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Title: Need to revise the rates of royalty on coal and other major minerals on ad-valorem basis.

SHRI DHARMENDRA PRADHAN (DEOGARH): Orissa is a mineral rich State, but it does not get non-tax revenue in the shape of royalty from such major minerals in the State to the desired extent as the rates of royalty are not being revised in time. The Planning Commission and the 12th Finance Commission have recommended that the rate of royalty should be revised on ad valorem basis. But the Government of India has not yet done it. In the past, the rate of royalty on coal and other minerals was revised on expiry of more than 5 to 7 years though the rules stipulate that there should be revision after expiry of 3 years. The delay in the revision of the rate of royalty on coal and other major minerals has caused a loss of Rs. 150.00 crore per annum. The State has suggested royalty on ad valorem basis. The rate of royalty on coal was revised with effect from 16.8.2002 and is due to be revised with effect from 16.8.2005. The 11th Finance Commission has also suggested that revision of royalty should take place every 3 years and in case such revision does not take place, the State should be fully compensated through grant-in-aid.

I earnestly appeal to the hon. Prime Minister to intervene in the matter and instruct the Ministry of Coal to take immediate measures in this regard.