

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.