

GOVERNMENT OF INDIA
MINISTRY OF MINES
RAJYA SABHA
UNSTARRED QUESTION NO. 126
ANSWERED ON 04.12.2023

ROYALTY ON MINERALS

126. DR. SASMIT PATRA:

Will the Minister of MINES be pleased to state:

(a) the details of royalty accrual of major minerals in the last five years, State-wise and year-wise, especially for the State of Odisha;

(b) the details of the recommendation of the study group for revision of royalty rates created by Government; and

(c) the action taken by Government based on the recommendation of the study group to enhance the royalty rates of minerals?

ANSWER

THE MINISTER OF MINES, COAL AND PARLIAMENTARY AFFAIRS
(SHRI PRALHAD JOSHI)

(a): As per Section 9 of the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act, 1957), every mining lease holder needs to pay royalty for major minerals removed or consumed as per the royalty rates specified in the Second Schedule of the MMDR Act, 1957. The details of royalty accrual of major minerals in the last five years, State-wise and year-wise, including the State of Odisha are given below:

(unit: in ₹ lakhs)

State	2017-18	2018-19	2019-20	2020-21	2021-22
Andhra Pradesh	33492	41797	36008.2	34098.35	41402.136
Assam	464	503	664.32	528.02	578.9
Bihar	153	589	1004.11	1079.85	710.39
Chhattisgarh	165130	221168	218750.55	232022.26	883872.12
Goa	23961	2233	509.86	7344.22	9755.24
Gujarat	26366	27041	21848.1	24646.04	25165.11
Jharkhand	125559	116605	115898.23	108284.79	279140.34
Karnataka	127140	128227	142425	150363	254214
Kerala	851	529	874.569	818.104	1060.736
Madhya Pradesh	46166	53881	68644	74259	148832
Maharashtra	17146	18273	19598.52	16582.5	30453.66
Odisha	347041	758148	767219.42	703461.83	1798369.46
Rajasthan	264897	304514	248564.87	288627.78	367596.65
Tamil Nadu	15067	NA	19373.81	18008.24	17936.39
Telangana	22927	23578	20898.28	19120.01	22473.79
Uttar Pradesh	1919	NA	4412.31	3804.1	2452.32
Uttarakhand	26	40	12.45	10.61	41.15
Total	1218305	1697126	1686706.60	1683058.70	3884054.39

(b) & (c): In order to evaluate the revision of royalty rates and dead rent for minerals (other than coal, lignite, sand for stowing and minor minerals), the Ministry of Mines, vide order dated 09.02.2018, constituted a Study Group consisting of representatives from mineral rich states & representatives of Mining Industry /Associations /Federations. The Study Group submitted its final recommendation on 25.07.2019.

Based on subsequent representations from the stakeholders, Ministry of Mines had constituted a Committee vide order dated 27.10.2021 for reviewing of rates of royalty of those minerals where royalty rate is calculated on per tonne basis. The committee has submitted its report to this Ministry on 07.03.2022.

The matter was examined in the Ministry of Mines and it was observed that since the introduction of the auction regime through an amendment in the MMDR Act, 1957 on 12.01.2015, a total of 330 mineral blocks have been auctioned out of which most of the mines are yet to be operationalized. The royalty accrual to the State Governments has more than tripled during the last four years. Hence, the revenue from mineral sector will continue to show an upward trend in all mineral rich States with the operationalization of auctioned mines.

As most of the auctioned mines are yet to come into production stage, the impact of the present royalty rates on the downstream industry cannot be determined at this stage. Therefore, at present it is not feasible to revise the rates of royalty for minerals. Accordingly, no proposal for revision of royalty rates is under consideration in the Ministry of Mines currently.
