

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:3090  
ANSWERED ON:15.03.2013  
ROLE OF DEAD RENT IN ROYALTY OF MINERALS  
Choudhary Shri Harish;Laguri Shri Yashbant Narayan Singh

**Will the Minister of MINES be pleased to state:**

- (a) the role of dead rent in the royalty being provided to the States for the minerals;
- (b) whether the States are not getting the royalty on the minerals situated in their areas as per the market rate due to the dead rent; and
- (c) if so, the corrective measures taken/proposed to be taken by the Government in this regard?

**Answer**

THE MINISTER OF MINES (SHRI DINSHA PATEL)

(a): As per section 9(2) of the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957, the holder of a mining lease shall pay royalty in respect of any mineral removed or consumed by him or by his agent, manager, employee, contractor or sub-lessee from the leased area at the rate for the time being specified in the Second Schedule in respect of that mineral.

Further, as per section 9A (1) of the MMDR Act 1957, the holder of a mining lease shall pay to the State Government, every year, dead rent at such rate as may be specified, for the time being, in the Third Schedule, for all the areas included in the instrument of lease.

However, the lease holder shall pay either royalty for any mineral removed or consumed, or the dead rent, whichever is greater.

(b): No, Madam.

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