नालको NALCO

33rd ANNUAL REPORT
2013-14

PERFORMANCE...
Nurturing Growth and Happiness

Vision

To Be a Reputed Global Company in the Metals and Energy Sectors

The Year at a Glance

Particulars	Unit	2013-14
Physical		
Bauxite	MT	**62,92,677**
Alumina Hydrate	MT	**19,25,000**
Aluminium	MT	**3,16,492**
Power (Net)	MU	**4,989**
Wind Power	MU	**144**
Financial		
Export Turnover	₹ in Crore	**3,719**
Gross Sales	₹ in Crore	**7,024**
Profit Before Tax	₹ in Crore	**918**
Profit After Tax	₹ in Crore	**642**
Earning Per Share	₹	**2.49**
Book Value Per Share	₹	**47.04**
Dividend	₹ Per Share	**1.50**

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Registered Office & Corporate Office:

NATIONAL ALUMINIUM COMPANY LTD.
CIN: L27203OR1981GOI000920
NALCO Bhawan, Plot No. P/1,
Nayapalli, Bhubaneswar – 751 013 (Odisha)
Tel.: 0674-2301988-999, Fax: 0674-2300677,
Email: investorservice@nalcoindia.co.in
Website: www.nalcoindia.com

33rd Annual General Meeting

Saturday, 27th September, 2014 at 11:00 A.M.
at NALCO Bhawan, P/1, Nayapalli,
Bhubaneswar - 751 013.

Board of Directors

Shri Ansuman Das

Shri Ansuman Das is the Chairman-cum-Managing Director of the Company.

Born on 29.04.1955, he graduated in Mechanical Engineering from National Institute of Technology (Formerly Regional Engineering College), Rourkela in the year 1976. He holds a MBA degree from University of Hull, United Kingdom. Shri Das started his professional career as a Management Trainee with Hindustan Aeronautics Ltd. and has also done a Post Graduation course in Aeronautical production from Indian Institute of Technology (IIT), Chennai. Prior to this appointment as Chairman-cum-Managing Director, Shri Das was Director (Commercial) on the Board of NALCO.

He has over 30 years of professional experience in NALCO and has held various key managerial positions in the organization. He was assigned additional charge of Director (Finance) and Director (Human Resources) of NALCO by Govt. of India for a brief period. Shri Das was associated with the initial project activities of NALCO and has rich experience of project management and commercial functions of the Company. He has been instrumental in framing and implementing various policies and strategies for growth and diversification of the Company. The Company has achieved several milestones and accolades with his leadership and team work.

Shri Das is widely regarded as an industry expert both Nationally & Internationally for his contribution to the Industry. He is also a key official in various Industry Associations like Confederation of Indian Industry (CII), EEPC India (Formerly Engineering Export Promotion Council), Federation of Indian Mineral Industry (FIMI), Aluminium Association of India (AAI) and is a member of the Board of Governors of Xavier University, Bhubaneswar.

Shri S.S. Mahapatra

Shri S.S. Mahapatra is the Director (Production) of the Company w.e.f. 01.10.2011.

Born on 20.12.1954, Shri S.S. Mahapatra did his B.Sc. (Engg.) in Mechanical engineering from UCE, Burla and post graduate diploma in material management from IIMM, Bangalore. He also holds law degree from Utkal University.

Shri Mahapatra started his career with M/s. Pressels Pvt. Ltd. and subsequently joined NALCO in 1982. He has 34 years of varied experience from boiler manufacturing industries to aluminium industries.

Shri Mahapatra has contributed significantly towards technology up-gradation, indigenous developments, proactive and predictive maintenance systems, turnaround in casting and rolling facilities. He has a commendable involvement in quality, environment and occupational health management. Apart from OHSAS 18001, ISO 14001 certification of four operating units, Alumina Refinery & Captive Power Plant(CPP) have been accredited with ISO 50001 certification. Under his leadership, the critical and lifeline project "Ash disposal to mines void through lean slurry" of captive power plant has made a remarkable progress.

Shri Mahapatra is fellow of Institution of Engineers (India), life member of Indian Institute of Metals and life member of Indian Institute of Welding and officiating as Vice Chairman of the prestigious Standing Committee of Non-Ferrous Minerals & Industries of Federation of Indian Mineral Industries (FIMI). He is also member of Board of Governors of National Institute of Foundry & Forge Technology (NIFFT), an autonomous body of Govt. of India under Ministry of HRD. Sri Mahapatra has been conferred with individual citation, instituted by Federation of Indian Mineral Industries (FIMI) from Hon'ble Minister of Mines, Shri Dinsha Patel for environment protection and sustainable mining at Panchapatmali Bauxite Mines for the Year 2012-13.

Shri N. R. Mohanty

Shri N. R. Mohanty is the Director (P&T) of the Company w.e.f. 01.02.2012.

Born on 13.01.1957, Shri Mohanty graduated in B.Sc. Engg.(Hons) in Mechanical Engineering from NIT, Rourkela in 1980 and was adjudged as the "BEST GRADUATE" of Sambalpur University. Joined NALCO in December, 1986 after working in L&T and BALCO and held various positions like GM (O&M) and GM(Smelter) etc. before becoming Director (P&T). While working in Business Development Dept. of NALCO, he immensely contributed in preparation of new vision and mission plan of NALCO. During his tenure in Smelter, NALCO smelter achieved 100% capacity utilization and bagged 2nd prize in Aluminium sector for National Energy Conservation Awards, 2011. He has also successfully steered NALCO into the "Green Energy" with the commissioning of its 1st Wind Power Project of 50.4 MW at Gandikota, Andhra Pradesh and 2nd Wind Power Project of 47.6 MW at Jaisalmer, Rajasthan and 160KWp grid connected Roof Top Solar plant at Corporate Office. Another 100KWp grid connected Roof Top Solar plant in Township at Bhubaneswar is being installed. Several other domestic projects such as 1 Mln TPA Alumina Refinery in Gujarat, 1 Mln TPA 5th Stream in existing Alumina Refinery at Damanjodi, 0.5 Mln TPA Smelter & Captive Power Plant in Sundergarh Dist. Odisha, 2 Lakh TPA Caustic Soda Plant with GACL, 60,000 TPA Aluminium Conductor Plant in JV with PGCIL, 100 MW Wind Power Plant at one or two locations in India, 14 MW Wind Power Plant in the mined out area of NALCO's Bauxite Mines at Damanjodi, 15 MW Solar Power project at a suitable location, titanium slag plant of suitable size in JV with Indian Rare Earths Ltd. are being actively pursued under his guidance apart from exploring the feasibility of a 0.5 MTPA Smelter Plant in Abroad. He is a life member of Indian Institute of Metals, Fellow member of Institution of Engineers and member of Indian Institute of Welding.

Board of Directors

Shri S.C. Padhy

Shri S. C. Padhy is the Director (HR) of the Company w.e.f. 20.12.2012.

Born on 3rd June, 1956, Shri S.C. Padhy is a post graduate in Labour and Social Welfare from Berhampur University, Odisha. He started his career in 1979 with TATA mines and got rich experience in the management of human resources through his exposure in TATA mines, NTPC and SJVNL. Implementation of 'Performance Related Pay (PRP)' based on the tenet of balance score card at SJVNL and 'Rationalisation of Manpower' including effective utilisation of excess manpower through retaining and redeployment are two notable contributions to his credit. Shri Padhy also holds the post of Regional Vice President, NIPM Central Zone. He has been awarded with best HR Leadership Award-2012 by Asia Pacific HRD Congress in September, 2012.

Shri Padhy was Director (HR) of Mahanadi Coalfields Limited before joining NALCO. In MCL, his major contributions were in the field of HRD, R&R of project affected families, strict implementation of statutory and non-statutory welfare measures of contract labour.

Shri K. C. Samal

Shri K. C. Samal is the Director (Finance) of the Company w.e.f. 03.01.2014.

Born on 20.08.1958, Shri Samal was working as Executive Director (Finance) of the Company before assumed the Office of Director (Finance).

A Fellow Member of Institute of Cost Accountants of India, Shri Samal has significant exposure in the areas of Treasury Functions, Foreign Exchange Management, Corporate Accounts, Budgeting and Control. He was associated with the capital restructuring of the Company that took place in 1999 to bring down the capital base and to enhance the EPS of the Company. He also played a key role in large scale computerization in Finance, Foreign Debt Management, introducing Risk Management against Foreign Exchange Exposure. He was also associated with various Academic Institutions as Visiting Faculty, viz. XIMB, Utkal University, KIIT, ICAI etc.

Ms. Soma Mondal

Ms. Soma Mondal is the Director (Commercial) of the Company w.e.f. 11.03.2014.

Born on 21.04.1963, Ms. Soma Mondal graduated in Electrical Engineering from National Institute of Technology, Rourkela in the year 1984. She started her career as a Graduate Engineer Trainee in NALCO and was involved in various project implementation activities as a part of the Technology Cell.

She has vast experience in Marketing of Alumina & Aluminium and has in-depth understanding of the global and domestic scenario of the Industry having worked for 27 years in Marketing Department of the company in both Regional & Corporate Office. She is well known in the Aluminium Industry for her contribution in various Industry forums. She has been instrumental in devising marketing strategies of different products for NALCO in the Domestic & Overseas market and also has been actively involved in launch of various new products by the Company. Under her guidance several systemic improvement initiatives have been implemented in Marketing and Materials Management functions.

Shri R Sridharan

Shri R. Sridharan is the Part-time Official Director of the Company w.e.f. 30.08.2013.

Shri R. Sridharan is Additional Secretary in the Ministry of Mines.

Shri G P Joshi

Shri G. P. Joshi is an Independent Director of the Company w.e.f. 15.09.2011.

Shri Joshi, born in 1955, has master's degree in Physics and Management of International Development Projects and PG Diploma in Financial Management. He joined the Indian Administrative Service in 1978 and took voluntary retirement in 2008. He has thirty years of experience in various positions in the Central and State Governments of Manipur and Gujarat. He serves as a director on the Boards of Hindustan Copper Limited, Saraf Foods Limited and Peaches & Plums Resorts Pvt. Limited.

Board of Directors

Shri S. S. Khurana

Shri S.S. Khurana is an Independent Director of the Company w.e.f. 15.09.2011.

Shri Khurana (an alumnus of IIT/Roorkee) former Chairman of Railway Board and ex-officio Principal Secretary to Government of India has a blend of 38 years of strong Administrative, Corporate, Management and Technical Experience in various key positions of Indian Railways. Apart from the Apex level position of Chairman Railway Board in the Ministry of Railways, he held the other important and crucial positions of Member Staff, Railway Board and ex-officio Secretary to Government of India, General Manager of the Zonal Railways of East Coast Railway and the Eastern Railway, Divisional Railway Manager of the ADRA division of South Eastern Railway. Apart from this, he discharged the onerous tasks of Chairman of the two important PSUs of the Ministry of Railways e.g. IRCON International Ltd. and the Dedicated Freight Corporation of India Ltd (DFCCIL). He also worked as the Chief Electrical Engineer of the Railway Electrification at Allahabad and Chief Project Manager of Railway Electrification at Ambala. Shri Khurana has undergone an Advanced Leadership programme from "Stern Business School, New York, USA". He has visited many countries on study tours as well as for Inspection, Design & Development of Electric Locomotives. He has the wide ranging experience and exposure to the Railways in these countries.

Shri Madhukar Gupta

Shri Madhukar Gupta is an Independent Director of the Company w.e.f. 27.12.2011.

Shri Gupta is a post graduate in Political Science. He joined the Indian Administrative Service in 1971. He brings with him more than 38 years experience in the Central Government and State Governments of Uttar Pradesh and Uttarakhand. He retired as Home Secretary, Government of India. The positions held by him prior to that included Secretary in the Ministries/Departments of Fertilizers and Youth Affairs and Sports, Additional Secretary, Department of Mines, Vice Chairman Delhi Development Authority, and Regional Director (Middle East) Indian Investment Centre, Abu Dhabi, in the Central Government, Chief Secretary, Government of Uttarakhand and other important positions, including in the public sector, in the State. He was a Fellow at the Queen Elizabeth House, University of Oxford, and had earlier obtained a Diploma in Rural Development Projects: Design and Appraisal from the ILO Centre at Turin, Italy. He also acted as Advisor to the Governor of Jharkhand during President Rule in the state.

Shri G H Amin

Shri G. H. Amin is an Independent Director on the Board of NALCO w.e.f. 27.12.2011.

Born on 28.03.1947, Shri G.H. Amin is a Science graduate and holds a degree in Law. He is a practicing lawyer in Gujarat High Court for the last 38 years. He was former Chairman of Bar Council of Gujarat.

Shri Amin has immensely contributed to the Cooperative sector in India. He is Chairman of Cooperative Bank of India (COBI). He was the Chairman of The Ahmedabad District Central Co.Op.Bank Ltd., and Regional Chairman of The Cosmos Co.Op. Bank Ltd. (Multi State Bank). He was the President of National Co-Operative Union of India – New Delhi. He was a member of the High power committee constituted to review and amend Multi State Co-operative Societies Act. He was also a member of High power committee constituted by the Gujarat Government for evaluation and amendment of the Gujarat State Co-op. Societies Act, 1961. He was formerly Court member of Jawaharlal Nehru University (JNU) and former syndicate member of Gujarat University, Ahmedabad. He has many awards to his credit viz. Sardar Patel international award in cooperative management, felicitation by International Association of Educators for world peace by UNO and UNESCO. The then Chief Minister of Gujarat Shri Narendrabhai Modi felicitated Shri Amin with "Co-operative Excellency Award - 2013" on his getting "Sahakar Vishwa Siromani International Award" bestowed by World Peace Development and Research Foundation, New Delhi.

Shri Qaiser Shamim

Shri Qaiser Shamim is an Independent Director of the Company w.e.f. 10.07.2012.

Born on 05.06.1951, Shri Shamim did his M.A. in Economics and LLB from Lucknow University. He has done M.Sc. in Fiscal studies from University of Bath, U.K. He had also done research in Economics from Hitotsubashi University, Tokyo, Japan. He has done a course on Trade Policy from The Kennedy School of Government of the Harvard University, USA and another on Japanese Language from Hitotsubashi University, Osaka, Japan. He joined IRS in 1974 and has 37 years of varied experience in the Govt. of India. He served as Joint Secretary to the Government of India, Ministry of Textiles looking after Textile Exports of India, WTO Negotiations etc. He served various Ministries before retirement as Chief Commissioner of Income Tax, Delhi. Shri Shamim is a seasoned specialist on matters relating to Corporate Governance having extensively dealt with the largest public and private sector corporations of the country. Presently Shri Shamim is the Chairman of Haj Committee of India.

Shri Sanjiv Batra

Shri Sanjiv Batra is an Independent Director of the Company w.e.f. 10.07.2012.

Born on 17.09.1950, Shri Sanjiv Batra is a B.Tech (Electrical) from IIT, New Delhi and MBA from Delhi University. He had also done a certification course on International trade from IIFT. He has 40 years of work experience primarily in public and private sectors including marketing, strategic planning, business diversification, policy formulation for import and export of commodities, supply chain management, logistics and promoting trade related infrastructure. He last served MMTC Limited as CMD. He was instrumental in leading transformation of MMTC into an integral conglomerate following public private partnership route. He is also director on the Board of Mideast Steel Company Ltd. and Managing Director of New GEN Resources Pte. Ltd., Singapore.

Executive Directors

Shri N. Sundaray
ED (Materials)

Shri A. K. Sahoo
ED (H&A)

Shri V. Balasubramaniam
ED (Prod.)

Shri Sanjib K Roy
ED (S&P)

Shri S. K. Dash
ED (P&T)

Shri R. K. Mishra
ED (M&R)

Shri P K Mohanty, IAS
Chief Vigilance Officer

Shri K. N. Ravindra
Company Secretary

Top Management

L to R: S/Shri S.S. Mahapatra, Director (Production), S.C. Padhy, Director (HR), P.K. Mohanty, IAS, CVO, N.R. Mohanty, Director (P&T), Ansuman Das, CMD, K.C. Samal, Director (Finance), Ms. Soma Mondal, Director (Commercial), K.N. Ravindra, Company Secretary

Directors' Report

Dear Members,

Your Directors have great pleasure in presenting before you the 33rd Annual Report of your Company together with the audited financial statements and Auditors' Report for the financial year ended 31st March, 2014.

Performance Highlights

Physical Performance

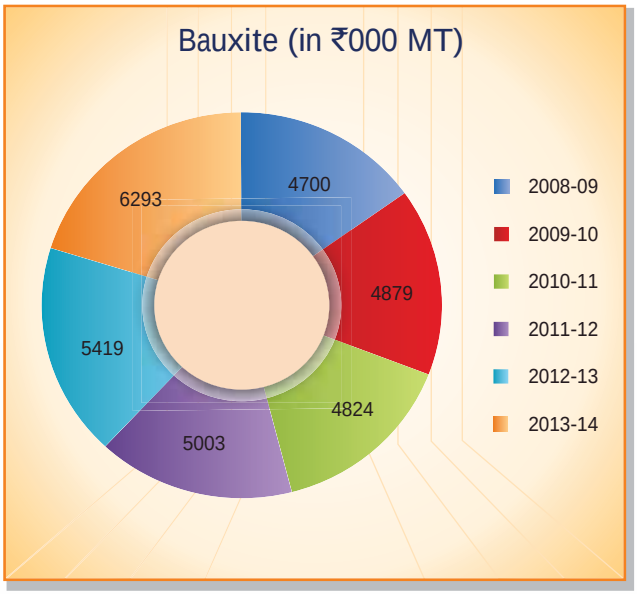
You will be pleased to know that Bauxite Mines achieved the highest ever production since inception with transportation of 62.93 lakh MT against previous best of 54.19 lakh MT achieved last year.

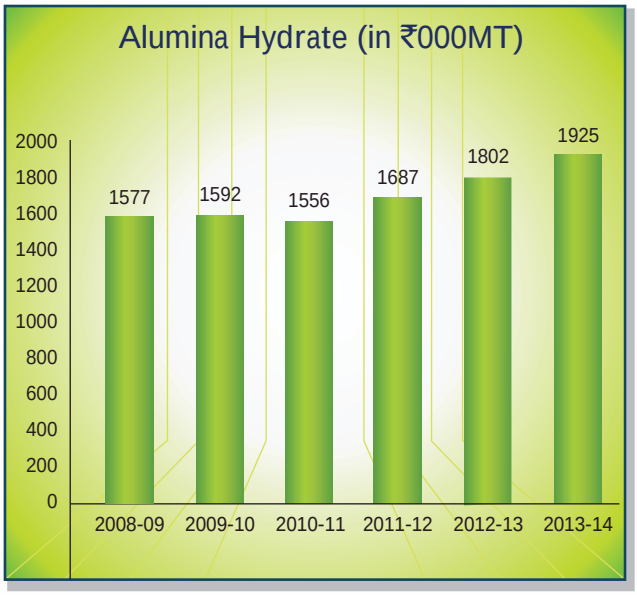
Similarly, your Company's Alumina Refinery plant at Damanjodi also achieved the highest ever production since inception with alumina hydrate production of 19.25 lakh MT against previous best of 18.02 lakh MT achieved last year.

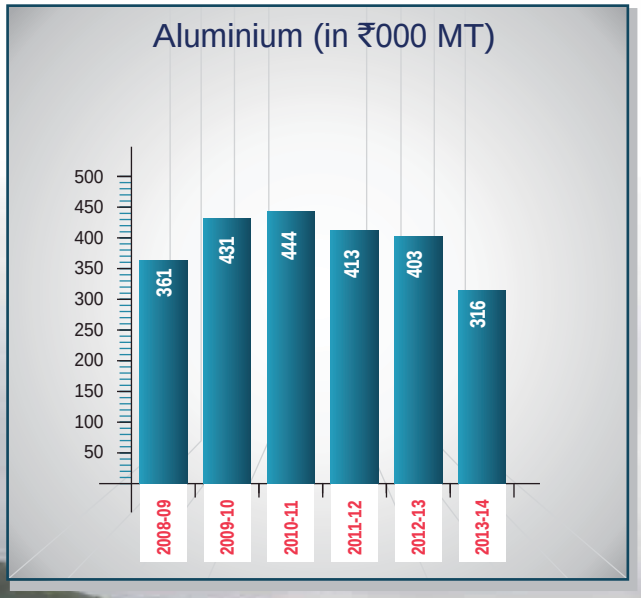
The Aluminium Smelter plant at Angul produced 3.16 lakh MT of cast metal against previous best of 4.44 lakh MT achieved in 2010-11 and 4.03 lakh MT produced during last year. Considering low aluminium prices prevailing for a longer time than expected, your Company took a strategic decision to use mostly linkage coal for generation of power in the Captive Power Plant and curtailed power generation to operate only 625 pots out of 960 pots during the year to control cost of production.

