

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA**

**UNSTARRED QUESTION NO. 4460
TO BE ANSWERED ON 30.03.2022**

Coal Royalty

4460. DR. G. RANJITH REDDY:

Will the Minister of **Coal** be pleased to state:

- (a) the details of royalty given on coal to various States during the last ten years, year and State-wise;
- (b) Whether there have been demands among the coal bearing States to increase royalty on coal; and
- (c) if so, the action taken by the Government in this regard?

ANSWER

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

(a): The details of royalty given on coal to various States during last 10 years, year and State-wise is as under:

Name of the State	Amount in crores									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Chhattisgarh	1236.19	1766.3	1887.36	1804.93	1856.86	1959.74	2319.56	2632.19	2350.21	2292.88
Jharkhand	1681.32	2129.66	2169.18	2213.03	2659.04	2819.89	3715.5	3778.78	3211.03	2879.95
Odisha	1045.92	1242.87	1349.68	1416.56	1698.15	1666.2	1754.53	2024.15	2139.45	1519.31
Madhya Pradesh	1018.98	1498.41	1522.8	1825.87	1793.45	1827.48	2012.09	2237.85	2069.38	3199.42
Maharashtra	556.03	734.64	792.96	898.249	895.73	759.01	998.48	1183.33	1198.8	1153.85
Andhra Pradesh	769.06	1183.58	1146.56	0	0	0	0	0	0	0
Telangana	0	0	0	1341.06	1560.94	1440.55	1797.23	2400	1537.36	1429.74
West Bengal	11.53	15.74	17.213	16.4	13.93	20.19	16.93	18.76	18.96	12.64
Assam	27.19	43.49	41.15	49.48	21.55	35.45	45.07	44.82	31.34	5.89

UP	181.94	236.98	266.13	250.61	236.96	309.45	352.09	426.23	406.39	638.23
Arunachal Pradesh	5.7	0.99	0	0	0	0	0	0	0	0
Meghalaya	237.88	328.65	416.33	157.22	0.09	389.18	114.55	0	0	0
Total	6771.74	9181.31	9609.36	9973.41	10736.7	11227.14	13126.03	14746.11	12962.92	13131.91

(b & c): Yes, some of coal producing States had demanded increase in the rates of Royalty. In this regard, a Study Group was constituted on 21.07.2014 for the purpose of examining the issue of revision of royalty rates on coal and lignite. The study group inferred from the comments of the stakeholders that the coal producing States had suggested to increase the rates of royalty from existing 14% to roughly 20%, whereas the coal consuming stakeholders suggested to reduce the present rate of royalty from 14% to roughly 5-6%.

The Study Group after considering all factors had submitted its report suggesting no change in the rates of royalty as after levy of DMF @ 30% on royalty and NMET @ 2% of Royalty, effective rate works out as 18.48% i.e. $\{(14\% + 4.2 (30\% \text{ of } 14\%) + .28 (2\% \text{ of } 14\%))\}$.

Accordingly, the Study Group has recommended as under:

(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.

The recommendation of the Study group has been accepted by the Government and at present Government has no plan to increase the rate of royalty.
