

155-56

National Mineral Development Corporation

1554. SHRI SURENDRA PRASAD YADAV (JHANSARPUR) : Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the National Mineral Development Corporation exports its products on its own;

(b) if so, the details of products exported and the value thereof during each of the last three years; and

(c) the efforts made by the Government to boost the export of these products?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS) : (a) The National Mineral Development Corporation Limited (NMDC) exports iron ore through MMTC Ltd., which has been designated as canalising agency for export of iron ore with iron content above 64% as per the existing Export-Import Policy.

(b) Quantities and value of NMDC's product from Bailadila and Donimalai Mines exported by MMTC Ltd. during the last 3 years, as per the latest available information are as below:

Year	Quantity (in lakh tonnes)	Foreign Exchange Earning (Rs. in crores)
1995-96	65.22	407.13
1996-97	63.94	445.60
1997-98 (Prov.)	70.30	520.33

(c) Some of the steps taken/being taken by the Government to increase export of iron ore are:

- (i) The export ceilings of the following categories of iron ore have been revised upwards from 1.4.1998:—

	(Million tonnes per annum)
Bailadila Lumps	from 2.4 to 3.0
Bailadila Fines	from 1.2 to 3.8
Bellary Hospet Fines	from 1.5 to 2.0

(ii) Quantity tolerance of + 10% for all the categories of iron ore has been allowed.

(iii) Decanalisation of export of iron ore with Fe content upto 64%.

(iv) Entering into new markets for export of iron ore.

(v) Entering into Long-Term contracts for export of iron ore.

156-57

Restoration of earlier Rates of Royalty on Diamond Mining

1555. SHRI GAURI SHANKER CHATURBHUI BISEN :  
SHRI PUNNU LAL MOHALE :

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the royalty given on diamond mining has been reduced from 20 per cent to 10 per cent;

(b) whether the Government of Madhya Pradesh has requested to restore the earlier rates of royalty;

(c) if so, whether the Union Government propose to restore the earlier rates;

(d) if so, the time by which the royalty is likely to be restored; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS) : (a) to (e) The rate of royalty of diamond was reduced from 20 per cent of the sale price at the pit's mouth value to 10 per cent of sale price on *ad valorem* basis *vide* Government Gazette Notification GSR No. 214(E) dated 11.4.1997, copy of which has been laid on the Table of the House on 8.5.1997. Such revision was based on the recommendations of the Study Group constituted by the Government of India in 1995 for revision of royalty on major minerals (other than Coal & Lignite).

The aforesaid Study Group comprised of, *inter-alia*, representatives of the State Governments of Gujarat, Karnataka and Rajasthan at the level of Secretary to the State Government as members. As per convention, the State Governments are represented in such Study Group constituted for recommendations on royalty rates on

different occasions by rotation. In the previous Study Group constituted on 30.3.1989 whose recommendations formed the basis of the revision of royalty rates in 1992, the Government of Madhya Pradesh was represented by its Secretary in the Mineral Resources Department as a member of the Study Group.

The Study Group constituted in 1995 had detailed consultation with the State Governments including the Government of Madhya Pradesh before finalising its recommendations. Based on the recommendations of the Study Group, Government decided to reduce the royalty rates on diamond keeping in view the facts that the royalty rates on diamond in many of the major diamond producing countries are 10% or less; diamond being the second largest mineral import in value terms, there is urgent need to locate new diamond resources in the country; potential resources of diamond in India are grossly under explored on account of inadequacy of capital and suitable high technology input and lowering of the rate of royalty is expected to encourage larger capital investment and induction of state-of-the-art technology.

The Government of Madhya Pradesh had favoured increase in the then existing royalty rates on minerals in varying degrees during the consultations of the Study Group and after the revision of royalty rates in April, 1997, taken up the issue of reduction of royalty rates on diamond with the Union Government but it was not found feasible to accede to their request.

[English]

**Terms and Conditions for World Bank Loan.**

1556. SHRI ANUP LAL YADAV : Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has recently changed the terms and conditions for its further loans;

(b) if so, the details thereof;

(c) whether the loans of World Bank have become costly in comparison with the loans from commercial banks abroad; and

(d) if so, whether the Government propose to restrict its borrowings from the World Bank in the wake of increased rate of interest?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) Since July '98 the IBRD, arm of the World Bank levies the following charges for loans:

(i) Interest rate spread above Bank's cost was increased from 0.50% to 0.75%.

(ii) Front end fee of 1% of loan amount.

(iii) Commitment charges remain at 0.75%.

This revision does not apply to loans from the IDA, which continues to be provided at a concessional rate.

(c) No Sir. The Bank's solid standing in the world's capital markets permits it to obtain funds at low cost, with saving being passed along to its borrowers. Further, a substantial portion of our funding comes through the concessional IDA window.

(d) Does not arise.

[Translation]

Kuteshwar Steel Plant, Jabalpur

1557. SHRI RAMA NAND SINGH : Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the Kuteshwar Steel Plant located at Katni district (formerly Jabalpur district) has acquired the land of farmers of village Gair Talai and nearby areas on lease for twenty years;

(b) if so, the details thereof;

(c) whether the management of the Steel Plant had given a written and oral assurance to the farmers to provide job to one unemployed person of their families and the said assurance was not fulfilled;

(d) if so, the details thereof;

(e) whether the company is neither vacating the land of the farmers nor making further agreement and also not providing compensation even after expiry of lease period of twenty year; and

(f) if so, the steps taken/proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS) : (a) to (f) The information is being collected and will be laid on the Table of the Lok Sabha.