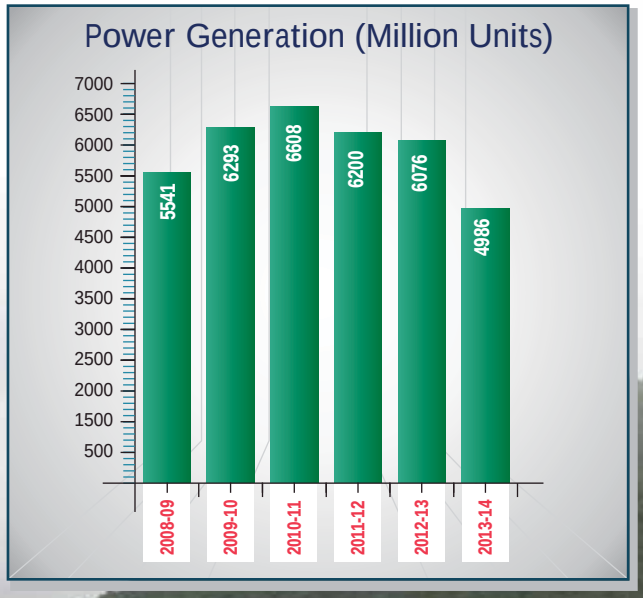
The Captive Power Plant (CPP) at Angul generated 'Net Power' of 4,989 MU against previous best of 6,608 MU achieved in 2010-11 and 6,076 MU generated during previous year. CPP has achieved highest ever ash utilisation of 71% during the year compared to 66% during previous year.

You will be happy to know that with its endeavour for green energy, your Company also commissioned the 2nd Wind Power Plant of 47.6 MW in Jaisalmer, Rajasthan in Jan'14. 1st Wind Power Plant of 50.4 MW in Andhra Pradesh was commissioned in 2012-13. About 150 million units of electricity was generated from these two plants, during the year under report.









Panaromic view of BTAP wagons carrying Alumina

Sales Performance

Chemicals

You will be pleased to know that your Company sold highest ever quantity of 13.43 lakh MT of chemicals in 2013-14 as compared to 9.85 lakh MT sold during 2012-13. This includes highest ever Calcined Alumina Export of 13.09 lakh MT made during 2013-14 as compared to 9.44 lakh MT export made during 2012-13.

Metal

The total metal sale during 2013-14 was 3.20 lakh MT compared to 4.03 lakh MT sold during 2012-13. Total metal sales consists of domestic sale of 2.19 lakh MT and export sale of 1.01 lakh MT during 2013-14. The domestic sale includes 87,969 MT of wire rod which is the highest ever sale made since inception, surpassing the previous best of 79,752 MT achieved during 2012-13.

The total metal sales during the year was lower due to production curtailment at Smelter plant. However, the metal inventory for 2013-14 was brought down to 2,149 MT from a level of 5,594 MT in 2012-13.

Your Company has achieved the highest ever export sales at `3719 crore during the year against earlier highest ever sale of `3410 crore during the previous year and also generated revenue of `46.81 crore during the year under report from renewable energy against `2.64 crore revenue generated during previous year.

The domestic metal sales were effected from the Smelter plant at Angul and nine stockyards at Kolkata, Baddi, Jaipur, Faridabad, Bhiwandi, Silvassa, Bengaluru, Chennai & Vizag.

Your Company has been exporting aluminium metal and calcined alumina to various overseas destinations like Singapore, Malaysia, Korea, Japan, Turkey, Vietnam, Bangladesh, Bahrain, China, Egypt, Iran, UAE etc. Export orders are booked through e-tendering system to the Company's registered customers.

Initiatives are taken to register new customers for sale of its products in export market by publishing notice for Global Invitation for registration of International customers in various National & International journals/magazines/newspapers and interactions with new customers during various International conferences/seminars/exhibitions. Increasing the customer base and exploring new overseas destinations for exports is a continuous process.

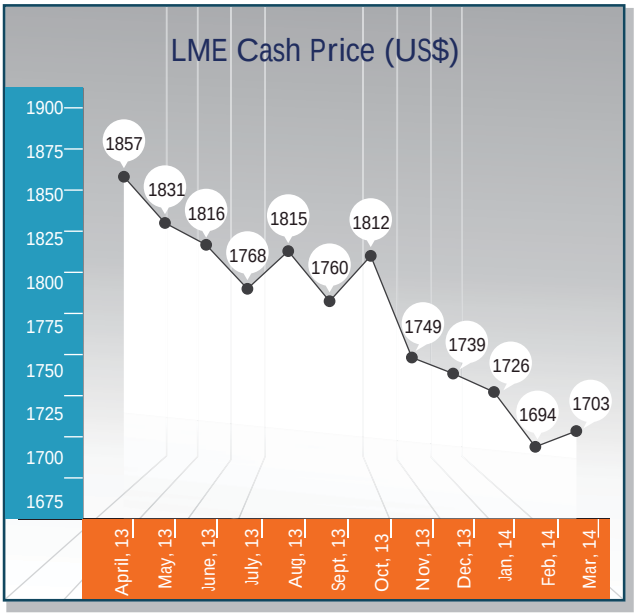
Financial Performance

The details of financial information is given below:

(` in crore)

Particulars	2013-14	2012-13
Revenue from operations (Net)	6,781	6,916
Other income	558	511
Total income	**7,339**	**7,427**
Cost of materials consumed	1,063	1,168
Power and Fuel	2,018	2,432
Employee benefits expenses	1,245	1,154
Other expenses	1,521	1,256
Finance costs	-	7
Depreciation and amortization expenses	525	505
Total expenses	**6,372**	**6,522**
Profit before exceptional items	**967**	**905**
Exceptional items	49	-
Profit Before Tax	918	905
Tax expense	276	312
Profit After Tax	**642**	**593**

Revenue from operations was lower compared to previous year primarily on account of a strategic decision to limit metal production by using electricity generated through linkage coal only, as use of high priced imported coal will not be cost effective at the current level of LME. Your Company still could achieve a

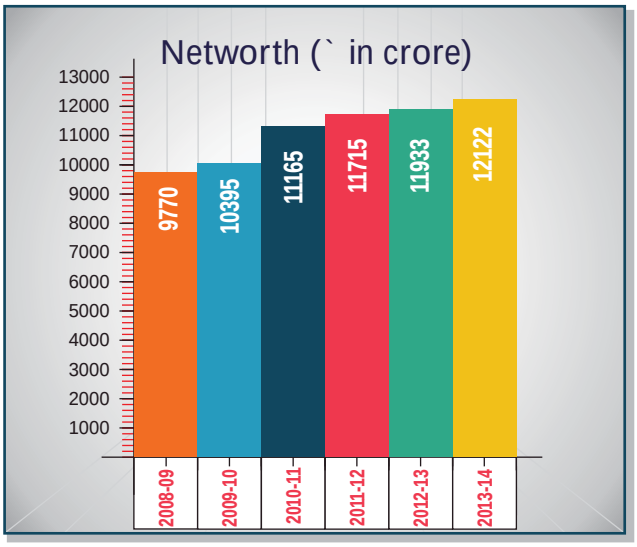


Hon'ble Minister of Mines handing over 'Sita Ram Rungta Society Awareness Award 2013-14 to CMD

higher profit due to certain management interventions like complete stoppage of power purchase from the Grid, improved efficiency in consumption of fuel oil, reduced use of imported coal, reduction in metal production etc. and higher volume of alumina production and sale.

Dividend and Appropriations

Your Board has recommended a final dividend of `0.40 per share (8% on the equity shares of `5/- each) for the financial year 2013-14 in addition to the interim dividend of `1.10 per share (22% on equity share of `5/- each), already paid in March, 2014. The total dividend payout for the financial year 2013-14 works out to `386.59 crore as against `322.15 crore for the previous year. Total dividend for the year including tax is `452.29 crore which works out to about 70% of net profit. The final dividend will be paid after approval in the ensuing Annual General Meeting.



Your Directors propose to transfer `190 crore to General Reserve Account from the profits of the year 2013-14 as against `220 crore transferred in 2012-13.

Offer of Shares to employees by the Govt. of India

As you are aware, Govt. of India had divested 6.09% shares of its holding in secondary market through Offer for Sale (OFS) in March, 2013. Subsequent to the OFS, Govt. of India had offered 1,56,56,730 equity shares of `5 each to the eligible and willing employees @ `38 per share i.e 5% discount to the OFS price of `40. The offer was kept open from 15.05.2014 to 22.05.2014 and eligible employees subscribed for 32,77,000 shares during the offer period. Subsequent to employees offer, the shareholding of the Govt. of India has come down from 81.06% to 80.93%.

Presidential Directives on SC/ST reservation

As per Presidential Directives, efforts have been made for recruitment/ promotion of SC/ST candidates. The Company is also complying with the provisions of the Persons with Disabilities Act, 1995. In order to have a control over the implementation of Presidential Directives as well as Government instructions/ guidelines, Liaison Officers for SCs/STs have been appointed to look after the reservation matters for SCs/STs as well as Persons with Disabilities.

As on 31.03.2014, out of 7,425 employees (including Trainees) on the Company's roll, there were 1,199 SCs, 1,341 STs, 769 OBCs and 79 Persons with Disabilities. The total number of lady employees in the organization stands at 350. Thus, 16.15% of

total employees are SCs, 18.06% are STs, 10.36% are OBCs and 1.06% are Persons with Disabilities. Every third employee in the Company belongs either to SC or ST category.

Industrial Relations

The general industrial relation climate in your Company remained cordial throughout the year, which helped the organisation to achieve excellent physical performance. Some important cost control and operational decisions were taken in the participative management forum leading to effective implementation of these decisions. A new culture of energy consciousness was introduced through meter based domestic electricity consumption. Compliance of various statutory provisions and grievance handling remained two important focal points of industrial relation activities of the Company during the year.

SA 8000:2008

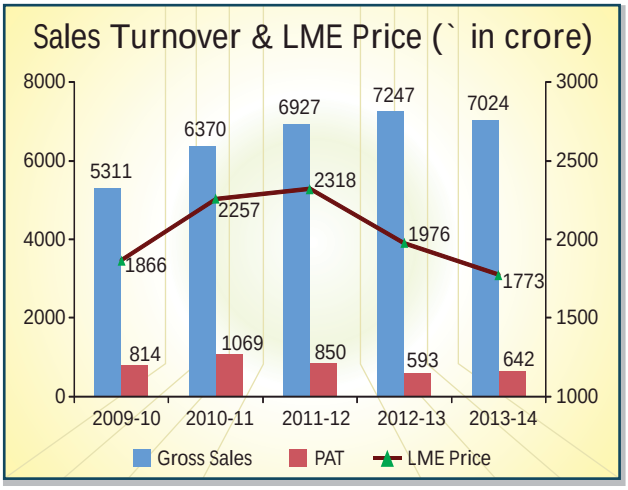
Your Company continues to implement and maintain the international standard SA 8000:2008 with the objective of creating a decent work place which aids in talent acquisition and talent retention in addition to promotion of an ethical image of the Company.

All units including Corporate Office have been re-certified to SA 8000 standard as on date and the certificate is renewed whenever it falls due.

Corporate Social Responsibility (CSR)

As a responsible corporate citizen, your Company pays utmost attention to the local area development around operating units of the Company. Your Company is allocating 2% of its net profit for CSR out of which 1% for Periphery Development Programme is spent, primarily through the Rehabilitation and Periphery Development Advisory Committees (RPDACs), set up by the Government of Odisha and 1% through NALCO Foundation, set up based on the Guidelines on CSR for CPSEs, issued by the Department of Public Enterprises (DPE), Govt. of India. In addition, your Company extended financial support of `13.30 crore to Delhi Public Schools (English Medium) and Saraswati Vidya Mandirs (Oriya Medium) at Angul and Damanjodi for providing educational facilities to the children from peripheral areas as a part of Corporate Social Responsibility.

During the year, your Company has spent `29 crore on CSR constituting 4.5% of net profit of the Company which is way beyond the requirement of 2% to be spent on CSR activities under DPE guidelines.



Highlights on Peripheral Development Activities

- Contributed `10 crore to the Chief Minister's Relief Fund, Odisha to assist the Odisha Govt. in meeting the challenges of the Rehabilitation and Construction works following the severe cyclone 'Phailin'. Also distributed relief materials in the affected areas of Balasore, Puri and Ganjam Disricts by incurring an expenditure of `19 lakh.
- Opened an OPD Centre at its Periphery Development Office in S&P Complex, Angul for the benefit of villagers

Mobile health camp conducted at Damanjodi

Foundation Day Lecture by Dr. C. Rangarajan

living in the contiguous villages. After check-up, patients have been given medicines free of cost at the Centre.

- Provided logistic support to Ministry of Textiles at its M&R Complex, Damanjodi for training 238 persons in apparel stitching, out of which 95% are female candidates.
- Contributed `27 lakhs for PARAB, 2013, a State level Tribal Festival of Koraput organised by District Administration at Koraput.
- Organised farmers training programme among the progressive farmers of the surrounding villages for better farming at its M&R Complex, Damanjodi.
- Planted 5,000 nos. of trees with an expenditure of ` 25.00 lakhs in the City of Visakhapatanam (AP) under the Green Visakha Project on the request of District Administration of Visakhapatanam.

Highlights on CSR activities by NALCO Foundation

NALCO Foundation is focused on development of villages located within 15 kms radius of your Company's Mines & Refinery Complex at Damanjodi, Smelter & Power Complex at Angul and also the proposed mining areas at Pottangi in Odisha and Gudem & KR Konda in AP.

Some of the major CSR initiatives undertaken by NALCO Foundation are as follows:

1. Mobile Health Units

Considering the good response, your Company increased the number of Mobile Health Units (MHUs) to 8 from 6, operated during previous year in the periphery villages of its Smelter & Power Complex, Angul (43 villages) and Mining & Refinery Complex, Damanjodi (142 villages) (each unit has four MHUs). The Mobile Health Units of Damanjodi are being operated through Wockhardt Foundation and that of Angul through Lions Club, Angul. These MHUs provide primary health service at the villagers' doorsteps, comprising diagnostics, free medicines and awareness building through Information, Education and Communication (IEC) activities. During the year under report, total 2,463 camps were conducted and total 1,09,166 number of patients from periphery villages of Damanjodi and Angul were treated free of cost.

2. Sponsoring formal education of children living in periphery villages of Damanjodi

Keeping in view that imparting education is the best investment in CSR, your Company continued the unique scheme of sponsoring children to residential schools bearing the entire cost. During the year, 254 more children were sponsored. Total number of students sponsored so far was 655 at a cost of `1.31 crore. The children are from 16 periphery villages of its Mines & Refinery Complex at Damanjodi, in the tribal dominated and Maoist-infested district of Koraput. The Foundation's funding covers all the costs related to study, lodging and boarding of the students across 3 residential schools in Bhubaneswar (Kalinga Institute of Social Sciences) and Koraput (Koraput Development Foundation and Bikash Vidyalaya). The funding for residential education for the enrolled students is planned till they complete schooling.

Employees contribution to Govt. of Uttarakhand for flood victims

Employees of your Company have contributed by way of one day salary amounting to `1.58 crore to the Chief Minister's Relief Fund, Govt. of Uttarakhand for redressal of sufferings of affected people due to devastating floods.

Visit of Parliamentary Committees:

During the year under review, the following Parliamentary Standing Committees visited your Company and reviewed relevant areas:

- Parliamentary Standing Committee on Science, Technology & Environment and Forests visited Bhubaneswar on 28.06.2013.

- Committee on Estimate visited Bhubaneswar on 25.09.2013.
- Departmental Related Standing Committee on Commerce and Industries visited Bhubanswar from 06.10.2013 to 09.10. 2013.

Awards & Recognitions:

Your Company continued to receive accolades from various organizations for its performance in various fields. The following awards received during the year 2013-14, stand ample testimony for the same:

i) 'Golden Performance Excellence Award 2011-12' instituted by Indian Institution of Industrial Engineering (IIIE), Mumbai.

ii) 'Best Corporate Social Responsibility Practices–2013' award for NALCO Foundation, the CSR arm of your Company at the Responsible Business Summit & Awards.

iii) Gem Granites Environment Award for the year 2012-13, by Federation of Indian Mineral Industries (FIMI), for its contributions towards environment management at the Panchpatmali Bauxite Mines, in Koraput, Odisha.

iv) EEPC (Eastern Region) Gold Trophy, as Top Exporter in the Large Enterprise Category, for its outstanding export performance during the year 2011-12.

v) IIM Non-ferrous Best Performance Award for FY 2012-13 amongst the large integrated plants category, instituted by the Indian Institute of Metals.

vi) Award for best practices in safety, health and environment among the industries in Odisha from Govt. of Odisha

vii) Best Export Award for the year 2010-11 of Govt of Odisha.

viii) 45th EEPC India National Award for outstanding export performance during 2012-13

ix) Think Odisha Leadership Award for adopting the best environment practices from the Times of India Group & Tefla.

x) Panchapatmali Bauxite Mines bagged 4 awards in various categories during 16th Mines Environment & Mineral Conservation Week (MEMC): 2013-14, held under the aegis of Indian Bureau of Mines (Bhubaneswar Region).

xi) Alumina Refinery was awarded with Best Practices on Safety, Health & Environment by Directorate of Factories & Boilers, Odisha.

xii) Alumina Refinery was awarded Kalinga Safety Award–2013 for Best Safety Practice in Aluminium Industry Category.

xiii) Panchpatmali Bauxite Mines was awarded 1st Prize for Top Soil Management, 1st Prize for afforestation, 2nd Prize in the reclamation and rehabilitation and 2nd prize in overall environmental performance in the fully mechanized mines (except Keonjhar & Sundergarh) category from Indian Bureau of Mines.

xiv) NALCO has bagged Performance Excellence Award-2013, in Golden Category from Indian Institution of Industrial Engineering, during the 18th CEOs Conference at Mumbai.

xv) NALCO has bagged the Eastern Region Export Excellence Gold Trophy from Federation of Indian Export Organizations (FIEO) for the year 2012-13, in Premier Trading House – Non-MSME category.

xvi) Panchpatmali Bauxite Mines of NALCO has bagged the "Sita Ram Rungta Social Awareness Award 2013-14", instituted by Federation of Indian Mineral Industries (FIMI) at New Delhi.

Projects Under Implementation

Progress made in the various projects under implementations is given below:

Alumina Refinery- Upgradation Project:

Commissioning activities for capacity up-gradation of 4th Stream of Alumina Refinery from 5.25 lakh TPY to 7.0 lakh TPY and that of Bauxite Mines from 6.3 Million TPY to 6.825 Million TPY at an estimated project cost of ` 409 crore has been completed.

Utkal – E Coal Block:

Utkal-E Coal Mine Project with total mineable reserve of 67.49 million tons is under implementation at a cost of ` 337.61 crore (at May, 2011 price level).

Major milestones like Environmental Clearance from MoEF, approval of Mining Lease by Ministry of Coal, Govt. of India and Consent to Establish from Odisha State Pollution Control Board (OSPCB), approval for drawal of water from Govt. of Odisha, DGPS survey of mines lease area, approval of R&R Colony Master plan and submission of revised mining and mine closure plan, etc. have been achieved.

Activities for acquisition of Govt. as well as private land, forest clearance are in progress.

47.6 MW Wind Power Project-II in Rajasthan:

Commissioning of 47.6 MW wind power project II at Jaisalmer, Rajasthan at an investment of ` 283 crore was completed on 29.01.2014. During the year the plant generated 34 MU. The plant is registered with IREDA for availing Generation Based Incentive and also registered with NLDC for availing REC benefits, which would offset your Company's Renewable Power Obligation.

Roof Top Solar Power Project:

As a part of green initiative, your Company has commissioned roof top solar system at Corporate Office building (160 kwp) in May, 2014 and taken up installation of roof top solar system in township buildings (100 kwp) at Bhubaneswar in March, 2014.

MoU Performance

Based on financial performance and achievement of other parameters laid down, your Company is likely to be rated 'Excellent' as per the Memorandum of Understanding (MoU), signed by the Company with the Government of India for the Financial Year 2013-14.

Signing of MoU for 2014-15 with Ministry of Mines

Implementation of Official Language Policy

In accordance with the policy of the Govt. of India, all out efforts were continuously made for progressive improvement in use

of Hindi in all its units and Head Office. All the documents falling under Section 3 (3) of Official Language Act were issued in bilingual form. Hindi workshops were organized for employees to make them efficient to use Official Language in their day-to-day official work. To bring awareness among the employees, Hindi fortnight and Hindi day were observed wherein many competitions were organized for Hindi speaking, Non-hindi speaking employees and students and prizes were given. In order to encourage employees to do official work in Hindi, incentives & cash awards were given to 78 employees who passed Praveen and Pragya examinations in Hindi under Hindi Teaching Scheme, Govt. of India.

