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Title: Delay in revision of royalty on Coal produced in Orissa-Laid.

SHRI BAIJAYANT PANDA (KENDRAPARA): Of all the major minerals, only coal, chromites and bauxite enjoy ad-valorem basis of royalty and all other minerals including iron ore continue to be subjected to specific rates of royalty regime. There is an urgent need to bring in ad-valorem linked royalty regime in respect of other minerals as well to help Orissa and other States financially.

In case of coal there has been a delay of 2 years in revision of royalty. The revision that was due after 15.08.05 was notified only on 1.8.07. The 11th Finance Commission had recommended that in case the process of revision is not completed by the date the new revision is due, the States are entitled to compensation. The Orissa Government has written a number of letters for compensating Orissa state for the loss suffered by it as a result of delayed revision of royalty on coal which should now be done urgently.

Further, the Centre instead of revising the royalty upward, has levied an export duty on mineral which accrues to the Centre. In all fairness, the Centre should share the revenue that accrues to it out of this export duty on chrome and iron ores with the States of origin.