NALCO's Q3 Net Profit of Rs 51 crore

National Aluminium Company Limited (NALCO) has announced the results for the 3rd quarter ended December 2011. According to the reviewed financial results for 3rd quarter of the financial year 2011-12, taken on record by the Board of Directors in a meeting held in Bhubaneswar recently, the company has registered a net profit of Rs 51.22 crore, down 80 per cent, against Rs 255.93 crore achieved during the corresponding quarter of the previous fiscal. The sales turnover rose marginally to Rs 1527.86 crore, against Rs 1523.31 crore registered during the comparative quarter of the previous fiscal.
छह लाख करोड़ के करार का लक्ष्य

दूसरे वैश्विक निर्वासक समालोचना में 12 नए क्षेत्रों पर ध्यान

केकुलकुल

भाले ही पहले वैश्विक निर्वासक समालोचना को अभिव्यक्ति परियोजनाओं अथवा आरोपों में दर्ज किया है लेकिन आपाती स्थिति में यह स्थिति में दूसरा वैश्विक निर्वासक समालोचना आवश्यकता कराये जा रहे हैं। सरकार को उम्मीद है कि इस बार पहले 6 लाख करोड़ रुपए के निवेश प्रारंभिक अभियान पर कार्य करने में सफलता हासिल करेगी। हालांकि, पहले निर्वासक समालोचना के हिसाब से सरकार इस बार दृढ़ता, लेकिन अभ्यास और चुनौती अव्यक्त और धूम-धाम से चुड़े उद्देश्यों के साथ बढ़ा कर किया चुका है।

12 पुलिला क्षेत्रों में होगा कारार

एक विशेष पेंट में भारी उद्योग संस्थान पुरुष निर्माणों पर पहला का मतलब कि दूसरे वैश्विक निर्वासक समालोचना में 12 पुलिला क्षेत्रों में अभिव्यक्ति कार किया जाना चाहिए है। इस से पहले विविध, अधूरे रूप में, फर्रान, भुवनेश्वर, फर्राना और नीलाङ्कार विभागों से जुड़ी परियोजनाएं शामिल हैं जिनसे सरकार ज्यादा ध्यान केंद्रित कर रही है। सरकार को उम्मीद है कि इस बार पहले का अभियान बनाया गया, की परियोजनाएं पर कार्य करने में सफलता हासिल करेगी। सरकार ने भी अभियान के स्थान, भवन-स्थान और धूम-धाम से चुड़े उद्देश्यों के साथ बढ़ा कर किया चुका है।

परियोजनाओं को प्राप्त करने का लक्ष्य

निर्माणी ने चाहा कि पहले वैश्विक निर्वासक समालोचना के चौथे जिले के परियोजनाओं के लिए कार किया जाए और उनकी प्राप्ति संभव है। दूसरी उम्मीद है कि 38 लाख करोड़ का निर्माण प्रागैतिक करना है। 34 परियोजनाएं पूरी होंगी है जबकि 28 परियोजनाएं पाइपलाइन में है। उम्मीद है कि अगले 3 से 4 साल के दौरान में सभी 28 परियोजनाएं पूरी होंगी जिसमें रामगढ़ में 6 लाख तक को पूरी किया गया। उन्होंने चाहा कि रामगढ़ में परियोजनाओं के पहले पहल दो अनुसंधान और विकास के पूर्व की अवधि में अधिक भूमिका रहे।

राजस्थान सरकार के विषय में अधिक है।

निर्माणी ने बताया कि अभियान के लिए कुल 100 लाख रुपए का आवश्यकता है। कोई भी तीनों के मूल्य भी पूरी कर सकते हैं। इसके अलावा, अभियान बनाने के लिए 10 लाख रुपए की तय संगीत कार्य किया जाएगा। इसके अलावा, अभियान का लाभ भी निर्माणी को पहुँचने के लिए में आयोजित करेगा।
Aluminium smelters’ search for cheap power sources

ANALYST’S VIEW

KUNAL BOSE

More than anything else, it is the cost of power that defines operational viability of an aluminium smelter. Depending on energy source and whether a smelter is backed by a captive power complex, electricity accounts for 30-50 per cent of aluminium making cost. Power is a relatively small cost component for other metals. Indian aluminium makers with linkages to coal mines but not ownership of coal blocks have time and again experienced irregular supplies, especially during monsoon months, forcing them to import and also buying fuel through e-auction at a hefty premium.

