NALCO’S Q2 NET DOWN 38%

Bhubaneswar: National Aluminium Company Ltd (NALCO) has registered a fall of 38 per cent in net profit to ₹139.34 crore for the second quarter ended September 30. The company had posted a net profit of ₹224.04 crore in the same quarter of previous fiscal.
वैश्वनो देवी क्षेत्र में
खुलन की इजाजत

नई दिल्ली (एजेंडा)। जाम्मू कश्मीर में महादेवी देवी गुप्ता के सम्बंध में खाने गतिविधियों की आ रही है। जाम्मू कश्मीर में मंदिर की एक सतहीति ने हासिल की जिस प्रकार के प्रशासन की गंगुरी गंगुरी दी गई है।

जाम्मू कश्मीर सरकार बिलासुख निकाल को पर्यावरण रूप से खेतों की तालाबी खेत में नियंत्रण के काम की गंगुरी गंगुरी दी गई है। जहां पहली बार वातावरण विश्वविद्यालय के नियंत्रण में है। पर्यावरण मंत्री जयंती मनोहर को आवश्यक एवं उड़ीसा के प्रशासन की गंगुरी प्रकार को लेने की मंजूरी है। 1984 में अन्य राज्यों के राजकीय डेटा के अनुसार, निवासियों के एक तर्क के अनुसार, "शहीदों के चर्चाओं का प्रशासन की गंगुरी दी गई है। इससे जाम्मू कश्मीर के मुख्य विश्वास प्रदर्शन के लिए शांति की आवश्कता का गवाह गया है।"
Nalco Q2 profit at ₹139 cr, down 38%
Navaratna PSU National Aluminium Company Ltd (NALCO) has registered a net profit of ₹139.94 crore during the second quarter of 2011-12, showing 38 per cent decline from profit achieved in the corresponding period of the previous financial year.

PTI
Nalco blames CIL for profit slump

STATE-RUN National Aluminium Company (Nalco) has blamed Coal India Ltd (CIL) for not supplying enough in the year’s second quarter, leading to poorer financial performance of the Navratna company in this period. Nalco’s net profit during July-September was ₹139 crore, as against ₹224 crore in the same quarter of 2010-11, down 38 per cent.

This was due mainly to lesser and poor quality coal from Mahanadi Coalfields Ltd, a subsidiary of CIL, forcing the company to use imported and more expensive coal, buy power from the state grid and also use more of costlier heavy furnace oil, said a Nalco statement. The additional impact of power and fuel on operating cost during the quarter was ₹149 crore, it added.

In September, Nalco had to shut about 60 of 960 smelting pots at its Angul facility due to shortfall in output in its captive power plant, following coal supply problems.

BS REPORTER
SEVERSTAL, NMDC HEAD CLOSER TO JOINT VENTURE

HT Correspondent
letters@hindustantimes.com

NEW DELHI: India’s largest iron ore miner National Mineral Development Corporation (NMDC) and Russian steel major Severstal on Saturday moved a step forward towards setting up a joint venture integrated steel plant in Karnataka with the signing of an implementation protocol that stipulates the size of the plant at 3 million tonnes per annum.

The two companies had signed a memorandum of understanding for setting up a steel plant in India in December 2010.

“It confirms the intention of NMDC and Severstal to fully meet the joint venture’s captive requirements of both iron ore and coking coal so that it becomes fully integrated for these primary raw materials,” NMDC said in a statement.

The protocol was signed as part of discussions held between Russian minister of Industry Viktor Kristensenko and an Indian delegation led by steel minister Beni Prasad Verma.

“The Indian steel industry is going to emerge as the 2nd largest in the world and Russia is fully supportive of initiatives by our steel companies to position themselves to supply to the emerging Indian market,” said Kristensenko.
Nalco Q2 net down 38% at ₹139 crore

Bhubaneswar: National Aluminium Company Ltd (Nalco) on Sunday reported a 38% year-on-year drop in net profit at ₹139 crore for the quarter ended September against ₹24 crore last year mainly due to less amount of coal supplied by Coal India Ltd during the quarter. **HTC**
Andhra illegal mining: CBI arrests ex-bureaucrat

SURESH DHARURI/TNS

HYDERABAD, NOVEMBER 13

A retired Andhra Pradesh bureaucrat was today arrested by the CBI in connection with the illegal mining case involving former Karnataka minister G Janardhana Reddy.

