

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:442
ANSWERED ON:25.07.2000
REVISION OF ROYALTY RATE OF LIGNITE
JAYABEN B. THAKKAR;KANTI SINGH

Will the Minister of COAL be pleased to state:

- (a) whether the Government of Gujarat has represented to streamline the existing system of fixing the rate of Royalty on Coal;
- (b) whether the Government propose to set up a statutory body of experts for the revision of rates of royalty;
- (c) whether a decision has been taken to revise the rate of royalty on lignite every three years;
- (d) if so, the reasons for not revising the rate since 1990; and
- (e) the time by which the said decision is likely to be implemented?

Answer

MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a): As per information available in the Ministry of Coal, there is no coal reserve in the State of Gujarat. Therefore the question of receipt of any representation from the Government of Gujarat for streamlining the system of fixing the rate of royalty on coal does not arise. However, the Government of Gujarat have represented to the Ministry of Coal for streamlining the system of fixing the rate of royalty on lignite

(b) to (e): The Ministry of Coal had set up a Study Group on 16.3.95 to consider the revision of royalty rate on lignite. The Study Group in its recommendations made on 14.9.97 suggested that the rate of royalty on lignite should be linked with that of coal. Based on the recommendations of the Study Group, the Ministry of Coal is considering to enhance the rate of royalty on lignite to a reasonable level. No periodicity of revision of royalty rates on minerals including lignite has been laid down in law. The proviso to Section 9(3) of the Mines and Minerals (Development & Regulation) Act, 1957 stipulates that no revision of royalty rate on minerals can be done more than once during any period of three years.