

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:21
ANSWERED ON:25.07.2000
ROYALTY ON COAL
TRILOCHAN KANUNGO

Will the Minister of COAL be pleased to state:

- (a) the revised royalty on coal of different grades in 1971, 1981, 1991 and 1994 and its Pit Mouth Value of Coal per tonne along with the dates of the revisions;
- (b) whether the coal bearing States have been losing substantial portion of their revenues since the upward revision of royalty on coal;
- (c) whether the Union Government have received any complaints in this regard;
- (d) if so, the reaction of the Government thereto;
- (e) whether parity has not been maintained between different grades of coal in the process of upward revision of royalty; and
- (f) if so, the steps being taken in this direction?

Answer

MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a) The coal royalty rates fixed in 1971 ranged from Rs. 2 per tonne for low quality coal to Rs. 5 per tonne for high quality coal. The coal royalty rates fixed in 1981, 1991 and 1994 are given in Annexure-I. With effect from 1.8.75, the coal prices were brought under the control of the Central Government. During the period from 1.8.75 to 1994, the Central Government fixed the coal prices for Coal India Limited and Singareni Collieries Company Limited on various dates as given in Annexure-II. The average pit mouth value of coal during the period from 1975 to 1994 has also been given in Annexure-II yearwise.

(b): No, Sir. With the upward revision of royalty rates on coal, the royalty income of the coal producing States has increased.

(c) & (d) The Union Government have received no complaints but representations from the coal producing States for increasing the royalty rates on coal. The last upward revision of coal royalty rates was done on 11.10.94. However, after taking into account all relevant factors such as the viewpoints of the coal consumers and overall impact of pricing on the state of economy, no further upward revision of coal royalty rates has been done so far.

(e) & (f): The royalty rates on low value coals have been kept lower to provide boost to thermal power generation. However, the Central Government had endeavored to bring greater parity between the royalty rates on low value coals and high value coals during the revision in 1994.

ANNEXURE-I

Statement of coal royalty rates fixed in 1981, 1991 and 1994.

(Rs. per tonne)

Coal Group	Coal Royalty rates w.e.f. 13.2.81	Coal Royalty rates w.e.f. 1.8.91	Coal Royalty rates w.e.f. 11.10.94
Group-I			
Coking Coals			
Steel Grades-I & II, Washery			

Grade-I 7.00 150.00 195.00

Group-II

Coking Coals

Washery Grades-II III

Semi-coking Grades-I

& II

Non-coking Coals

Grades A&B 6.50 120.00 135.00

Group-III

Coking Coal

Washery Grade-IV,

Non-coking Coal

Grade-C 5.50 75.00 95.00

Group-IV

Non-coking Coals

Grades D & E 4.50 45.00 70.00

Group-V

Non-coking Coals

Grades F& G 2.50 25.00 50.00

Group-VI

All Coals

produced in

Andhra Pradesh 5.00 70.00 75.00

Note 1: The 1981 coal royalty rates are still continuing for the State of West Bengal on the ground that the Government of West Bengal is continuing to levy cesses on coal which have been withdrawn by other State Governments.

Note 2: There is no coking coal in Andhra Pradesh. The State has reserves of Grades B to G of non-coking coal.

ANNEXURE-II

The dates on which Central Government fixed coal prices for Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL) during the period from 1.8.75 to 17.6.94.

Dates on which coal prices were revised for CIL Dates on which coal prices were revised for SCCL

1.8.75	1.8.75
16.7.79	17.7.79
13.2.81	13.2.81
26.5.82	27.5.82

71.84	8.1.84
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8.1.86	1.1.85
22.12.87	9.1.86
30.12.88	24.9.88
27.12.91	24.1.89
16.2.93	28.12.91
18.6.93	17.2.93
16.6.94	19.6.93

1.4.94
17.6.94

The average pit mouth value of coal during the period from 1975 to 1994, year-wise.

Year	Average Pit Mouth Value of Coal
1975	70.42
1976	70.14
1977	70.63
1978	70.37
1979	90.57
1980	118.95
1981	143.49
1982	157.26
1983	166.05
1984	204.87
1985	206.88
1986	229.78
1987	230.18
1988	259.09
1989	276.83
1990	278.51
1991	277.89
1992	354.90
1993	401.16
1994	433.20

Source of year-wise average pit mouth value of coal :

Annual Review of Coal Statistics (1997-98) published by the Coal Controller's Organisation, Calcutta.