

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

STARRED QUESTION NO:155

ANSWERED ON:22.08.2012

ROYALTY TO STATES

Annayagari Shri Sai Prathap;Rawat Shri Ashok Kumar

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

(a) the extent of corporate social responsibility followed in letter and spirit by the coal companies along with the funds earmarked for the overall development of the area affected by the coal projects;

(b) whether various Commissions including the Twelfth Financial Commission and the State Governments have urged periodical revision of royalty and change in formula also from hybrid rate to ad valorem regime of Royalty; and

(c) if so, the details thereof and the follow-up action taken thereon?

**Answer**

MINISTER OF COAL (SHRI SRIPRAKASH JAISWAL)

(a) to (c) : A statement is laid on the Table of the house.

STATEMENT REFERRED TO IN ANSWER TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 155 FOR 22.8.2012  
RAISED BY SHRI ASHOK KUMAR RAWAT AND SHRI A. SAIPRATAP

(a) Corporate Social Responsibility is being scrupulously followed by the coal companies. The funds earmarked under CSR in the last three years in all subsidiaries of Coal India Limited is given as under :-

(Rs. In Crores)

COMPANY	2010-2011	2011-2012	2012-2013
FUNDS	FUNDS	FUNDS	
EARMARKED	EARMARKED	EARMARKED	

Eastern Coalfields Limited 05.00 16.50 22.67

Bharat Coking Coal Limited 13.75 14.50 23.63

Central Coalfields Limited 25.69 53.88 47.72

Western Coalfields Limited 23.00 55.82 69.72

South Eastern Coalfields Limited 54.00 146.44 190.80

Mahanadi Coalfields Limited 52.04 82.00 91.00

Northern Coalfields Limited 36.00 93.42 119.25

Coal Mines Planning and 00.20 0.77 1.63

Design Institute Limited

Coal India Limited/NEC 52.60 90.00 107.32

TOTAL 262.28 553.33 673.74

(b) & (c) The Twelfth Finance Commission, 2005 recommended inter-alia that "since royalty is an important source of revenue for some of the States, the rates of royalty should be fixed on an ad-valorem basis". Some of the coal bearing States have demanded for shifting to ad-valorem system of royalty in place of the hybrid formula based royalty rates on coal and lignite. They have also demanded for fixing the royalty @ 20% ad-valorem on coal. The Union Government has accepted the demand of coal bearing States for shifting to ad-valorem based system of royalty rates. Keeping in view the interest of consumer States and Power Sector, the Government has approved for 14% ad-valorem royalty on coal and 6% on lignite. The new royalty rates have been notified vide Notification No. GSR349(E) dated 10th May, 2012.