S K Roongta, now heading Vedanta group's aluminium business after doing a turn-around at SAIL and launching its Rs 72,000 crore expansion programme, sees irony in the country’s smelters finding an issue with coal supply and the escalating cost of energy when the country is counted among the leading owners of this mineral resource. At least count, India’s coal resources are approximately 277 billion tonnes (bt), including 66.3 bt in Orissa, which will have an increasing share of our rapidly growing aluminium smelting capacity.

Similarly, Jharkhand, Chhattisgarh and Madhya Pradesh all endowed with large reserves of coal, will also have a growing presence in the country’s aluminium map.

“Being so richly endowed with the resource, aluminium smelters should ideally find coal a low-cost commodity. But, because of the widening gap between demand and supply, we have to import the fuel at a high cost. But coal imports can be restricted by promoting mining of coal for captive use, like by aluminium smelters, and also through merchant mining. Policies should facilitate allocation of coal blocks through transparent bidding. Our port, rail and road infrastructure is already stretched and moving imported coal from ports to merchant and captive thermal stations is a logistical challenge,” says Roongta. It is certainly not a happy situation that the country is importing annually 100 million tonnes (mt) of coal at a cost of around $10 billion. Moreover, imported coal commands a premium of up to 40 per cent over the local prices.

India, according to Roongta, being the repository of the world’s fifth-largest bauxite reserves, and 10 per cent of coal reserves remain one of the most attractive centres to make aluminium.

“When you have coal and bauxite in abundance, you also have a producer of alumina (the intermediate chemical that is smelted) and aluminium can stay at the lowest end of the cost curve,” he says. In fact, the major portion of the aluminium industry here harnesses the resources in a way to be found in the lowest cost quartile of global production costs. Local aluminium making cost is to come down further, provided companies here come to own coal blocks to feed their captive power complexes with low cost fuel.

Aluminium groups here have come to realise that risk is involved in their building new smelters without first ensuring allotment of coal blocks. Balco, in which Vedanta has 51 per cent ownership through group company Sterlite, is at an advanced stage of commissioning a new 325,000-tonne smelter at Korba, to be backed by a 1,200 MW captive power station.

The operation of the new smelter – Balco is now running a 60,000-tonne smelter – should be setting a new benchmark in aluminium making cost here, since coal for the power complex will be available from captive mines. For its three new aluminium ventures of 359,000 tonnes each in Orissa, Madhya Pradesh and Jharkhand, Hindalco has first underwritten coal supplies for captive power complexes through mining joint ventures with the likes of Tata Power and Essar Power. Jalco is keen to build a 500,000-tonne smelter in Orissa. But it will commit the investment, provided it gets a coal block.

Orissa, where coal and bauxite are found in proximity will be claiming the highest portion of Vedanta group's investment of Rs 60,000 crore in aluminium. Not only are 1.7 bt of the country’s 3 bt of bauxite resources are in Orissa, but the mineral in the eastern state is much sought for its high alumina content and low traces of silica. “The smelting capacity at Jharsuguda in Orissa, now at 500,000 tonnes, is being expanded by 1.25 bt. We will start commissioning the new capacity next year,” says Roongta. As a result, the Jharsuguda smelter will become the world’s largest single site one much bigger in capacity than what Emirates Aluminium is creating at Taawelah in Abu Dhabi.

