

**GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA**

**UNSTARRED QUESTION NO. 1141
TO BE ANSWERED ON 13.02.2023**

Revising royalty on coal

1141 Dr. Amar Patnaik:

Will the Minister of Coal be pleased to state:

- (a) whether Government is planning to revise the rate of royalty on coal which was last revised on 10.05.2012 but has not been revised even after lapse of more than seven years;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether Government is aware that this delay in revision is impacting the coal-bearing States such as Odisha, which are being deprived of a fair share of revenue from coal mining; and
- (d) if so, the strategy of Government to deal with this situation?

ANSWER

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

(a) Government has no proposal for enhancement of Royalty on Coal.

(b) For revision of the rates of royalty on coal & lignite, a Study Group was constituted on 21.07.2014 for the purpose of examining the issue of revision of existing royalty rates on coal and lignite. The study group inferred from the comments of the stakeholders that the coal producing States had suggested to increase the rates of royalty from existing 14% to roughly 20%, whereas the coal consuming stakeholders suggested to reduce the present rate of royalty from 14% to about 5-6%.

The Study Group after considering all factors had submitted its report suggesting no change in the rates of royalty, as after levy of District Mineral foundation (DMF) @ 30% on royalty and National Mineral Exploration Trust (NMET) @ 2% of Royalty, effective rate is 18.48%. The suggestion of Study Group was accepted by the Government.

(c) There is no negative bearing on the revenues of States as the Royalty is levied @ 14%. Thus, as and when the coal price increases the royalty to States automatically gets increased. Further, due to consistent royalty rates the domestic coal production has increased sharply, which further increases royalty collection for states.

(d) In view of reply to part (a), (b) & (c) question does not arise.
