silica content)	Ninety rupees per tonne.
(ii) Others	Eighty rupees per tonne.
27. Lime kankar:	Eighty rupees per tonne.
28. Limeshell:	Eighty rupees per tonne.
29. Magnesite:	Three per cent. of average sale price on <i>ad valorem</i> basis.

30. Manganese Ore:	
(i) Ore of all grade	Five per cent. of average sale price on <i>ad valorem</i> basis.
(ii) Concentrates	One point seven per cent. of average sale price on <i>ad valorem</i> basis.
31. Marl:	Sixty rupees per tonne.
32. Crude Mica, waste mica and scrap mica:	Four per cent. of average sale price on <i>ad valorem</i> basis.
33. Monazite:	One hundred and twenty-five rupees per tonne.
34. Nickel:	Zero point one two per cent. of London Metal Exchange Nickel metal price chargeable on the contained nickel metal in ore produced.
35. Ochre:	Twenty-four rupees per tonne.
36. Pyrites:	Two per cent. of average sale price on <i>ad valorem</i> basis.
37. Pyrophyllite:	Twenty per cent. of average sale price on <i>ad valorem</i> basis.
38. Quartz:	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
39. Ruby:	Ten per cent. of average sale price on <i>ad valorem</i> basis.
40. Sand (others):	Twenty rupees per tonne.
41. Sand for stowing:	**
42. Shale:	Sixty rupees per tonne.
43. Silica sand and moulding sand and Quartzite:	Ten per cent. of average sale price on <i>ad valorem</i> basis.
44. Sillimanite:	Two point five per cent. of average sale price on <i>ad valorem</i> basis.
45. Silver:	
(i) By-product	Seven per cent. of London Metal Exchange Price chargeable on by-product silver metal actually produced.
(ii) Primary Silver	Five per cent. of London Metal Exchange Silver Metal Price chargeable on the contained silver metal in ore produced.
46. Slate:	Forty-five rupees per tonne.
47. Talc, Steatite and Soapstone:	Eighteen per cent. of average sale price on <i>ad valorem</i> basis.
48. Tin:	Seven point five per cent. of London Metal Exchange Tin metal price chargeable on the contained tin metal in ore produced.
49. Tungsten:	Twenty rupees per unit per cent. of contained WO_3 per tonne of ore and on pro rata basis.
50. Uranium:	Two per cent. of annual compensation amount received by M/s. Uranium Corporation of India Ltd., to be apportioned among the States on the basis of data provided by Department of Atomic Energy.
51. Vanadium:	Twenty per cent. of average sale price on <i>ad valorem</i> basis.
52. Vermiculite:	Five per cent. of average sale price on <i>ad valorem</i> basis.
53. Wollastonite:	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.

54. Zinc:	<p>(a) Nine point five per cent. of London Metal Exchange Zinc metal price on <i>ad valorem</i> basis chargeable on contained zinc metal in ore produced.</p> <p>(b) Ten per cent. of London Metal Exchange Zinc metal price on <i>ad valorem</i> basis chargeable on contained zinc metal in concentrate produced.</p>
55. All other minerals not herein before specified (Agate, Corundum, Diaspore, Felsite, Fuschite-Quartzite, Jasper, Kyanite, Perlite, Pyroxenite, Rock Salt, Selenite, etc.)	Twelve per cent. of average sale price on <i>ad valorem</i> basis.

Notes:—

1. * Rates of royalty in respect of item No. 10 relating to Coal (including Lignite) as revised *vide* notification number G.S.R. 349(E), dated the 10th May, 2012 read with corrigendum G.S.R. 525(E), dated the 14th June, 2012 of the Government of India in the Ministry of Coal shall remain in force until revised through a separate notification by the Ministry of Coal.
2. ** Rates of royalty in respect of item No. 41 relating to Sand for stowing revised *vide* notification number G.S.R. 214(E), dated the 11th April, 1997, will remain in force until revised through a separate notification by the Ministry of Coal.]