

Government of India
Ministry of Mines

No. 3(1)/2008-CDN

New Delhi, the 13th February, 2008

Subject:- Monthly Summary for the Cabinet for the month of January, 2008.

Performance of Non-ferrous Metal Sector:

(a) **Aluminium:**

Production of aluminium metal in the public sector unit, namely, National Aluminium Company Ltd. (NALCO) and private sector units, namely, Bharat Aluminium Company Limited (BALCO) {which has 49% Central Govt. equity}, Hindustan Aluminium Company Ltd.(HINDALCO) and Madras Aluminium Company Ltd.(MALCO) in the country, during the month of January, 2008 was as follows:-

(Unit: Tonnes)

Name of the Company	Existing Capacity	January, 2008		Cumulative Production Target	Cumulative Production	
		Production Target	Production Actual*	April-January 2008*	April-January, 2008*	April-January, 2007
NALCO	345000	29600	30955	292200	298922#	300399
BALCO	345000	30109	31318	299838	301652	256620
HINDALCO	455000	41079	41288	392747	397702	367174
MALCO	38000	3384	3302	32931	31376	31637
Total:	1183000	104172	106863	1017716	1029652	955830

National Aluminium Company Limited sold 91,352* tonnes of alumina /hydrate and exported 6,972* tonnes of aluminium during the month of January, 2008.

* Provisional

The cast metal Production during April to September 2007 has been revised after internal audit. Accordingly as of December 07, the cumulative cast metal production is 267,967 MT against earlier reported 268,274MT

(b) Copper:

The production of copper cathode in the organised sector by the public sector unit, Hindustan Copper Ltd.(HCL), and private sector units, Hindalco Industries Ltd. (HINDALCO), (Unit: Birla Copper) and Sterlite Industries (India) Ltd. (SIL) in the country, during the month of January, 2008 was as follows:

(Unit: Tonnes)

Name of the Company	Installed Capacity (Annual)	January, 2008		Cumulative Production Target	Cumulative Production	
		Production Target	Production Actual	April-January, 2008	April-January, 2008	April-January, 2007
HCL	47500	3425	4022	33700	36502	31039
HINDALCO	500000	**	31618	**	265415	236191
SIL	400000	34680	31528	332944	280559	254723
Total:	947500	38105	67168	366644	582476	521953

** (Depends upon various economic factors)

(c) Zinc & Lead:

Production of primary zinc in Hindustan Zinc Limited (HZL) (in which Government of India holds equity of 29.54%) and the private sector unit, Binani Zinc Limited (BZL) and lead in Hindustan Zinc Limited (HZL) and private sector unit, Indian Lead Limited (ILL) in the country during January, 2008 was as follows:-

(Unit: Tonnes)

Name of the Company	Existing Capacity	January, 2008		Cumulative Production Target*	Cumulative Production	
		Production Target	Production Actual*	April-January, 2008	April-January, 2008*	April-January, 2007**
Zinc						
HZL	581000	36217	40305	339637	329982	284949
BZL	38000	3401	2204	29173	26328	27626
Total:	619000	39618	42509	368810	356310	312575
Lead						
HZL	85000	7304	5618	64676	46877	36468
ILL***	24000	-	-	-	-	-
Total:	109000	7304	5618	64676	46877	36468

*Provisional

**Actual figures provided by the company. (i.e. Finally reconciled figures).

***ILL - Both plants of ILL at Thane and Kolkata are reported to be gearing up for production.

2. **Gold:**

After closure of Bharat Gold Mines Ltd.(BGML)#, Hutti Gold Mines Ltd.(HGML) is the only unit processing gold from ore stage. Hindustan Copper Ltd.(HCL), a public sector undertaking, and Hindalco Industries Ltd. (HINDALCO), in private sector, produce gold as a by-product, while processing copper. The production of gold by these units during January, 2008 was as follows:

(Unit: Tonnes)

Name of the Company	January, 2008		Cumulative Production Target	Cumulative Production	
	Production Target	Production Actual	April-January, 2008	April-January, 2008@	April-January, 2007^
HGML	0.243000	0.211000	2.341000	2.384000	1.825000
HCL	Nil	Nil	Nil	Nil	0.127000
HINDALCO	*	0.521000	*	7.715000	8.533000
Total:	0.243000	0.732000	2.341000	10.099000	10.485000

#BGML stands closed w.e.f. 1.3.2001 under Section 25(O) of I.D. Act, 1947.

* Depends upon various economic factors.

@ Provisional Figure

^ Actual Figure by the company.

