

**Customs Duty on Imported Copper**

2112. GAYA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that prior to announcement of Finance Bill, 1993, customs duty on imported Copper was about 56 per cent ad-valorem on CIF price of Copper which has been brought down to 45.1 per cent ad-valorem in the Finance Bill, 1993, which has in turn brought down the landed cost of imported copper considerably;

(b) whether because of decanalisation of copper, it is being freely imported in India and in order to make HCLs copper saleable in the market. HCL has no other option but to fix its copper price in relation to the landed cost of imported copper;

(c) whether the smelting and refining cost in ICC is comparable with other copper producing countries, but because of poor grade of ore and disadvantageous OTP body, cost of production upto concentration stage and thus the total cost of refined copper in ICC become very high (Cathode Rs. 96,738.00 approx. DTC-93 Cost D). While based on the LME price of VSS 1658, the existing duty rate and dollar rupee exchange parity, the landed cost of imported copper (A Grade Cathode) work out of around Rs. 75,400 per tonne;

(d) if so, what measures Government are going to take for the survival of HCL units; and

(e) if not, what are the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) In the 1993 budget, import duty on copper was reduced from 40 per cent to 45 per cent.

(b) Yes, Sir.

(c) Because of poor grade of ore and disadvantageous ore body, cost of production upto concentration stage in India Copper Complex (ICC), Ghatsila, is higher whereas the smelting and refining cost in ICC appears to be reasonable information regarding actual cost of production in ICC is being collected and will be laid on the Table of the House. The LME price, as reported in the "Financial Times" of 2nd March, 1994, for copper grade 'A' is about \$ 1850 FMT. With an import duty of 50 per cent, the cost will be about Rs. 87550/- FMT. The actual landed cost will be higher if freight and insurance are added.

(d) and (e) HCL has conceived a re-vamping plan mainly consisting of rationalization of work-force, phasing out of uneconomic mines, development of some promising mines and the expansion of the smelting capacity at ICC from 3000 tonnes to 1,00,000 tonnes of refined copper per annum with imported high grade feed stock copper concentrate. The revamping plan, When implemented, would make copper production by HCL cost effective import duty on copper concentrate has been reduced to 10 per cent in the 1994 budget to help domestic metal producers. In addition, import duty on copper has also been raised from 45 per cent to 50 per cent

**Failure of Industries to pass on excise and customs duty concessions to consumers**

2113. SHRIMATI VEENA VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made a comprehensive survey/study to ascertain the details of manufacturers who failed to pass on the excise and customs concessions extended in last year to the consumers;

(b) what are the details of the industries which failed to pass on these concessions to the consumers wholly or partly; and

(c) the action taken or proposed to be taken against them ?