

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:1358

ANSWERED ON:17.08.2012

TAXES ON IRON ORE

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Will the Minister of MINES be pleased to state:

- (a) whether a number of taxes and cess such as royalty, railway freight, port charges etc. are levied on iron-ore in the country;
- (b) if so, the maximum and minimum amount collected under various heads including above mentioned taxes and cesses on iron-ore in the country during 2011-12;
- (c) whether the amount collected as taxes on the iron-ore exceeds the actual cost of production; and
- (d) if so, the facts in this regard along with the reaction of the Government thereto?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF MINES (SHRI DINSHA PATEL)

(a) and (b): Important levies and charges on iron ore in the country, inter-alia, include royalty, cess, railway freight, port charges and export duty. Royalty and local State Government cess are collected by the State Government as the owners of the minerals and the details are not maintained centrally. As per available information, Export duty, Railway freight, and Labour Welfare Cess collected in the year 2011-12 on iron ore is given below:

Levies and Charges	Amount collected
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Export Duty	Rs.6261.06 crore
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Railway Freight	Rs.7284.80 crore
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Labour Welfare Cess (for iron ore, manganese ore and chrome ore)	Rs.200 crore (P) (till Sept. 2011)
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(P) – Provisional

Port charges vary between Rs.90 per tonne to Rs.365 per tonne.

(c) and (d): Cost of production varies from mine to mine and depends on various factors like nature of ore, topography, mining methods, and includes cost on development, drilling and blasting, raising, transportation or ore. All the levies and charges are part of the cost of ore which also includes the cost of production of ore.