

**GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA**

UNSTARRED QUESTION NO:3198
ANSWERED ON:10.12.2002
INCREASE IN ROYALTY RATE ON COAL
IQBAL AHMED SARADGI

Will the Minister of COAL AND MINES be pleased to state:

- (a) whether with the projected increase in coal production the States are expected to gain from the royalty rates;
- (b) if so, the extent to which it is likely to be increased;
- (c) whether the consumer States had opposed the increase; and
- (d) if so the reasons therefore ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL & MINES AND MINISTER OF STATE IN THE MINISTRY OF JUSTICE (SHRI RAVI SHANKAR PRASAD)

(a) : Yes, Sir.

(b) : Royalty to coal producing States is paid on the basis of per tonne of coal produced at rates fixed for various grades of coal. Any increase in production will result in increase in the amount of royalty to the concerned States, depending upon the quantity and grades of such increased production.

(c)&(d) : The States of Karnataka, Haryana and Rajasthan opposed any large increase in royalty rates on coal mainly on the grounds of adverse impact on power tariff. Jammu & Kashmir also opposed any large increase in royalty.