

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
STARRED QUESTION NO. 71
TO BE ANSWERED ON 07.02.2018

Coal Royalty

***71. SHRI NAGENDRA KUMAR PRADHAN:**

Will the Minister of COAL be pleased to state:

- (a) whether the Government proposes to raise the royalty on coal which was due for revision in April, 2015;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

ANSWER

MINISTER OF RAILWAYS AND COAL

(SHRI PIYUSH GOYAL)

(a) to (c): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question no. 71 for 07.02.2018

(a) to (c) 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 years.

As such, there is no mandatory provision in the Act to revise the rates of royalty every three year.

The rates of royalty on coal and lignite were last revised vide notification no G.S.R. 349(E) dated 10.05.2012. Pursuant to this notification, the rates of royalty on coal were made ad valorem on price of coal, except for the State of West Bengal.

As regards revision of the rates of royalty on coal, 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 Study Group had earlier submitted its recommendation on 27.04.2016. However, pursuant to the change in scenario due to implementation of GST and other factors, the matter was again referred to the Study Group. The final recommendation of the Study Group is awaited.
