

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:5166
ANSWERED ON:27.04.2010
ANOMALY IN ROYALTY RATES
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Will the Minister of MINES be pleased to state:

- (a) whether the State Government get 10% royalty, from production of iron ore and 20% from production on land oil blocks in their areas;
- (b) if so, the reasons for anomaly between royalty rates; and
- (c) the corrective steps taken by the Government in this regard?

Answer

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

(a) to (c) : Rates of royalty vary for different minerals on the basis of factors like cost of production, profitability and feasibility of mining, dynamics of market and availability of minerals etc. Therefore, the royalty rates are not comparable with each other. The Government has revised royalty rates in respect of minerals (other than minor mineral, coal & lignite, sand for stowing and uranium) and dead rent on 13.8.2009, based on the recommendations of the Hoda Committee and the Report of a Study Group constituted for the purpose, which included all stakeholders from mineral sector.