

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:1327
ANSWERED ON:14.07.2009
REVISION OF ROYALTY RATE
Kora Shri Madhu

Will the Minister of MINES be pleased to state:

- (a) whether the Mines and Minerals (Development and Regulation) Act, 1957 provides for revision of royalty rate of major minerals every three years;
- (b) if so, the details thereof;
- (c) whether the royalty rates of non-coal major minerals were last revised on 14 October, 2004 for a period upto 15 October, 2007;
- (d) if so, the details thereof;
- (e) whether a study group has recently submitted report to the Government recommending revision of the royalty rate on major minerals;
- (f) if so, the details thereof;
- (g) whether the mineral producing States like Jharkhand are losing huge revenue due to delay in revision of revision rates on minerals; and
- (h) if so, the details thereof and the reaction of the Government including steps taken in this regard?

Answer

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

- (a) and (b) As per the provisions of the Mines & Minerals(Development & Regulation) Act, 1957, the Central Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of three years.
- (c) and (d) Royalty rates for minerals (other than coal & lignite, minor mineral) were last revised on 14.10.2004 and next revision of royalty rates was possible only after 13-10-2007.
- (e) and (f) A Study Group was constituted in the Ministry of Mines with representatives of State Governments of Chattisgarh, Jharkhand, Karnataka, Orissa, Rajasthan, Ministry of Steel, Department of Atomic Energy, Indian Bureau of Mines and Federation of Indian Mineral Industry as members. The Study Group submitted its report to the Government on 27-09-2007.
- (g) and (h) The State Governments are collecting royalty in terms of the rates notified by Government on 14-10-2004 and the revised rates of royalty would effective prospectively only.