

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:1825

ANSWERED ON:09.03.2010

PROFIT BY NALCO

Roy Shri Nripendra Nath; Tirkey Shri Manohar

Will the Minister of MINES be pleased to state:

- (a) whether the gross and net profit of National Aluminium Company Limited (NALCO) has declined;
- (b) if so, the details thereof during each of the last three years and the current year and the reasons therefor;
- (c) whether the modernisation work of NALCO has been delayed;
- (d) if so, the reasons therefor;
- (e) the number of contract workers working in NALCO; and
- (f) the number of contract labour covered under Employees Provident Fund and Employees State Insurance Corporation?

Answer

THE MINISTER OF MINES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI B. K. HANDIQUE)

(a) & (b): Yes, Madam. National Aluminium Company Limited (NALCO) has informed that the gross and net profit of the Company for the last three years and the current year upto December, 2009 is as under:-

Rs. in crores

Year	Gross profit	Net profit
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2006-07	3620	2381
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2007-08	2467	1632
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2008-09	1927	1272
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2009-2010 (Upto December, 2009)	675	441
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The reasons for decline in profit in 2007-08, 2008-09 and 2009-10 (till December, 2009) are mainly due to lower global prices of products, appreciation of rupee against US Dollar, global recession and increased cost of operations due to increase in prices of raw materials (like coal, caustic soda, CP coke, etc.), revision of salary for executives, provision for wage revision for workers.

(c) & (d): NALCO's 2nd phase expansion project envisaging augmentation of its various production capacities, which was scheduled for completion by December, 2008 has been delayed. The primary reasons for the project falling behind schedule are as under:-

(i) Delay in appointment of Engineering, Procurement, Construction and Management (EPCM) consultant.

(ii) Delay in appointment of technology supplier M/s Aluminium Pechiney (now Rio Tinto Alcan).

(iii) Poor response of suppliers to tenders and request for quotations floated by the Company, in view of saturated market conditions which ultimately delayed execution of work.

(iv) Failure of major contractors engaged for the various project segments in honouring their commitments.

(v) Lack of availability of adequate skilled manpower for mines and refinery project in Damanjodi due to its difficult terrain and naxalite threat perception.

(e): The total number of contract labours working under various contractors in the Company as on 31-01-2010 are 14030.

(f): The contract labours covered under Employees Provident Fund are 14030 and under Employees State Insurance Corporation are 8625, as on 31-01-2010.