

**GOVERNMENT OF INDIA
MINES AND MINERALS
LOK SABHA**

UNSTARRED QUESTION NO:312
ANSWERED ON:25.02.2000
KHETRI COPPER COMPLEX .
C.K. JAFFER SHARIEF

Will the Minister of MINES AND MINERALS be pleased to state:

:

- (a) whether Khetri Copper Complex (KCC), the prime copper producing unit of Hindustan Copper Limited is suffering very serious set-backs owing to the financial crunch, lowering of import duty by the Central Government and bad planning;
- (b) whether this unit has suffered drop in production and heavy losses of over Rs.162 crores during the last two years due to liberalisation of copper imports from the cheaper markets without caring to meet the requirements of the KCC; and
- (c) if so, the steps taken or proposed to be taken by the Government to improve the situation? A NSWER

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES AND MINERALS

(SMT. RITA VERMA)

(a) to (c): The Khetri Copper Complex (KCC) unit of Hindustan Copper Limited (HCL) has suffered losses for the last three years due to unfavourable market conditions like severe drop in the International price (LME) of copper, competition from private copper producers who have access to cheap imported concentrate, poor ore grade in Khetri mine etc. This has resulted in a situation where HCL is unable to provide for the essential plant inputs which has adversely affected the production. In spite of severe financial constraints, KCC produced 26,120 MT of copper Cathode during 1997-98 and 25,489 MT of Cathode during 1998-99. The Govt. has taken the following steps to improve the performance of the HCL :

- (i) Conversion of Outstanding loan of Rs. 180.73 crores as on 31.3.1998 into Equity and Waiver of Outstanding interest of Rs. 167.43 crores;
- (ii) In principle approval for grant of non-plan loan of Rs.414 crores to HCL during 1998-99 to 2001-2002, to reduce surplus workforce through Voluntary Retirement Scheme. Out of which Rs.60 crores has been released during 1998-99 and Rs. 100 crores during 1999-2000. An additional amount of Rs. 40 crore has been provided in RE 1999-2000 for this purpose.
- (iii) Government guarantee was provided to HCL to raise a Working Capital Term loan of Rs.75 crores from IDBI in August,1999. Govt. has also agreed to extend its guarantee to enable the Company to raise a further loan of Rs.75 crores from IDBI.