After intense grilling, CBI sleuths arrested VD Rajagopal, a former Director of the State Mines Department, on the charge that he had violated norms in granting mining leases to Obulapuram Mining Company (OMC).

Rajagopal, who was Director of Mines from 2005 to 2010, becomes the first high-profile official to be arrested in the case. G Janardhana Reddy and his brother-in-law and Managing Director of OMC BV Srinivas Reddy are currently lodged in Chanchalguda central jail here following their dramatic arrest from Bellary in Karnataka on September 5.

Rajagopal, who had signed the controversial orders sanctioning licences for iron ore mining in Ananapur district bordering Karnataka, was produced before a magistrate at the latter’s residence. The magistrate directed the CBI to present him on Monday before the special court hearing CBI cases.

The retired bureaucrat has been booked under various sections of the Indian Penal Code, Prevention of Corruption Act, Indian Forest Act and Mines and Minerals (Development and Regulation) Act.
Mining near Vaishno Devi shrine approved
Ministry gives nod to exploit magnesite

NEW DELHI, NOVEMBER 13

The mountains in the vicinity of the famous Mata Vaishno Devi shrine in Jammu and Kashmir will soon see mining activity with a high-level Environment Ministry panel giving a conditional nod to such a proposal.

The proposal by the Jammu and Kashmir Mineral Development Corporation to exploit magnesite at an ecologically sensitive hill owned by the shrine board has been approved by the Standing Committee of the National Board for Wildlife at a recent meeting chaired by Environment Minister Jayanthi Natarajan.

The committee also gave approval for the setting up of a dead burnt magnesia plant near a sanctuary, home to endangered species like leopard, goral and peafowl.

"...the committee after discussions recommended the proposal with the conditions proposed by the Chief Wildlife Warden, Jammu and Kashmir," a ministry document said.

The Jammu and Kashmir Government's proposal is to exploit 12,40,000 TPA (tonnes per annum) high-grade magnesite deposit at the Chirippari Hills and setting up a 30,000-TPA dead burnt magnesia plant at Panthal, near Trikuta Wildlife Sanctuary in Katra district.

"The magnesite mine pit is situated at the Chirippari Hills, near Panthal village, and is at a distance of 3 km from the Trikuta Wildlife Sanctuary. The dead burnt magnesite (DBM) plant is 4.5 km from the sanctuary. The non-forest private land is owned by the Shri Mata Vaishno Devi Shrine Board," the document said. — PTI
नाल्को का शुद्ध लाभ 38 फीसदी गिरा

भूक्षेपरुढ़ • सार्वजनिक क्षेत्र की नवरत्न कंपनी नेशनल अल्यूमिनियम कंपनी लिमिटेड (नाल्को) ने 30 सितंबर, 2011 को समापत्ति चलाने में बिना लागू किए राज्य की पूरी कीमत के दौरान अपने शुद्ध लाभ में 38 प्रतिशत की गिरावट दर्ज कर दी है। कंपनी के संरचनात्मक वित्तीय परिणामों के अनुसार, कंपनी ने चित्रीत लागू चर्चाएँ की इस अवधि के दौरान 224.04 करोड़ रुपये का शुद्ध लाभ पर्याप्त लाभ का आकृतिक वित्त प्रभाव ने दौरान घटक का 139.34 करोड़ पर आए गए। हालांकि इस दौरान चित्रीत कंपनी में 9 प्रतिशत की बढ़ती दर्जे की गई जो कई करोड़ 1548.75 करोड़ रुपये की तुलना में 1689.38 करोड़ रुपये पर पड़ गई। (स्मृति/प्रेम)
Nod to mining near Vaishno Devi

New Delhi, Nov. 13: The mountains in the vicinity of famous Mata Vaishno Devi shrine in Jammu and Kashmir will soon see mining activity with a high-level environment ministry panel giving a conditional nod to such a proposal. The proposal by Jammu and Kashmir Mineral Development Corporation to exploit magnesite at an ecologically-sensitive hill owned by the shrine board has been approved by the Standing Committee of National Board for Wildlife at a recent meeting chaired by environment minister Jayantil Natarajan. The committee gave approval for setting up of Dead Burnt Magnesia Plant near a sanctuary, home to endangered species like leopard, goral and peafowl.