The Official Language Implementation Committee meetings were also organized to encourage the employees to implement Official Language Hindi.

Sports

Your Company continues to promote sports and sports persons in the country. In that direction, your Company sponsored different State level and National level sports like Hockey, Basketball, Golf and Volleyball tournaments.

As a matter of policy, the Company facilitates sports persons of the State participating and excelling in the field of sports on Utkal Divas to encourage upcoming talents.

Vigilance

Vigilance department in your Company acts as an aid and assistance to the management in various functions to prevent corruption and to bring transparency in the system.

As a part of preventive vigilance drive, the following actions were taken during the year:

- 11 vigilance awareness training programs were organized at different locations of the organization for sensitizing employees about various rules, CVC Guidelines to bring about transparency in the system.
- Vigilance Awareness Week was celebrated from 28.10.2013 to 02.11.2013 at all the units of your Company including Corporate Office and Regional Offices. Apart from conducting seminars, various competitions like, elocution competition among the employees, school and college students were organized in different languages and prizes were distributed to the winners.
- surprise checks, sample tests, regular inspections, CTE type intensive examination etc. were given priority.

During the year, Vigilance department had given various systemic improvement suggestions such as:

- Modification in the Recruitment rules of the Company – Recruitment of Graduate Engineers through GATE.
- To have a check on unauthorised occupation of NALCO's land and quarter.
- Uniform House allotment policy for the Company.
- Bring about transparency in the vehicle hiring contracts.
- Systems to have a check on fraudulent tour bills.
- Transparency in the moderation of ACRs and Departmental Promotions.
- Periodic review of standardised items.
- Rotation of employees in sensitive posts and uploading of the record of sensitive posts in the HR Modules.
- Proper use of discretionary powers of Executive Directors.

Implementation of Right to Information Act

Your Company as a responsible corporate citizen has adopted a fairly transparent mechanism of information sharing with all stakeholders including the public even before the RTI Act, 2005 came into existence. The statutory responsibility under the RTI Act is diligently implemented by nominating senior officials as Appellate Authority, PIO & APIOs in addition to sharing the relevant information in the Company's website. Your Company has an excellent track record in implementation of the RTI Act.

Sustainable Development Report/ Business Responsibility Report.

Business Responsibility Report

As per clause 55 of the Listing Agreement, all listed Companies are required to submit a Business Responsibility Report describing various initiatives taken by the Company on social, environmental and governance perspective. Accordingly, Business Responsibility Report for 2013-14 is attached at **Annexure-I** which forms part of this Annual Report.

Contribution by NALCO Ladies Club to Chief Minister's Relief Fund

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo.

As a pioneer, your Company started adopting International Standard like ISO-50001 Energy Management System in its production units. Captive Power Plant, Angul got certified to ISO-50001 Energy Management System in February'2013 and have successfully completed the two surveillance audits during 2013-14. The Alumina Refinery Plant, Damanjodi Unit got certified to ISO-50001, Energy Management System in March'2014. Implementation of ISO-50001 Energy Management System in Smelter Plant, Angul is in progress.

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the **Annexure-II** to this report.

Particulars of Employees

As per Notification No. GSR 289(E) dated 31st March, 2011 issued by the Ministry of Corporate Affairs, Govt. of India, amending the provisions of the Companies (Particulars of

Shri R. Sridharan, AS(Mines) inaugurating the Pavilion at PDCA- 2014, Toronto

Employees) Rules, 1975 issued in terms of Section 217(2A) of the Companies Act, 1956, Government companies are not required to include the statement of particulars of employees drawing remuneration of `60 lakhs or more per annum, if employed throughout the financial year or `5 lakhs per month, if employed for part of the financial year. The information has not been included as part of the Directors' Report as per the said Notification as NALCO is a Government Company.

Listing in Stock Exchanges & Payment of Listing Fees

The equity shares of your Company continued to be listed on BSE Limited and NSE Limited, the premier stock exchanges of the country, having nationwide trading terminals. The listing fee for the year 2013-14 was paid to these stock exchanges on time.

Payment of Annual Custodial Fees to Depositories

The in-house Share Registry of your Company is providing services of both physical and electronic segments of share transfer and allied activities under one roof as per SEBI guidelines. For the purpose of holding shares in electronic mode, your Company has established direct electronic connectivity with both the Depositories (NSDL & CDSL) since the Depository services started in India. Annual connectivity fees and custody fees/issuer fees for the year 2013-14 were paid to both NSDL and CDSL on time.

Directors' Responsibility Statement

In pursuance of Section 217(2AA) of the Companies Act, 1956 which requires inclusion of Directors' Responsibility Statement, the Directors hereby confirm:-

Your Directors, pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, hereby confirm:

(i) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;

(ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fare view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;

(iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act,1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the directors have prepared the annual accounts on a going concern basis.

Corporate Governance

A report on Corporate Governance in line with Clause 49 of the Listing Agreement and DPE guidelines is prepared and placed at **Annexure-III** to this report. As a part of good Corporate Governance practice, your Company, like previous years, got the Secretarial Audit carried out voluntarily by a practicing Company Secretary for the year 2013-14. The Secretarial Audit Report is placed at **Annexure-IV** to this report.

Management Discussion & Analysis Report

Management Discussion & Analysis report is placed at **Annexure-V** to this report.

Review of accounts by Comptroller and Auditor General of India

You will be pleased to know that your Company has received 'Nil' comments on the accounts for the financial year 2013-14 from the Comptroller and Auditor General of India.

Their comments are being placed elsewhere in this Annual Report.

Public Deposits

During the year under report, your Company neither accepted nor renewed any public deposits.

Auditors

Statutory Auditors

M/s. Agasti & Associates and M/s. ABP & Associates were appointed as Joint Statutory Auditors of your Company by the

Comptroller and Auditor General of India for the financial year 2013-14. The Joint Statutory Auditors have given unqualified report on the accounts of the company for the financial year 2013-14.

Cost Auditors

In pursuance of section 233(B)(2), M/s. Dhal & Co. have been appointed as Cost Auditors of your Company for the financial year 2013-14. The due date for filing the Cost Auditors report for the year is 27th September, 2014 and same shall be filed within prescribed due date.

Secretarial Auditors

M/s. D S Mishra & Associates have been appointed as Secretarial Auditors for the year 2013-14.

Internal Auditors

Your Company appointed the following auditing firms for carrying out internal audit functions of your Company for the financial year 2013-14:

M/s Tej Raj & Pal (for Corporate Office,Bhubaneswar)

M/s B. N. Mishra & Co. (for Smelter Plant, Angul)

M/s GNS & Associates (for CPP, Angul)

M/s G.R Kumar & Co. (for M&R Complex, Damanjodi & Port Facilities, Visakhapatnam)

M/s P. Agarwal & Associates (for Northen Regional Office, New Delhi)

M/s DPSV & Associates (for Eastern Regional Office, Kolkata)

M/s Kumbhat & Co. (for Southern Regional Office, Chennai)

M/s Thingna & Contractor (for Western Regional Office, Mumbai)

Directors

The following changes took place in the Board of Directors of your Company since the last report:

Appointment:

- Shri K C Samal was appointed as Director (Finance) w.e.f 03.01.2014.
- Ms. Soma Mondal was appointed as Director (Commercial) w.e.f. 11.03.2014.

Cessation:

- Shri V K Jain and Shri P C Sharma, ceased to be Directors on the Board of your Company w.e.f 21.03.2014.
- Shri D S Mishra, IAS, Joint Secretary, Ministry of Mines ceased to be a Director on the Board of your Company w.e.f 11.07.2014.

Your Directors wish to place on record their appreciation for the valuable services rendered by Shri V K Jain, Shri P C Sharma and Shri D S Mishra during their tenure on the Board of your Company.

Acknowledgement

Your Directors gratefully acknowledge and place on record for the support, co-operation and valuable guidance received from the Shareholders, the Ministry of Mines and other Ministries/Departments of the Government of India, Government of Odisha, Mahanadi Coalfields Ltd., Indian Railways, other Government agencies and CPSEs and also express their sincere thanks to the Comptroller and Auditor General of India, the Principal Director of Commercial Audit & Ex-officio Member, Audit Board, Kolkata, Statutory Auditors, Cost Auditors, Secretarial Auditors, Internal Auditors, Bankers and JV Partners, business associates for the co-operation rendered by them.

Your Directors also acknowledge the support extended by the valued and esteemed domestic and international customers, vendors, solicitors and also look forward for maintaining such mutually supportive business relationship in the coming years too.

The success of your Company is due to commitment, hard work and dedicated efforts made by all the employees at various levels and due to the active support and co-operation received from the Trade Unions & Officers' Associations during the year under report.

For and on behalf of Board of Directors

(Ansuman Das)
Chairman-cum-Managing Director

Place: Bhubaneswar
Date: 20.08.2014

Inauguration of roof top solar system at Corporate Office

Annexure-I

Business Responsibility Report for 2013-14

Section A: General Information about the Company

S.No	Particulars	Company Information
1	Corporate Identification Number (CIN) of the Company	L27203OR1981GOI000920
2	Name of the Company	National Aluminium Company Limited
3	Registered Address & Corporate Office	NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar -751061, Odisha, India
4	Website	www.nalcoindia.com
5	E-mail ID	knravindra@nalcoindia.co.in (Company Secretary)
6	Financial year reported	FY 2013-14
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Bauxite Mines : Industrial Group Code 072 Alumina Refinery : Industrial Group Code 201 Aluminium Smelter : Industrial GroupCode 242 Electricity Generation : Industrial GroupCode 351
8	List of three key products/services that the company manufactures/provides 	**1. Alumina** • Calcined Alumina • Alumina Hydrate • Specialty Alumina & Hydrates **2. Aluminium** • Standard Ingots • Sow Ingots • Wire Rods • Billets • Cast Strip • Flat Rolled Products (Coils, Sheets & Chequered Sheet) • T-Ingots **3. Electricity**
9	Total number of locations where operations are undertaken by the company: (1) Number of International Locations (2) Number of national locations	1. No. of International Locations : NIL 2. National Locations : a) Corporate Office at Bhubaneswar b) Mines & Refinery Complex, Damanjodi-763008, Dist. Koraput, Odisha c) Smelter Plant, Nalco Nagar, Angul-759145,Odisha d) Captive Power Plant, Angul - 759122, Odisha e) Port Facilities, Port Area, Visakhapatnam – 530035, Andhra Pradesh f) Wind Power Plant-I : Gandikotta, Dist.YSRKadappa, Andhra Pradesh g) Wind Power-II : Dist. Jaisalmer, Rajasthan h) No. of Port Facilities : 03 (Visakhapatnam, Kolkata, Paradeep) i) No. of Regional Offices : 04 (New Delhi, Mumbai, Chennai, Kolkata) j) Branch Office : 01 (Bengaluru) k) No. of Stockyards : 09 (Jaipur, Faridabad, Baddi, Kolkata, Bengaluru, Chennai, Visakhapatnam, Bhiwandi & Silvassa)

10	Markets served by the Company	NALCO is a leading producer of Aluminium metal in the country. Aluminium markets served by the company (in addition to India) include: Bangladesh, Korea, Malaysia, Singapore, Vietnam, Turkey, Thailand, Indonesia, China, UAE, Israel, Taiwan, Sri Lanka, etc. Calcined Alumina produced in excess of our own requirement is exported. Alumina markets served by the company (in addition to India) include : China, Egypt, Georgia, Iran, Romania, UAE, Ukraine, Bahrain, Qatar, etc.

Section B: Financial Details of the Company

S.No	Particulars	Company Information
1	Paid up Capital (INR), as on 31.3.14	1288.62 crores
2	Turnover (INR) : Gross : Net	7024.27 crores 6648.80 crores
3	Profit after Tax (INR)	642.35 crores
4	Total Spending on Corporate Social Responsibility (CSR) a) in **INR** b) As a percentage of profit after tax (%)	a) 29 crores on CSR b) As a % of PAT (INR crore) of previous year : **4.89%**
5	List the activities, in which expenditure in 4 above, has been incurred	a) Promotion of Education b) Health and Sanitation c) Building Community Infrastructure d) Environmental Sustainability e) Relief Measures f) Enhancing Vocational Skills g) Promoting Cultural activities of Local Community h) Reaching out to Marginalised, Differently-abled persons in Society

Section C – Other Details

1. Does the Company have any Subsidiary Company/ Companies?

   No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

   Not applicable

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

   Suppliers, Customers etc. do not participate in Business Responsibility initiatives taken by the organization.

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

   a) *Director (Production) is spearheading the Sustainable Development(SD) initiatives whereas Director (HR) is leading the Corporate Social Responsibility(CSR) activities.*

b. 1) Details of the BR head for Sustainable Development :

Sl.No.	Particulars	Details
1	DIN Number	03619725
2	Name	Shri S. S. Mahapatra
3	Designation	Director (Production)
4	Telephone Number	0674-2300660
5	e-mail ID	dirprod@nalcoindia.co.in

b.2) Details of BR head for CSR activities :

Sl.No.	Particulars	Details
1	DIN Number	02594088
2	Name	Shri S. C. Padhy
3	Designation	Director (HR)
4	Telephone Number	0674-2300430
5	e-mail ID	dirhr@nalcoindia.co.in

b.3) NALCO constituted CSR & SD Committee in 2011. The present Committee comprises of 2 functional directors and 2 independent directors. During the reporting period, the committee met on 1st August 13.

The Committee members as on 31.3.14 are :

Name	Designation	DIN Number
Shri Qaiser Shamim	Independent Director and Chairman of Committee	03560915
Shri S S Mahapatra	Director (Production)	03619725
Shri S. C. Padhy	Director (HR)	02594088
Shri Sanjiv Batra	Independent Director	00602669

2. Principle-wise (as per National Voluntary Guidelines (NVGs)) Business Responsibility Policy/policies (Reply in Y/N)

The 9 principles (P1 to P9), are mentioned below :

Principle 1 : *Business should conduct and govern themselves with Ethics, Transparency and Accountability.*
Principle 2 : *Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.*
Principle 3 : *Business should promote the well being of all employees.*
Principle 4 : *Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.*
Principle 5 : *Businesses should respect and promote human rights.*
Principle 6 : *Business should respect, protect, and make efforts to restore the environment.*
Principle 7 : *Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.*
Principle 8 : *Businesses should support inclusive growth and equitable development.*
Principle 9 : *Businesses should engage with and provide value to their customers and consumers in a responsible manner.*

The response regarding the above 9 principles (P1 to P9) is given below

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for 9 NVG?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Yes. The spirit and intent of all applicable national guidelines are reflected in the policies articulated by NALCO and implementation of these policies are through Management Systems addressing applicable key elements of international standards such as ISO 9001, ISO 14001, OHSAS 18001 , ISO 50001 and SA 8000.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y Y	Y Y	Y Y	Y Y	Y Y	Y Y	Y Y	Y Y	Y Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online? **	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**

NVG Principles	Web-link of Policies
Principle 1: Ethics, transparency & accountability	1. Sustainable Development Policy 2. Code of Business Conduct and Ethics for Board Members and Senior Management 3. Fraud prevention policy 4. Whistle blower policy 5. Code of Conduct for prevention of Insider Trading All the above policies available in http://www.nalcoindia.com/Policies.aspx
Principle 2: Sustainability in life-cycle of product	1. Sustainable Development Policy http:// www.nalcoindia.com/Policies.aspx
Principle 3: Employee well-being	1. Mission Statement available in http://www.nalcoindia.com 2. HR vision and mission in Corporate Plan 2020 in NALCO intranet http://nalcoinsight/downloads/CorpPlan%202020.pdf
Principle 4: Stakeholder engagement	1. Sustainable Development Policy http://www.nalcoindia.com/Policies.aspx 2. Partially addressed in Corporate Plan 2020 in NALCO intranet http://nalcoinsight/downloads/CorpPlan%202020.pdf
Principle 5: Promotion of human rights	1. Sustainable Development Policy http://www.nalcoindia.com/Policies.aspx 2. Mission Statement available in http://www.nalcoindia.com
Principle 6: Environmental protection	1. Sustainable Development Policy http:// www.nalcoindia.com/Policies.aspx
Principle 7: Responsible public policy advocacy	Partially addressed in 1. Corporate Plan 2020 : http://nalcoinsight/downloads/CorpPlan%202020.pdf
Principle 8: Inclusive growth	1. Sustainable Development Policy http:// www.nalcoindia.com/Policies.aspx 2. NALCO FOUNDATION Vision & Mission www.nalcoindia.com/NALCO_FOUNDATION.pdf
Principle 9: Customer value	1. Sustainable Development Policy http:// www.nalcoindia.com/Policies.aspx 2. Mission Statement : available in http://www.nalcoindia.com

2a. If answer to S.No. 1, against any principle is 'No', please explain why: *(Tick up to 2 options)*

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task			NOT APPLICABLE						
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to Business Responsibility(BR):

Response with reference to BR Report (BRR) framework:

Sl.No.	Question	Response
1.	Frequency of review by the Committee of the Board to assess the BR performance.	*Review of BR performance by the Board level committee is done annually. During the FY, 2013-14 the committee of the board met on 1st Aug.'13 to review CSR and SD activities*
2.	BR and Sustainability Report published.	• *NALCO developed its first Sustainable Development report based on National Voluntary Guidelines issued by Ministry of Corporate Affairs in 2011 for the FY 2011-12 which was released in FY 2012-13. This report entails our performance related to 9 principles on the NVG. The web-link for the sustainability report published for FY 2011-12 is:* *http://www.nalcoindia.com/download/ Sustainable_Development_Report_2011-12.pdf* • *Business Responsibility Report for FY 2012-13 was published along with the Annual Report for 2012-13 in August 2013.* • *A detailed Sustainable Development Report for the FY 2012-13, based on Global Reporting Initiative (Amsterdam, The Netherlands) G3.1 guidelines, has been completed during the financial year 2013-14 and submitted for external assurance by a third party.* • *The Business Responsibility Report for FY 2013-14 is being published as part of the Annual Report for F.Y.2013-14.*

Section E: Principle-wise Performance

Principle 1 : Business should conduct and govern themselves with Ethics, Transparency and Accountability.

The corner stone of Nalco's corporate governance philosophy is anchored in the values of transparency, empowerment and accountability seeking to ensure superior "Triple Bottom Line" performance. Aspects of Integrity, Ethical practices, Transparency are enshrined in our Sustainable Development Policy.

Response with response to BRR framework:

Sl.No.	Question	Response
1.1	Policy relating to ethics, bribery and corruption.	*A comprehensive code "The Code of Business Conduct & Ethics for Board Members and Senior Management", Fraud Prevention Policy , Whistle Blower Policy & "Conduct, Discipline and Appeal Rules" for officers are approved by the Board and are available in website. Similarly, "Standing Orders" applicable for all workmen are as per statute. To bring further transparency in procurement transactions, Integrity Pact is adopted.* *Sustainable Development Policy reflects Nalco's commitment to ethical conduct of business, transparency and accountability.* *The policies extend to everyone with whom the organization is associated and govern the behavior of employees, suppliers, contractors, customers and other third parties who work with us.*
1.2	Stakeholder complaints received and satisfactorily resolved by the management.	*i. During financial year 2013-14, 105 vigilance complaints were received. In addition to this, 46 complaints were pending from previous financial year. As on 31.3.14, out of total 151 complaints, 127 have been resolved satisfactorily and 24 are pending at different stages of investigation. Based on vigilance investigations, charge could be established against 52 employees, 14 employees were issued suitable caution letter and 8 employees have been issued charged memorandum by the respective disciplinary authority.* *ii. Based on investigations, suggestions have been incorporated in the system for ensuring improvement & transparency.* *iii. Number of investor complaints received during the F.Y. 2013-14 is 97, all of which have been successfully resolved.*

Principle 2 : Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

NALCO's products are designed to serve the needs of national as well as international markets. The design & development of products and associated processes incorporates different aspects of sustainability. Safety, Occupational Health and Environmental issues are comprehensively addressed in our Sustainable Development policy.

