

(b) Hindustan Copper Limited has two smelter and refinery plants to produce copper cathode at Khetri Copper Complex (KCC), Khetrinagar, Rajasthan and Indian Copper Complex (ICC), Ghatsila, Jharkhand of capacity 31,000 tonnes and 18,500 tonnes respectively.

Revival and modernization of KCC

725. DR. CHANDAN MITRA : Will the Minister of MINES be pleased to state:

(a) the total ore production at Khetri Copper Complex (KCC) during the last five years along with the details of profit/loss incurred during that period;

(b) the reasons for continual losses in KCC while its production cost is less than other plants and copper prices are running high at international level; and

(c) the steps taken by Government for revival and modernization of KCC?

THE MINISTER OF MINES (SHRI DINSHA J. PATEL) : (a) The ore production at Khetri Copper Complex (KCC) during last five years is below:—

Year	Ore production at KCC (Lakh Tonnes)
2011-12	10.00
2010-11	9.72
2009-10	9.07
2008-09	10.50
2007-08	10.03

No separate Unit-wise/Plant-wise profit/loss is maintained by the company. Profit/loss statement is prepared and published for the company as a whole.

(b) The Unit-wise cost of production of the mining operation is given below:—

Year	Cost of production of Metal in Concentrate (MIC) (Rs. per tonne)		
	KCC Mines	Malanjkhand Mine	ICC Mine
2011-12	2,81,564	1,54,928	1,57,377
2010-11	2,36,514	1,20,326	1,64,465
2009-10	1,97,188	1,16,192	1,44,669
2008-09	1,51,664	1,26,600	1,40,851
2007-08	1,33,408	91,570	1,42,609

It would be seen that the cost of production of KCC mines is the highest among all the operating mines of the company. The cost of production has been adversely impacted due to falling ore grade, low process recovery of KCC concentrator plant, increase in wage due to pay revision and increased input cost of power and fuel.

(c) The company has taken steps to enhance the ore production of KCC mines from current 1.0 million tonnes to 3.1 million tonnes with modern equipment and technology in next five years at an estimated cost of Rs. 533.00 crore.

Levy of Mineral Rent Resources Tax

726. SHRI RABINARAYAN MOHAPATRA : Will the Minister of MINES be pleased to state the steps taken on the recommendation of Odisha regarding levy of Mineral Rent Resources Tax at the rate of 50 per cent on supernormal profit (surplus rent) earned by the lessees?

THE MINISTER OF MINES (SHRI DINSHA J. PATEL) : Under the Mines and Minerals (Development and Regulation) Bill, 2011, which has been introduced in Lok Sabha on 12.12.2011 and referred to the Standing Committee on Coal and Steel by the Lok Sabha on 5.1.2012, the provisions of the National and State Mineral Funds, District Mineral Foundation payments, provision of revenues to be raised through competitive bidding, can be used for the benefit of the mining areas and the local people displaced by the mining activities. Government of Odisha as a part of the Study Group constituted on 13.9.2011 by the Central Government for review of royalty rates and dead rent would have sufficient opportunity to effectively contribute in developing a mechanism to work out a rational rate of royalty.

Revision of royalty on major minerals

727. SHRI RABINARAYAN MOHAPATRA : Will the Minister of MINES be pleased to state whether the Ministry is taking expeditious steps for revision of royalty of major minerals?

THE MINISTER OF MINES (SHRI DINSHA J. PATEL) : The Government has set up a Study Group on revision of rates of royalty and dead rent for major minerals (other than coal, lignite and sand for stowing) on 13.9.2011. The Study Group has to undertake detailed consultations with all stakeholders. The Study Group is likely to submit its final report shortly.