"...The committee after discussions recommended the proposal with the conditions proposed by chief wildlife warden, J&K," a ministry document said. The Jammu and Kashmir government's proposal is to exploit 12,40,000 tonnes per annum high grade magnesite deposit at Chirparian Hills and setting up 30,000 TPA Dead Burnt Magnesia Plant at Panthal, near Trikuta Wildlife Sanctuary in Katra district. "The magnesite mine pit is situated at Chipran hills near Panthal village and is at a distance of 3 km from Trikuta Wildlife Sanctuary. The Dead Burnt Magnesite plant is 4.5 km from the sanctuary. The non-forest private land is under the ownership of Shri Mata Vaishno Devi Shrine Board," the document said.

"Rare and endangered species are found in the area. The proposal indicates presence of leopard, goral, peafowl etc in the sanctuary," the document said. The mine lease area is 485.50 hectares out of which 17.92 hectares of area is for mining of Magnesite. The standing committee on NBWL, in its meeting held in April this year, had recommended denotification of Trikuta Sanctuary with certain conditions.

— PTI
Nalco pins blame for poor Q2 result on CIL

The Net of ₹139.34 cr 38% lower than last yr

The Bureau

Bhubaneswar, Nov 13: National Aluminium Company (Nalco), which posted a lower profit during the second quarter of 2011-12 fiscal, has pinned the blame on Coal India (CIL). The company posted a net profit of ₹139.34 crore, which is 38% lower than the ₹224.04 crore registered during the same period last year.

“The less-than-expected results are mainly due to lower and poor quality of coal supplied by Coal India during the quarter,” said a Nalco press release. The company has said that because of the lower and poor quality supplied by the CIL, Nalco was “forced to use more expensive imported coal, use purchased power from the state grid and also use HFO in more quantity.”

The additional impact of power and fuel on operating cost during the quarter was ₹149 crore, it said.

Nalco had to shut down its power-generation units due to shortage of coal. Nalco was supplied lesser quantity of coal by Mahanadi Coalfield (MCL), a company of Central sector CIL, during the July-August period of the quarter. This was due to poor road conditions during the rainy season, road blockade agitation against the MCL by the villagers, and non-availability of adequate number of railway rakes. This led to shutdown of pots at its Angul smelter plant for over a month.

Nalco had to import coal to keep the boilers of its Captive Power Plant (CPP) burning during the quarter.

Nalco registered a net profit of ₹139.34 crore against ₹224.04 crore in the same quarter of previous fiscal. The sales turnover, however, surged 9% to ₹1,689.36 crore against ₹1,548.75 crore in the same quarter of last year on higher sale prices of aluminium and aluminium. However, the net profit and sales turnover for the first half of 2011-12 have increased to ₹516.18 crore and ₹3,559.38 crore, respectively, from the corresponding figures of ₹508.09 crore and ₹2,980.91 crore.
Sterlite Industries » Rating: Buy

Aluminium melts earnings

Pot outage at Vedanta and coal shortage at Balco raise production cost

Sterlite's Q2FY12 results were dragged down by weak aluminium results, though other businesses reported largely in-line results. Net profits adjusted for forex losses were largely in line. Coal supply remains an issue for power projects while aluminium cost of production is expected to remain high despite moderating from current levels. While we maintain our Buy on the stock as most of the above negatives appear to already be in the stock price, Q2FY12 results have failed to provide any positive trigger for the stock.

Adjusting for forex losses, Sterlite's Q2 net profits were largely in line. Copper, zinc and the power businesses reported largely in-line results.

The management indicated that Q2FY12 production at Val (Vedanta Aluminium Ltd) was impacted by pot outage during Q1FY12, which along with higher alumina costs (impact of Rs 80/t), led to its cost of production increasing from Rs 2,954/t in Q1.

Almost 70% of the pots impacted are back in production, and hence with normalised production, cost of production should improve, as per the company. The costs during the quarter were impacted by higher energy consumed during the restarting of pots.

