

**GOVERNMENT OF INDIA
MINISTRY OF COAL**

**LOK SABHA
UNSTARRED QUESTION NO. 2964
TO BE ANSWERED ON 11.03.2020**

COAL ROYALTY

2964. SHRI. RAMESH CHANDRA MAJHI:

Will the Minister of COAL be pleased to state :

- (a) whether the Government has revised the royalty on coal from 14 per cent to 20 per cent as the same was due for revision in April, 2015; and
- (b) if so, the details thereof?

ANSWER

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

(a & b): The Government has not revised the royalty on coal from 14 per cent to 20 per cent. The rate of royalty was last revised with effect from 10.05.2012 as 14 per cent ad-valorem on price of coal. 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.

In addition to royalty, contribution towards District Mineral Foundation (DMF) @ 30 per cent of the 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 also being collected by the concerned State Government. Further, 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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