

Sir. Some of the coal producing States have been representing for revision of coal royalty rates. A Committee under the Chairmanship of Additional Secretary (Coal) has been appointed to consider the revision of royalty rates on coal. The Committee is expected to submit its report shortly.

Creation of dual price and distribution structure for Coal

308. SHRI RUMANDLA RAMACHANPRAIAH: Will the Minister of COAL AND MINES be pleased to state:

(a) whether Government are planning to create a dual price and distribution structure for (ex-pithead) coal for core and non-core sector consumers;

(b) if so, whether this proposal was discussed by the Union Government with office-bearers of the All India Brick and Tile Manufacturers Federation;

(c) if so, whether under the scheme, the core sector comprising thermal power houses, cement, steel and fertilizer manufacturers will be offered coal at fixed rates and on priority basis; and

(d) if so, to what extent, this dual pricing system for core, non-core coal have been welcomed by the users?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) to (d) Consequent upon total decontrol of coal price w.e.f. January 1, 2000, coal pricing mechanism has been made flexible and coal prices of different grades, sizes produced in different coalfields and subsidiary companies are decided based on market driven considerations. The subsidiary companies of Coal India Limited (CIL) have the authority to fix price for coal sold under Open Sale Scheme (OSS) which will be not less than the price as notified by CIL. As such, different price structure for coal has existed in the past. CIL Board has now authorized the subsidiary companies to fix prices of coal and criteria for distribution as per prevailing market conditions. CIL and its subsidiary companies give priority to core sector in distribution of coal in line with the policy of Government.