At the same time, Balco's cost of production was impacted by the coal shortage due to floods in Australia, and with normalised coal supply from Coal India, the cost of production should fall back to less than Rs 2,000/t, as per the management. The company has indicated that it would restructure the capital at Val with a D/E (debt/equity) ratio at 70:30. VAL currently has just Rs 10.5 bn of equity and Rs 281 bn of quasi-equity and debt (of which Rs 156 bn is external debt).

By a D/E ratio of 70:30, total equity required would be Rs 93 bn (total investment of Rs 101 bn) and Sterlite's share of this would be Rs 75 bn. Sterlite has invested close to Rs 145 bn and hence excess investment is Rs 67 bn. The company has indicated that this excess debt is loaded at an interest of 10% to VAL, and interest payments till March 2011 have been made.

Sterlite Energy's third unit of 600MW capacity is ready for commissioning and is expected to come on line by the end of Q2FY12, with the ramp up of production happening during Q4FY12. The first unit of 300MW at Balco will be commissioned by end FY12. Balco coal block is at various stages of environmental and forest clearances. It has received forest clearance stage-1 and the company expects environmental clearance to come by end-November. It is working towards getting stage-2 forest clearance and hopes to get it by Q4FY12.

VAL operations were affected by pot outage during the quarter, resulting in aluminium production coming down from 112,000 tonnes in Q1FY12 to 89,000 tonnes Q2FY12. This also resulted in aluminium cost of production increasing from Rs 2,954/t in Q1FY12 to Rs 3,554/t along with higher cost of alumina from close to Rs 40/t in Q1FY12 to Rs 80/t. As a result, VAL reported PBIDT (profit before depreciation and taxes) losses of Rs 7.2 bn and net loss of Rs 8.2 bn. Sterlite's share of losses at Rs 4.8 bn was much higher than our expectation of Rs 0.6 bn.

Balco's results were impacted by higher alumina and carbon costs resulting in cost of production increasing to Rs 2,333/t from Rs 1,981/t. As a result, Balco made losses of Rs 170 mn in the aluminium business. We were expecting a break-even quarter at net profit level.

The standalone copper business saw lower treatment and refining charges. Tees fell to Rs 13/tc in Q2FY12 from Rs 13.9c/tc in Q1. However the company benefited from higher realisations and by product credits resulting in lower cost of production. As a result standalone Ebida (earnings before interest, taxes, depreciation and amortisation) at Rs 1.1 bn was better than our expectation at Rs 0.8 bn.

We value Sterlite Industries at Rs 169/share on a sum-of-the-parts basis, with the stake in Hindustan Zinc contributing Rs 97.7/share.

—Nomura, India
NMDC, Severstal sign pact for steel project in Karnataka

Our Bureau
Hyderabad, Nov. 13

India’s largest iron ore miner NMDC and Russian steel maker Severstal signed the implementation protocol in Moscow for setting up a joint venture steel plant in Karnataka.

A high-level delegation from India, comprising the Union Minister of Steel, Mr Beni Prasad Verma, the Secretary of Steel, Mr P.K. Mishra, and the NMDC Chairman and Managing Director, Mr Rana Som, apart from other senior officials, visited Moscow to take the project forward.

The Minister had talks with the Russian Minister of Industry, Mr Viktor Khristenko, during the visit.

CAPACITY
The protocol defines the target initial plant capacity, which would be three million tonnes of finished steel.

It also confirms the intention of NMDC and Severstal to fully meet the joint venture’s captive requirements of both iron ore and coking coal so that it becomes fully integrated for these primary raw materials.

Until the captive assets are fully developed, NMDC and

Mr Alexey Mordashov, Chief Executive of Severstal.

Severstal would take up the responsibilities to supply iron ore and coking coal to the joint venture from their existing assets or alternative sources, NMDC said in a statement.

Mr Alexey Mordashov, Chief Executive of Severstal, said: “Our joint venture project in India with NMDC provides a very good fit with Severstal’s vertically-integrated, growth-focused business model”.

Mr Mishra said “The joint venture between Severstal and NMDC will be another milestone in India-Russia economic cooperation and will be an important investment for the Indian steel industry.”
CBI arrests ex-MD of AP mining body

Hyderabad: Taking ahead the probe into activities of Obulapuram Mining Company (OMC), in which the controversial Reddy brothers have a stake, the CBI on Sunday arrested V D Rajagopal, former director of the Andhra Pradesh Mineral Development Corporation. He was arrested under various sections of the IPC and Prevention of Corruption Act.

