

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION NO. 3865
TO BE ANSWERED ON 11.12.2019

Coal Royalty

3865. SHRI MAHESH SAHOO:
SHRI RAMESH CHANDRAMAJHI:

Will the Minister of COAL be pleased to state :

- (a) whether Government is planning to revise the royalty on coal as the same was due for revision in April in 2015 and if so, the details thereof; and
- (b) whether there is any road map to change the coal royalties percentage this financial year and if so, the details thereof?

ANSWER

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

(a & b): The proviso to section 9(3) of the Mines and Minerals (Development and Regulation) Act, 1957 states 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. It is not mandated to revise the rate of royalty every three years.

The rate of royalty was last revised with effect from 10.05.2012 as 14% ad-valorem on price of coal. 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.

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