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Cabinet Approves Rationalisation of Royalty Rates for four Critical Minerals

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On 12 November 2025, the Union Cabinet chaired by the Prime Minister (PM) Narendra Modi, approved the **rationalisation of royalty rates** for four critical minerals **Graphite, Caesium, Rubidium, and Zirconium** to boost domestic production and reduce import dependence.

- The Union Cabinet also passed a resolution condemning the terrorist car explosion near the Red Fort in New Delhi (Delhi) on 10 November 2025, commending the swift action of security agencies, medical personnel, and citizens, and reaffirming India's unwavering policy of zero tolerance towards terrorism.

About Rationalisation of Royalty Rates:

Purpose: To boost domestic mining and production, reduce import dependence (especially for Graphite, 60% imported), promote transparent mineral block auctions, and enhance India's energy and supply chain security.

Graphite Royalty Moves to Ad Valorem Basis: Initially fixed per tonne since 1 September 2014, Graphite, the sole critical mineral with a per tonne rate, will now follow an ad valorem structure to account for price variations across grades.

Alignment: This decision aligns with the National Critical Minerals Mission (NCMM) and the Atmanirbhar Bharat initiative.

Royalty Rates:

- Graphite (≥80% fixed carbon): 2% of Average Sale Price (ASP)
- Graphite (<80% fixed carbon): 4% of ASP
- Caesium: 2% of ASP (on metal content)
- Rubidium: 2% of ASP (on metal content)
- Zirconium: 1% of ASP (on metal content)

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