Response with reference to BRR framework

Sl.No.	Question	Response
2.1	Products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	*Nalco's products, Aluminium and Calcined Alumina, are widely sought by customers because of the high quality of the products & associated service. Quality of Aluminium produced is as per P1020A specifications required for London Metal Exchange registration. Similarly, Alumina Hydrate and Calcined Alumina are produced as per internationally recognized metallurgical grade alumina standard.* *Our products, through our customers, reach the end users for use in different sectors. In the transportation sector, use of Aluminium reduces the overall weight of an automobile/ aircraft or commercial vehicle as compared to other metals. This improves the fuel economy resulting in net positive environmental impact achieved by significant reduction of emissions during vehicle use phase.* *Through Research & Development activities, efforts are made towards bringing in innovation & improvements to consistently produce quality products with better energy efficiency, thereby reducing the carbon footprint.* *The three main product categories are* ***Aluminium, Calcined Alumina and Electricity.*** *Environment concern, risks, opportunities for these are addressed as detailed below : at "a"*
2.2	Details in respect of resource use (energy, water, raw material etc.) per unit of product (optional) for each such product.	*i) Resource use efficiency is integrated into our product and process design. Specific consumption achieved during the F.Y. is given below at "b"* *ii) Continual improvements in our processes have facilitated production of desired quality of Calcined Alumina and Aluminum. By producing and supplying to customers, on consistent basis products as per the specified quality, optimum use of energy and critical inputs in the processes at Customers end are ensured.*
2.3	Procedures for sustainable sourcing (including transportation)	*At NALCO, sustainable sourcing of raw materials has been primarily ensured by establishing the major manufacturing units close to the source of raw material. Alumina Refinery is situated close to our Bauxite Mines from which we source 100% of our bauxite requirement. Similarly, the Captive Power Plant for our Smelter is close to the coal mines of M/s MCL from which coal is procured as per fuel supply agreement (FSA). Shortfall in coal availability, due to gap between our requirements and receipts through FSA is bridged by purchase of coal through e-auctions and/or import, based on cost benefit analysis. All bulk raw materials ie. Caustic soda, lime, CT Pitch, CPCoke, Aluminium Fluoride etc. are procured from multiple vendors in order to have better reliability of supply. Continuous efforts are made to expand the vendor base to ensure sustainability in sourcing stores & raw materials.* *Environmental footprint is reduced by transportation of bauxite in a single flight multi-curve long distance cable belt conveyor. Similarly a dedicated merry-go-round (MGR) captive rail system is used between the Captive Power Plant to Smelter and the Bharatpur Coal Mines of MCL.* *Due to our direct control over the mining, transportation & extraction activities, sustainability is ensured throughout the process.* *Water is sourced from river and streams in proximity of the units.*
2.4	Procurement from local and small producers	*Special thrust is given for the development of MSE (Micro and Small Enterprise)units. Opportunity is provided to them to produce and supply various input materials & services. During the FY 2013-14, four units from Odisha, two of them in the proximity of our plants were accorded ancillary status. The total number of ancillary units has now increased to 57. The purchase and other services from MSME units has increased by 42.87% during the FY 2013-14 i.e from ` 189.26 crores during FY 2012-13 to ` 270.40 crores in FY 2013-14. The total procurement from MSME units (including those from outside Odisha) stands at ` 294.41 crores during FY 2013-14 compared to ` 230.57 crores during FY 2012-13 which shows an increase of 27.69%.* *Continuous efforts are made to engage the local MSEs and inducing them to improve their contribution. Two sub-plant level ancilliary committees meetings were held at our units i.e. Angul and Damanjodi during the FY 2013-14. Buyers and sellers interaction meeting, vendor training programme for SC&ST MSEs and Enterpreneurship development programme were conducted at our Training Institute at S&P Complex,*

Sl.No.	Question	Response
		Angul. Enterpreneurs week was also organized at M&R Complex with special focus on developing entrepreneurs amongst SC&ST aspirants. We also participated in various MSE exhibitions like MSME Enterprise Odisha 2013 at Cuttack; Enterprise Odisha 2013 at Bhubaneswar and Odisha MSME International Trade Fair 2014 at Bhubaneswar.
2.5	Recycling of Products & Waste	*Being in the field of producing primary aluminium, the thrust is given to recycling the inevitable process wastes to the maximum possible extent. The aluminium dross generated in melting furnaces are processed in autogenous mills where metal is separated from bath material and the recovered metal is recycled. The aluminium wedges used for bypassing pots, pot hoods, pot cowl, residual metal pad etc. are melted and recycled through potline scrap melting furnace.* *Priority is given to sustainable use of water and we recover and reutilize water where ever possible. All our production units are zero discharge units with respect to their waste water and sewerage water management. The treated waste water was reused in process and sewerage water is used for horticulture. Augmentation and recycling of waste water at our Smelter plant by reverse osmosis process is planned. In CPP, the ash pond overflow water is recycled & reused in the ash disposal system and during year 2013-14, from the ash pond 1,29,81,238 cubic meter water was recycled. Recovery and reuse of different wastes etc. in our Operations, are stated at "c", below:*

(Please refer 2.1)

a) Environment concerns, risks, opportunities addressed, as mentioned Product-wise :

Products	Environmental concerns	Risk	Opportunity
Alumina	Caustic, Redmud, Fly Ash	Caustic spillover, air pollution, Ash spillage	Utilising waste like redmud, fly ash
Aluminium	Fluoride emission, waste like spent potline	Fluoride contamination	Spent potline utilization in Cement industry
Electricity	Ash	Air Pollution, Ash Spillage	Fly ash utilization in brick making, cement plant etc.

- Environmental concerns and risks are addressed through efficient process control and special storage in redmud ponds, ash ponds.

(Please refer 2.2)

b) Specific Consumption:

Specific Consumption per unit of production	Norm/MOU Target	Previous Year (F.Y. 2012-13)	Current Year (F.Y. 2013-14)
Explosive consumption in Bauxite Mines	165 gm/T	125 gm/T	120 gm/T
HFO consumption in Alumina Plant	81 Ltr/MT	83.79 Ltr/MT	81.59 Ltr/MT
DC Energy consumption in Smelter	13500 KWH/MT	13394 KWH/MT	13408 KWH/MT
AC Energy consumption in Smelter	14850 KWH/MT	14705 KWH/MT	14754 KWH/MT
HFO consumption in Smelter	90 Ltr/MT	71 Ltr/MT	57 Ltr/MT
Aluminium Fluoride Consumption in Smelter	19.5 Kg/MT	18.5 Kg/MT	17.71 Kg/MT
Fuel Oil consumption in CPP	1.1 ml/KWH	3.27 ml/KWH	1.01 ml/KWH

(Please refer 2.5)

c) Recycling of waste:

Unit	Utilisation	Percentage
Bauxite Mines	Overburden is utilized for reclamation for mined out areas	100%
Alumina Refinery	Caustic Soda is recycled from redmud	6.55%
	Ash utilization	69.64%
Smelter	Aluminium dross recycled as input to process	70.80%
CPP	Ash Utilisation	71.67%

Principle 3 : Business should promote the well-being of all employees.

Caring for the well-being of employees and nurturing their talent is an integral part of our culture. Through employee engagement & empowerment we promote fair, equitable, non-discriminatory management practices and create a high performance work culture. The Mission Statement highlights training and development, which is accorded priority for nurturing our employees in order to realise our growth strategies. NALCO is sensitive to the needs of its employees and has formulated various policies in order to take care of the safety & well being of its employees. The commitment of management towards employee well being is reflected in the following:

Code of Business Conduct and Ethics for Board Members and Senior Management

Manage personnel and resources to enhance the quality of working life

"Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them to deliver their best. The Board Members and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and cooperation, thus enhancing the quality of working."

Internal Complaints Committee on Sexual Harassment of Women

NALCO has constituted Internal Complaints Committee on Sexual Harassment of Women in view of Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013 to protect women against any kind of sexual harassment at workplace and redressal of such complaints and other related matters.

Occupational, Health & Safety policy

NALCO is committed to maintaining a safe, healthy & sustainable working environment in all its operations.

Social Accountability Policy

"We at NALCO are committed to provide a socially accountable work environment to all employees and uphold ethical business practices by respecting employees' rights.

Safety code for contractors (works & services)

"Safety Code for contractors is mainly aimed at use of personal protective equipment by contract workers working in different types of work areas in mines and plants. It is expected that Engineer-In-Charge of each section/area will carefully go through the instructions and take adequate care of contractor workers on the need to comply with the instructions contained in the code."

HR Development Policy

"Our HR Development policy promotes systems & procedures that are free from discrimination and are well documented in the HR Manual. We communicate the terms and conditions of employment prior to recruitment and through the induction program".

Employees Grievance Mechanism

"Employees use employees grievance handling procedure for grievances related to discrimination".

Response with reference to BRR framework

Sl.No.	Question	Response
3.1	Total number of employees.	*7425*
3.2	Total number of employees hired on temporary/ contractual/ casual basis.	*10 nos. contractual employees* *For outsourced activities in Maintenance, Sanitation, Conservancy etc., Job Contractors have engaged 10,393 employees.*
3.3	Number of permanent women employees.	*349*
3.4	Number of differently-abled permanent employees.	*79*
3.5	Employee association that is recognized by management.	*Nalco has many registered unions at its different production units and offices. The unions having majority membership in each unit are also accorded the status of 'Recognised Unions'.*
3.6	Percentage of your permanent employees is members of this recognized employee association.	*About, 100% employees are members of the Registered Unions. As far as, the Recognised Unions are concerned, 46.64% of unionized employees are members of these Unions as on 31.3.2014.*

Sl.No.	Question	Response		
3.7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	*Category*	*No. of complaints (filed during the FY 2013-14 including pending since previous years)*	*No. of complaints pending as on 31.3.14*
		Child Labour/ Forced labour/ involuntary labour	*Nil*	*Nil*
		Sexual harassment	*02*	*01*
		Discriminatory employment	*Nil*	*Nil*
3.8	Employees that were given safety and skill upgradation training in the last year.	• Permanent Employees-44.08% • Permanent women employees-22.48% • Casual/ Temporary/ Contractual Employees-14.12% • Employees with disabilities-5.88%		

Principle 4 : Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Nalco believes that stakeholder engagement helps in building trust based relationship and is a key to identify business risk. Sustainable Development Policy underlines Stakeholder engagement through pursuit of advancements & Continual Improvements with a view to enhancing value creation for Stakeholders. The statements in the following approved documents, highlight the importance accorded to same,

Document	Statement
Code of business conduct and ethics for board members and senior management.	Be accountable to Company's stakeholders.
Mission statement.	To satisfy the customers and shareholders, and employees and other stakeholders.
Corporate Plan and Vision Document 2020.	It is essential to strengthen external communication with the Company's stakeholders.

Response with reference to BRR framework

Sl.No.	Question	Response
4.1	Mapping of internal and external stakeholders.	*Nalco has a suitable mechanism for interaction with key stakeholders i.e. Customers, Shareholders & Financial Institutions, Govt. and their representatives, Regulatory Authorities, Industry Association, local communities, civil society organizations, employees, service providers and job contract workers, vendors.* *The above stakeholders are engaged through formal structured process, in most of the cases. The information regarding stakeholders is periodically updated through formal or informal channel of communication.* *Also, in respect of the provisions of Right to Information Act (RTI), a Public Information Officer responsible for providing information sought by stakeholders is appointed. During FY 2013-14, a total of 199 queries were received including pending 19 queries from previous FY 2012-13. Out of this, 184 queries have been settled while the balance 15 is in different stages of processing.*
4.2	Identification of disadvantaged, vulnerable and marginalized stakeholders.	*In the vicinity of our manufacturing facilities at Damanjodi and Angul, communities belonging to economically disadvantaged, vulnerable and marginalised group of society are identified. A need assessment survey is carried out to identify the needs of the communities. The inhabitants of villages located within 15 km radius of Nalco's Mines and Plants and the proposed mining areas at Angul, Koraput are provided benefits under the CSR program.*
4.3	Special initiatives taken to engage with the disadvantaged, vulnerable and marginalized stakeholders.	*During the FY 2013-14, 254 tribal children of periphery villages at Damanjodi were admitted in residential schools at Koraput, Jeypore and Bhubaneswar. Since the inception of this scheme, 655 children have benefitted from this opportunity and are still continuing their education in such institutes. The entire cost of their education is borne by Nalco Foundation, the CSR arm of the Company.*

Sl.No.	Question	Response
		With addition of two more mobile health units (MHU), the total number of MHUs operating at Angul and Damanjodi has gone upto 8 nos. During the FY 2013-14, 2463 nos. of camps were conducted and total 1,09,166 patients from periphery villages at Damanjodi and Angul were treated and provided medicines free of cost. *Medical support in terms of aids & appliances has also been provided to 80 nos. of differently-abled children at Damanjodi.*

Principle 5: Businesses should respect and promote human rights.

Protecting and respecting human dignity is central to our everyday business operations. Commitment to Human Rights practices and ethics, is reflected in our Sustainable Development Policy. Respect for Human Rights is also incorporated in SA 8000 Management System, implemented at all our production units and Corporate Office. The Social Accountability policy highlights commitment to provide a socially conducive work environment to all employees and uphold ethical business practices by respecting employee's rights. In the job contract conditions, human rights related parameters like child labour , forced/ compulsory labour are addressed to ensure that the service providers implement the same. The employee grievance mechanism encourages venting the voice of employees related to discrimination if any. The Code of Business conduct and ethics for board members and Senior Management , mandates to be fair & not to discriminate on the basis of race, sex, religion and the values of equality, tolerance, respect for others are stressed.

Response with reference to BRR framework

Sl.No.	Question	Response
5.1	Policy on human rights.	*All the manufacturing units of Nalco including Corporate Office have been certified to SA 8000 standard and Human Rights concerns are addressed in this management system, covering suppliers and service providers also.*
5.2	Stakeholder complaints received and satisfactorily resolved by the management in the FY 2013-14.	*One complaint related to sexual harassment was received during the reporting period, while one was pending since previous financial year.* *As on 31.03.2014, only one complaint is pending.*

Principle 6: Business should respect, protect, and make efforts to restore the environment.

At Nalco, we are committed to minimize our environmental footprints from the stage of commencement of operations to the post-closure stage. Review of environment impacts arising out of key business activities are done every year and steps are taken to mitigate the identified impacts. This serves as a basis for various environmental initiatives taken up by NALCO. The Sustainable Development Policy emphasizes specific focus on Environment and Energy related issues. NALCO also has well formulated Environment policy and Energy policy. Management systems are implemented which demonstrate its consciousness and sense of responsibility towards environment and energy management. NALCO's manufacturing units and Port Facility at Vizag are certified to ISO 14001 while the Captive Power Plant and Alumina Refinery are certified to ISO 50001 standard. ISO 50001 system is being implemented in Smelter and Certification is planned in 2014-15.

National Mission for Enhanced Energy Efficiency:

Under this mission, NALCO has been identified as one of the energy intensive industry and therefore has to achieve energy efficiency targets under the PAT scheme. As a result, NALCO has developed plans towards energy conservation through specific initiatives, regular equipment maintenance and use of alternative source of energy.

Response with reference to BRR framework

Sl.No.	Question	Response
6.1	Extension of policy to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others	*The Corporate Environment Policy is a comprehensive document extended for implementation in all units, operations and offices, with objectives derived from the policy specific to area of operation. But it does not extend to suppliers, contractors etc.*
6.2	Strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.	*Several initiatives have been taken to address global environment issues such as climate change, global warming etc. Some of the initiatives are highlighted below:* *The plant for Carbon Sequestration at CPP, commissioned in 2012-13 is under operation during 2013-14 , with reduction of carbon dioxide estimated to be 20 T/acre/year.* *Two Wind Power Projects, one of 50.4 MW at AndhraPradesh and the other project of 47.6 MW at Rajasthan are in operation.* *The PAT scheme is implemented at **S&P Complex and Alumina Refinery** with targets set by BEE for reduction of specific energy consumption to the tune of **5.024%** and **5.54%** respectively. Various projects for energy conservation taken at different units are also available in annual report.*

Sl.No.	Question	Response
6.3	Identification and assessment of potential environmental risks.	*All our manufacturing units are certified to ISO 14001 and OHSAS 18001. All the applicable regulation are complied with. Risks are identified over the product life cycle and detailed at Principle 2.*
6.4	Project related to Clean Development Mechanism (CDM)	*50.4 MW Wind Power Plant-I at Gandikota, Andhra Pradesh has obtained Host Country Approval (HCA) from National CDM authority, Ministry of Environment and Forest, Govt. of India. The project activity is under validation. Estimated amount of annual average GHG emission reductions is 87000 tons of CO2 equivalent.* *For 47.6 MW Wind Power Plant-II at Rajasthan,Project Design Document (PDD) and Project Concept Note (PCN) have been submitted to National CDM Authority (NCDMA), MoEF, GoI for Host Country approval.*
6.5	Other initiatives on clean technology, energy efficiency, renewable energy.	*A Carbon Sequestration Plant is in operation at our CPP where carbon dioxide from flue gas is directly absorbed for growth of algae.* *The Wind Power Plants operating in Gandikota, Andhra Pradesh and Jaisalmer, Rajasthan are the two renewable energy initiatives. Work is in progress for installing 160 KW roof top solar power plant at Corporate office, Bhubaneswar. Order has been placed for solar roof top plant (100 KW) at Nalco Nagar township, Bhubaneswar.*
6.6	Emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported.	*Emissions/ waste generated by the company are within the permissible limits prescribed by CPCB/ SPCB. The environmental statement containing such information is submitted to regulatory authority every year.*
6.7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	*One show-cause notice was issued on 21.03.2014 by Odisha State Pollution Control Board and was pending as on 31.03.2014. Necessary action for quickly resolving the same was taken and the issue got finally resolved in the next quarter .*

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

In the present dynamic business scenario, it is essential to have communication channels with business associates, statutory agencies, state and central government in order to nurture and promote a healthy industrial relationship. Our Corporate Plan advocates strengthening such external communication with business associates, statutory agencies and Govt. authorities. We contribute to various business related development processes by becoming part of various member organizations & associations.

Response with reference to BRR framework

Sl.No.	Question	Response
7.1	Member of any trade and chamber or association.	*Yes, we are members of some of the reputed assosciations. The major ones are :* *1. Aluminium Association of India, Bangalore* *2. Federation of Indian Mineral Industries (FIMI), New Delhi.* *3. National Safety Council, Mumbai* *4. Standing Conference of Public Enterprise, New Delhi.* *5. Confederation of Indian Industry (CII)*
7.2	Through above association advocacy of policy for advancement or improvement of public good.	*We voice the risks, challenges & opportunities facing the Aluminum industry through our involvement in discussions/meetings at industry associations like Aluminium Association of India, CII and FIMI etc at policy as well as at regulatory levels. These collective platforms give us the opportunity to dialogue & evolve strategies for influencing public policies towards the benefits of the industry as well as the society at large.*

Principle 8: Businesses should support inclusive growth and equitable development.

Inclusive growth is accorded top priority in our Sustainable Development policy and therefore focused initiatives on Sustainability and CSR are taken up for the benefit of local and marginalized communities. As a part of the CSR policy, NALCO allocates 2% of the net profits for community development initiatives. Out of this, 1% is spent on CSR activities through Nalco Foundation, the CSR wing of the Company while the balance 1% is allocated to be spent on peripheral development programmes through RPDAC i.e. Rehabilitation and

Periphery Development Advisory Committee set up by Govt. of Odisha. The CSR & sustainability guidelines issued in 2013 by Department of Public Enterprise of Govt. of India are also followed as a result of which various projects in the area of education, health issues etc are implemented.

