

Coal Mining a Big Booster for Economic Growth and Infrastructure & Social sector Development of Coal Producing States

13.80% Compounded Annual Growth rate of revenue from Coal Mining during 2014-2023

Posted On: 01 MAR 2024 2:38PM by PIB Delhi

Coal mining sector has proved to be a big booster for economic growth of the coal producing States in the Country. State Governments are entitled to receive 14% of Royalty on sale price of coal, DMF @30% of royalty, 2 % of NMET from the coal produced by the coal companies and also the private sector. In case of captive/commercial mines State Government are also entitled to receive the revenue share offered by the auction holder in transparent bidding process. Apart from this, State Governments also benefit from increased employment, land compensation, increased investment in allied infrastructure like railways, roads and several other economic benefits.

During 2014-2023, total revenue from royalty, DMF & NMET of all coal producing States through coal mining sector is Rs. 152696 crores. State wise, year wise data for the last 5 years indicate that the coal mining sector is very significant contributor to the revenue of Jharkhand, Chhattisgarh, Odisha, Madhya Pradesh, West Bengal and Telangana.

The compounded annual growth rate (CAGR) of the revenue from coal mining during 2014-2023 was healthy 13.80%. State wise revenue from Royalty, DMF, NMET for last 5 years is as follows:

Name of the State	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Chhattisgarh	3211.96	3045.23	3020.55	3107.66	4249.49	16634.89
Jharkhand	4731.32	4248.1	3797.65	4783.37	6219.46	23779.9
Odisha	2514.27	2737.58	2053.4	3508.73	5381.72	16195.7
Madhya Pradesh	2780.77	2745.14	4257.8	3559.2	2486.97	15829.88
Maharashtra	1559.15	1580.31	1522.11	2296.87	3812.23	10770.67
Telangana	3114.19	1669.32	1794.43	390	5078.51	12046.45

West Bengal	19.63	24.83	20.64	20.86	23.7	109.66
Assam	55.18	40.9	5.32	0	33.28	134.68
UP	451.51	546.58	866.07	643.57	772.91	3280.64
Total	18437.98	16637.99	17337.97	18310.26	28058.27	98782.47

The focus of the Central Government for enhancing coal production to meet the growing economy has directly helped the State Govts in realisation of additional revenue, which in turn has infused capital expenditure in the coal producing regions thereby bringing in development, both in infrastructure and social sector.

It is also noteworthy that for augmenting evacuation infrastructure of coal, the Ministry of Railways and Ministry of Road Transport and Highways have invested very significant share of their CAPEX in coal producing regions for bringing in ease of logistics. Under PM GATI SHAKTI national master plan, Ministry of Coal has formulated National Coal Logistics plan under which Ministry of Railways has planned to build further 37 new Railway projects for meeting the future evacuation need of the coal sector. Coal India Limited has made an investment of over Rs 24000 Crores in creation of mechanized coal handling facility in coal producing regions, to bring in eco-friendly and efficient First Mile Connectivity (FMC) from mine pithead to Railway loading points.

With a view to augment the First Mile Railway connectivity, Ministry of Coal has formed 3 Joint Venture (JV) companies for Chhattisgarh, Odisha and Jharkhand with IRCON and State Governments to take up 5 Railway projects with an investment of Rs 11,655 crores, out of which 2 projects are commissioned and 3 projects are under different phases of implementation.

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(Release ID: 2010559)