Balco, however, is a new realisation where a combination of land utilisation and growing use of the white metal in electricity, transport, packaging and construction will justify all the new aluminium capacity creation. Our per capita aluminium consumption at 1.5 kg is too low. Encouragingly, however, Indian aluminium demand is growing at a double-digit rate. Vedanta is committed to a sustainable nature and people-friendly growth of the entire aluminium industry value chain.

Aluminium demand growth is set to get a boost with India set to spend $1 trillion in infrastructure development during the 12th plan. In the meantime, the International Aluminium Institute says India, with China and Brazil, will remain in the forefront of the metal’s use in the global market to 75 mt by 2020.
Mining profit share issue raised with PM

SUDHEER PAL SINGH
New Delhi, 13 February

The ongoing coal crisis was not the only agenda of discussion of the 18-member delegation comprising heads of the country’s most powerful corporate groups when they met Prime Minister Manmohan Singh last month.

They'd also raised concerns over the controversial profit sharing clause in the new mining legislation being finalised by the government. This came days before the Bill was referred to a standing committee of Parliament.

The group included Tata Power chairman Ratan Tata, Lanco Infratech chairman Madhusudan Rao and Reliance Power chairman Anil Ambani. Along with the veterans, Cyrus Mistry, deputy chairman, Tata Power, and Naveen Jindal, a Congress member of Parliament and chairman of Jindal Power Ltd, were also present.

The Bill provides for mandatory sharing of 26 per cent of their profit by coal mining companies with locals affected by mining operations, as compensation. Companies operating in non-coal minerals like iron ore would have to shell out a compensation amount equal to the previous year's royalty. It would mean an addition ₹15,000 crore burden on the mining industry.

A 10-member ministerial panel headed by finance minister Pranab Mukherjee had approved the draft of the Bill in July last year. It was cleared by the Union cabinet in September and tabled in the Lok Sabha in December. It was then referred to the standing committee on coal and steel, headed by Kalyan Banerjee. The PM-industry meeting was convened on January 18. And, on January 28, the committee invited suggestions from the general public and stakeholders on the provisions.

"In the meeting with the PM, the power companies' heads sought more clarity on the profit sharing clause. They wanted to know whether the provision also applies to captive coal block holders. If yes, how would one calculate the profit to be shared with locals? The members asked the PM whether profit from the coal mining project connected to the power project would also be shared," an industry source told Business Standard.

In October last year, coal minister Sripuraksh Jaiswal had proposed the Centre notify an amount to be charged from captive coal miners for compensating local people for the damage arising from mining projects. The amount could be levied on every tonne of coal produced by these miners, on a rupee per tonne basis.

In its meeting with the PM, the industry delegation also raised concerns over the provisions of the new Land Acquisition Bill, another piece of legislation currently being considered, by a different standing committee of Parliament. The enhanced compensation for land acquisition in the new Land Acquisition Rehabilitation and resettlement Bill, 2011, would make the cost of setting up industrial projects very high, the delegation told the PM.
YEAR 2012 HAS BROUGHT WITH IT A PALPABLE CHANGE IN THE DOMESTIC MARKET AS WELL AS IN THE DEMAND AND PRICING OF MET COKE. ARUN KUMAR JAGATRAMKA SHARES HIS VIEWS IN A CHAT WITH ADITI GUHA

GUJARAT NRE ON A POSITIVE TREND

GUJARAT NRE COKE ON MONDAY ANNOUNCED THE Q3 RESULTS. HOW DO YOU VIEW THE PERFORMANCE?

The result has been as per the expectations keeping in mind the current conditions. The steel industry is passing through an extremely sluggish growth phase. The various economic indicators have been only putting across a single point that the growth had slowed for a better part of the year gone by in 2011, and the business sentiment was considerably low. With steel demand and production figures of one of its lows across the country, I feel we posted a decent result in the circumstances that prevailed last year.

HOW DO YOU SEE THE COMPANY PERFORMING IN THE NEAR FUTURE...YOUR FORECAST?