Response with reference to BRR framework

Sl.No.	Question	Response
8.1	Programmes/ initiatives/ projects in pursuit of the policy.	*Various programmes and initiatives undertaken by NALCO in pursuit of policy & guidelines issued by Department of Public enterprises, Government of India are:* *i) At S&P Complex, Nalco has opened an OPD Centre at its Periphery Development Office, Nalco Nagar, Angul for the benefit of villagers living in the contiguous villages. After check-ups, patients are given medicines free of cost at the Centre. Doctor and Paramedical staffs are available on all working days.* *ii) At M&R Complex, Damanjodi during the current year, 238 persons have been trained in apparel stitching, out of which 95% are female candidates. This programme is being conducted by the Ministry of Textile and Nalco is providing infrastructural facility for the training including lodging facility for the participants and staff.* *iii) Farmers training programme among the progressive farmers of the surrounding villages for better farming was held at M&R Complex, Damanjodi.* *iv) Plantation of 5000 nos. of trees with an expenditure of ` 25.00 lakhs was taken up in the City of Visakhapatanam (AP) under the Green Visakha Project on the request of District Administration of Visakhapatanam.* *v) To assist the Odisha Govt. in meeeting the challenges of the Rehabilitation and Construction works following the severe Cyclone **'Phailin',** as a responsible Corporate Citizen NALCO contributed ` **10.00 crore** to the Chief Minister's Relief Fund, Odisha. In addition, direct relief distribution activities undertaken in the affected areas of Balasore, Puri and Ganjam Disricts by incurring an expenditure of ` **19.00 lakh**.* *vi) Nalco contributed ` 27.00 lakhs for PARAB, 2013, a State level Tribal Festival of Koraput organised by District Administration at Koraput from 16-18th January, 2014.* *vii) The employees of the company have by way of donating one day's salary , have also contributed an amount of ` **1,57,86,307** in favour of Chief Minister's Relief Fund, Govt. of Uttarakhand for redressal of suffering of affected people due to devastating flood.*
8.2	In-house experts/ departments implementing the CSR initiatives.	*The CSR activities of the Company are undertaken through: (i) Board level CSR & SD Committee, (ii) Rehabilitation and Periphery Development Advisory Committees (RPDACs) (iii) Nalco Foundation.* ***(i) Board level CSR & SD Committee*** *(ii) **RPDAC -** From the allocated amount (1% of net profit) for Peripheral Development Programme, 40% is for S&P Complex, Angul, 40% for M&R Complex, Damanjodi and 20% for Corporate level activities. Govt. of Odisha has constituted Rehabilitation & Periphery Development Advisory Committee (RPDAC) for Angul Sector and Damanjodi Sector under the Chairmanship of respective Revenue Divisional Commissioner. Other Members of the Committee includes District Collector, Local MLAs, MPs, People's representatives and representatives from Nalco. All projects and policies related to this earmarked fund allocation for Angul and Damanjodi Sectors are decided by RPDAC. Most of the projects are implemented by District Administration and some projects by the Company directly.* ***(iii) Nalco Foundation –** Nalco Foundation is focused on development of villages located within 15 kms. radius of Nalco's operational areas. Nalco Foundation has adopted a project based accountability approach through baseline surveys and by ensuring participation of the primary stakeholders at the grassroots in the decision making process.*

Sl.No.	Question	Response
8.3	Impact assessment of CSR initiatives.	*The monitoring & evaluation of all the CSR projects undertaken as per the DPE guidelines is carried out by an external independent Agency.*
8.4	Direct contribution to community development projects.	*Direct contribution to such activities is Rs 29 Crore, which is 4.89% of PAT of previous F.Y. The amount was spent on activities under the broad categories of* *a) Promotion of Education* *b) Health and Sanitation* *c) Building Community Infrastructure* *d) Environmental Sustainability* *e) Relief Measures* *f) Enhancing Vocational Skills* *g) Promoting Cultural activities of Local Community* *h) Reaching out to Marginalised, Differently-abled persons in Society*
8.5	Steps to ensure that community development initiative are successfully adopted by the community.	*The community is involved in each and every stage of the project starting from planning to implementation and monitoring stages. We seek suggestions of villagers through "Village level development committees" to prepare an action plan for improvements in their villages. Involving the community and the committee members helps us to ensure the successful implementation of the activities thereby making the whole process sustainable.*

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

NALCO has taken initiatives to be customer centric, its motto being to provide better service to customers. Sustainable Development Policy highlights economic issues to be addressed for enhancing value creation for Stakeholders and the Mission Statement focuses on Customer Satisfaction. Meeting the needs and expectations of the customer by consistently improving our performance, is also our chosen path in achieving business excellence and fulfilling other social obligations.

Response with reference to BRR framework

Sl.No.	Question	Response
9.1	Percentage of customer complaints/ consumer cases pending as on the end of financial year i.e. 31st March'14.	Complaints pending as on 31.03.2013 : 06 nos. Complaints received during FY 2013-14 : 10 no.s Complaints disposed during FY 13-14 : 15 no.s Complaints pending as on 31.3.14 : 01 no. % Customer Complaints pending, as on 31.03.2014, with respect to total complaints : 6.25 %
9.2	Display of product information on the product label.	*NALCO meets the requirements with respect to product labeling by following the practices as prescribed by laws. For e.g. in case of Aluminium metal, the product grade, stack no., bundle no., net weight is displayed on the product label. In case of Rolled Products, Name of the Company & production unit and place, Coil No, Grade, Size (Thickness X Width)in mm, Net Weight (in kgs.), Signature of the inspecting authority, Date of Packaging, No. of sub-stacks and total no. of sheets per packet (for Rolled sheets only) is displayed on the product label.*
9.3	Complaints by Stakeholders.	*There has not been any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.*
9.4	Consumer survey/ Consumer Satisfaction Trends.	*NALCO conducts customer satisfaction survey, twice a year, for mapping the satisfaction index and collecting customers' feedback. The trends are then analysed to internally benchmark our own performance to improve further.*

Annexure-II

STATEMENT OF PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND RULES MADE THEREUNDER.

A. Conservation of Energy:

a. Energy Conservation Measures taken:

The unit specific energy conservation measures adopted by your Company in its different units during the financial year 2013-14 are indicated below:

Bauxite Mines

Out of 13 recommendations of the Energy Audit done by M/s National Productivity Council (NPC), Bhubaneswar, implementation of 3 recommendations has been completed and balance 10 recommendations are in the different stages of implementations. The completed recommendations are:

a. Load sharing of capacities of the existing 3 nos transformers (33/0.433 KV 1250 MVA) to have optimum loading.

b. Modification of sump height of sprinkling pump house for haul roads.

c. Installation of 10 nos. of 36 W LED based solar street light poles.

All above completed efforts has resulted in energy savings of 30,636 KWHr per Annum..

Alumina Refinery Plant

Major energy conservation efforts implemented in refinery during the year are:

1. Replacement earlier 7 stage BFP with energy efficient 6 stages BFP completed in one BFP of Boiler-1, this has resulted in energy savings of 5,56,800 KWHr per annum.
2. Automatic Imported Coal blending system has been successfully commissioned in CHP for blending imported coal of higher GCV with indigenous coal.

Smelter Plant

Major energy conservation efforts implemented in Smelter Plant during the year are:

1. The specific DC energy consumption in Smelter Plant has reduced to 13,523 KWHr/MT of hot metal during the FY 2013-14 against the target of 13,550 KWHr/MT. This could be achieved by commissioning of ALPSYS Pot regulation system in Pot Line-1, reducing anodic problems, use of graphitized cathode block, use of slotted anodes and increasing Anode stub hole and pin length in running pots. All these activities have resulted in total annual energy savings of 86,00,688 KWHr.
2. The Specific fuel oil consumption is achieved to be all time best figure of 57 Lt/MT of cast metal during FY 2013-14 against most conservative budgeted target specific fuel oil consumption of 69 Lt/MT of cast metal. This could be achieved by adopting best operational practices, optimizing the furnace operation as per market demand thereby reducing furnace idling time, semi-automatic firing with PID controller for optimum firing in furnaces, ensuring proper atomization & combustion in the furnaces. This has resulted in total oil savings of 3,797.9 KL.
3. Smelter has taken up ten nos. of PAT (Perform, Achieve & Trade) projects to achieve the PAT target assigned by BEE. Out of ten PAT projects, three projects are completed contributing to reduction in specific fuel oil consumption & electrical energy. The completed projects are:
   a) Semiautomatic firing control system for one no of M&H Furnace of Rolling plant.
   b) Increase in stub hole length on anode.
   c) Replacement of TFL tubes with T5 lamps

Captive Power Plant

Major energy conservation efforts implemented in Captive Power Plant during the year are:

1. The fuel oil consumption has reduced from 19,822 KL to 5,084 KL, thereby resulting in saving of 14,739 KL of fuel oil.
2. 4 nos 900 KW old type PA fans motors were replaced with energy efficient PA fan motors of BHEL make for improving the reliability and reduction in energy consumption.

b. Energy Conservation projects proposed or in progress during 2013-14, with completion planned in 2014-15 are:

   i. In Alumina Refinery, phase wise replacement of defective traps in Boiler HFO tracing lines, process areas etc. are in progress. On completion, energy savings to be achieved by reduction in steam leakages is estimated to be 1,621 TOE per annum.

   ii. In CPP, installation of Variable Frequency Drives (VFD) for speed control of cooling tower fans is planned, with estimated energy savings of about 5 %.

   iii. At Smelter installation of 2nd slot cutting machine in Rodding Shop-2 is planned for completion by 31st March'15, with estimated reduction in Specific DC Energy consumption of 50 KWHr/MT.

c. The total energy consumption and energy consumption per unit of production in FORM-A is enclosed.

B. Technology absorption

The efforts made in technology absorption as per Form-B is enclosed.

C. Foreign exchange earnings and out go

NALCO has been exporting Aluminium Metal and Calcined Alumina in the international market to various overseas destinations like Singapore, Malaysia, Korea, Japan, Turkey, Vietnam, Bangladesh, Bahrain, China, Egypt, Iran, UAE etc. Export orders are booked through e-tendering system to our registered customers.

Initiatives are taken to register new customers for sale of products in export market by publishing notice for Global Invitation for registration of international customers, in various National & International journals/magazines/newspapers and interactions with new customers during various International conferences/ seminars/ exhibitions. Increasing the customer base and exploring new overseas destinations for exports is a continuous process.

The foreign exchange earnings for the year 2013-14 was `3,617 crore as against `3,378 crore in 2012-13. The foreign exchange out go for the year under report was `319 crore as against `287 crore in the previous year.

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption

		Captive Power Plant		Alumina Refinery		Smelter Plant	
		Current Year 2013-14	Previous year 2012-13	Current Year 2013-14	Previous year 2012-13	Current Year 2013-14	Previous year 2012-13
1.	1.1 Electricity **(a) Purchased from GRIDCO** Unit (Million KWH) Total amount (₹ in lakh) Rate/Unit (₹ / KWH)	 0.1932 13.78 7.13	 106.297 7,334.52 6.90	 5.222 370.74 7.10	 74.306 5,312.91 7.15	NA	
	(b) Own Generation **i) Through Diesel Generator Unit** Unit per Ltr. of diesel oil Cost/Unit **ii) Through Steam Turbine/ Generator** Units (Gross)/Million KWH Units per litre of fuel oil/gas Cost/Units (₹/KWH)	 (i) NA 5,644.071 NA 2.789	 (i) NA 6,855.271 NA 3.107	 - 422.559 - -	 - 363.722 - -		
2.	**Coal (Specify quality & where used)** (Quality Grade - F&G, Import) used for own generation of Electricity & Steam. Quantity (Tonnes) Total cost (₹ in lakh) Average rate (₹/Tonne)	 4,826,755 77,542.904 1,607	 5,709,496 1,04,090.94 1,823.11	 1,307,865 36,406.35 2,784	 1,153,566 29,071.41 2,520.15		
3.	**Furnace Oil** Quantity (KL) Total Amount (₹ in lakh) Average rate (₹/Tonne)	 5,049 2,442.62 48,378	 19,823.701 8,986.27 45,330	 1,56,056.26 63,644.44 40,783	 1,47,696.5 59,587.24 39,667	 18,062 7,318.32 40,518	 28,639 11,681.93 40,790
4.	**Others/Internal generation** Quantity Total Cost Rate/Unit	NA	NA	NA	NA	NA	NA

B. Consumption per unit of production

	Products (with details)	Unit	Standards (if any)	Current Year 2013-14	Previous year 2012-13
1.	**Alumina**				
	(a) Power	(Kwh/MT)	335	344.02	349.28
	(b) Fuel oil for calcination	(Ltr/MT)	77	77.76	77.56
	(c) Coal for steam	(Kg/MT)	620	677	640
	(d) Oil for steam	(Ltr/MT)	4	3.81	6.09
2.	**Aluminium**				
	(a) A.C. Power	(Kwh/MT)	14,800	14,754	14,708
	(b) Fuel Oil	(Ltr./MT)	90	57	71
	(c) Others	-	-	-	-

Form B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT (R&D)

1. Specific areas in which R&D Activities carried out by the Company are:

A) In-house R&D Activities

Alumina Refinery

1. Studies to establish suitable source and optimum parameters for extraction of Vanadium sludge from various Bayer Liquors. Lab scale studies completed. A pilot trial using the existing facilities available in zeolite Plant is underway.
2. Laboratory scale flocculant trials were carried out with various sources of supply to find out an alternate synthetic flocculants to replace Wheat Bran, the natural flocculant, presently in use in the conventional Washers.
3. Laboratory scale studies were carried out along with the suppliers of various flocculants for use in High Rate thickeners and Deep cone washers of new stream (Taken up as and when required).

Smelter

1. Studies for improvement of quality of raw materials to carbon plant.
2. Anode bench scale studies for anode quality improvement.
3. Metallographic studies of cast products and inclusion analysis of liquid metal ,for quality improvement.
4. Fully fledged use of Slotted anodes and anodes with higher stub hole depth in pot line.
5. Trials undertaken for reduction of dross generation by application of flux.
6. First phase trials undertaken for production of cookware from rolled aluminum sheets.
7. Mathematical model developed for estimation of Anode to cathode distance in electrolysis cells.
8. Laboratory scale and plant scale studies undertaken to modify the properties of c.p.coke at supplier's end to improve anode quality. Patent filed on the process.
9. Project initiated for implementation of siphon system of liquid metal transfer in cast house to reduce melt loss.
10. Liquidus temperature measurement commenced in potlines.
11. Simulation studies carried out for newly designed wedges implemented in potlines.
12. A project titled 'Assessment of 6063 billet quality' completed.
13. Sale of chequered sheet as a new product has resulted in variety and product mix and benefitted smelter plant by added revenue.
14. Due to R&D effort good quality coke has been used in carbon plant and there was considerable improvement in anode quality.

B) Collaborative R&D Activities

Some of the Collaborative R&D projects completed and taken up during the year are as below:

1. Development of Heat Treatment Process for Destruction of Toxic Cyanide and Recovery of Valuables (Sodium, Fluorides, etc.) from Spent Pot-Linings Materias (SPL) –completed.
2. Development of metal matrix composites -completed.
3. Technique and Tools for Perflurocarbons(PFC) Measurements in Aluminium Electrolysis Cells-completed.
4. Development of Probe for liquidus temperature determination of Electrolytic bath-completed.
5. Detailed study in melt loss generation and derive solution for reduction of melt loss-completed.
6. Study of Effect on Alumina quality on solubility of Electrolytic bath-completed.
7. Assessment of billet quality in DC cast AA6063 alloys-completed.
8. Development of High speed extrusion alloy for the Indian Aluminium industry.
9. Bench scale studies for treatment and utilization of carbon portion of spent potlines: Recovery of carbon, sodium and fluorine value-continuing.
10. Industrial scale investigation for the fabrication of wear resistant ceramic tiles using Nalco coal ash-continuing.
11. Infra Red Thermography studies at alumina refinery - continuing.
12. An investigation on treatment of bauxite through thermal and non-thermal hydrogen plasma- continuing.
13. Up gradation of Alumina in NALCO Fly ash through bio leaching of silica and subsequent recovery of alumina through piro/hydrometallurgical routes- continuing.

2. Benefits Derived as a Result of the above R&D (In-House & Collaborative):

1. Vanadium sludge so extracted commands good value in the market, thus can be a revenue generating by-product. Removing the vanadium sludge reduces the impurities in the liquor, thus minimizing scale formation thereby eliminating flow restrictions

in pipelines and heat transfer equipments. This will also help to eliminate the additional Lime charging (to control Vanadium) presently practiced, thus reducing the Lime consumption.

2. Wheat Bran being a natural fodder can be suitably replaced.
3. For evaluating the performance of various flocculants, before introducing the new production stream.
4. Sale of chequered sheet as a new product has resulted in variety and product mix and benefitted smelter plant by added revenue of Rs 4.63 crores in 2013-14.
5. Inclusion analysis and metallographic studies have helped to improve product quality.
6. Use of slotted anodes and anodes with higher stub hole depth in potlines have given a benefit of approx `1 crore/month due to reduction in DC energy consumption by 100-150 KWH/T metal.
7. Due to R&D effort good quality coke has been used in carbon plant. Financial benefit derived this year is approx 25-30 lakh/month compared to last year, due to reduction in consumption of coal tar pitch and calcined petroleum coke.

3. Future Plan of Action and New Projects:

1. Setting up of a world class Nalco Research & Technology Centre at Bhubaneswar, along with revamping of R&D centres at both sites.
2. Commercialization of few R&D processes.
3. Utilization of Fly ash in Ceramic Tiles manufacturing, industrial investigation.
4. Development of process know how for extraction of alumina from fly ash.
5. Utilization of existing facilities of Oxalate Removal unit/ Zeolite plant for separation of salt from Green liquor for marketing.
6. Developing alternate sources of CGM
7. Adoption of various new technologies and measures to reduce melts loss in cast house.
8. Development of a bench scale and pilot plant for recovery of valuables from spent pot lining carbon portion.
9. Bench scale/pilot scale studies to improve anode quality.
10. Development of value added and new products.
11. Projects/studies related to improvement of process for smelter plant for optimizing energy consumption.
12. Studies on improvement of oxidation behavior of anodes.
13. Development of low energy cell technology for potline
14. Development of ceramic proppant from Partially Lateritised Khondalite(PLK) and Fly ash at Laboratory scale.

4. Expenditure on R&D:

(` in lakhs)

		2013-14	2012-13
(a)	Capital	796	1,226
(b)	Recurring	591	666
(c)	Total	1,387	1,892
(d)	Total R&D Expenditure as % of total turnover	0.20	0.26

5. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

(a) M&R Complex , Damanjodi:

Sl No	Details of modification	Benefits thereof
1	Split feeding in precipitators	Reduced soda impurity
2	High rate settling technology	Lower reversion loss of alumina , soda and heat losses, Reduced foot print area and Capex
3	Use of TCA as filter aid	Improved specific filtration rate, enhanced flow rate.
4	Advanced vertical Diaster filters in place of Kelly filters	Enhanced flow rate and reduced CAPEX. No washing required, reducing dilution in circuit thus saving on evaporation costs
5	2 stage PHE eliminating water cooling in existing 3 stage PHE	Higher heat recovery.
6	Incorporation of Seed grinder to maintain average seed particle size at 10-12% less than 45m on continuous basis	Improved Liquor productivity and Reduction in product soda to the tune of 200 ppm.

(b) Smelter Plant, Angul:

Sl No	Details of modification	Benefits thereof
1	Wedge system for bypassing the shunted pots modified in Potline 3.	Reduction in DC energy consumption in potlines
2	Length of pins of stem brackets have been increased for accommodating in anodes with deeper stub hole depth.	Reduction in DC energy consumption in potlines
3	Semi-automatic firing control system for one number of melting and holding furnace in rolling plant	Reduction in fuel consumption in rolling plant
4	Revamping of de-dusting system in butt crushing area of rodding shop-1 of carbon plant	Better performance of the machine and reduction of dust generation in the specific location.
5	Installation of remote I/O rack for Rockwell PLC for ICM-1 in CH-B	Isolation from appreciable downtime and cable damages during any accidental fire over the casting wheel area in ICM-1

DETAILS OF TECHNOLOGY IMPORTED /UPGRADED DURING LAST 5 YEARS:

(a) M&R Complex , Damanjodi

Technology Imported	Year of import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action
Potentiometer analysis of Bayer liquor for soda and dissolved alumina in place of titration based analysis.	2008-09	Fully Absorbed	-
Seed grain size control through addition of micro fined hydrate.	2008-09	Fully Absorbed	-
Ion Chromatograph for analysis of Fluoride, Oxalate etc.	2008-09	Fully Absorbed	-
Auto Analyser for particle size analysis	2010-11	-	Underevaluation
IR Thermography studies to locate hot spots in furnaces and electrical Switchyard equipments	2009-11	-	Procedure/System under establishment.

b) Smelter Plant, Angul

Technology Imported/Upgraded	Year of import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action
Pot lining material upgraded from semigraphite cathodes to graphitized cathodes in potline-3 for increase in amperage and better performance.	2009-10	No	192 out of 240 pots have been lined with graphitized cathodes. Rest will be lined once all the pots are under operation.
Installation of online monitors in potline fume treatment plants	2010-2012	Yes	-
Additional 600MT capacity with four unloading station, storage & transfer system of liquid pitch to carbon plant completed. The complete system has been developed in-house.	2010	Yes	-
Installation of Fume Treatment Centre in Anode Baking Furnace-2	2012-13	Yes	-
Slot cutting machine for baked anodes in carbon plant	2010-11	Yes	-
T INGOT Continuous fully automated Horizontal	2010-2011	Yes	-
Direct Chill (HDC) Casting Machine installed in cast house. EHTF Heater of capacity 8 x 432 KW along with Thyristor Control Panels(TCP), vessels, piping, automation system. This system is an up gradation of the old oil fired Boiler in carbon plant.	2011-12	Yes	-
New mechanized Bath breaking & bath finishing machines in rodding shop-I of carbon plant	2011-12	Yes	-
ALPSYS pot regulation system has been implemented in Potline 1 .This will help in maximizing current efficiency, reducing anode effect frequency, PFC generation, and reduction in energy consumption	2012-13	Yes	-
New bath by pass system in bath handling system of rodding shop 2 of carbon plant.	2013-14	Yes	
Aluminium Billet casting facility equipped to cast 8”, 9” & 10” Billets.	2013-14	Yes	

Annexure-III

Report on Corporate Governance

1.0 Philosophy

Corporate Governance is looked upon as a distinctive brand and benchmark in the profile of Corporate Excellence. This is evident from the updating of guidelines, rules and regulations by SEBI from time to time for ensuring transparency and accountability.

Good governance practices stem from the culture and mindset of the organization. In a dynamic environment, system of Corporate Governance need to be continually evolved. It is a commitment to meet the aspirations of all stakeholders. It is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment.

