

(b) to (d) Conventionally, for revision of royalty rates of minerals other than fuel and minor minerals, a Study Group is constituted under the Chairpersonship of Additional Secretary, Ministry of Mines, with representatives of major minerals producing States on rotational basis, concerned Central Ministries/Departments, Indian Bureau of Mines, a subordinate office under the administrative control of Ministry of Mines and Federation of Indian Mineral Industries as members. Comments of all stake holders, including States Governments are solicited. Considering all these inputs received from stakeholders, and in keeping with parity with the best international practice, royalty rates are recommended by the Study Group. Recommendations of the Study Group are examined in the Ministry of Mines and after obtaining the approval of the Cabinet Committee on Economic Affairs, revised rates of royalty are notified.

As recommended by the last Study Group, royalty rates of limestone, iron ore and dolomite have been fixed on tonnage basis and royalty rate of bauxite has been fixed on *ad valorem* basis. The revised rates of royalty were notified on 14.10.2004.

As per proviso to Section 9 of Mines and Minerals (Development and Regulation) Act 1957, the Central Government shall not enhance rate of royalty in respect of any mineral more than once during any period of three years. As such generally the Study Group for revision of rates of royalty are appointed before completion of three years from last revision of rates of royalty and any suggestion regarding fixation of rates of royalty for above mentioned minerals on the basis of selling price of such minerals can be considered by the next Study Group constituted for the purpose.

### **FDI in mining sector**

2726. SHRIMATI VANGA GEETHA: Will the Minister of MINES be pleased to state:

- (a) whether Government have any proposal to bring FDI in mining sector;
- (b) if, so whether Government have drawn any action plan for this purpose ;
- (c) if so, the details thereof;
- (d) whether Government have taken any steps to protect interests of the employees in the mining sector; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF MINES (DR. DASARI NARAYANA RAO): (a) to (c) The Government has liberalized its Foreign Direct Investment (FDI) policy in the mining sector which allows foreign equity holding upto 100%, on the automatic route for all non fuel and non atomic minerals except diamonds and precious stones. This covers exploration, mining, mineral processing and metallurgy. In the case of diamonds and precious stones, foreign equity upto 74% is allowed on the automatic route for both exploration and mining operations. However, proposals seeking foreign equity higher than 74% for diamonds & precious stones are considered by the Foreign Investment Promotion Board (FIPB). The Mines & Minerals [Development & Regulation] Act, 1957 has also been suitably amended to make it more investor friendly.

(d) and (e) Mineral concessions are granted only to Indian nationals or a company registered in India under the companies Act, 1956. All such persons or companies including those involving FDI have to comply with laws of the country including those existing for the protection of interest of workers/employees of Mines such as Mines Act, 1952 and other laws.

#### **NMDC Headquarters**

†2727. SHRIMATI KAMLA MANHAR:  
SHRI MOTILAL VORA:

Will the Minister of MINES be pleased to state:

(a) whether Government are considering to shift the Headquarters of N.M.D.C. from Hyderabad to a certain district of Chhattisgarh keeping in view the abundance of minerals in Chhattisgarh region and better prospects thereof in future;

(b) if so, by when a decision is likely to be taken in this regard; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF MINES (DR. DASARI NARAYANA RAO): (a) No, Sir.

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†Original notice of the question was received in Hindi.