



Cabinet approves rationalization of royalty rates of Graphite, Caesium, Rubidium and Zirconium minerals critical for Green Energy

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The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi has approved in today's meeting to specify/revise the royalty rate of caesium, Graphite, Rubidium and Zirconium as below:

Mineral	Royalty Rate
Caesium	2% of Average Sale Price (ASP) of Caesium metal chargeable on the Caesium metal contained in the ore produced
Graphite	
(i) With eighty per cent or more fixed carbon	2% of ASP on ad valorem basis
(ii) With less than eighty per cent fixed carbon	4% of ASP on ad valorem basis
Rubidium	2% of ASP of Rubidium metal chargeable on the Rubidium metal contained in the ore produced
Zirconium	1% of ASP of Zirconium metal chargeable on the Zirconium metal contained in the ore produced

The above decision of the Union Cabinet will promote auction of mineral blocks containing Caesium, Rubidium and Zirconium thereby not only unlocking these minerals but also associated critical minerals found with them, such as Lithium, Tungsten, REES, Niobium etc. Fixing of royalty rates of

Graphite on ad valorem basis will proportionately reflect the change in prices of the mineral across grades. Increase in indigenous production of these minerals would lead to reduction in imports and supply chain vulnerabilities and also generate employment opportunities in the country.

Graphite, Caesium, Rubidium and Zirconium are important minerals for high-tech applications and energy transition. Graphite and Zirconium are also among the 24 critical and strategic minerals listed in the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act).

Graphite is a crucial component in electric vehicle (EV) batteries, primarily serving as the anode material, which enables high conductivity and charge capacity. However, India imports 60% of its requirement of Graphite. At present, 9 Graphite mines are working in the country and further 27 blocks have been successfully auctioned. Further, GSI and MECL have handed over 20 Graphite blocks which will be auctioned and around 26 blocks are under exploration.

Zirconium is a versatile metal used in various industries, including nuclear energy, aerospace, healthcare and manufacturing, due to exceptional corrosion resistance and high temperature stability. Caesium is mainly used in high-tech electronic sector, particularly in atomic clocks, GPS systems, other high precision instruments, medical instruments including in cancer therapy, etc. Rubidium is used in making specialty glasses used in fibre optics, telecommunication systems, night vision devices etc.

Recently, the Central Government has issued NIT on 16th September, 2025, for the Sixth Tranche of auction for critical mineral blocks. This also contains 5 blocks of Graphite, 2 blocks of Rubidium and 1 block each of Caesium and Zirconium (details enclosed). Today's approval of the Union Cabinet on rate of royalty will help the bidders to rationally submit their financial bids in auction.

Royalty rate of Graphite has been specified on rupees per tonne basis since 1st September, 2014. It is the only mineral in the list of critical and strategic minerals whose royalty rate was specified on per tonne basis. Further, considering the variations in the Graphite prices across grades, royalty of Graphite is now decided to be charged on ad valorem basis, so that royalty accruals in different grades would proportionately reflect the changes in the prices of the mineral. In recent years, royalty rates of most of the critical minerals have been specified at the range of 2% to 4%.

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