

Nalco to set up second Smelter and Power Complex in Odisha



National Aluminium Company (Nalco) will set up its long-awaited second aluminium smelter and power complex in Odisha within the premises of its present plant at Angul instead of the earlier identified location of Sundergarh.

The second smelter and power complex is expected to cost Rs 14,000 crore. Of this, the aluminium smelter with annual capacity of 0.4 million tonne will come up at an investment of Rs 10,000 crore. It will be accompanied by a 500 Mw captive power plant costing Rs 3,000 crore.

The Navratna company, which had been scouting for sites within the state and abroad to build its second smelter, had earlier zeroed in on Sundergarh in western Odisha to locate the project. It had also got the state government's nod for the same.

However, infrastructural bottlenecks, particularly relating to sourcing of water, had forced the company to revisit the site and shift

the location to Angul, where the company has been operating a 0.46 million tonne smelter and 1,200 Mw power plant since early 1980s.

At Angul, the infrastructure facilities, land and manpower are readily available. So there won't be any problem in setting up the new smelter there, said TK Chand, chairman and managing director (CMD), Nalco.

He said, the new smelter will be built with latest technology, will use 600 amperage energy efficient smelting pots which will make the cost of production globally competitive.

What has bolstered Nalco's ambitious expansion plan, with combined investment figure pegged at Rs 30,000 crore, in the state is the recent allotment of Potangi bauxite deposits spread over 1738.04 hectares in favour of the company.

Using this bauxite, the company also intends to expand its alumina refinery capacity at Damanjodi facility by one million tonne.

At Damanjodi, Nalco produces about 2 million tonne of alumina annually, half of which is exported due to lack of smelting capacity under the company's command.

The new smelter will come in handy in converting this alumina to aluminium for value addition within the state, Chand said.

But pending the setting up of new smelting capacity in Odisha, the company is exploring the possibility of toll-smelting and construction of smelter in Iran to convert its surplus alumina into metal using the cheap gas based power available in the Gulf nation.

For this purpose, the Central public sector company has entered into a pact with Iranian Mines & Mining Industries Development & Renovation Organization (IMIDRO), a government-owned body of that country recently.

The additional smelting capacities, along with use of latest energy efficient technologies to reduce cost of production, will boost the topline and bottomline of the company, Chand said.

OMC and Vedanta to secure Bauxite mining rights in Niyamgiri

Odisha Mining Corporation (OMC) and Vedanta Resources have teamed up to find a headway together in the Niyamgiri bauxite mining issue which has long been the centre of a multi-faceted problem involving the state, the mining conglomerate, and major political parties at the Centre.

OMC has appealed in the Supreme Court to reorganize the Gram Sabha in Niyamgiri so that it along with Vedanta Resources can mine the Niyamgiri hills by getting the local inhabitants Dongria Kondhs on their side.

The State government, on the other hand has given prospecting license of mining areas in Koraput to Sera Sterlite, a subsidiary of Vedanta Resources for 150 hectares of bauxite reserve in Dangadeula hill for laterite mining. If laterite is discovered, then Sesa Sterlite



will get lease for 20 years without any hassles as laterite is a minor mineral and comes under the control of the State government.

However, if high bauxite content is found then Sesa Sterlite will have to apply for bauxite mining lease. And in the present situation of bidding it might not be easy for Vedanta or Odisha Mining Corporation to get the lease.

In the midst of all these developments, activists have upped the ante of their agitation across vast areas in these two regions. At stake are the operations of the alumina refinery at Lanjigarh which has been starved of bauxite- the chief raw material for the refinery. Vedanta's Lanjigarh refinery requires three million tonnes of bauxite as raw material every year to produce one million tonnes of alumina. It, however, does not have any captive bauxite mining lease or backward linkages for the ore. The refinery, therefore, is completely dependent on external supplies. To satiate its bauxite requirement, the refinery sources the ore from states like Chhattisgarh, Andhra Pradesh, Gujarat, Maharashtra etc. and also depends on bauxite imports from New Guinea.