

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:1636
ANSWERED ON:21.07.2014
ROYALTY RATES FOR MINERALS
Ali Shri Idris;Pradhan Shri Nagendra Kumar

Will the Minister of MINES be pleased to state:

- (a) whether the Government proposes to revise royalty rates for various minerals as well as non-ferrous metal;
- (b) if so, details thereof along with the reasons for delay in revising royalty rates;
- (c) whether it is likely to impact the steel and coal sectors in the country; and
- (d) if so, the details thereof and the corrective steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR MINES, STEEL AND LABOUR & EMPLOYMENT (SHRI VISHNU DEO SAI)

(a): Yes Madam.

(b): Based on the recommendations given by the Study Group, constituted for the purpose of recommending revision in rates of royalty, the Government is in the process of amending the 2nd Schedule and 3rd Schedule to the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 which prescribe the rates of royalty and dead rent respectively.

Proviso to Section 9(3) of the MMDR Act, 1957 stipulates that the Central Government shall not enhance the rates of royalty more than once during any period of three years. The MMDR Act, 1957, does not mandate the Central Government to revise the rates of royalty every three years, so that new rates come into force every three years.

(c) & (d): The proposed revision of rates of royalty does not include the rate of royalty on coal. The likely impact of the revision of royalty on the steel sector is not known.