

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:1105
ANSWERED ON:05.08.2011
ROYALTY FROM MINING COMPANIES
Lagadapati Shri Rajagopal;Patle Kamla Devi

Will the Minister of MINES be pleased to state:

- (a) the amount collected by States as royalty from mining companies, State-wise;
- (b) whether the amount so collected in the form of royalty is being utilised for the development of the mining areas;
- (c) if so, the amount spent for the development of mining areas during the last three years;
- (d) if not, the reasons therefor;
- (e) whether the Supreme Court has given any judgement regarding utilisation of at least 20 per cent of revenue earned from mining in the scheduled areas for the development of that area; and
- (f) if so, the details thereof and the reaction of the Government thereto?

Answer

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

(a): As per available information, amount collected as royalty for major minerals (excluding coal and lignite) by various States is given below:

(in crore)

State	2008-09	2009-10 (P)	2010-11 (upto December)	(P)
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Assam	0.63	0.94	0.84	
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Andhra Pradesh	242.85	370.38	272.90	
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Bihar	2.69	NA	1.38	
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Chhattisgarh	153.89	474.39	298.60	
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Gujarat	157.86	250.00	420.33	
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Goa	27.46	285.91	256.53	
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Haryana	0.06	NA	NA	
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Jammu and Kashmir	2.93	NA	1.20	
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Jharkhand	63.23	319.04	62.62	
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Karnataka	184.13	433.12	241.61	
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Kerala	7.24	8.81	2.39	
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Madhya Pradesh	191.42	351.49	164.91	
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Maharashtra	107.42	85.10	88.67	
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Meghalaya	NA	7.26	1.63	
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Orissa	431.35	654.46	102.90	
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Rajasthan	641.81	997.28	643.12	
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Tamilnadu	104.24	130.56	51.34	
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Total	2319.21	3997.42	2610.97	# (P)
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NA- Not available, (P) Provisional, Source: Indian Bureau of Mines

(b): The amount collected as royalty by the State Government is credited to its Consolidated Fund of State Government concerned, and details on utilisation of royalty revenues for development of mining areas is not centrally maintained.

(c) & (d): Does not arise in view of (b) above.

(e) & (f): In the matter of Samatha vs. State of Andhra Pradesh and others (AIR 1997 SC3297), the Supreme Court in its judgment dated 11.7.1997 has directed that since the mining activities are being carried out mostly within the scheduled areas it is the duty of the State to see that a part of the profits earned by the lessees should be spent for ameliorating the living conditions of the tribals by the lessees themselves. The Supreme Court further observed that appropriate legislation should be made for making it compulsory for the lessees within the tribal area to spend a portion of the income arising out of the mining business for the general upliftment of the living conditions of the tribal people, which should be in addition to the royalty and other cess under different legislations, and at least 20 per cent of the net profits should be set apart as a permanent fund as a part of Industrial/business activity for establishment and maintenance of water resources, schools, hospitals, sanitation and transport facilities by laying roads etc. This 20% allocation would not include the expenditure for reforestation and maintenance of ecology. The National Mineral Policy, 2008, already enunciates creation of a Sustainable Development Framework with suitable models of stakeholder interest for indigenous (tribal) population.