On a brighter side, I can say that the worst is behind us. The New Year seems to have been living up the spirits and there has been a palpable positive change in the business sentiments from January 2012. We are also experiencing the same in our business and I sincerely believe that the future has some good news in store for us.

WHAT IS THE SOURCE OF THIS OPTIMISM? HOW IS THE MET COKE MARKET AND PRICING SHAPING?

We have been experiencing the change for the good in our daily market space. The increase of coke demand is picking up and so are prices. The increased met coke demand is a right signal for an increased manufacturing activity. Since met coke is a prime raw material in steel making. The price of met coke has also been firming up. In domestic markets, the price of low ash met coke has increased currently to around ₹ 24,000 from the levels of ₹ 18,000 in the month of December 2011.

WHAT IS YOUR FORECAST FOR COKE COAL PRICING?

Coking coal price in the current quarter is at ₹355 per tonne. I feel that in future coking coal in normal situation would remain around ₹ 200 - ₹250 per tonne if there are no external conditions which might push the price above. The Queensland floods were responsible for the spike in coking coal price last year. Though there is some reports of flooding in Queensland quite recently, which is not serious as of now, but if the situation worsens or such natural calamities happen then there are chances of coking coal prices shooting north. Moreover, when the global economy rebounds, which certainly would, and steel production growth rate increases, it would have a spiralling effect in the global coking coal price.

ANY NEW ANNOUNCEMENTS OR DEVELOPMENTS?

The met coke plant in Dharwad was built with partial equity from Kalyani Steels Limited and Gujarat NRE. Recently we have completed the buy back of the stake held by Kalyani Steels Limited and the plant is now completely owned and operated by us. We value the relationship that we share with RSL and are proud to have them as our esteemed customers.

In Australia, the longwall system has gone underground and we are expecting to start mining through longwall later this month. It would certainly increase our coking coal production significantly from the Australian mines.

So, a lot of activity that has been going round and we look forward to a bright Leap year 2012.

GMNRL HAS RECENTLYANNOUNCED A RIGHTS ISSUE OF OFCB. WHAT DO YOU THINK IT WILL DO FOR THE SHAREHOLDERS? HOW HAS BEEN THE RESPONSE?

The rights issue is for the share holders of Gujarat NRE Mineral Resources Limited. Optional Fully Convertible Bond (OFCB) is a unique investment opportunity that GMNRL has offered to its share holders, which is a blend of debt and equity with an attractive, definite and assured return. It also introduces the shareholders of GMNRL to an exclusive option in the form of equity shares of the company to explore the long term benefits of the diversified business the group is operating in. The issue offers assured lucrative redemption premium and is a secured form of investment against any future downturn in the market, with assured returns.

The issue would end tomorrow, 15th February 2012 since we have already received a good response from the share holders. I would like to personally thank our shareholders for their enthusiastic participation.

YOUR MESSAGE TO THE SHAREHOLDERS OF GUJARAT NRE...

I am someone who does not believe in quarterly reporting. In most industrial companies in the core sector like ours, quarterly reporting shows a distorted picture. Today people are more interested in T20, which are the quarterly results and not interested in one day or five day test matches. But a good T20 player may not be helpful in winning test matches.

Our company’s growth is best understood when we compare our performance in a block of three to four years. We believe in playing long term and we have been showing exemplary performance in long term comparison and are confident of repeating it in future. I look forward to a long term commitment from our shareholders, who would certainly reap similar rewards, if not more, than that they have experienced in long term investing in Gujarat NRE stocks the last decade.
Rally in Dud Mining Stocks
Revives Dotcom Memories

Around 150 fundamentally weak mining, trading & export stocks hit their 52-week highs

VIJAY GURAV & MV RAMSURYA
Mumbai

Just as in early 2000, when the dotcom boom saw many dud companies in the technology sector scale dizzying heights on speculative activity, a decade later It's happening with companies directly or indirectly involved in mining, trading or export businesses.

