Mines and Minerals – Seigniorage Fee - Reduction of Seigniorage fee on Granite blocks having the size below 270 Cm X 150 cm of Black (Other than Galaxy) and Colour Granite varieties only by 25% - Orders - Issued.
collection of contribution to District Mineral Fund & National Mineral Exploration Trust and the introduction of 12% Goods and Services Tax (GST) on raw blocks and 28% on polished slabs, which was further reduced to 18% in the recent GST Council. If, 40% of the Seigniorage fees is reduced, these in-operative quarries may become operational and production may be increased, thereby resulting in operation of the closed polishing units also. Moreover, the mineral produced in the State will be processed in the State by adding value to the products.

(ii) Because of the current rates of Seigniorage fees and allied taxes, illegal quarrying is being reported and if the reduction is considered the persons involved in such illegal activities will also come in to the legal fold and thereby resulting in increased production and in turn revenue to the State exchequer. The entire regulation of stabilizing production and collection of revenue will be done by the end of FY 2018-19.

(iii) The cutter size of granite blocks (below 270 cm X 150 cm) occupies 40% of the production share. If 40% reduction is considered, this may be compensated because of conversion of non-operative leases and units into operation and as such the collection of Seigniorage fee will also be increased. Direct and indirect employment will be increased. Power consumption will also be increased which will also have a direct bearing on revenue on electricity. Tertiary activities like Logistics, Transportation, Service and Value addition will also be increased proportionate to the production levels and the number of units coming into operation.

6. The Director of Mines and Geology has, therefore, requested the Government to grant concession of 40% of Seigniorage Fee on Cutter and Tiles size Blocks (except Galaxy variety) only that are processed in the State of Andhra Pradesh, as per the recommendations of the Committee in their report.

7. After careful consideration of the matter, Government hereby reduce the Seigniorage fee, prescribed in Schedule-I under Rule 10 of Andhra Pradesh Minor Mineral Concession Rules, 1966, on Granite blocks having the size below 270 Cm X 150 cm of Black (Other than Galaxy) and Colour Granite varieties only by 25%.

8. The Director of Mines and Geology, Government of Andhra Pradesh shall take necessary action, accordingly.


(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SREEDHAR
SECRETARY TO GOVERNMENT (MINES)

To
The Director of Mines & Geology, Government of Andhra Pradesh.

Copy to:
The Finance Department.
The Law (H) Department.
The Secretary to Govt. of India, Ministry of Mines, New Delhi.
The P.S to Prl. Secretary to C.M.
The P.S. to M (M&G).
The P.S to Secretary (Mines)
Sf/Sc (C.No.1821/M.II(1)/2017)

//FORWARDED :: BY ORDER//

SECTION OFFICER