

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

STARRED QUESTION NO:90  
ANSWERED ON:21.11.2007  
COMPENSATION FOR DELAY IN REVISION OF COAL ROYALTY RATES  
Bhai Lal Shri

**Will the Minister of COAL be pleased to state:**

- (a) whether the Government has taken five years time to revise the Royalty rates of Coal;
- (b) if so, the reasons therefor;
- (c) the extent of total loss suffered by the State Governments due to this delay, State-wise and year-wise for the last five years;
- (d) whether the Government proposes to compensate the State Governments for the losses; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a) to (e) : A statement is laid on the table of the House.

STATEMENT AS MENTIONED IN REPLY TO STARRED QUESTION NO.90 FOR ANSWER ON 21.11.2007 ASKED BY SHRI BHAILAL REGARDING COMPENSATION FOR DELAY IN REVISION OF COAL ROYALTY RATES.

(a) to (e) Section 9(3) of the Mines and Minerals (Development & Regulation) Act, 1957 empowers the Central Government to enhance or reduce the royalty rates in respect of any mineral by notification in the Official Gazette with effect from such date as may be specified in the notification. The proviso to Section 9(3) of the Act prevents the Central Government from enhancing the rate of royalty in respect of any mineral more than once during any period of three years. The Act does not mandate any specific time frame for revision of rates of royalty. The royalty rates on coal and lignite were revised w.e.f. 01.08.2007. Royalty rates are revised after taking into consideration the interests of all stakeholders and the overall economic scenario in the country. As such, the question of loss to the State Governments on this account does not arise.