

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:464

ANSWERED ON:09.05.2012

REVISION OF ROYALTY

Mahendrasinh Shri Chauhan ,Satpathy Shri Tathagata

Will the Minister of COAL be pleased to state:

- (a) the royalties being given on different grades of coal at present;
- (b) whether there are differences of opinion between the Union Government and the State Governments over the issue of revision in the royalty for coal;
- (c) if so, the main objections raised by the State Governments in this regard;
- (d) the reaction of the Union Government thereto;
- (e) whether the Government proposes to amend the relevant statutes which prevent the Union and State Governments from increasing royalty more than once in three years; and
- (f) if so, the details thereof?

Answer

MINISTER OF COAL (SHRI SRIPRAKASH JAISWAL)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT AS MENTIONED IN ANSWER TO THE QUESTION NO.464 FOR ANSWER ON 09.05.2012 ASKED BY DR. MAHENDRASINH P. CHAUHAN & SHRI TATHAGATA SATPATHY REGARDING "REVISION OF ROYALTY".

(a) The royalties being levied on different grades of coal at present is given as Annexure -I.

(b) to (d): Some of the coal bearing States have demanded for shifting to ad-valorem based system of royalty in place of the presently followed hybrid formula based royalty rates on coal and lignite. They were also demanding for fixing the royalty @ 20% ad-valorem on coal. The Union Government has accepted the demand of the coal bearing States for shifting to ad-valorem based system of royalty rates. However, keeping in view the interest of consumer States and the Power sector, the Government has approved for 14% ad-valorem royalty on coal, which will come into force with effect from the date of publication in the Gazette of India.

(e): No such proposal is under consideration of the Government at present.

(f): Does not arise.