In NALCO, Corporate Governance is all about promoting and maintaining integrity, transparency and accountability of management. Corporate Governance is given utmost importance at all levels to meet the expectations in managing the enterprise and its resources effectively and efficiently with the highest standards of ethics. NALCO thus puts all efforts to foster and sustain a culture that integrates the complex inter-relationship among the board of directors, audit committee, accounting and corporate secretarial team, auditors and senior management.

2.0 Board of Directors

An enlightened Board provide a long-term vision and policy thinking in order to improve the quality of governance. The Board's act and deed are aligned with the best interests of the Company. The Company has defined guidelines and established framework for the composition and meetings of the Board in line with the requirements under clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance.

NALCO Board is constantly endeavoring to adopt the best corporate governance practice. Some of the best governance norms put in practice by NALCO are as follows:

- The Independent Directors met separately during the year in line with the OM dt. 28.12.2012 read with OM dt. 20.06.2013 of DPE on role and responsibilities of non-official Directors on the Board of CPSEs.
- All securities related information and amendments to the Listing Agreement with Stock Exchanges are placed before the Audit Committee of the Company which is also looking into shareholders' grievances.
- Internal audit of the Company is assigned to Independent Chartered Accountant firms under the supervision of senior designated employee as Chief Internal Auditor.
- Voluntary secretarial audit is conducted by Company Secretary who is in whole-time practice. The Secretarial Audit Report is annexed to the Board's Report and gets circulated to all shareholders.

2.1 Size of the Board

The President of India holds 81.06% of the paid-up share capital of the Company as on 31.03.2014. Being a Government Company, the power of appointing Directors on the Board vests with the President of India. In terms of Articles of Association of the Company, the Board's strength shall not be less than four and not more than eighteen Directors.

2.2 Composition

The Board had 14 directors comprising of six full time directors including the Chairman-cum-Managing Director, two non-executive official directors and six non-executive non-official (independent) directors as on 31st March, 2014. The tenure of two independent directors ended on 20.03.2014. The Listing Agreement and DPE guidelines on Corporate Governance stipulate a condition that half of the Board should comprise of independent directors.

For substantial period in the year under review, there was compliance of the requirements of the Listing Agreement and DPE Guidelines on Corporate Governance. However, it was not in compliance of the requirement for a period from 21.03.2014 to 31.03.2014 due to the cessation of tenure of 2 independent directors on 20.03.2014. However no Board meeting took place during the period 21.03.2014 to 31.03.2014.

2.3 Resume of Directors

The brief resume of Directors retiring by rotation and additional Directors seeking appointment including nature of their experience in specific functional areas, names of Companies in which they hold directorship and membership/ chairmanship of Board/ Committees is appended to the Notice convening the Annual General Meeting.

2.4 Age limit and tenure of Directors

The age limit of the Chairman-cum-Managing Director and other whole-time Directors is 60 years. The Chairman-cum-Managing Director and other whole-time Directors are initially appointed for a period of five years from the date of taking over the charge or until the date of superannuation or until further orders from the Government of India, whichever event occurs earlier. Based on performance, tenure of the whole time Directors is also extended further till the date of superannuation or the order of the Government, whichever event occurs earlier.

Independent directors are appointed by the Government of India for a period of three years.

Joint Secretary and above level officials of the Ministry of Mines get appointed as Part-time Official Directors on the Board of the Company. They cease to be director on the Board on ceasing to be officials of the Ministry of Mines.

2.5 Board Meetings

As per the requirements of Listing Agreement, there should not be gap of more than four months between two Board meetings. Similarly, DPE guidelines on corporate governance for CPSEs prescribe that there should not be gap of more than three months between any two Board meetings. During the financial year, Board meetings have taken place in compliance of these guidelines.

Seven Board meetings were held during the financial year 2013-14, as against the minimum requirement of four meetings. The meetings were held on 27.05.2013, 14.08.2013, 26.09.2013, 11.11.2013, 13.12.2013, 29.01.2014 and 25.02.2014. The minimum and maximum time gap between any two Board meetings was 26 days and 78 days respectively. Details of Board meetings and presence of directors in the meeting are as follows:

Board Meeting No. & Date	Board Strength	No. of Directors Present
266/27.05.2013	13	10
267/14.08.2013	13	12
268/26.09.2013	14	9
269/11.11.2013	14	13
270/13.12.2013	14	13
271/29.01.2014	15	13
272/25.02.2014	15	14

Details of Board meetings attended by the directors, attendance at last Annual General Meeting, number of other directorship/committee membership held by the directors are given below:

a. Whole time Directors

Name & Designation	Board Meetings		Attendance at 32nd AGM held on 27.09.2013	No. of other director-ships	Membership in the Committees of other Companies*	
	Held during the tenure	Attended			Member-ship	Chairman-ship
Shri Ansuman Das, CMD	7	7	Yes	Nil	Nil	Nil
Shri B.L. Bagra, Director (Finance) (upto 30.04.2013)	-	-	NA	2	1	-
Shri S.S. Mahapatra, Director (Production)	7	7	Yes	Nil	Nil	Nil
Shri N.R. Mohanty, Director (P&T)	7	6	Yes	Nil	Nil	Nil
Shri S C Padhy, Director(HR)	7	7	Yes	Nil	Nil	Nil
Shri K.C. Samal, Director (Finance) (w.e.f. 03.01.2014)	2	2	NA	2	Nil	Nil
Ms. Soma Mondal, Director (Commercial) (w.e.f. 11.03.2014)	-	-	NA	Nil	Nil	Nil

b (i) Part - time official Directors (Non-independent)

Ms. Gauri Kumar, IAS (upto 30.06.2013)	1	1	NA	Nil	Nil	Nil
Shri Durga Shanker Mishra, IAS (w.e.f. 04.07.2013)	6	5	No	02	02	Nil
Shri R. Sridharan, IAS (w.e.f 30.08.2013)	5	3	No	Nil	Nil	Nil

b (ii) Part time non official (Independent) Directors

Shri Ved Kumar Jain (upto 20.03.2014)	7	7	Yes	7	3	2
Shri P.C. Sharma, IAS(Retd.) (upto 20.03.2014)	7	5	Yes	2	1	1
Shri G.P. Joshi, IAS(Retd.)	7	6	No	3	Nil	Nil
Shri S.S. Khurana	7	7	Yes	1	1	Nil
Shri Madhukar Gupta, IAS (Retd.)	7	4	No	1	Nil	Nil
Shri G.H. Amin	7	6	Yes	Nil	Nil	Nil
Shri Qaiser Shamim	7	6	Yes	Nil	Nil	Nil
Shri Sanjiv Batra	7	5	No	2	2	Nil

* Membership/Chairmanship only in the Audit Committee and Shareholders/ Investors Grievance Committee is considered as per the Listing Agreement.

2.6 Institutionalised decision making process

(i) The Board is responsible for setting the policy and planning all directions of the organization and ensures processes are in place that will deliver the results. The whole time directors manage the day-to-day affairs of the Company.

(ii) Board meetings are mostly held at New Delhi and sometimes at the Company's Registered office at Bhubaneswar.

(iii) Board meetings are convened by giving at least seven days advance notice. In case of exigencies, resolutions are passed by circulation in terms of the provisions of the Companies Act, 1956. However, during the year under review, all meetings were convened by giving more than 7 days notice.

(iv) All units/departments are informed well in advance about date of meeting so that matters at their end requiring discussion/approval/decision of the Board are communicated to Company Secretary Department for including in the agenda for the meeting. Agenda items of confidential nature are placed on the table. In exceptional circumstances supplementary items on the agenda are placed on the table before the Board.

(v) The agenda papers are prepared by the departments and approved by the CMD. Agenda items having financial implications are concurred by Director (Finance) before they are put up to CMD for approval.

(vi) Members of the Board have complete access to all information and are free to call any senior official during the meeting for additional information/clarification on any agenda item.

(vii) The Board is given presentation covering Production, Marketing, Finance, Business developments, Growth plans, Collaboration/Joint venture operations etc. at regular intervals.

(viii) The information being placed before the Board include:

- Annual operating plans and budgets and revision therein.
- Capital Budgets and revisions.
- Quarterly results of the Company and of its business segments.
- Formation/reconstitution of Board Committees.
- Terms of reference of Board Committees.
- Minutes of meeting of Audit Committee and other Committees of the Board.
- Show cause, demand, prosecution notices and penalty notices, if any, of materially important matters.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- General notice of interest of Directors.
- Proposal for investments, mergers and acquisitions.
- Details of joint ventures, acquisitions and collaboration agreements.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Non compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Wage negotiation and settlement, significant labour problems and their proposed solutions.
- Brief on statutory developments, change in Government policies etc. with impact thereof.

2.6.1 Compliance

Nodal officers have been identified in each department to ensure adherence to all the applicable provisions of laws, rules, guidelines etc. The nodal officers furnish a monthly Compliance report to Company Secretary confirming adherence to all the applicable laws, rules, guidelines pertaining to their departments. Company Secretary compiles all data relating to compliance of all laws, non compliance, if any, and reasons thereof and places the same before the Board for information and guidance.

3.0 Board Committees

The Board has constituted the following Committees:

a. Audit Committee (entrusted with the responsibilities of Investors' Grievance Committee)
b. Human Resources Committee
c. Remuneration Committee
d. Technology Committee
e. Committee of Directors for consideration of unaudited results
f. Ethics & Corporate Governance Committee
g. Risk Management Committee
h. CSR & Sustainability Development Committee
i. Committee of Directors for Projects and New Ventures
j. Committee of Independent Directors

3.1 Audit Committee

The Audit Committee is constituted in line with the requirements of the Companies Act, 1956, Listing Agreement and DPE guidelines on Corporate Governance.

The terms of reference of the Audit Committee covers all the areas under the Companies Act, 1956, Listing Agreement and DPE guidelines on Corporate Governance. Besides, the Audit Committee's functions also include the following:

1. To check whether controls are adequate commensurate with size of the operations.
2. To study the areas where income can be increased and the areas where cost can be reduced.
3. Management Information System on each of the above areas.

During the year, the Audit Committee comprised the following:

1. Shri V.K. Jain – Independent Director (upto 20.03.2014)
2. Shri P.C. Sharma – Independent Director (upto 20.03.2014)
3. Shri G.P. Joshi – Independent Director
4. Shri Qaiser Shamim – Independent Director

Shri V.K. Jain is the Chairman of the Committee. All members posses financial/accounting knowledge.

Director (Finance), Statutory Auditors, Cost Auditors and Chief of Internal Auditors are invited to the meetings for interaction with the members. Other functional directors are always invited to attend the meetings as Special Invitees. The senior functional executives are invited to the meetings as and when required to provide necessary information to the Committee.

The Company Secretary acts as Secretary to the Audit Committee.

Meetings and Attendance

Six meetings of the Audit Committee were held during the year under review on 27.05.2013, 12.07.2013, 13.08.2013, 26.09.2013, 11.11.2013 and 29.01.2014. The maximum gap between any two Audit Committee meetings was 78 days. Details of meetings held and attended by members are given below:

Member of Audit Committee	Meetings held	Meetings attended
Shri V.K. Jain	6	5
Shri P.C. Sharma	6	4
Shri G.P. Joshi	6	5
Shri Qaiser Shamim	6	4

While Shri V.K. Jain, Chaired 5 meetings during the year, one meeting was chaired by Shri P.C. Sharma. Shri V.K. Jain being the Chairman of the Audit Committee attended the last Annual General meeting held on 27.09.2013 to answer queries of shareholders.

3.2 Investors' Grievance Committee

The Audit Committee is assigned with the responsibilities of Investors' Grievance Committee. The Committee looks into redressal of shareholders'/investors' complaints/grievances pertaining to share transfers/transmissions, non-receipt of dividend/Annual Reports, issue of duplicate share certificates, rematerialization /dematerialization of shares, change in address, bank particulars and other miscellaneous complaints.

Shri K. N. Ravindra, Company Secretary is the Compliance Officer in terms of clause 47 of the Listing Agreement.

Details of complaints received, resolved and pending during the financial year is as under:

Particulars	Opening Balance	Received during the year	Resolved	Pending
SCORES-SEBI	Nil	05	05	Nil
Stock Exchanges	Nil	02	02	Nil
Individuals & Institutions	Nil	90	90	Nil
TOTAL		**97**	**97**	**Nil**

The Company addresses all complaints/grievances of the shareholders/investors expeditiously and usually resolves in 2-3 days time except in case of issue of duplicate warrants/DDs or cases which require certain legal compliance. Details of complaints/grievances received and settled are published along with the quarterly financial results of the Company.

Break-up of different types of complaints received and resolved to the satisfaction of investors are given below:

Types of complaints	No. of complaints
Non receipt of dividend	87
Non receipt of Annual Report	06
Non receipt of NECS intimation slip	01
Non receipt of interest on debentures	01
Transfer of shares	02
TOTAL	**97**

3.3 Human Resources Committee

Terms of reference of HR Committee include:

i) Framing of rules and regulations and changes therein relating to recruitment, transfer, promotion, deputation and other conditions of service in respect of below Board level employees.

ii) Wage structure and scales of pay of the non-executives and any changes therein.

iii) Organization chart including manpower planning.

iv) Any other reference made by the Board from time to time.

The HR Committee comprised the following members:

1. Shri P.C. Sharma – Independent Director (upto 20.03.2014)
2. Shri S.S. Khurana – Independent Director
3. Shri G.H. Amin – Independent Director
4. Director (Production)
5. Director(HR)

The Committee is headed by Shri P.C. Sharma, Independent Director.

Meetings and attendance

Three meetings of HR Committee took place during the year. Dates of the meetings and attendance of Directors in the meetings are as follows:

Sr. No.	Name of the Members	Dates of Meetings		
		21.05.13	26.09.13	25.02.14
1.	**Shri P.C. Sharma**	✓	✓	✓
2.	**Shri S S Khurana**	✓	✓	✓
3.	**Shri G.H. Amin**	×	✓	✓
4.	**Shri S.S. Mahapatra Director (Production)**	✓	✓	✓
5.	**Shri S.C. Padhy, Director(HR)**	✓	✓	✓

3.4 Remuneration Committee

Being a Central Public Sector Undertaking, the tenure and remuneration of Directors are fixed by the President of India. However, as per the provisions of the DPE guidelines, a Remuneration Committee has been constituted to decide the annual bonus/variable pay pool and policy for its distribution across the executives and non unionized supervisors, within the prescribed limits.

The Remuneration Committee comprised of the following members:

1. Shri Madhukar Gupta – Independent Director
2. Shri P.C. Sharma – Independent Director (upto 20.03.2014)
3. Shri Sanjiv Batra – Independent Director

The members met once on 08.10.2013 during the year.

Remuneration of Directors

(a) Whole-time Directors

Details of remuneration of the whole time directors paid during the financial year 2013-14 are as follows:

Name	Relationship with other Directors	Remuneration for the year 2013-14 (₹)		
		All elements of remuneration package, i.e. salary, PF contribution, Pension, Gratuity etc.	Other benefits*	Total
Shri Ansuman Das, CMD	No	47,51,313	2,33,370	49,84,683
Shri S.S. Mahapatra, Director (Prod.)	No	42,67,163	92,698	43,59,861
Shri N.R. Mohanty, Director(P&T)	No	37,31,979	1,88,618	39,20,597
Shri S.C. Padhy, Director(HR)	No	25,95,695	1,51,704	27,47,399
Shri K.C. Samal, Director (Finance) (w.e.f 03.01.2014)	No	6,61,371	18,421	6,79,792
Ms. Somal Mondal, Director(Commercial) (w.e.f. 11.03.2014)	No	1,52,974	2,423	1,55,397
Shri B.L. Bagra, Director(Fin.) (upto 30.04.2013)	No	10,36,450	4,461	10,40,911

* Other benefits include Medical facilities, Leave Travel Concession, Residential Accommodation, Electricity & water charges, Upkeep allowance, Entertainment allowance, productivity and performance related incentives etc.

The Company has not issued any stock options during 2013-14.

(b) Part-time Non-official (Independent) Directors

Sitting fees is payable to the Independent Directors as per the ceiling prescribed under the Companies Act, 1956. Presently, sitting fees of ` 20,000/- for each meeting of the Board/ Committee meetings is being paid to each of the Independent Directors.

Details of sitting fees paid to the Independent Directors during the financial year are given below:

Name	Sitting Fees (₹)*		
	Board Meetings	Committee Meetings	Total
Shri Ved Kumar Jain, (upto 20.03.2014)	1,40,000	1,40,000	2,80,000
Shri P.C. Sharma, (upto 20.03.2014)	1,00,000	1,80,000	2,80,000
Shri G.P. Joshi	1,20,000	1,40,000	2,60,000
Shri S.S. Khurana	1,40,000	1,20,000	2,60,000
Shri Madhukar Gupta	80,000	60,000	1,40,000
Shri G.H. Amin	1,20,000	80,000	2,00,000
Shri Qaiser Shamim	1,20,000	1,40,000	2,60,000
Shri Sanjiv Batra	1,00,000	80,000	1,80,000

*subject to applicable tax.

(c) Part-time official Directors

There were two part- time official directors on the Board of the Company as on 31st March, 2014. No remuneration was paid to the part-time official directors.

Service contracts, notice period, severance fee

The Chairman-cum-Managing Director and other whole time directors are appointed by the President of India for a period of five years from the date of taking over charge or till the date of superannuation (presently 60 years of age) or till further order from the Government of India, whichever event occurs first.

Part time official Directors are appointed by the President of India from the Ministry of Mines. They retire from the Board on ceasing to be officials of the Ministry.

Independent Directors are appointed by the President of India for a period of three years usually.

There is no provision for payment of severance fees.

3.5 Technology Committee

Technology Committee has been constituted in compliance with the requirements under the DPE guidelines on Corporate Governance.

The Committee monitors and pays special attention to the assessment of the Company's efforts to develop technology and acquiring and assimilating new technologies necessary to make it competitive and to its own R&D efforts for maintaining a sustained strength in the technological field and review specific consumption norms pertaining to Smelter, Refinery etc.

The Committee comprised of the following members:

1. Shri S.S. Khurana – Independent Director
2. Shri G.P. Joshi – Independent Director
3. Shri Sanjiv Batra – Independent Director
4. Director (Production)
5. Director (P&T)

The Committee is headed by Shri S.S. Khurana, Independent Director.

The members met once on 13.12.2013 during the year.

3.6 Committee of Directors for consideration of unaudited financial results

This Committee has been constituted in line with the provisions given in the Listing Agreement.

The Committee considers and takes on record, the quarterly Financial Results of the Company in terms of Clause 41(II) of the Listing Agreement, when it is not convenient to call a Board meeting. The minutes of the Committee are placed in the subsequent Board meetings for information.

The Committee comprised of the following members:

1. Chairman-cum-Managing Director
2. Director (Finance)
3. Chairman of the Audit Committee
4. Part-time official Director
5. Shri Madhukar Gupta - Independent Director

Since the quarterly financial results were considered by the Board, there was no meeting of this Committee during the year.

3.7 Ethics & Corporate Governance Committee

The terms of reference of the Committee include:

(i) Practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.

(ii) Provision of correct inputs to the media so as to preserve and protect the Company's image and standing.

(iii) Dissemination of factually correct information to the investors, institutions and public at large.

(iv) Interaction with existing and prospective FIIs and rating agencies, etc.

(v) Establishing oversight on important corporate communication on behalf of the Company with the assistance of consultants / advisors, if necessary.

(vi) Institution of standardized channels of internal communications across the Company to facilitate a high level of disciplined participation.

(vii) Compliance of the following, formulated in terms of SEBI & DPE guidelines:

a) Code of Conduct for Senior Management

b) Insider Trading Regulations

c) Related Party transactions

d) Vigilance Related issues

e) Whistle Blower Policy

The Committee comprised of the following members:

1. Shri G.H. Amin – Independent Director
2. Shri Qaiser Shamim – Independent Director
3. Director (Finance)
4. Director (HR)

Shri G.H. Amin is the Chairman of the Committee.

The Committee met once on 21.05.2013 during the year.

3.8 Risk Management Committee

The terms of reference include:

- Assisting the Board of Directors in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks.
- Overall responsibility for monitoring and approving the risk policies and associated practices of the Company.
- Reviewing and approving risk disclosure statements in any public documents or disclosures.

The Committee comprised of the following members:

1. Shri S.S. Khurana – Independent Director
2. Shri Madhukar Gupta – Independent Director
3. Shri G.H. Amin – Independent Director
4. Director (Finance)
5. Director (Production)

Shri S.S. Khurana is the Chairman of the Committee.

The Committee met once on 27.05.2013 during the year.

3.9 CSR & Sustainability Development Committee

The terms of reference include:

i) Overseeing peripheral development activities being undertaken by the Company through the respective Rehabilitation and Periphery Development Advisory Committees (RPDAC) and proposed to be taken under proposed MMDR Bill.

ii) Nalco Foundation.

iii) Environment Protection & Pollution controls.

