

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:3040  
ANSWERED ON:11.12.2014  
ROYALTY RATES OF COAL AND LIGNITE  
Chaudhary Shri P.P.

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

- (a) whether the Government propose to amend the royalty rates of coal and lignite;
- (b) if so, the details thereof along with the reasons therefor; and
- (c) if not, the proposal of the Government in this regard?

**Answer**

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a to c): Royalty on minerals including coal is payable under Section 9(1) of the Mines and Mineral (Development and Regulation) Act, 1957 by the holder of a mining lease. Section 9(3) of the MMDR 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 notified. 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.

Rates of Royalty on coal and lignite are revised by the Government on the recommendation of a Study Group, constituted by the Ministry from time to time. The Study Group before recommending the new rates of royalty consults with various stake holders. Rates of royalty on coal and lignite was last revised with effect from 10.05.2012 and further revision is due w.e.f. 10.05.2015.

A Study Group has been constituted on 21.07.2014 to consider revision of rates of royalty on coal under the Chairmanship of Addl. Secy, Minister of Coal with representatives from Ministries of Power, Mines & Steel; Coal India Limited (CIL), Federation of Indian Chambers of Commerce and Industry (FICCI), Federation of Indian Mineral Industries (FIMI) and Central Mine Planning and Design Institute Limited (CMPDIL) as members.