

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2149
ANSWERED ON:07.12.2005
REVISION OF ROYALTY ON COAL
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Will the Minister of COAL be pleased to state:

- (a) whether a number of States have demanded for timely revision of royalty on coal;
- (b) if so, the details thereof and the reasons therefor ;
- (c) whether a high level Committee has been set up to look into the question of revision of royalty on coal;
- (d) if so, whether the Committee has given its recommendations;
- (e) if so, the details thereof;
- (f) the action taken/proposed to be taken in this regard;
- (g) the details of rate of royalty charged on various Grades of coal especially of G grade coal and middlings below this, Grade-wise; and
- (h) the steps being taken to improve working of coal washeries?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a) Yes, Sir.

(b) The State Governments of Chhattisgarh, Madhya Pradesh, Jharkhand, Orissa, Assam, Maharashtra and West Bengal have requested to revise the royalty on coal.

(c) to (f) A Committee under the Chairmanship of Additional Secretary, Ministry of Coal, has been constituted on 2.6.2005 to consider revision of rates of royalty on Coal and Lignite. The Committee has sought the views and comments of the States, both through Questionnaires as well as formal interactions. In view of the complexities involved in the matter of determination of royalty on coal on ad-valorem basis vs. tonnage basis, this matter was referred to the Economic Advisory Council (EAC) to the Prime Minister for examination. The recommendations of the Council have been received and the Committee shall take them into consideration before finalizing its report.

(g) The existing rates of royalty on coal, grade-wise, fixed on 16.8.2002 are as under:-

Rupees per tonne

Coal Royalty rates		
Coal Group	States other than West Bengal	West Bengal

Group-I :	250.00	7.00
Coking Coal - Steel Grade-I & II, Washery Grade -1		

Group-II :	165.00	6.50
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Coking Coal -Washery Grade-11 & III
Semi-coking Coal-Grade -1 & 11
Non-coking Coal -Grade-A and B

Group- III : 115.00 5.50
Coking Coal -Washery Grade-IV
Non-coking Coal -Grade-C

Group-IV: 85.00 4.30
Non-coking Coal -Grade-D and E

Group V : 65.00 2.50
Non-coking Coal -Grade-F and G

Group-VI : 90.00
Coal produced in Andhra Pradesh

(The Government of West Bengal is also levying Cess and so the rates of royalty revised after 1981 have not been made applicable.)

The specifications of each grade of coal are as prescribed under clause 3 of the Colliery Control Order, 2000.

(h) The following measures have been taken by the concerned coal companies to improve the working of coal washeries :

i) Revival plans for renovation/modernization and replacement of old equipments and structurals have been prepared on the basis of schemes prepared by CMPDIL.

ii) Various jobs related to modernization of washeries are either in progress or completed in some washeries.

iii) Various steps have been taken to enhance the raw coal availability to the washeries such as mining by hired Heavy Earth Moving Machinery in isolated patches, extraction of coal below railway line, replacement of worn-out coal extraction equipment in underground mines, speeding up acquisition process to restart halted open cast mines and introducing new equipments such as continuous miners in underground mines.