

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:837
ANSWERED ON:25.02.2011
MMDR ACT
Panda Shri Baijayant

Will the Minister of MINES be pleased to state:

- (a) the Government of Orissa has made a proposal to the Union Government for introducing value addition system in the Mines and Minerals Development and Regulation (MMDR) Act;
- (b) if so, the details with status of the proposal;
- (c) whether the above system has already been put into practice by the Orissa Government in the State;
- (d) if so, the details thereof;
- (e) whether the State Governments including Orissa have asked for any kind of increase in royalty in mineral sector; and
- (f) if so, the details alongwith the status of the proposal?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINES (SHRI DINSHA PATEL)

(a) to (d): Yes, Madam. State Government has proposed that value addition should be given priority for grant of mineral concessions. The issue will be addressed suitably in the new draft legislation presently under consideration of the Group of Ministers. The existing Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act), also allows the State Government to give priority in grant of concession in notified areas to applicants, inter- alia, on the basis of investment an applicant proposes to make in the mines and in the industry based on minerals.

(e) and (f): The State Government of Orissa has suggested that the rate of royalty for minerals should be revised every three years. The rates of royalty were last revised on 13th August 2009, and in terms of the provisions of proviso to section 9(3) of the MMDR Act, the next upward revision of royalty rates is possible only after 12th August 2012.