

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:5633  
ANSWERED ON:29.04.2010  
ROYALTY ON EXTRACTION OF MINERALS  
Pandey Saroj

**Will the Minister of STEEL be pleased to state:**

- (a) the mining area in square kilometers made available for extraction of minerals since the constitution of National Mineral Development Corporation (NMDC) in the country, State-wise and mineral-wise;
- (b) the percentage of royalty out of the total production provided to the States by NMDC, during the last three years, State-wise;
- (c) whether the NMDC is considering to increase the quota of minerals to States in view of increasing demand of minerals after the setting up of new plants in the States; and
- (d) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP)

(a) The mining area in square kilometres made available for extraction of minerals since the constitution of National Mineral Development Corporation (NMDC) in the country, state - wise and mineral wise is as under:

State	Mineral	Deposit	Area (sq.km)
Chhattisgarh	Iron ore	Bailadila - 14	3.22368
		Bailadila -11 C	5.06742
		(Non Mineralized Zone)	
		Bailadila - 5	5.40050
		Bailadila-10	3.0934
		Bailadila - 10 (Float Ore)	1.4280
		Bailadila Deposit 11	8.74924
		(Dep-11A, Dep-11B, Dep-11C part)	
Karnataka	Iron ore	Donimalai	6.08
		Kumaraswamy	6.4750
Madhya Pradesh	Diamond	Panna- main mine	1.13332
		Panna- supplementary mine	1.62631
Uttar Pradesh	Silica sand	Lalapur	0.3358
Himachal Pradesh	Limestone	Arki	2.3268
Rajasthan	Limestone	Chawandia	3.35
Jammu & Kashmir	Magnesite	Panthal	4.853
Jharkhand	Iron ore	Kiriburu	39.5
		Meghahatuburu	57.45

(Handed over both the deposits to M/s SAIL, another Public Sector Undertaking under Ministry of Steel, as captive mines in 1978 as per directions of Government of India.)

(b) The state-wise royalty amount paid/ provided by NMDC during the last three years is furnished as under:-

State	(Rs. in Crore)		
	Amount of Royalty paid	2007-08	2008-09

Chhattisgarh	41.41	52.19	299.36
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Karnataka 12.01 9.83 58.86  
Madhya Pradesh 0.37 0.00 0.79  
Uttar Pradesh 0.01 0.03 0.01  
Total royalty paid/ provided 53.80 62.05 359.02

The rate of Royalty on iron ore for the financial year 2007-08, 2008-09 and for the period 1st April, 2009 till 12th August, 2009 was as under:

Iron Ore Lump:  
+65% Fe content : Rs.27 per metric tonne  
62 to 65% Fe content : Rs.16 per metric tonne  
Less than 62% Fe content : Rs.11 per metric tonne

Iron Ore Fines:  
+65% Fe content : Rs.19 per metric tonne  
62 to 65% Fe content : Rs.11 per metric tonne  
Less than 62% Fe content : Rs. 8 per metric tonne

Rate of Royalty in case of Diamond during this period was 10% on sale price.

From 13th August, 2009 onwards the royalty on iron ore is charged @ 10% and royalty on diamond is charged @ 11.5% of sale price on ad-valorem basis as per Gazette Notification No. 452 dated 13th August, 2009.

(c)&(d): NMDC is planning to set up a 3 million tonne per annum capacity steel plant in Nagarnar, Chhattisgarh, a pellet plant of 2 million tonne per annum capacity in Chhattisgarh and a pellet plant of 1.2 million tonne per annum capacity in Donimalai, Karnataka and also plans to increase its production of iron ore. Accordingly, the supplies of iron ore to the concerned States will also go up.