

[8 March, 2000]

RAJYA SABHA

Setting up of Alumina Plant at Vizag

1452. DR. Y. LAKSHMI PRASAD: Will the Minister of MINES AND MINERALS be pleased to state:

- (a) whether approval of the Central Government for setting up an alumina plant in Vishakhapatnam is pending;
- (b) if so, since when; and
- (c) by when the approval is proposed to be cleared?

THE MINISTER OF STATE IN THE MINISTRY OF MINES AND MINERALS DR. (SHRIMATI): RITA VERMA: (a) No. Sir.

(b) and (c) Do not arise.

Royalty on Lignite

1453. SHRI BRAHMAKUMAR BHATT: Will the Minister of MINES AND MINERALS be pleased to state:

- (a) Whether Gujarat is the second largest producer of lignite in the country;
- (b) Whether the rate of royalty on lignite is fixed by the Central Government;
- (c) Whether the lignite calorific value is equated with "E" grade coal;
- (d) Whether the royalty for "E" grade coal has been revised twice during 1991 and 1994;
- (e) the reasons for delay in refixing/revising the rate of lignite royalty; and
the time by which it would be revised?

THE MINISTER OF STATE IN THE MINISTRY OF MINES AND MINERALS DR. (SHRIMATI): RITA VERMA: (a) Yes sir.

(b) Yes sir.

(c) The calorific value of lignite in Tamil Nadu and Rajasthan is

equivalent to F and G grades of non-coking coal on the basis of Useful Heat Value (UHV). However, calorific value of lignite in Gujarat is equivalent to E grade of non-coking coal on the basis of UHV.

(d) Yes sir.

(e) and (f) Section 9(3) of the Mines and minerals (Regulation and Development) Act, 1957 provides that the Central Govt. shall not enhance the rate of royalty in respect of any mineral more than once during any period of three years. There is no compulsion, therefore, for the Central Government to revise the royalty rates on lignite periodically. A revision of royalty rates on a basic input such as lignite can push up the final cost of the finished product and the Central Government has been deliberating on the pros and cons of a revision and ways and means to go about it. No fixed time frame can be given for a revision of royalty.

Decrease in Coal Mining

1454. SHRI BRAHMAKUMAR BHATT: Will the Minister of MINES AND MINERALS be pleased to state:

(a) whether the collieries are decreasing the mining of coal;

(b) the extent to which they have decreased the mining and the reasons therefor;

(c) the quantum it will reduce and whether it will affect the supply to railways and power projects; and

(d) the extent to which it will adversely affect the functioning of Railways as well as reduce power generation?

THE MINISTER OF STATE IN THE MINISTRY OF MINES AND MINERALS DR. (SHRIMATI): RITA VERMA: (a) and (b) There has been positive growth in coal production in last five years except for the year 1998-99. In 1998-99, coal companies regulated their production due to sluggish demand and low offtake