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Media Release

Rs. 5834 Cr Paid to Jharkhand as Royalty on Coal During last 5 yrs: Rs 1430 Cr in 2011-12

Coal Min Informs RS MP Nathwani

Ranchi: August 13, 2012: An amount of Rs 5834.27 Crore is paid to the State Government of Jharkhand during last five years towards royalty on coal. The same during 2011-12 was Rs 1430.54 Crore. The union minister of state for coal Mr. Pratik Prakashbapu Patil informed rajya sabha member Mr. Parimal Nathwani to-day in reply to an unstarred question on the subject. The minister categorically stated that there was no dispute between the central government and the state governments concerned, including Jharkhand, on royalty of coal.

On the question of criteria for payment of royalty on coal to the states, Mr. Patil said the central government had adopted ad-valorem regime in place of earlier hybrid formula for charging royalty on coal and lignite w.e.f. 10th May 2012. The royalty on coal and lignite was 14 per cent and 6 per cent respectively, in accordance with the government notification No. GSR 349(E) dated 10th May 2012, he added.

The payment of royalty on crude to Jharkhand, as per the minister's statement, has been on increase year after year. During the year 2007-08, it was Rs 909.66 crore which in 2008-09 was Rs 1067.22 Crore. The same during 2009-10 and 2010-11 was Rs 1142.34 crore and Rs 1284.51 crore respectively. Jharkhand has been the highest recipient of the royalty on coal among coal producing Indian states viz. West Bengal, Odisha, Maharashtra, Madhya Pradesh, Chhatisgarh, Uttar Pradesh and Assam, besides of course Jharkhand.

The minister also stated that the royalty on crude was paid by the subsidiary companies of Coal India Limited directly to the state governments.

