

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:2115
ANSWERED ON:24.08.2012
MINERAL BEARING STATES
Rathwa Shri Ramsinhbhai Patalbhai

Will the Minister of MINES be pleased to state:

- (a) whether the mineral bearing States get a fair share of the value of the minerals extracted from the boundary of the States concerned;
- (b) if so, the details thereof;
- (c) whether the revenue earned by some of the mineral producing States like Jharkhand are considerably less than the national average;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the steps being taken by the Government to protect the economic interests of the mineral bearing States in this regard?

Answer

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

(a) and (b): As per Section 9 of Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act), all mining lease holders are required to pay royalty in respect of any mineral removed or consumed from the lease area. The entire royalty amount accrues to the concerned State Governments. The rates of royalty for minerals (other than coal, lignite, sand for stowing and minor minerals) are given in Second Schedule to the MMDR Act, which the Central Government may enhance once in a period of three years. The last revision of rates of royalty was undertaken on 13.8.2009, due to which the royalty collections for various States has increased from Rs.4469.75 crore in 2009-10 to Rs.7279.49 crore in 2010-11, and Rs.5828.84 crore was collected till December, 2011. Apart from this, the State Governments also collect dead rent. Further, the State Governments are empowered to levy and collect royalty on minor minerals at their level. State Governments have also been levying local cess and taxes on mining and minerals.

(c) and (d): Details on royalty for minerals (other than coal, lignite, sand for stowing and minor minerals) collected by the State Governments including Jharkhand, are given below:

State	Royalty(in Crore Rs.)		
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	2009-10	2010-11	April 2011 to Dec. 2011 (P)
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Andhra Pradesh	370.38	381.92	245.73
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Assam	0.94	0.73	0.67
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Bihar	-	-	0.46
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Chhattisgarh 474.39 1196.55 757.90

Gujarat 192.90 193.89 258.74

Goa 285.91 959.12 352.05

Himachal Pradesh 47.98 - 43.62

Jammu & Kashmir - - 1.03

Jharkhand 202.33 440.24 348.88

Karnataka 430.10 708.44 288.01

Kerala 8.81 9.42 2.85

Madhya Pradesh 351.45 324.55 142.72

Maharashtra 84.85 132.70 151.14

Meghalaya 7.26 13.09 6.72

Odisha 894.44 1598.05 2365.43

Rajasthan 987.45 1182.23 774.89

Tamilnadu 130.56 138.56 87.02

Uttar Pradesh - - 0.20

Uttarakhand - - 0.64

West Bengal - - 0.14

Total 4469.75 7279.49 5828.84

Details on dead rent collected, royalty collected for minor minerals or amount collected as local cess and taxes on mining and minerals by the State Governments are not maintained centrally.

(e): The Central Government constitutes a Study Group to review the rates of royalty and dead rent from time-to-time which also includes members of mineral rich States. This Group considers the economic interests of the mineral bearing States while fixing the rates of royalty and dead rent. The Ministry has constituted a Study Group on revision of rates of royalty and dead rent for major minerals (other than coal, lignite and sand for stowing) on 13.9.2011 to review the rates of royalty and dead rent.