3. **Survey and Exploration of Minerals:**

Mineral Exploration Corporation Ltd.:

Physical performance of MECL during January, 2008 was as follows:

(Unit: Metres)

Name of the Company	January, 2008		Cumulative Production Target	Cumulative Production	
	Production Target	Production Actual	April-January, 2008	April-January, 2008	April-January, 2007
MECL:					
(i) Drilling(m)	17000	19492*	156000	161623*	150639#
(ii) Development Mining (m)	730	553*	6350	5082*	5511#

*Provisional figures

#Final reconciled figures

1. The shortfall in developmental mining is due to non availability of sufficient work.

4. Geological Survey of India:

(a) **Mineral Investigation:-** During the month of **January, 2008**, 207 sq. km. large scale mapping, 4.67 sq. km. detailed mapping and 6592.45 m. of drilling, were carried out against monthly targets of 165.92 sq. km, 5.963 sq km and 6129.20 m, respectively.

(b) **Regional Geological Mapping Investigation:-** In the month of **January, 2008**, 150 sq. km. systematic geological mapping (on 1:50,000 scale) was carried out against monthly target of 113.05 sq. km. and 1139 sq. km specialized thematic mapping was carried out against monthly target of 973.25 sq.km.

5. Production of Minerals:- The total value of mineral production covering metalliferrous and industrial minerals, but excluding fuel minerals, minor minerals and atomic minerals, in January, 2008 is estimated at Rs.1982 crore as against Rs.1590 crore for January, 2007.

6. Progress Report on Implementation of the Projects approved by the Cabinet, as on 31.01.08.

Expansion of NALCO's Aluminium Smelter

The Government had approved NALCO's second phase expansion of the capacity of Bauxite Mine from 48,00,000 TPY to 63,00,000 TPY, Alumina Refinery from 15,75,000 TPY to 21,00,000 TPY, Aluminium Smelter from 3,45,000 TPY to 4,60,000 TPY and Captive Power Plant (CPP) from 960 MW to 1200 MW in October, 2004, at an investment cost of Rs. 4091.51 crores.

Details of various activities as on 31.01.2008 for the second phase expansion project are at Annexure.

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EXECUTIVE SUMMARY

- Government of India accorded approval for 2nd Phase Expansion of Mines, Alumina Refinery, Aluminium Smelter and Captive Power Plant of NALCO on 26.10.2004 at an outlay of Rs 4091.51 crore with a completion period of 50 months from date of approval. The estimated cost of project has been revised to Rs.5002.71 crores at March 2007 price level.
- M/s EIL has been appointed EPCM consultant for Mines, Alumina Refinery and Aluminium Smelter on 28.3.2005.
- M/s MECON has been appointed EPCM consultant for Captive Power Plant on 29.3.2005 and Steam Generation Plant on 23.3.2005.
- M/s MN Dastur Co has been assigned for Cost and Time Monitoring for 2nd phase expansion on 12.01 .2006.
- Enquiries for several packages have been issued for each segment and are under process.
- Order has already been placed for 129 packages out of 155 packages of Mines & Refinery, 123 packages out of 139 packages for Smelter, 27 packages out of 28 packages for CPP.
- Total financial commitment up to 31.01.2008 is Rs 3606.13 crore.

KEY PROJECT ACTIVITIES UNDERTAKEN DURING January 2008:

ORDERS PLACED

S.No.	ITEM	UNIT	STATUS
1.	Maintenance Van and maintenance truck	Mines	Order placed on 15.01.08
2	Knife edge gate valves	Refinery	Order placed on 19.01.08
3	STRAINERS	Refinery	Order placed on 21.01.08
4	Air Conditioning System	Refinery	Order placed on 21.01.08
5	Air/Steam traps	Refinery	Order placed on 25.01.08
6	Civil and Structural work for perforated wall	Smelter	Order placed on 01.01.08
7	MV Control Cables	Smelter	Order placed on 03.01.08
8	Pot regulation systems(spares)	Smelter	Order placed on 08.01.08
9	ABF Refractory lining	Smelter	Order placed on 19.01.08
10	MV Flexible Cables	Smelter	Order placed on 29.01.08
11	Air dryer system	CPP	Order placed on 21.01.08

OVERALL PHYSICAL PROGRESS:

(in %)

S.No.	PROJECT SEGMENT	January 2008		CUMULATIVE UP TO January 2008	
		SCHEDULE	ACTUAL	SCHEDULE	ACTUAL
1.	Mines & Alumina	4.9	5.1	85.4	62.4
2	Smelter	4.7	5.4	80.2	60.5
3	CPP	8.2	3.31	92.50	75.46

TOTAL FINANCIAL COMMITMENT UPTO January 2008 - Rs.3606.13 Crore

CAPITAL EXPENDITURE : Rs.160.78 Crore DURING THE MONTH & CUMULATIVELY Rs.1611.05 Crore up to January 2008