

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION NO. 691
TO BE ANSWERED ON 28.04.2016

Revision in Royalty Rates

691. SHRIMATI KAMLA DEVI PAATLE:

Will the Minister of COAL be pleased to state:

- (a) whether the Government has revised the rates of royalty of minerals except coal, if so, the mineral-wise details thereof;
- (b) whether the basic price of coal is fixed by the Coal India Limited, if so, the details thereof;
- (c) whether the separate basic prices are fixed for the power Sector and non-power sector, if so, the details thereof and reasons therefor;
- (d) whether the Government is contemplating to fix only one basic price and increase the royalty rate to 30 per cent, if so, the details thereof;
- (e) whether any proposal has been received from the Government of Chhattisgarh in this regard; and
- (f) if so, the details thereof and the action taken by the Government thereon?

ANSWER

MINISTER OF STATE (IC) IN THE MINISTRY OF COAL, POWER AND NEW & RENEWABLE ENERGY

(SHRI PIYUSH GOYAL)

- (a) The Ministry of Mines has revised the rates of royalty for minerals other than coal, lignite and sand for stowing, with effect from 01st September 2014, which have been published in the Gazette of India vide Notification No. 630 (E) dated 01.09.2014. A copy of the said Gazette notification is enclosed as annexure.
- (b) & (c) After complete decontrol of coal prices w.e.f. 01.01.2000, Coal India Limited (CIL) fixes the basic prices of raw coking and non-coking coal produced by CIL and its subsidiary companies. The coal companies fix the coal price based on input costs, inflation index, market trends etc

In the price revision effective from 27.02.2011, for the first time the concept of dual pricing was adopted by CIL i.e. one price for consumers in the Power utilities (including independent power producers), Fertilizers and Defence (Regulated Sector) and another for consumers other than regulated sectors. The prices for the non-regulated sector (except for higher grade) are kept higher by around 35% than that for regulated sector. Since the prices of end products of coal consuming industries in the non-regulated sector are market driven, the price of coal for non-regulated sector are fixed at a level closer to the market price of coal.

- (d) Fixing the price of coal is not in the domain of Government. The royalty rate revision is in Governments' domain, which is being considered by study group.
- (e) MOC has received comments from Govt. of Chhattisgarh to increase the rate of royalty from existing 14 % to 30 % in response to the questionnaire circulated to all stakeholders by the Study Group constituted to consider the revision of rate of royalty.
- (f) Study Group on revision of rates of royalty on Coal and Lignite has not yet made any final report in this regard.


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असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)

PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित

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NEW DELHI, MONDAY, SEPTEMBER 1, 2014/BHADRA 10, 1936

MINISTRY OF MINES

NOTIFICATION

New Delhi, the 1st September, 2014

G.S.R.630(E).- In exercise of the powers conferred under sub-section (3) of Section 9 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Central Government hereby makes the following further amendments to the Second Schedule of the said Act, namely:-

2. In the Mines and Minerals (Development and Regulation) Act, 1957, for the "Second Schedule", the following Schedule shall be substituted, namely:-

"SECOND SCHEDULE

(See Section 9)

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 rupces 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) <i>Metallurgical Grade:</i> 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) <i>Non Metallurgical Grade:</i> 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.
5.	Brown Ilmenite (Leucoxene), Ilmenite, Rutile and Zircon:	Two per cent. of average sale price on <i>ad valorem</i> basis.
6.	Cadmium:	Fifteen per cent. of average sale price on <i>ad valorem</i> basis.
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) (i) Crude	Eight per cent. of average sale price on <i>ad valorem</i> basis.
	(ii) Processed (including washed)	Twelve per cent. of average sale price on <i>ad valorem</i> basis.
9.	Clay others:	Twenty rupces 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 rupces 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:	(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.
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:	(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.
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."

[F. No. 3/3/2011-M.VI (Part-IV)]

R. SRIDHARAN, Addl. Secy.

Note: The Second Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 was amended earlier *vide* notification numbers:

1. No. G.S.R. 175(E), dated the 31st March, 1975
2. No. G.S.R. 407(E), dated the 14th July, 1975
3. No. G.S.R. 584(E), dated the 13th December, 1975
4. No. G.S.R. 321(E), dated the 12th June, 1978
5. No. G.S.R. 2(E), dated the 1st January, 1979
6. No. G.S.R. 67(E), dated the 13th February, 1979
7. No. G.S.R. 63(E), dated the 12th February, 1981
8. No. G.S.R. 449(E), dated the 23rd July, 1981
9. No. G.S.R. 458(E), dated the 5th May, 1987
10. No. G.S.R. 856(E), dated the 14th October, 1987
11. No. G.S.R. 516(E), dated the 1st August, 1991
12. No. G.S.R. 100(E), dated the 17th February, 1992

13. No. G.S.R. 748(E), dated the 11th October, 1994
14. No. G.S.R. 27(E), dated the 13th January, 1995
15. No. G.S.R. 214(E), dated the 11th April, 1997
16. No. G.S.R. 713(E), dated the 12th September, 2000
17. No. G.S.R. 187(E), dated the 15th March, 2001
18. No. G.S.R. 572(E), dated the 16th August, 2002
19. No. G.S.R. 677(E), dated the 14th October, 2004
20. No. G.S.R. 522(E), dated the 1st August, 2007
21. No. G.S.R. 96(E), dated the 13th February, 2009
22. No. G.S.R. 574(E), dated the 13th August, 2009
23. No. G.S.R. 349(E), dated the 10th May, 2012