

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:4098

ANSWERED ON:15.12.2009

LEVYING OF FEE FOR USE OF IRON ORE

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Muttemwar Shri Vilas Baburao

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

- (a) whether the Union Government proposes to levy a fee for use of iron ore from captive mines;
- (b) if so, the details thereof;
- (c) whether the steel makers have sought lower royalty charges on iron used for domestic consumption;
- (d) if so, the present rate of royalty and the reduction sought by the steel makers;
- (e) the total amount realised from steel makers on account of royalty during each of the last three years and the current year;
- (f) whether the Government has considered the said request; and
- (g) if so, the action taken by the Government thereon?

**Answer**

THE MINISTER OF MINES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI B.K. HANDIQUE)

(a) : No, Madam.

(b) : Does not arise.

(c) to (g) : Some representations were received from Steel Makers for levy of lower royalty charges on iron ore used for domestic consumption. At present royalty for iron ore is levied at the rate of 10% on ad valorem basis on sale price. Some of the steel makers have sought rate of royalty on iron ore to continue to be charged at a fixed rate with effecting an increase in the tonnage rate only or the proposed 10% ad valorem royalty should be charged only for iron ore which is exported, while iron ore used for domestic consumption could be charged at fixed rate. Royalty is collected by State Governments and accrues to the State Governments, and therefore data is not centrally maintained. The royalty rates were notified in terms of recommendations of a Study Group after considering various issues and in consultation with stakeholders, including State Governments.