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Title: Need to expedite revision of Royalty on Coal.

SHRI B. MAHTAB (CUTTACK): Despite the States being the owner of the mineral resources falling within their jurisdiction, the revenue receipts from the royalty are too meager to undertake developmental activities in the mineral areas. The royalty rates on iron-ore are ridiculously low in comparison to the market price of iron-ore and profits accruing to industries and mining companies. Hence the rates of royalty for all the scheduled minerals should be calculated on ad volorem basis and implemented at the earliest.

The rate of royalty on coal was revised w.e.f. 16 August, 2002 and is due for revision w.e.f. 16 August, 2005. As Central Government has not yet taken any steps to revise the rate of royalty on coal, Orissa is losing substantial revenue. Orissa Government has alleged that due to delay in revision of royalty on coal, the loss sustained from 11.10.1997 to 15.8.2002 is estimated at Rs. 750 crore.

I would urge upon the Government for early revision of rate of royalty on coal and to fix the rate of royalty on ad volorem basis, so that the State could get adequate revenue to address the infrastructure and environment concerns apart from getting a fair compensation for depletion of the non-renewable sources. The Planning Commission and the 12th Finance Commission have categorically recommended to switch over to the ad volorem basis for royalty. It is high time that the rates of royalty of all minerals including coal be calculated on ad volorem basis and be implemented as early as possible and in case such revision does not take place, Orissa should be fully compensated through grant-in-aid as suggested by the 11th Finance Commission.