

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

STARRED QUESTION NO:249
ANSWERED ON:07.02.2014
ROYALTY AND DEAD RENT
Khaire Shri Chandrakant Bhaurao

Will the Minister of MINES be pleased to state:

- (a) the main recommendations of the Study Group constituted by the Government for review and revision of rates of royalty and dead rent;
- (b) the action taken or proposed by the Government thereon;
- (c) whether the difference in rate of royalty and dead rent is putting any negative impact on the revenue generation in the country;
- (d) if so, the details thereof; and
- (e) the corrective measures taken or proposed by the Government in this regard?

Answer

THE MINISTER OF MINES (SHRI DINSHA PATEL)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO LOK SABHA STARRED QUESTION NO. 249 FOR REPLY ON 7.2.2014 REGARDING ROYALTY AND DEAD RENT ASKED BY SHRI CHANDRAKANT KHAIRE

(a to b): The Government set up a Study Group on 13.9.2011 for making recommendations relating to revision of rates of royalty and dead rent for major minerals (other than coal, lignite and sand for stowing). The Study Group submitted its report on 28.6.2013. Section 9(3) of the Mines and Minerals (Development and Regulation) Act, 1957 (Act) empowers the Central Government to revise the Second Schedule to the Act, which specifies the rate of royalty payable in respect of minerals. The recommendations of the Study Group are being examined as per the prescribed procedure to take a decision on the revision of the Second Schedule to the Act.

(c to e): Rates of royalty on minerals are specified in the Second Schedule to the MMDR Act, 1957. The rates of dead rent are specified in the Third Schedule to the MMDR Act, 1957. Section 9A (1) of the MMDR Act, 1957, provides that the mining lease holder should pay either the royalty as specified in the Second Schedule, or the dead rent as specified in the Third Schedule, whichever is greater. Since the greater of the two amounts is payable, the difference between the rates of royalty and dead rent does not have any negative impact on revenue generation.