

**REMINDER-I**  
**SPEED POST**  
**MOST IMMEDIATE**

**No. 28019/2/2014-CA-II**  
**Government of India**  
**Ministry of Coal**

New Delhi, the 16<sup>th</sup> March, 2015

To

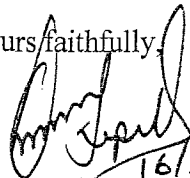
**As per the list attached.**

**Sub:- Fixation of the royalty rates on coal/lignite.**

I am directed to refer to this Ministry's O.M. of even number dated 12<sup>th</sup> February, 2015 (copy enclosed) requesting for views/ comments of the Ministries/ Departments/ Organizations to the questionnaire regarding revision of royalty rates.

2. It has been observed that only a few stakeholders have responded to the questionnaire. Since, the views/comments of the stakeholders are required to be placed before the Study Group for their consideration, it is therefore again requested to send your views/comments on the enclosed questionnaire within 25<sup>th</sup> March, 2015 positively.

Yours faithfully,

  
16/3/15  
(Anurag Kapil)  
Director

To:-

1. Secretary, Ministry of Power, Ministry of Heavy Industries & Public Enterprises, Ministry of Steel, Ministry of Railway, Department of Industrial Policy and Promotion, and Niti Ayog.
2. Chief Secretaries of all concerned States viz. Andaman and Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chandigarh, Chhattisgarh, Dadra and Nagar Haveli, Daman and Diu, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, J&K, Jharkhand, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Pondicherry, Punjab, Rajasthan, Sikkim, Tamilnadu, , Tripura, Uttar Pradesh, and West Bengal..
3. CMD, Coal India Limited, Singareni Collieries Company Limited,.
4. CMD, National Thermal Power Corporation, Steel Authority of India, National Fertilizer Limited, & National Aluminum Corporation Limited (NALCO), Cement Corporation of India.
5. ASSOCHEM, FICCI, Confederation of Indian Industry (CII), Cement Manufacturing Association (CMA).

✓ Copy to: NIC Cell for uploading the letter in the website of MOC.

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**SPEED POST**  
**MOST IMMEDIATE**

**No. 28019/2/2014-CA-II**  
**Government of India**  
**Ministry of Coal**

New Delhi, the 12<sup>th</sup> February, 2015

To

As per the list attached

**Sub:- Fixation of the royalty rates on coal/lignite.**

I am directed to refer to this Ministry's O.M. of even number dated 21.07.2014 conveying the constitution of a new Study Group to consider revision of rates of royalty on coal and lignite. The first meeting of the study group has taken place on 09.10.2014 and it was decided to form a sub group of the Study Group headed by Director CA-II, MOC comprising with the representative of Ministry of Mines and FIMI to finalize the questionnaire for obtaining the views/comments of the major Stakeholders, coal consumers, Coal Companies and Ministries/ Departments including the State Governments. The sub group has devised a questionnaire in this regard, a copy of which is forwarded herewith.

2. It is therefore, requested that views/comments of your Ministry/Department/Organization, may please be expedited by 28<sup>th</sup> February, 2015. In case the comments are not received by 28<sup>th</sup> February, 2015, it will be presumed that your Ministry/Department/Origation has no comments to offer.

Yours Faithfully

  
(Anurag Kapil)  
Director

1. Secretary, Ministry of Power, Ministry of Mines, Ministry of Heavy Industries & Public Enterprises, Ministry of Steel, Ministry of Railway, Department of Industrial Policy and Promotion, and Niti Ayog.
2. Chief Secretaries of all concerned States viz. Andaman and Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chandigarh, Chhattisgarh, Dadra and Nagar Haveli, Daman and Diu, Delhi, Goa, Gujrat, Haryana, Himachal Pradesh, J&K, Jharkhand, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Pondicherry, Punjab, Rajasthan, Sikkim, Tamilnadu, Telangana, Tripura, Uttar Pradesh, Uttarakhand and West Bengal..
3. CMD, Coal India Limited, Singareni Collieries Company Limited and NLC.
4. CMD, National Thermal Power Corporation, Steel Authority of India, National Fertilizer Limited, & National Aluminum Corporation Limited (NALCO), Cement Corporation of India.
5. ASSOCHEM, FICCI, Federation of Indian Mineral Industries (FIMI), Confederation of Indian Industry (CII), Cement Manufacturing Association (CMA).

Study Group on Revision of Rates of Royalty on Coal and Lignite

Questionnaire seeking comments from the State Governments and Industry Associations

Question No. & Question	Views of States / Union Territories/ Central Govt.	Views of Industries/ Associations/ Central & State undertakings.
<p>1. How does State Government view revenues earned from imposition of royalty :</p> <p>a) as a contribution to State revenue.</p> <p>b) as a consideration for permitting exploitation of State's mineral resources</p> <p>c) as a tool for encouraging mining activities in the country</p> <p>d) as a source of fund for local area development.</p> <p>e) As a source for community development.</p> <p>f) Any other criteria please specify</p>		
<p>2. What should be the criteria for fixing rates of royalty:</p> <p>a) as a consideration of the revenue it would bring to the State Government</p> <p>b) as a fiscal measure to attract investment.</p> <p>c) to promote mineral conservation.</p> <p>d) to encourage optimum utilization of low grade mineral resources.</p> <p>e) to bring the royalty rates in tune with international rates.</p>		
<p>3. a) Do you think the current rates of royalty are appropriate? If not, please indicate the rates, which you consider appropriate/ rational, along with reasons for the same.</p> <p>(b) To what extent a revision in rates of royalty should be allowed keeping in mind the impact of the proposed rates of royalty on the consumers of coal, revenues of coal producing State Governments and other relevant factors.</p>		
<p>4. What is the period before which royalty rates should be revised to provide stability in rates with particular reference to ad valorem rates?</p>		
<p>5. Whether the guidelines for computing royalty on ad valorem basis notified vide GSR 349(E) dated 10.05.2012 under Section 9(3) of the MMDR Act, 1957 are comprehensive?</p> <p>(a) Site specific problem that have actually arisen out of application of guidelines in practice</p> <p>(b) Any Suggestions on specific amendments to the guidelines</p>		
<p>Please indicate the rates during the last five years regarding the Minerals Rights Tax (MRT)/cess and taxes on land containing coal/lignite and other levies etc. prevalent in the State. Please enclose a copy each of the State Acts/Rules under which the MRT, Cesses and other levies are being charged on coal/lignite.</p>		

<p>(a) Do the State Government propose to revise the rates of above taxes/cesses on coal/ lignite on coal/lignite in the near future? If so, please indicate the extent of proposed revision for each of the taxes/cesses.</p> <p>(b) Do the State Govts. propose to introduce levy of MRT/cess/tax on lands containing coal/lignite in the near future? If so, the nature and extent of proposed levies may be indicated.</p>		
<p>8. Are the MRT, Cesses and other levies realized from coal/lignite spent for the purposes for which they are being collected? If so, please indicate the revenue yields of each tax/cess and other levies on coal/lignite for the last five years (upto 2014-2015).</p>		
<p>9. What was the total realization from royalty, MRT, Cesses and other levies on coal/lignite during the last five financial years (upto 2013-14), and what percentage did it constitute of the total tax revenues of the State?</p>		
<p>10. Any comments on the adjustment of the local cess/other taxes on minerals/mineral bearing land, on the royalty payable to the State Government so as to limit the overall revenue to the yield as per the revised rates of royalty.</p>		
<p>11. Any other information relevant to the subject.</p>		

**NB: Strike out whichever is not applicable.**

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