

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

UNSTARRED QUESTION NO:4035
ANSWERED ON:25.08.2004
CLOSURE OF RAKHA COPPER PROJECT
Mahato Shri Sunil Kumar

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

- (a) whether mine of the Rakha Copper Project, Rakha, has been lying closed for the last five years;
- (b) whether the costly machines of this mine are being auctioned in a hurry at throw away prices after the closure;
- (c) whether the Government is likely to incur a loss worth crores of rupees due to such auction;
- (d) if so, the details thereof;
- (e) whether the Government will put a ban on such auctions and conduct an inquiry into the irregularities being committed; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (DR. DASARI NARAYANA RAO)

- (a) Rakha Copper mines are lying closed since June, 2001 on account of economic unviability after retrieving the underground machineries and equipments.
- (b) Reserve price of the machines have been fixed by a High Power Pricing Committee before disposal action is taken through M/s. MSTC Limited (a Govt. of India Enterprise). In spite of repeated attempts by M/s. MSTC Limited to sell these machines, most of these machines remain unsold as the bids received by M/s. MSTC Limited through open tender are lower than the reserve price fixed by the company. One of the major purchasers is M/s. Uranium Corporation of India Limited, Jaduguda (a Govt. of India Enterprise).
- (c) & (d) As the machines have been sold above their book value/reserve price, the question of incurring loss does not arise.
- (e) & (f) Putting a ban on such auction will stop sale of these machines resulting into further rusting and deterioration and also at a later stage company may not find any buyer because of their obsolence.