A look at the trading pattern of about 150 companies on the BSE reveals how the so-called trading and export companies have been hitting 52-week highs despite weak fundamentals. Brokers say speculators may have targeted stocks of such companies with the intention to manipulate share prices and mislead gullible smaller investors for their own benefits.

The trend has had multiple triggers. Shares of large, fundamentally sound, state-run trading companies such as MMTC and STC rallied sharply in the past few weeks on reports that the government may likely re-introduce canalisation of exports. MMTC and STC rallied sharply in the past few weeks on reports that the government may be interested in setting up a single entity to handle exports directly, bypassing the middlemen.

Shares of MMTC and STC have rallied sharply in the past few weeks on reports that the government may re-introduce canalisation of exports.

A non-banking finance company by the BSE, has not reported any sales for the past five years. Closing up 22% at a 52-week high of ₹226.4 on Monday, the stock emerged as one of the biggest market outperformers on BSE.

"It looks to be a repeat of the irrational enthusiasm seen during the dotcom days," said Pukhraj Sethiya, a mining consultant with PriceWaterhouseCoopers. "Most of the rush is to do with the positive sentiment related to mining than any other fundamental reason as small less well-understood, the difference," he added.

Aman Trading & Exports is another illiquid stock where the company has yet to record any sales consistently in the past three quarters of the current financial year. But, the company posted a net profit of ₹1 lakh, on sales of ₹1.3 crores in 2010-11. Last traded at ₹183.3 on February 8, shares of Aman Trading & Exports rose to a 52-week high of ₹142 on February 2, 2011.

Nirav Commercial, another small company involved in the business of trading and manufacturing aluminium products, has gained 28% over its monthly low price. Last traded at ₹196 on Friday, the company posted a net profit of ₹11 lakh and sales of ₹1.7 crores in the July-September quarter. The figures stood ₹25 lakh and ₹5.3 crore, respectively, for the fiscal 2010-11.

"But in some cases, the run-up could also be due to the fact that the company may have gained a prospecting licence. In such cases, there may not be any sales, but the potential to grow in the future is large," said Rajesh Phanse, a director with Singhi Advisors, a boutique investment bank.

A prospecting licence typically leads to a mining licence.

Suspecting the possibility of foul play in trading of some of the top performers in mining and trading space, V.K. Singhania of Mumbai-based retail brokerage firm VNS Finance and Capital Services said, "The chances of circular trading are high in illiquid stocks of fundamentally weak, small-cap companies." He cautioned retail investors not to get carried away by the upswing in lesser-known companies as trading in such stocks involves a high risk of losing capital.

vljay.gurav@timesgroup.com
Copper up on equities, strong euro

Bloomberg
Feb. 13
Copper rose in London, rebounding from the biggest drop in five weeks, as equities advanced and the euro strengthened after Greece's parliament approved austerity measures.
Copper for three month delivery climbed 0.6 per cent to $8,533 a tonne by 10:17 a.m. on the LME. Prices slid 3.2 per cent on Feb. 10, the most since Jan. 4. March-delivery copper rose 0.6 per cent to $3,883.5 a pound on the COMEX in New York. Copper stockpiles monitored by the LME rose 0.2 per cent to 313,590 tonnes.
Orders to draw the metal from warehouses advanced 11 per cent to 83,190 tonnes on an increase in New Orleans.
Aluminium for three-month delivery on the LME rose 0.4 per cent to $2,254 a tonne. Zinc gained to $2,093 a tonne and lead climbed to $2,160 a tonne. Nickel increased to $20,950 a tonne and tin advanced to $25,390 a tonne.
NTPC pulled up for slow mining work

feBureau

New Delhi, Feb 13: The power ministry on Monday pulled up NTPC for slow development work in allocated captive mines, which led the coal ministry to cancel allocation last year.

"NTPC should speed up coal production from the coal blocks re-allocated to it by the coal ministry," power secretary P Uma Shankar said here. He was addressing NTPC's conference on operation and maintenance (O&M) of power plants.

