

**GOVERNMENT OF INDIA
MINISTRY OF MINES**

**LOK SABHA
STARRED QUESTION NO. 118
TO BE ANSWERED ON 7th DECEMBER 2015**

ROYALTY RATES FOR MINERALS

***118. DR KULAMANI SAMAL:
SMT KAMLA DEVI PAATLE:**

Will the Minister of MINES be pleased to state:

- (a) the details of current royalty rates of various minerals along with the criteria adopted for fixation of royalty rates, mineral and State/UT-wise and the year in which they were revised last;
- (b) whether the royalty rate of iron ore and bauxite per ton in respect of Odisha is equal with that of other States and if not, the reasons therefor;
- (c) whether the various mineral rich States have requested the Union Government to increase the royalty rates of various minerals;
- (d) if so, the details and the status thereof along with the time by which revised royalty rates are likely to be made effective, State/UT-wise; and
- (e) the steps taken by the Government for development of the mining sector in the country?

ANSWER

THE MINISTER FOR MINES AND STEEL (SHRI NARENDRA SINGH TOMAR)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO LOK SABHA STARRED QUESTION NO.118 FOR REPLY ON 07.12.2015 REGARDING 'ROYALTY RATES FOR MINERALS' ASKED BY DR. KULAMANI SAMAL AND SHRIMATI KAMLA DEVI PAATLE

(a): The rates of royalty for minerals other than minerals notified as minor minerals under section 3 (e) of the MMDR Act, 1957 are given in **ANNEXURE**. The Ministry of Mines has revised the rates of royalty and dead rent for major minerals (other than coal, lignite and sand for stowing) with effect from 1st September 2014, which have been published in the Gazette of India vide Notification No. 630(E) and 631(E) dated 1st September, 2014. The royalty is fixed on ad valorem basis, while for some minerals it is fixed on tonnage basis.

(b): Yes Madam. The rates of royalty for minerals, including iron ore and bauxite, are uniformly applicable for all States.

(c) No Madam. The Union Government has not received any request from State Government for increasing the royalty rates of minerals after revising the rates of royalty on 1.9.2014.

(d): Does not arise in view of reply given to (c) above.

(e): The Mines and Minerals (Development and Regulation) (**MMDR**) Act, 1957 was amended through the MMDR Amendment Ordinance, 2015, which was promulgated on the 12th January, 2015. The MMDR Amendment Bill, 2015 to replace the MMDR Amendment Ordinance, 2015 was passed by the Parliament and has come into force with effect from 12th January, 2015.

The most important provision of the MMDR Amendment Act, 2015 is the grant of mineral concessions, for major minerals including iron ore, through auction by competitive bidding which is a transparent and non-discriminatory method and which will also obtain for the State Government its fair share of value of the mineral resources.

The other important provisions of the MMDR Amendment Act, 2015 are:

- (i) Transition provisions for extension of existing leases to obviate disruptions in supply of ore and to ensure regular supply of raw material to the industry;
- (ii) Establishment of District Mineral Foundation for the interest and benefit of persons, and areas affected by mining related operations;
- (iii) Assured tenure and easy transferability of mineral concessions granted through auction;
- (iv) Establishment of National Mineral Exploration Trust for regional and detailed exploration; and
- (v) Stricter penalty provisions to deter illegal mining.

ANNEXURE REFERRED IN REPLY TO LOK SABHA STARRED QUESTION NO.118 FOR REPLY ON 07.12.2015 REGARDING 'ROYALTY RATES FOR MINERALS' ASKED BY DR. KULAMANI SAMAL AND SHRIMATI KAMLA DEVI PAATLE

Rates of royalty for minerals other than minerals notified as minor minerals under section 3(e) of the MMDR Act, 1957

