

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION NO. 3512
TO BE ANSWERED ON 02.01.2019

Coal Mineral Royalty

3512. SHRI PRAHLAD SINGH PATEL:

Will the Minister of COAL be pleased to state :

- (a) the time since when the coal mineral royalty has not been reviewed;
- (b) the losses suffered by the State Governments on that account, State-wise;
- (c) whether the Government has made any arrangement for compensation of the same; and
- (d) if so, the time by when the new royalty rate of coal which is being planned is likely to be announced?

ANSWER

MINISTER OF RAILWAYS AND COAL

(SHRI PIYUSH GOYAL)

(a): The rates of royalty on coal and lignite were last revised vide notification no G.S.R. 349(E) dated 10.05.2012 vide which the rates of royalty on coal was made ad valorem @ 14% on price of coal, except for the State of West Bengal.

(b) & (c): Due to ad-valorem nature of rates of royalty, there is increase in revenue to the coal producing States as and when the price of coal increases. Therefore the question of losses to the State Governments on this count and compensation for the same does not arise.

In addition to Royalty, after amendment of MMDR Act in 2015, an additional amount in the form of District Mineral Fund (DMF) has started to accrue to the State Governments. 30% of the amount of royalty in respect of mining leases granted before 12th January, 2015 and 10% of the royalty in respect of mining leases granted on or after 12th January, 2015 is being collected by the State Governments as District Mineral Fund (DMF).

(d): 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 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 Study Group for reconsideration of its recommendation. The Study Group has made its recommendations which are under consideration of the Government.

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