NTPC has been allocated captive mines such as Chatti Barjat, Chatti Barjat (S), Kerendari, Brahmani and Chichiro Patnimal to meet fuel requirements of its power plants. However, the central utility has been slow in undertaking development work. The delay led the coal ministry last year to cancel allocation of these blocks.

Although allocation of the cancelled coal blocks has been restored following an intervention from the power ministry, the central sector generator must show due progress in its mining work if it wants to retain these blocks.

"Some of NTPC's coal mines were de-allocated... now they have been re-allocated, they should do something to increase production from those blocks. They should put all financial resources to develop those mines, that should be an important strategy to ensure fuel security," the power secretary added.

However, NTPC maintains that the development work has been on the slow lane due to difficulties in getting environmental clearance and acquiring required land.
Govt mulls body to channel iron ore for curbing illegal mining

New Delhi, Feb 13: India is weighing plans to route sales of iron ore through a firm, the latest of several steps aimed at curbing illegal mining as the country struggles to shape a lasting policy balancing exports against the conservation of resources.

At stake is how the world's third-biggest supplier will keep up its $6-billion, 100-million tonne average annual exports, mainly to China, while stamping out illegal sales.

To tackle widespread illegal mining, India's trade ministry wants all ore with iron content of more than 55% to be sold through a firm such as metals trader MMTC (MMTC.NS).

The mining ministry and private miners oppose the measure, calling it a "draconian" step against free trade.

"We are all for controlling illegal mining, all for physical accountability of the ore ... (but) can't see how it doesn't gel with the idea of free trade," said Vishwapati Trivedi, the top bureaucrat in the mining ministry, referring to routing exports through a government trading agency.

"Modalities are still to be worked out. It's a bit too early to say whether it will be policy or what kind of shape it will take." Slightly over half of India's 240 million tonne annual production of iron ore is of higher grade, coveted by both domestic steel-makers, who lack the technology to use ore fines, and exporters who get a better price for higher quality.

The trade ministry says sales through a state-run firm will ensure supplies are legal. Miners say it will be a new regulatory hurdle that will delay business and escalate costs.

Illegal mining in India is widespread and usually entails removing resources outside permitted zones. New Delhi has taken several steps to rein it in, among them higher export taxes and freight charges.

The country's Supreme Court has also cracked down, banning mining in a key state, prompting traders to slash forecasts for 2011/12 exports from India to around 50 million tonne, about half last year's figure.

The government wants to conserve resources, but says it does not support a blanket ban on exports, making for an unclear position that has affected India's image of a stable supplier of iron ore. Reuters
दुनिया में अल्यूमीनियम का उत्पादन गिरने की संभावना

यूरोप में कर्ज झंडा गड़ता और वैश्विक आर्थिक सुसंगती के चलते मांग कमजोर होती है और अल्यूमीनियम की सलाह ज्यादा है। यूरोप में गिरता आने से कई निर्माताओं की कंपनियों में चली गई है। ऐसे कंपनी अमेरिकी एयरबस समेत दुनिया के प्रमुख निर्माताओं के उत्पादन घटने सकते हैं। स्टाल ने एक वक्तव्य में कहा कि उसके अनुमान के मुनाफेकंडों के कोड़कर बाकी दुनिया में इस साल अल्यूमीनियम ने कटौती 27 लाख टन तक पहुंच सकती है। चीन में पॉर्टियंग बंद होने से 12 लाख टन उत्पादन में कमी होगी।

इस तरह चालू वर्ष में कुल 39 लाख टन उत्पादन करेगा। यह कटौती पिछले उत्पादन अनुमान के मुकाबले काफी आसान थी। अल्यूमीनियम का कुल उत्पादन 487.5 लाख टन रहना का अनुमान है।

आशा-निराशा
यूरोप में अल्यूमीनियम की मांग कमजोर रहने के आसार लेकिन चीन की बेहतर स्थिति ने अर्थव्यवस्था से हराया।

मांग और मूल्य 2008 की मंदी के दौरे से कहीं बेहतर