1.	Apatite and Rock Phosphate: (i) Apatite (ii) Rock Phosphate (a) Above 25% P ₂ O ₅ (b) Upto 25% P ₂ O ₅	Five per cent. of average sale price on <i>ad valorem</i> basis. Twelve and half per cent. of average sale price on <i>ad valorem</i> basis. Six per cent. of average sale price on <i>ad valorem</i> basis.
2.	Asbestos: (i) Chrysotile (ii) Amphibole	Eight Hundred and Eighty rupees per tonne. Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
3.	Bauxite:	(a) Metallurgical Grade: Zero point six zero per cent. of London Metal Exchange Aluminium metal price chargeable on the contained aluminum 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 & aluminium metal extraction.
4.	Brown Ilmenite (Leucoxene), Ilmenite, Rutile and Zircon:	Two per cent. of average sale price on <i>ad valorem</i> basis.
5.	Cadmium:	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
6.	Coal (including Lignite):	*
7.	Chromite:	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
8.	Columbite-tantalite:	Ten per cent. of average sale price on <i>ad valorem</i> basis.
9.	Copper:	Four point six two per cent. of London Metal Exchange Copper metal price chargeable on the contained copper metal in ore produced.
10.	Diamond:	Eleven point five per cent. of average sale price on <i>ad valorem</i> basis.
11.	Fluorspar: (also called fluorite)	Eight per cent. of average sale price on <i>ad valorem</i> basis.
12.	Garnet: (i) Abrasive (ii) Gem	Four per cent. of average sale price on <i>ad valorem</i> basis. Ten per cent. of average sale price on <i>ad valorem</i> basis.
13.	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.
14.	Graphite: (i) With 80 per cent. or more fixed carbon (ii) With 40 per cent. or more fixed carbon but less than 80 per cent. fixed carbon (iii) With 20 per cent. or more fixed carbon but less than 40 per cent. fixed carbon (iv) With less than 20 per cent. fixed carbon	Two hundred and twenty-five rupees per tonne. One hundred and fifty rupees per tonne. Sixty-five rupees per tonne. Twenty-five rupees per tonne.
15.	Iron Ore: (CLO, Lumps, fines and concentrates all grades)	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
16.	Lead:	(a) Eight point five per cent. of London Metal Exchange Lead metal price chargeable on the contained lead metal in ore produced. (b) Fourteen point five per cent. of London Metal Exchange Lead metal price chargeable on the contained lead metal in the concentrate produced.
17.	Limestone: (i) L. D. Grade (less than 1.5 per cent. silica content) (ii) Others	Ninety rupees per tonne. Eighty rupees per tonne.
18.	Limeshell:	Eighty rupees per tonne.
19.	Magnesite:	Three per cent. of average sale price on <i>ad valorem</i> basis.
20.	Manganese Ore: (i) Ore of all grade (ii) Concentrates	Five per cent. of average sale price on <i>ad valorem</i> basis. One point seven per cent. of average sale price on <i>ad valorem</i> basis.
21.	Marl:	Sixty rupees per tonne.
22.	Monazite:	One hundred and twenty-five rupees per tonne.
23.	Nickel:	Zero point one two per cent. of London Metal Exchange Nickel metal price chargeable on the contained nickel metal in ore produced.
24.	Pyrites:	Two per cent. of average sale price on <i>ad valorem</i> basis.
25.	Ruby:	Ten per cent. of average sale price on <i>ad valorem</i> basis.
26.	Sand for stowing:	**

27.	Sillimanite:	Two point five per cent. of average sale price on <i>ad valorem</i> basis.
28.	Silver: (i) By-product (ii) Primary Silver	Seven per cent. of London Metal Exchange Price chargeable on by-product silver metal actually produced. Five per cent. of London Metal Exchange Silver Metal Price chargeable on the contained silver metal in ore produced.
29.	Tin:	Seven point five per cent. of London Metal Exchange Tin metal price chargeable on the contained tin metal in ore produced.
30.	Tungsten:	Twenty rupees per unit per cent. of contained WO_3 per tonne of ore and on pro rata basis.
31.	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.
32.	Vanadium:	Twenty per cent. of average sale price on <i>ad valorem</i> basis.
33.	Vermiculite:	Five per cent. of average sale price on <i>ad valorem</i> basis.
34.	Wollastonite:	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
35.	Zinc:	(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. (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.
36.	All other minerals not herein before specified (Kyanite, Perlite, Rock Salt, Selenite etc.)	Twelve per cent. of average sale price on <i>ad valorem</i> basis.