

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:4516
ANSWERED ON:21.02.2014
ROYALTY RATE
Natarajan Shri P.R.

Will the Minister of MINES be pleased to state:

- (a) whether there are any norms for fixing royalty rate/lease amount periodicity to be followed by the Government while granting leases of mineral wealth surfaces to the private companies;
- (b) if so, the details thereof along with the comparative royalty rate in India and other foreign countries;
- (c) whether the consent of the Gram Sabha is being acquired under Panchayats (Extension to Scheduled Areas) Act, 1996 and the Forest Rights Act, 2006 for grant of mineral concessions;
- (d) if so, the details thereof; and
- (e) the details of violations noticed in this regard and number of tribals displaced during the last three years and till date and the action taken thereon?

Answer

THE MINISTER OF MINES (SHRI DINSHA PATEL)

- (a): State Governments grant mineral concessions, including mining leases. Further, in terms of Section 9(1) of the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act), every mining lease holder needs to pay royalty for minerals removed or consumed at the royalty rates specified in the Second Schedule of the MMDR Act, 1957. As per Section 9(3) of the MMDR Act, 1957, the rates of royalty for minerals can be revised upward only once in three years. In accordance with the provisions of the Act, the Central Government in the Ministry of Mines has constituted Study Groups at regular intervals to provide recommendations on the revision of the rates of royalty on minerals (other than on Coal, Lignite and Sand for stowing) and dead rent.
- (b): Royalty rates in the country are fixed on ad valorem basis for all major minerals except nine minerals for which royalty is charged on tonnage basis. While most countries adopt ad valorem royalty rates, a few countries levy royalty on profits earned by miners.
- (c) to (e): State Governments grant mineral concessions, including mining leases, which is subject to obtaining all statutory clearances; data in this regard is not maintained Centrally. Top of Form