

**GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA**

UNSTARRED QUESTION NO:605
ANSWERED ON:09.07.2004
ROYALTY RATE OF MINERALS
Singh Shri Dushyant

Will the Minister of COAL AND MINES be pleased to state:

- (a) whether the royalty rate of minerals have not been revised since long;
- (b) if so, the steps taken to revise the rate of royalty of minerals at the earliest; and
- (c) the steps taken to pay the interim relief to the States pending the proposal to revise the rate of minerals?

Answer

THE MINISTER OF STATE FOR COAL AND MINES (DR. DASARI NARAYANA RAO)

(a) Royalty rates for minor minerals defined under Section 3(e) of the Mines and Minerals (Development and Regulation) Act, 1957 are notified by respective State Governments. Royalty rates for major minerals (other than coal and lignite) were last notified by the Deptt. of Mines vide Gazette Notification GSR No. 713(E) dated 12.9.2000. Royalty rates for coal and lignite were last revised vide Gazette Notification GSR 572(E) dated 16.8.2002 and GSR 187(E) dated 15.3.2001 respectively by Deptt. of Coal.

(b) A Study Group for revision of royalty rates for minerals (other than coal and lignite) was constituted under the chairmanship of the then Additional Secretary, Ministry of Mines and its report has been submitted to the Government after detailed consultation with State Governments and other Stake holders. Revision of royalty rates of minerals (other than coal and lignite) is in an advanced stage of processing and will be notified after obtaining the approval of the competent authority.

Â© Under the provisions of Section 9(3) of Mines and Minerals (Development and Regulation) Act, 1957, the Central Government can not enhance the rates of royalty more than once during any period of three years. It is also not mandatory under the Act to revise rates of royalty every three years. Therefore, the question of paying interim relief to States does not arise.