GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 2337
TO BE ANSWERED ON 18TH MARCH 2015

REVISION OF ROYALTY RATES ON MINERALS

2337. SHRI B K HARIPRASAD:
Will the Minister of MINES be pleased to state:
(a) whether demands of the various States for revision of royalty rates on different minerals are increasing;
(b) if so, the details of the demands made in this regard by various States through different fora/representation; and the action taken thereon; and
(c) the time by when new royalty rates on minerals are likely to be announced?

ANSWER

THE MINISTER OF STATE FOR MINES AND STEEL (SHRI VISHNU DEO SAI)

(a) to (c): As per section 9(3) of the Mines and Minerals (Development and Regulation) Act, 1957, the Central Government is empowered to enhance or reduce the rate at which royalty shall be payable in respect of any mineral, provided that the Central Government shall not enhance the rate of royalty in respect of any mineral more than once during any period of three years.

The Ministry of Mines constituted a Study Group, on 13.9.2011 to make recommendation for revising the rates of royalty on minerals (other than minor minerals, Coal, Lignite and Sand for stowing) including representatives of the State Governments of Chhattisgarh, Jharkhand, Karnataka, Odisha and Rajasthan. Mineral rich States urged for increase in the rates of royalty on various minerals, specifically for iron ore. States of Andhra Pradesh, Chhattisgarh, Jharkhand, Odisha, Rajasthan have demanded a hike ranging from 12% to 32% ad valorem basis for iron ore. The Study Group considered the comments of State Governments. Based on the report of the Study Group Report, the Government has revised the rates of royalty and dead rent on minerals (other than minor minerals, Coal, Lignite and Sand for stowing) on 01.09.2014.

***