

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:1996

ANSWERED ON:01.12.2009

REVISION OF ROYALTY RATES

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Will the Minister of MINES be pleased to state:

- (a) whether upward revision of royalty payment would lead to price rise of iron ore/mineral ore in the market;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the royalty rates would be considered by some high powered groups;
- (d) if so, the details thereof;
- (e) whether the Federation of Indian Mineral Industries (FIMI) and some mineral rich States have disagreed with the recommendations of the Hoda Committee regarding revision of royalty rates on minerals;
- (f) if so, the details thereof and the reasons therefor alongwith the reaction of the Government thereto; and
- (g) the time by which royalty rates on minerals are likely to be revised?

Answer

THE MINISTER OF MINES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI B.K. HANDIQUE)

(a) and (b) : The upward revision of royalty rates is not likely to lead to price rise of mineral ore in the market because the price of ore is not determined by the miner, rather it is discovered in terms of demand and supply position of ore in the international trade of such minerals.

(c) to (f) : The rates of royalty were considered by a Study Group constituted in the Ministry of Mines which also consisted of representative of State Governments of mineral rich states and Federation of Indian Mineral Industries (FIMI) as member and recommendations for revision of royalty were submitted to the Government. The Report of the Study Group is available on the website of Ministry of Mines.

(g): Revised rates of royalty in respect of minerals (other than minor mineral, coal & lignite, sand for stowing and uranium) has been notified in the Official Gazette vide G.S.R 574 (E) dated 13Th August, 2009 and the same are also available on the website of Ministry of Mines i.e <http://mines.gov.in>.