The Committee comprised the following members:

1. Shri Qaiser Shamim – Independent Director
2. Shri Sanjiv Batra – Independent Director
3. Director (Production)
4. Director (HR)

Shri Qaiser Shamim is the Chairman of the Committee.

The Committee met once on 01.08.2013 during the year.

3.10 Committee of Directors for Projects and New Ventures

The terms of reference of the Committee include:

a) Appraisal and approval of the procedures and formalities in respect of various stages of new projects including preparation of DPR.

b) To study and recommend to the Board, proposals for investment in new projects, in India and abroad, exceeding `10 crore each.

c) Review the status of capital projects, costing over `100 crores each.

The Committee comprised of the following members:

1. Chairman-cum-Managing Director
2. Director (Finance)
3. Director(Production)
4. Director (P&T)
5. Director(Commercial)
6. Part-time official Director
7. Shri V.K. Jain – Independent Director (upto 20.03.2014)
8. Shri G.P. Joshi – Independent Director
9. Shri Madhukar Gupta – Independent Director

The Committee met once on 11.11.2013 during the year.

3.11 Committee of Independent Directors

A Committee of Independent Directors has been constituted in terms of OM No. 16(4)/2012-GM dtd.28.12.2012 and 20.06.2013 of the Department of Public Enterprises, Govt. of India. As per the guidelines, there will be at least one meeting of Independent Directors in a year. The meeting shall assess the quality, quantity and timeliness of flow of information between the Company Management and the Board, necessary for the Board to effectively and reasonably perform their duties.

Shri Madhukar Gupta is the Chairman of the committee.

One such meeting was held on 26.02.2014.

3.12 Other Committees

There are few other Committees comprising of functional directors to take care of certain regular activities within the scope approved by the Board. Those committees are;

a. Investment Committee

b. Committee of Directors for Sales

c. Committee of Directors for Procurements

d. Share Transfer Committee

All functional directors including Chairman-cum-Managing Director are members of these Committees except Share Transfer Committee where CMD is not a member.

4.0 Accountability of Functional Directors

The Company enters into an annual Memorandum of Understanding (MoU) with the administrative Ministry i.e. Ministry of Mines at the beginning of the year setting targets against financial and non-financial parameters with weightages in consultation with the Ministry. The performance with regard to MoU is reviewed by the Ministry on quarterly basis through Quarterly Performance Review (QPR).

5.0 Statutory Auditors

Statutory Auditors are appointed by the Comptroller and Auditor General of India (C&AG). Statutory auditors are appointed on annual basis, generally for four years. M/s. Agasti & Associates, Bhubaneswar and M/s. ABP & Associates, Chartered Accountants were appointed as joint Statutory Auditors of the Company for the financial year 2013-14.

The fees payable to the joint statutory auditors for the year 2013-14 was ` 16 lakhs towards statutory audit fees, ` 12 lakhs plus applicable tax for quarterly Limited Review Report for three quarters , ` 3.20 lakhs plus applicable tax towards fee for Tax audit and ` 0.80 lakhs plus applicable tax towards fee for certification on Corporate Governance.

M/s. S. Dhal & Associates, Cost Accountants have been appointed as Cost Auditors of the Company for the financial year 2013-14.

M/s. D.S. Mishra & Associates, Company Secretaries have been appointed as Secretarial Auditors of the Company for the financial year 2013-14.

6.0 General Meetings of Shareholders

Particulars of the General Meetings of the shareholders held during last 3 years :

Annual General Meeting

Year	2011	2012	2013
Date/Time	29.09.2011/11.00AM	14.08.2012/11.00 AM	27.09.2013/11.00AM
Venue	NALCO Bhawan, P/1, Nayapalli Bhubaneswar-751 061	NALCO Bhawan, P/1, Nayapalli Bhubaneswar-751 061	NALCO Bhawan, P/1, Nayapalli Bhubaneswar-751 061
Special Resolution	Nil	Nil	Nil

Extra-ordinary General Meeting

Year	2011	2012	2013
Date/Time	05.03.2011/10.00AM	--	--
Venue	NALCO Bhawan, P/1, Nayapalli Bhubaneswar-751 061	--	--
Special Resolution	1. Amendment to the Articles of Association 2. Offer of shares to employees under ESOP	Nil	Nil

No special resolution was passed through postal ballot during the year under review.

7.0 Disclosures

Material Contracts/Related Party Transactions

There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Details of related party transactions are included in the notes to accounts as per Accounting Standard (AS)-18 of the Companies (Accounting Standard) Rules, 2006. Note No. 45 of Notes to financial statements in the Annual Report outlines the disclosure of transactions with the related parties.

As per DPE guidelines, the following information are disclosed:

i. Items of expenditure debited in books of accounts, not related to business - Nil

ii. Expenses incurred which are personal in nature and incurred for the Board of Directors and top management - Nil.

iii. Administrative and office expenses as a percentage of total expenses are given below:

(` in Crore)

Particulars	2013-14	2012-13
Administrative and office expenses	93.27	93.47
Total expenses	6371.38	6522.49
Administrative and office expenses as a % of total expenses	1.46	1.43

The financial expenses for the current year is Nil (previous year- ` 7.45 crores).

Compliance

There has been no instance of non-compliance by the Company on any matter related to capital markets or Listing Agreement during last three years except intermittent non-compliance on the composition of the Board of Directors. Compliance on composition of the Board of Directors is beyond the control of the Company. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities during the last three years.

The Company has complied with the requirements of the guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, Government of India except composition of Board intermittently. The Company is regularly submitting the quarterly self appraisal report on compliance of the guidelines on Corporate Governance prescribed by the Dept. of Public Enterprises. The Company is placed at 'Excellent' grade for the financial year 2013-14.

The Company has complied with all Presidential directives issued during last three years.

8.0 Corporate Ethics

Code of conduct for prevention of Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time, the Company has formulated a 'Code of Conduct for Prevention of Insider Trading' with an objective to prevent dealing in shares of the Company by an insider on basis of unpublished price sensitive information. All insiders i.e. Directors, Officers, designated employees and their dependants are prohibited from dealing in shares of the Company when the trading window is closed. Permission of Compliance Officer is required to deal in the securities of the Company beyond specified limit. All directors/officers/designated employees are also required to disclose their holding periodically as per the code and in turn it will be forwarded to Stock Exchanges.

Code of Conduct

The Board has adopted a comprehensive code of business conduct prescribed by the Department of Public Enterprises. The code is circulated to all the Directors and management personnel and compliance of the same is affirmed annually.

Business code of conduct is posted at Company's website: www.nalcoindia.com.

A declaration signed by Chairman-cum-Managing Director to this effect is given below:

"I hereby confirm that the Company has obtained from the members of the Board and senior management (Key Executives), affirmation that they have complied with the Code of Conduct for Directors and senior management in respect of the financial year 2013-14."

Sd/-
(Ansuman Das)
Chairman-cum-Managing Director

CEO/CFO certification

The annual certification of financial reporting and internal controls by the Chairman-cum- Managing Director and Director (Finance) of the Company was placed in the meeting of the Board of Directors on 28.05.2014, as required under clause 49 of the Listing Agreement. The CMD and Director (Finance) also give quarterly certification on financial results while placing the quarterly results before the Board for consideration of unaudited financial results in terms of clause 41 of the Listing Agreement.

9.0 Means of Communication

(i) Quarterly Results:

Quarterly Results of the Company are published in leading English and vernacular newspapers in India and are displayed on the Company's website www.nalcoindia.com. The results are also sent to Stock Exchanges through fax and e-mail. The same are also regularly filed electronically on NEAPS of NSE and Listing Centre of BSE.

(ii) Presentations to Institutional Investors /Analysts:

The Company communicates with Institutional investors and makes presentations at Investors' conferences from time to time. All such presentation materials are sent to the Stock Exchanges before hand and the same are also uploaded in the Company's website.

(iii) Website:

The Company's website www.nalcoindia.com contains a separate segment 'Investor Services' where all types of shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

(iv) Chairman's Communique:

Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.

(v) Reminder to Investors:

Reminders for unclaimed/unpaid dividend are sent to the shareholders as per records every year. The list of unpaid/unclaimed dividend, year-wise is also available in the 'Investor Services' page in the website.

(vi) NSE Electronic Application Processing System (NEAPS):

NEAPS is web based application designed by National Stock Exchange (NSE) for corporates. All periodical compliance filings viz. shareholding pattern, corporate governance report, quarterly results, press releases etc. are filed electronically on NEAPS.

(vii) BSE Corporate Compliance & Listing Centre (the "Listing Centre"):

The Listing Centre of BSE is a web based application designed by Bombay Stock Exchange (BSE) for corporates. All periodical compliance filings viz. shareholding pattern, corporate governance report, quarterly results, press releases etc. are filed electronically on the Listing Centre.

(viii) SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redress system. This system provides Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the company and online viewing by investors of actions taken on the complaint and its current status.

10.0 Shareholders' information

(i) Company Registration Details

The Company is registered in the State of Odisha, India. The Corporate Identity Number (CIN) allotted to the Company is L27203OR1981GOI000920.

(ii) Annual General Meeting

Date: 27.09.2014

Time: 11.00 A.M.

Venue: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751 013

(iii) Financial Calendar for 2014-15:

Events	Tentative Date
Unaudited Financial results for the first three quarters	Within 45 days of closure of respective quarter
Audited Financial results for the year including 4th quarter results	Within 60 days from date of closure of the Financial year.
Annual General Meeting for the year ending March 31, 2015	By September, 2015

(iv) Book Closure Dates

Book Closure/Record Date	Purpose
6th March, 2014	Interim Dividend@ `1.10 per share for 2013-14
16th September, 2014 to 19th September, 2014	Final Dividend @ `0.40 per share for 2013-14

(v) Dividend payment

The Board has recommended a final dividend of `0.40 per share ( 8% on the paid-up share capital) for the financial year 2013-14 in addition to the interim dividend of `1.10 per share (22% on the paid-up share capital) paid on 25.03.2014.

Total dividend for the year 2013-14 works out `1.50 per equity share of `5 each against `1.25 per equity share of `5 each in the previous year. The total amount of proposed dividend for 2013-14 is `386.59 crore as against `322.15 crore in the previous year.

(vi) Dividend History

Year	Dividend per share (₹)	Total Equity Shares	Total Dividend (₹ in crores)
2008-2009	5.0*	64,43,09,628	322.15
2009-2010	2.5*	64,43,09,628	161.07
2010-2011	2.5*	257,72,38,512 #	257.72
2011-2012	1.0*	257,72,38,512 #	257.72
2012-2013	1.25*	257,72,38,512 #	322.15

* Including interim dividend.

\# Subsequent to the split and bonus issue.

The Company has paid ` 4802.68 crores (excluding the final dividend recommended for 2013-14) as dividend since inception.

(vii) Equity Shares in Suspense Account

No equity shares are lying in suspense account in terms of clause 5A (I) of the Listing Agreement, for the year under review.

(viii) Transfer of unpaid/unclaimed dividend to IEPF

The Company sends reminder notices to all shareholders who have not claimed or encashed their dividend warrants. The details of unpaid/unclaimed dividend, account wise are uploaded in the Company's website for information of the shareholders.

During the year under review, the following unpaid/unclaimed dividends were transferred to the Investor Education and Protection Fund (IEPF):

Financial Year	Nature of Payment	Amount (₹)	Date of Transfer
2005-06	Final Dividend	6,47,451	07.10.2013
2006-07	1st Interim Dividend	6,22,392	06.02.2014
2006-07	2nd Interim Dividend	3,42,853	18.03.2014

(ix) Listing on Stock Exchanges

Listing status of NALCO shares in Stock Exchanges are given below:

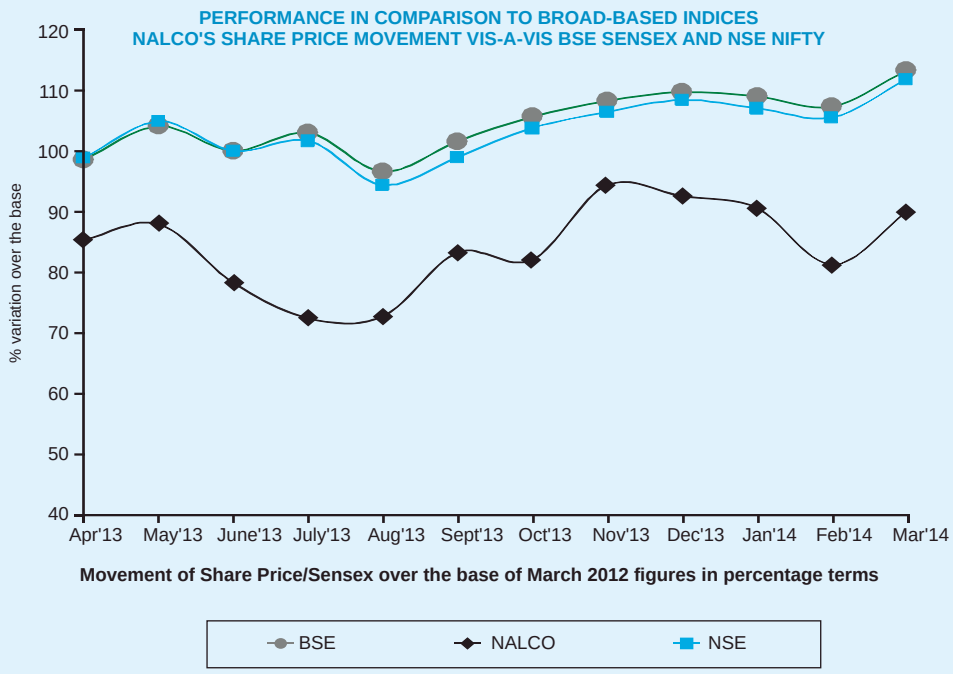
Particulars	Stock Exchanges where shares are listed	
	BSE Limited	National Stock Exchange of India Ltd.
Scrip code	532234	NATIONALUM
Traded from	19.10.1992	28.04.1999
Stock code (ISIN)	INE 139A01034	INE 139A01034
Payment of Listing Fees for 2014-15	22.04.2014	22.04.2014

Annual custody fee/issuer fee for the financial year 2014-15 was paid to both the depositories i.e. NSDL and CDSL on 09.05.2014 and 30.05.2014 respectively.

(x) Market Price Data

MONTH	SHARE PRICE (BSE)			SHARE PRICE (NSE)		
	H	L	Avg. Daily Turnover	H	L	Avg. Daily Turnover
April, 2013	36.30	32.70	125037	36.25	32.50	321092
May	37.80	33.30	90426	37.70	33.15	261861
June	34.85	28.25	71809	34.80	28.35	271769
July	32.00	26.75	78604	32.00	26.50	347697
August	34.45	24.10	169865	34.60	24.20	513457
September	35.65	31.50	165834	35.65	31.60	329398
October	36.90	31.80	110568	36.95	29.25	328165
November	40.75	35.35	160576	40.80	35.30	490103
December	39.20	36.10	61940	39.20	35.40	259143
January,2014	38.65	33.10	200250	39.95	33.35	256591
February	33.80	31.80	32568	34.00	31.55	183318
March	39.90	32.55	97686	40.10	32.45	434620

H=Highest, L=Lowest Source: Web-sites of BSE & NSE



(xi) Reconciliation of Share Capital

Share Capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed Capital is carried out through a qualified practicing Company Secretary . The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Pursuant to Clause 47-C of the Listing Agreement, half-yearly certificates on compliance of share transfer formalities obtained from Practicing Company Secretary have been submitted to Stock Exchanges in time.

11.0 Non-Mandatory Requirements

The Company has adopted the following non-mandatory provisions of clause 49 of the Listing Agreement:

Remuneration Committee

The Company has constituted a Remuneration Committee to decide the annual bonus/variable pay pool and policy for its distribution across the executives and non unionized supervisors, within the prescribed limits. As such, constitution of Remuneration Committee is mandatory under the DPE guidelines on Corporate Governance for CPSEs.

Accounting Standards

The Company has been getting 'NIL' comment from C&AG for last 14 years which indicate a regime of unqualified financial statements.

Whistle Blower Policy

The Company has put in place a mechanism for reporting unethical/illegal behaviour or activities in the Company. The whistle blower policy maintains confidentiality of employees' identity to encourage them to report any unethical behaviour, violation of conduct, actual or suspected fraud which may have serious repercussion in the working of the Company. The policy is posted in the Company's website.

The Company affirms that it has not denied any personnel, access to the Compliance Officer, designated committee or Audit Committee.

Training of Board Members

Independent Directors are encouraged and sponsored to attend various training programmes conducted by SCOPE, DPE to gain knowledge on latest changes/updates in corporate governance, discharge of duties as Directors etc.

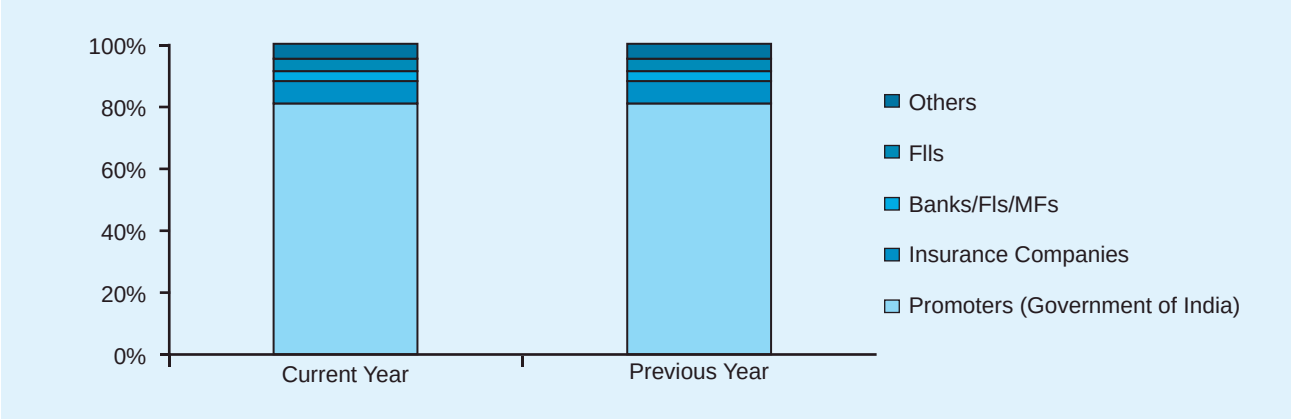
12.0 Registrar and Transfer Agents

The Company is having In-house Share Registry to provide all kinds of investors' related services, both in physical as well as electronic segments. Details of the Share Registry i.e. address, contact no., mail ids are given below:

National Aluminium Company Ltd.
Share Registry
NALCO Bhawan,
Plot No. P/1, Nayapalli,
Bhubaneswar – 751 013 (Odisha)
Tel : 0674-2303197, 0674-2301988 to 2301999
(12 lines) (EPABX) (Extn. 2585-87) Fax.: 0674-2300677
E-mail addresses: i) knravindra@nalcoindia.co.in
ii) nkmohanty@nalcoindia.co.in
iii) bharatsahu@nalcoindia.co.in

(ii) Shareholding pattern as on 31.03.2014

Sl. No.	Category	No. of Shareholders	No. of shares	Percentage of shareholding
1.	Promoters (Government of India)	1	208,90,59,622	81.06
2.	Mutual Funds	40	67,92,354	0.26
3.	Banks/ Financial Institutions	37	7,83,47,621	3.04
4.	Insurance Companies	8	17,81,42,359	6.91
5.	FIIs	74	9,80,47,365	3.81
6.	Bodies Corporate	1,063	8,97,06,705	3.48
7.	Indian Public	61,568	3,16,47,866	1.23
8.	Others	2562	54,64,420	0.21
TOTAL		**65,353**	**257,72,38,512**	**100.00**



(iii) Distribution schedule of shareholding

Number of shares	No. of Shareholders	Total share capital held (₹)	% of share capital
1-200	37,990	1,89,92,680	0.15
201-500	14,898	2,84,42,185	0.22
501-1000	6,403	2,60,41,975	0.20
1001-50000	5,920	11,39,21,235	0.88
50001-100000	52	1,76,10,870	0.14
100001 and above	90	1268,11,83,615	98.41

(iv) Major shareholders as on 31.03.2014

Details of shareholders holding more than 1% of the paid-up capital as on 31.03.2014 are given below:

Name of shareholder	No. of shares held	% of paid-up capital
President of India	208,90,59,622	81.06
LIC of India	14,92,66,579	5.79
Franklin Templeton Investment Funds	6,30,10,810	2.44
Hindalco Industries Ltd.	2,86,67,404	1.11

(v) Dematerialisation/Rematerialisation of Listed Shares & Liquidity

NALCO shares are in compulsory dematerialized segment for trading. 99.90% of the Company's share capital stands dematerialized as on 31st March, 2014.

