

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION NO. 2432
TO BE ANSWERED ON 01.08.2018

Coal Royalty

2432. SHRI NAGENDRA KUMAR PRADHAN:

Will the Minister of COAL be pleased to state :

- (a) the existing coal royalty policy of government of India; and
- (b) whether the government revised the royalty on coal as the same was due for revision in April, 2015 and if so, the details thereof?

ANSWER

**MINISTER OF RAILWAYS, COAL, FINANCE AND CORPORATE
AFFAIRS**

(SHRI PIYUSH GOYAL)

(a): Section 9(3) of the Mines and Mineral (Development and Regulation) Act, 1957, provides that the Central Government may, by notification in the Official Gazette, amend the Second Schedule (which specifies rates of royalty) so as to enhance or reduce the rate at which royalty shall be payable in respect of any mineral with effect from such date as may be specified in the notification, 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 year.

(b) The rates of royalty in respect of Coal and Lignite were last revised vide notification number G.S.R. 349 (E), dated the 10th May, 2012. As per the revision of rates on 10.05.2012, the rate of royalty on coal was revised @ 14% ad-valorem on the price of coal, and on lignite @ 6% ad-valorem on transfer price of lignite. As regards revision of the rates of royalty on coal and lignite, a Study Group was constituted on 21.07.2014 for the purpose of examining the issue of revision of present royalty rates on coal and lignite. The final recommendation of the Study Group is under consideration. In addition, 30% of the royalty in respect of mining lease granted before 12th January, 2015 and 10% of the royalty in respect of mining lease granted on or after 12th January, 2015, is being collected by the State Governments as District Mineral Fund (DMF).

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