

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

UNSTARRED QUESTION NO:1102
ANSWERED ON:31.07.2000
KHETRI COPPER PROJECT
SAHIB SINGH VERMA

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

- (a) the date on which Khetri Copper Project was initiated, planned, developed, constructed and started functioning;
- (b) the aims & objects kept at the time of starting of the project;
- (c) the extent to which those aims & objects have been fulfilled;
- (d) the average output of productions in the last five years;
- (e) the expected output of the production in the next five years;
- (f) whether the Khetri Copper Project is under break down and loss; and
- (g) if so, the detailed main inputs to make the unit economically viable?

Answer

THE MINISTER OF YOUTH AFFAIRS, SPORTS AND MINES (SHRI SUKHDEV SINGH DHINDSA)

(a) The Geological Survey of India started prospecting in Khetri belt in 1954. Exploratory mining in the area was started by Indian Bureau of Mines in 1957. Khetri Copper Project was initiated by the National Mineral Development Corporation in 1961. Khetri Copper Complex (KCC) was transferred to Hindustan Copper Limited (HCL) on 9th November, 1967 and copper ore production started at the end of 1970. Various plants at KCC were envisaged and designed in late 1960s. The concentrator was commissioned in 1973, Smelter & Refinery were commissioned in 1974.

(b) & (c) The KCC unit was initiated basically to have an indigenous source of an important metal like copper having wide ranging applications in defence, power, telecommunication etc. and to reduce the dependence for procurement of this vital metal from outside nations. To fulfil the above objective, HCL was formed and assigned the task of exploration, prospecting and mining activity for copper mineral, extraction and fabrication of the metal and other related by-products including recovery of precious metal contained in the Copper ore. After more than 25 years of its installation, KCC has partly achieved the purpose for which it was created. KCC has been able to introduce and assimilate modern technology both in mining and smelting. The product Copper Cathode from the KCC is of international standard and HCL was the first Company in the country to produce quality continuous cast rod at its Taloja Copper Project from the cathode produced at Khetri Refinery.

(d) The production of copper cathode from Khetri Copper Complex during the last five years is as follows :

Item	1995-96	1996-97	1997-98	1998-99	1999-2000
Cathode	29544	20756	26120	25489	23670

(Tonnes)

(e) The estimated production of copper cathode from Khetri Copper Complex in the next five years is expected to be around 28000 tonnes per year.

(f) & (g) Khetri Copper Project is in running condition although as in any other industrial/mining venture planned/unplanned shut down does take place. Govt. has taken several steps to make Hindustan Copper Limited (including KCC) viable which includes conversion of outstanding loan of Rs. 180.73 crores as on 31.3.98 into equity; waiver of outstanding interest of Rs. 167.43 crores and in principle approval for grant of non-plan loan of Rs. 414 crores during 1998-1999 to 2001-2002 to reduce surplus workforce through Voluntary Retirement Scheme. Government guarantee was provided to HCL to raise a Working Capital Term loan of Rs. 150 crores from Industrial Development Bank of India. In spite of all these measures, 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 some copper mines etc.