

**Government of India  
Ministry of Coal**

**LOK SABHA  
UNSTARRED QUESTION NO. 3506  
TO BE PUT DOWN ON 17.03.2021  
Coal Royalty**

3506. SHRI CHANDRA SEKHAR SAHU:  
SHRI SUDHEER GUPTA:  
SHRI SHRIRANG APPA BARNE:  
SHRI RAJENDRA DHEDYA GAVIT:  
SHRI SANJAY SADASHIVRAO MANDLIK:  
SHRI BIDYUT BARAN MAHATO:

Will the Minister of COAL be pleased to state:

- (a) the year in which rate of royalty on coal was revised by the Government;
- (b) whether the Government has fixed any guidelines for revision of rate of royalty on coal in the country and if so, the details thereof;
- (c) whether Study Group constituted by the Government to consider revision of rate of royalty on coal has submitted their report;
- (d) if so, the action so far taken by the Government thereon;
- e) whether the coal rich states have been penalized for not achieving stiff RPO targets and also delay in revision of royalty on coal; and
- (f) if so, the details thereof and the reasons therefor; and
- (g) the corrective steps taken by the Government for protection of coal rich states?

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

(a) The rates of royalty on coal was last revised w.e.f. 10.05.2012 on the recommendation of a Study Group constituted under the Chairmanship of Additional Secretary, Ministry of Coal after due consultation with all the stakeholders. As per the Gazette notification dated 10.05.2012, the rate of royalty on coal (except the State of West Bengal) was revised at 14% ad-valorem.

(b) Under Section 9(3) of the Mines and Mineral (Development and Regulation) Act, 1957, the Central Government is empowered to amend the Second Schedule of the Act so as to enhance or reduce the rate of royalty on minerals, 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.

(c) A study Group was constituted on 21.07.2014 to consider revision of royalty on coal and lignite under the chairmanship of Additional Secretary, Ministry of Coal comprising of members from various stakeholders.

In the meeting of the Study Group on revision of rates of Royalty on Coal held on 05.02.2018 at New Delhi after considering various factors, Study Group recommended the following :-

i. No change is proposed in rates of royalty on coal from the rates notified vide notification no. G.S.R. 349 (E) dated 10.05.2012. The rate of royalty on coal produced in all states and Union Territories, except the state of West Bengal, may be kept unchanged i.e. @ 14% (Fourteen Percent) ad-valorem on price of coal, as reflected in the invoice, excluding taxes, levies and other charges.

ii. No change is proposed in rates of royalty on coal produced in the State of West Bengal and royalty thereon may be kept unchanged as rupee per tonne, as notified under G.S.R 349 (E) dated 10.05.2012.

(d) The final recommendation of the Study group has been accepted by the Central Government.

(e) Royalty of coal is revised by the Government of India, hence question of penalization of coal rich states for delay in revision of royalty on coal doesn't arise.

(f) & (g) Does not arise in view of (e) above.

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