Rajagopal is accused of allowing OMC mine in “encroached” land in the Bellary Reserve Forest area, construction of roads through forest and encroachment on neighbouring leases on the Anantapur-Bellary border.

Rajagopal is the third person to be arrested in the OMC case after former Karnataka minister and owner of OMC, G Janardhana Reddy and the firm’s managing director P V Srinivas Reddy were arrested on September 5. He was produced at the magistrate’s residence in Banjara Hills as the court is closed on Sunday. The magistrate directed the agency to produce him before the special CBI court on Monday.
Ministry approves mining near Vaishno Devi shrine

ENS & PTI
NEW DELHI, NOVEMBER 13

The mountains in the vicinity of the famous Mata Vaishno Devi shrine in Jammu and Kashmir will soon see mining activity with a high-level Environment Ministry committee giving a conditional nod to such a proposal.

The proposal by the Jammu and Kashmir Mineral Development Corporation to exploit magnesite at an ecologically sensitive hill owned by the shrine board has been approved by the Standing Committee of National Board for Wildlife (NBWL) at a recent meeting chaired by Environment Minister Jayanthi Natarajan.

The committee also gave approval for setting up of a dead burnt magnesia Plant near a sanctuary, home to endangered species like leopard, goral and peafowl.

"...the committee after discussions recommended the proposal with the conditions proposed by the Chief Wildlife Warden, Jammu and Kashmir," a ministry document said.

The Jammu and Kashmir government’s proposal is to exploit 12,40,000 TPA (tonnes per annum) high grade magnesite deposit at Chirpirian Hills and setting up 30,000 TPA dead burnt magnesia plant at Panthal, near Trikuta Wildlife Sanctuary in Katra district.

"The magnesite mine pit is situated at Chirpiran hills near Panthal village and is at a distance of 3 km from Trikuta Wildlife Sanctuary. The dead burnt magnesite (DBM) plant is 4.5 km from the sanctuary. The non-forest private land is under the ownership of Shri Mata Vaishno Devi Shrine Board," the document said.

"Rare and endangered species are found in the area. The proposal indicates presence of leopard, goral, peafowl etc in the sanctuary," the document said.

The mine lease area is 485.30 ha out of which 17.92 ha of area is for mining of magnesite. The Standing Committee on NBWL, in its meeting held in April, had recommended for denotification of the Trikuta Sanctuary with certain conditions.

The conditions approved by the ministry panel include the general protection measures and the specific conservation measures prescribed in the Wildlife Conservation Plan, including soil and moisture conservation, management of grasslands and meadows, activation of anti-poaching squad and awareness activities.

Eco-development works shall be carried out through the State Wildlife Department in the buffer zone at a cost of Rs 25 lakh per annum for a period of five years, it said.

The committee also said a progressive mine closure plan should be prepared and implemented by the user agency under the supervision of the State Wildlife Department.
CBI arrests ex-MD of AP Mineral Corp

V D RAJAGOPAL to be produced before a special CBI court on Monday

OMC MINING CASE

Karnataka minister Gali Janardhan Reddy, who owns OMC, and the firm's managing director B Srinivasa Reddy. The two were arrested on September 5.

Rajagopal was produced at the CBI Court magistrate's residence on Sunday who directed the agency to produce him before the special court for CBI cases on Monday.

Rajagopal was arrested under various sections of the IPC and Prevention of Corruption Act, said CBI Joint Director (Hyderabad Zone) V V Lakshmi Narayana. Rajagopal, also former director, Mines and Geology, was managing director of Andhra Pradesh Mineral Development Corporation from 2004 to 09, during the tenure of Y S Rajasekhara Reddy.

Rajagopal had given a statement to the CBI that OMC was given preferential treatment in allocation of iron ore and leases by the YSR government.

Former Industries Secretary Y Srilakshmi, an IAS officer, is also named as an accused in the OMC case.

"YSR government was favourable to OMC...it was given top priority as it was going to set up big industries (Brahmani Industries steel plant in Kadapa district)," he had said and asserted that he was not the sanctioning authority.