

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3950
ANSWERED ON:18.12.2012
ROYALTY ON COAL
Mahendrasinh Shri Chauhan

Will the Minister of COAL be pleased to state:

- (a) whether there is difference of opinion between the Union and the State Governments regarding amendment in the royalty on coal;
- (b) if so, the main objections raised by the States; and
- (c) the action being taken by the Union Government to resolve the matter?

Answer

MINISTER OF STATE FOR COAL (SHRI PRATIK PRAKASH BAPU PATIL)

(a) to (c) The major coal producing States have requested for fixation of royalty @ 20% on ad-valorem basis. As per the recommendations of the Study Group, constituted by the Ministry of Coal for revision of royalty rates on coal and lignite, the Government has adopted ad-valorem regime for charging royalty on coal and lignite, as demanded by the coal bearing States and revised rates of royalty on coal and lignite at the rate of 14% and 6% ad-valorem respectively with effective from 10.05.2012.