Secretarial Audit Report for Reconciliation of the Share Capital of the Company is obtained quarterly from Practicing Company Secretary and submitted to Stock Exchanges within stipulated time.

The total no. of shares held in physical and in dematerialization mode is given below:

	No. of Shares	% to total shares	No. of shareholders
Demat shares with NSDL	2,53,69,92,120	98.44	43,915
Demat shares with CDSL	3,76,33,992	1.46	17,114
Shares in physical mode	26,12,400	0.10	4,324
Total	**2,57,72,38,512**	**100**	**65,353**

During the year, the Company has confirmed 64 dematerialization requests involving 36,604 shares. The Company has also confirmed 3 rematerialisation requests for 96,825 shares during the year and the physical share certificates were dispatched to the shareholders within stipulated time.

13.0 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on equity

The Company has neither issued any GDR / ADR nor any convertible instrument outstanding as on date.

14.0 Plant locations of the Company

Registered & Corporate Office NALCO Bhawan Plot No. P/1, Nayapalli Bhubaneswar – 751 013 (Odisha)	**Smelter Plant** Nalco Nagar Angul - 759 145 (Odisha)
Mines & Refinery Mines & Refinery Complex Damanjodi - 763 008 Dist.-Koraput (Odisha)	**Captive Power Plant** Angul - 759 122 (Odisha)
Port Facilities Opposite Ore Handling Complex Port Area Visakhapatnam – 530 035 (Andhra Pradesh)	**Utkal E-Coal Block** S & P Complex NALCO Nagar Angul - 759145 (Odisha)
Jaisalmer 47.6 MW Wind Power Plant National Aluminium Company Limited Village - Ludarva, Kahela, Khadero-Ki-Dhani, Tawariya, Chatrel Division/Taluk/District - Jaisalmer Rajasthan - 345 001	**Gandikota 50.4 MW Wind Power Plant** National Aluminium Company Limited Village - Gandikota Division - Prodattur Taluka - Jammalmadugu District - Kadapa Andhra Pradesh- 516 434

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AUDITORS' CERTIFICATE

To
The Members
National Aluminium Company Limited
Bhubaneswar

We have examined the compliance of conditions of Corporate Governance by **NATIONAL ALUMINIUM COMPANY LIMITED**, for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement subject to:

The company had not requisite number of independent directors on its Board from 21.03.2014 to 31.03.2014.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Agasti & Associates
Chartered Accountants
FRN - 313043E

(CA. B. Agasti)
Partner Membership No.051026

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA. P. K. Panda)
Partner Membership No.057140

Place : Bhubaneswar
Dated : The 7th day of August, 2014

Annexure-IV

SECRETARIAL AUDIT REPORT

To
The Members
National Aluminium Company Limited
NALCO Bhawan,
P/1, Nayapalli, Bhubaneswar

We have examined all registers, records and documents maintained by National Aluminium Company Limited for the financial year ended 31st March, 2014 according to the provisions of :-

- The Companies Act, 1956 and the rules made there under.
- The Depositories Act, 1996 and Business Rules of the Depositories.
- Various regulations and guidelines prescribed under the Securities and Exchange Board of India (SEBI) Act, 1992.
- Listing Agreements with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

Based on our examination, verification of records, documents and based on the information and explanations given to us by the Company, we report that :

1. Maintenance of Statutory Records :

The Statutory Registers, records and other registers as prescribed under various provisions of the Companies Act, 1956, the Depositories Act, 1996 and the rules made there under are kept and maintained properly with all necessary entries made therein. Provisions of the Companies Act, 1956 were duly complied with regard to closure of Register of Members.

2. Filing of Statutory Returns:

The provisions of the Companies Act, 1956 and other statutes are duly complied with regard to timely filing of various forms and returns with the Registrar of Companies and other Statutory Authorities. All documents/intimations under various Statutes/Listing Agreement/Business Rules were also regularly filed with the Stock Exchanges and Depositories (NSDL and CDSL) within the due dates.

3. Composition of the Board

Clause 49 of listing agreement requires that if the Chairman of the Company is an Executive Chairman then not less than half of the Board of Directors should comprise of independent directors. As far as compliance of Clause 49 of listing agreement pertaining to composition of Board is concerned, the Company has complied with the provisions except during the period from 21.03.2014 to 31.03.2014.

4. Board Meetings:

The Company held seven Board Meetings during the financial year with a maximum gap of 78 days during two consecutive Board Meetings with valid quorum being present in all meetings. The Company has complied with the provisions of Companies Act, 1956 in respect of service of notice of Board Meetings, recording of all proceedings of the meetings including circular resolutions in the Minutes Book.

5. In -house Share Registry:

The Company has its own in-house Share Registry located at its Registered Office at NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751061. It handles all share related activities both physical and electronic segments in compliance with the SEBI Circular No. D&CC/FITTC/CIR-15/2002 dt.27.12.2002.

6. Share Transfer Committee:

The Share Transfer Committee (STC), constituted by the Board of Directors considers and approves issue of new share certificates in case of torn/mutilated/defaced/lost/ rematerialisation of shares and also transfer/transmission of shares. For quick disposal of requests, Company Secretary has been authorized by the Board to consider only the cases of the transfer/transmission of shares. During the year ended 31st March, 2014 share transfer/transmission and issue of new share certificates arising out of torn/mutilated/ defaced/lost/rematerialisation were approved 6 times through Share Transfer Committee and Company Secretary approved transfer/transmission etc. 11 times.

7. Redressal of Investors Grievances:

All complaints/grievances relating to share transfers, transmissions, demat/ remat of shares, issue of duplicate share certificates, payment of dividend etc. were attended and resolved within 2-3 days time of their receipt. Details of these complaints/ grievances, share transfers, electronic holding of shares (both NSDL and CDSL) were put up in every Audit Committee Meeting (Audit Committee is also entrusted with the job of looking into redressal of investors grievances).

During the Financial year the Company has received 97 complaints including 5 lodged through the SEBI introduced web based complaint redress system SCORES. All the complaints have been redressed duly.

8. Daily Reconciliation of Listed and Paid up Capital:

The reconciliation of physical and dematerialised shares with the total shares issued by the Company is carried out on a daily basis. The Company has adequate transparent systems and procedures to carry out the above reconciliation. The Company has complied with the provisions of Depositories Act, 1996 and the bye-laws framed thereunder by the Depositories with regard to reconciliation of records of dematerialised securities with all securities issued by the Company.

9. Dematerialisation /Rematerialisation:

The dematerialization/ rematerialization requests received from participants (DPs) of the Depositories (NSDL/CDSL) are attended immediately. The requests are confirmed within 3-4 days of receipt of the physical documents as against 15 days from the date of receipt stipulated by the Depositories and 21 days from the date of uploading the individual requests stipulated by SEBI. The Company has duly complied with the provisions of Depositories Act, 1996 and the rules and regulations made there under with regard to dematerialsiation/rematerialisation of securities.

During the year under review, the DP operations of NALCO were inspected by the authorized inspecting officials of NSDL and CDSL on 11.02.2014. CDSL had no observation/remark after the inspection. NSDL had also no remark on operational side.

10. Payment of Corporate Cash Benefits to the Shareholders:

The provisions of the Companies Act, 1956 are duly complied with regard to payment of dividend in time to share holders after declaration and wherever necessary rights to dividends were kept in abeyances, pending registration of transfer of shares/ pending final settlement of legal suits. The Company had paid an interim dividend of ` 1.10 per share on the face value of ` 5/- per share on 25.02.2014 and has recommended a final dividend of ` 0.40 per share for the financial year 2013-14 making it a total of ` 1.50 per share.

11. Transfer to Investor Education and Protection Fund:

In terms of Section 205A of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the Company has transferred the following unpaid/unclaimed dividend to the Investor Education and Protection Fund on expiry of 7 years period from the date of declaration/payment:

Transfer of unpaid/unclaimed Dividend

Financial Year	Amount (`)	Date of Transfer
2005-2006 (Final Dividend)	6,47,451/-	07.10.2013
2006-2007 (1st Interim Dividend)	6,22,392/-	06.02.2014
2006-2007 (2nd Interim Dividend)	3,42,853/-	18.03.2014

12. Corporate Governance, Business code of conduct and ethics

The Board of Directors has adopted the guidelines on Corporate Governance, model business code of conduct and ethics for Board members and senior management, prescribed by DPE. The code of business conduct is circulated to all Board members and senior management at the beginning of the financial year and compliance of the same is affirmed by them annually.

13. Whistle Blower Policy

The Company has suitably adopted and pursuing the mechanism for reporting unethical/illegal behaviour or activities in the Company. The whistle blower policy maintains confidentiality of employees' identity to encourage them to report any unethical behaviour, violation of conduct, actual or suspected fraud which may have serious repercussion in the working of the Company. The policy is posted in the Company's website.

14. Insider Trading Regulations:

The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures by the directors, officers and designated employees and has maintained proper records required under these regulations. The company has also framed code of internal procedures and conduct as per the regulations.

15. Legal Notice:

During the year under review, the company has not received any legal notice from any Statutory Authorities like SEBI, Stock Exchanges and Registrar of Companies for any shortcomings/deviations in the securities transactions.

16. Public Deposits:

The Company has not accepted any Public Deposits under Companies (Acceptance of Deposits) Rules, 1975 during the year under review. The company has neither issued any GDR/ADR nor any convertible instrument during the year under review.

M/s. D.S. Mishra & Associates
(Company Secretaries)

D.S. Mishra
(C.P.No-4002)

Place: Bhubaneswar
Date: 22.07.2014

Annexure-V

Management Discussion & Analysis Report

1. INDUSTRY STRUCTURE & DEVELOPMENTS

Development in the Alumina and Aluminium industry during the year 2013-14 are detailed below:

ALUMINA

The world alumina production grew by 5.7% during 2013 to reach a level of 101.56 million Tonnes while world consumption grew during the same period by 5.2% reaching 98.68 million tonnes, leading to a global surplus of 2.88 million tonnes during the year.

Against the back drop of declining aluminium prices and largely subdued market conditions, alumina prices continued to remain low through 2013. Smelting capacities in several parts of the world (including Europe, North America and Brazil) have been curtailed / closed, in view of weak aluminium prices and sustained operating losses. Accordingly, consumption of alumina has been adversely affected. Alumina prices have followed a downward trend, driven by a surplus of available alumina cargoes and low metal prices.

Despite these developments, demand for Metallurgical Grade Alumina (MGA) is expected to increase during 2014, primarily on the back of growing Middle East demand for alumina.

ALUMINIUM

Global aluminium production grew by 5.5% from 47.96 million tonnes in 2012 to 50.61 million tonnes in 2013 while global consumption grew by 5.4 % from 47.57 million tonnes in 2012 to 50.15 million tonnes in 2013. The aluminium market, thus recorded a marginal surplus of 0.46 million tonnes in 2013. China continued to be the world's largest producer of aluminium with production of 24.91 million tonnes, constituting roughly 49% of total global output. The growth of production in China was about 12 % while that in the rest of the world was (-) 0.3%. During 2013, Primary aluminium production in the middle east has also registered an increase of about 6% over the previous year. Capacity in the middle-east is expected to grow from about 4.3 million tonnes in 2013 to about 5.8 million tonnes by 2015.

China was the world's largest consumer of primary aluminium with a consumption level of 24.14 million tonnes, accounting for 48% of total world consumption. While consumption in China grew by about 11.0 % with respect to 2012, consumption growth in the rest of the world was about 0.5%.

The LME aluminium prices have been highly volatile throughout the year fluctuating between a high of USD 2,123 in Feb'13 to a low of USD 1,695 in Dec'13 (which was the lowest LME level since 2009). The LME cash settlement price average was USD 1,846 for the year 2013.

The outlook for the global aluminium market remains somewhat subdued, largely on account of supply-demand imbalance and the abundance of stocks in LME warehouses. However, market sentiment towards aluminium has shown considerable improvement in recent times largely on account of improvement in end-user demand for the metal in Europe and the US. The mid/long term outlook for aluminium demand is constructive, on the back of positive demographics in the emerging world, increasing usage in the automotive sector and global manufacturing activity entering a new phase of growth. Global aluminium demand is expected to register an increase by 6 to 7% in 2014. Though China's demand growth during 2014 has been forecast to slow down to less than 10% (registered during 2013), as the country shifts focus away from investment-led economic growth, in the rest of the world, regions like North America and Europe are expected to pick up the slack. The main sectors expected to drive demand for the metal globally are aerospace, automotive, beverage can packaging and commercial construction.

The total domestic production of aluminium metal during financial year 2013-14 was 1.73 million tonnes which is practically at the same level as in financial year 2012-13. Total domestic consumption of primary metal in the country has seen a growth of about 7% (CAGR) from 1.14 million tonnes in 2008-09 to 1.58 million tonnes in 2013-14. However, domestic consumption of primary metal in 2013-14 experienced a drop of about 6% from 1.68 million tonnes in 2012-13 to 1.58 million tonnes in 2013-14. The drop has been largely attributed to low offtake from the electrical sector in the country. The reduction in domestic consumption has resulted in higher exports by the primary producers. However, this trend is expected to be reversed and a firm growth is expected in financial year 2014-15 due to increased thrust on infrastructure.

2. STRENGTHS AND WEAKNESS

Strengths

As reported in last year's report, skilled and committed manpower, commercially viable quality bauxite reserves, efficient technology, various well planned and ideally located infrastructure facilities, efficient operations, production of quality alumina and aluminium products, transparent & competitive procurement practices, meticulous marketing strategy, excellent customer service, prudential financial management, well accepted CSR initiatives and commitment to sound Corporate Governance practices in all facets of operations are some of the key strengths of your Company and your Directors are committed to bank upon these strengths for the sustained growth of your Company.

Weakness

Non availability of requisite quantity of coal at reasonable cost, escalating production cost including that of labour, fluctuations in the LME prices are some of the weaknesses that continue to affect the profitability of your Company.

3. OPPORTUNITIES AND THREATS

Opportunities

In the Indian context, future growth is likely to be robust in the transport, building and construction sectors. With Government's emphasis on infrastructure development, power sector is likely to grow. Packaging and Industrial machineries particularly the automobile sector are also expected to show growth.

However, opportunity exists in the domestic market as per capita consumption of aluminium in India is among the lowest in the world standing at 1.4 kg as compared to the world average about 7 kg. Significant opportunity exists for exports to neighboring countries because of their low production levels.

Growth is also expected to be higher in consumption of downstream products and semis, particularly for sheets, extrusions and castings. R&D efforts to bring in new usages and applications, exploration and collaboration with other industries where aluminium could substitute other materials, development of alloys to suit the requirements of various industries, changing the design pattern with a view to improving the functionalities of different products etc. may be attempted.

The Company has surplus alumina after 2nd phase expansion, which is likely to increase further after the proposed 5th Stream in Alumina Refinery comes on stream. NALCO is pursuing to set up a Greenfield aluminium smelter in Sundargarh district in Odisha based on the surplus alumina. However, aluminium smelter being an energy intensive industry, energy at a cheap rate is needed for viability of the project. The Company is actively pursuing for allocation of a captive coal block for the project under government dispensation route.

Threats

Despite some capacity closures, China's increase in production has been putting the aluminium market under pressure. The Chinese Govt. has been providing power subsidies thus helping aluminium smelters avoid losses and in fact, leading to some aluminium capacity being restarted in the country. Although aluminium prices remained low, output has actually continued to grow despite subdued demand thus having a negative impact on the primary metal market.

Power is one of the major inputs for aluminium production, constituting roughly 40% of the production cost. Substantial increase in cost of coal in recent past has put additional cost pressure on aluminium producers in India. On the other hand, the availability of low-cost aluminium from smelters in West Asia is expected to impact Indian smelters, where production capacity has increased considerably in the past decade due to cheap gas from oil refineries making the region ideal to set up aluminium plants.

The other threat perceptions includes competition from scrap imports, large scale availability of substitute materials particularly plastics, and increasing raw material costs.

The cost of coal and its sustained availability is a problem for energy intensive aluminium industry. Rise in input material cost is a major threat for aluminium producers like NALCO.

The threat perceptions for the company include price instability at LME, shrinking profit margins, competition from private players. Maintaining the profit margin with significant cost push is a challenge.

4. OUTLOOK FOR FUTURE

After consolidating its position firmly in the field of alumina and aluminium, the Company is strengthening its position in areas like wind power, strategic metals and alloys.

In its future strategic growth plans, the Company is to concentrate more on its core competence areas with further expansion of the capacities in Mines, Refinery, Smelter and Captive Power Plant with certain backward and forward integration.

With Gujarat Refinery on board and addition of 5th stream in Damanjodi, the Company is poised to become a major global alumina producer. Company's diversification to other sources of power, specifically in wind energy gives it a new foot print as a responsible corporate citizen caring for the environment.

The Company proposes to foray into strategic metals for which it has signed a MOU with Indian Rare Earths Limited (IREL) for development of a titanium slag project at Chhatrapur, Odisha.

Domestic Market Outlook:

Indian primary aluminium producers are expanding their smelting capacities through their Brownfield and Greenfield expansion projects and by the end of 12th plan period, the aluminium capacity in the country is expected to be around 4.5 million tonnes.

The aluminium demand in India is projected to grow, largely in line with the annual GDP growth rate of about 5.5 % per annum. Domestic consumption is expected to increase with corresponding increase in usage of aluminium in various application areas. Demand growth is likely to be highest in transport, building and construction sectors, but other sectors are also expected to grow simultaneously. With stress on infrastructure and Government thrust on rural electrification, consumption from power sector is likely to get a boost. With the country experiencing high growth in urban housing – both residential and commercial and automobiles besides food processing and packaging industries, offtake of aluminium by these sectors is expected to grow fast.

International Outlook

- The Global production of Aluminium is expected to be around 52 million tonnes in 2014, primarily driven by China and Middle East countries.
- Production ramp up at EMAL smelter and the Ma'aden smelter are underway in the Gulf. Capacity ramp-up from Iran's smelting projects will also result in additional supplies from the Middle East. In India, the ramp-up of Hindalco's 359,000 tpy Mahan smelter and 359,000 tpy Aditya Aluminium smelter are under progress.
- Although supply side responses have picked up momentum in China, Chinese production has continued to increase, with capacity ramping up in the Northwest provinces.
- On the consumption front, Chinese demand growth is likely to be driven by the automotive and construction industries. In particular, construction demand in China is likely to be supported by improved sentiment on the back of new government stimulus measures, which include the rebuilding of affordable houses and increasing spending on infrastructure investment.
- In the rest of the world, the main sectors expected to drive demand for the metal are the aerospace, transportation, packaging and commercial construction sectors.

5. RISKS & CONCERNS

Volatility in LME prices, the fluctuations in US Dollar exchange rates(as LME prices are denominated in US Dollars), rising input costs – particularly coal & fuel oil prices, weak demand growth in traditionally strong economies continue to remain causes of concern.

Non receipt of full quantity and poor quality of linkage coal, higher consumption of alumina and bauxite due to high percentage silica content are some of the concerns.

6. RISK MANAGEMENT

The Company has a robust risk management policy in place which, inter-alia, incorporates guidelines issued by Govt. of India from time to time. Risk Management is undertaken as a part of normal business practice and that as a separate task at set times.

The Company has a Risk Management Committee at Board level. The Committee reviews the exceptional Risk Reports and advise remedial measures from time to time. The risk mitigation measures are periodically reviewed and executive management controls risks through means of a properly defined frame work. For the identified risks, the nominated Risk Officers maintain risk registers in prescribed format which are also overviewed by Internal Auditors of the Company. Deviations if any, are reported to the Audit Committee and Risk Management Committee.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has well established internal control systems, commensurate with the nature and size of its operations. The Company has entrusted its internal audit function to eight reputed and well experienced external Chartered Accountants' firms for objective and impartial assessment of its financial and non-financial transactions carried during the year under report including assessment of Statutory Compliances, and reviewing risk management practices. The internal audit reports submitted by the auditors are discussed at functional directors level in the first instance and then material observations are submitted to the Audit Committee for its review, analysis and advice to further strengthen the internal control systems covering all Functional areas. The company also facilitates interaction among Statutory Auditors, Cost Auditors & Internal Auditors at regular intervals to discuss various issues involving internal controls and measures to be taken for improvement. Action taken report on the observations of Audit Committee on internal audit reports are regularly submitted to the Audit Committee.

8. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

A. Financial operation :

I. Revenue From Operation

` in Crore

Particulars	2013-14	2012-13	Change %
Export Turnover	3,719.27	3,410.49	+09
Domestic Turnover	3,305.00	3,836.68	-14
Gross Turnover	7,024.27	7,247.17	-03
Less :Excise Duty	375.47	437.72	-14
Net Turnover	6,648.80	6,809.45	-02
Other Operating Income	132.05	107.03	+23
Total	**6,780.85**	**6,916.48**	**-02**

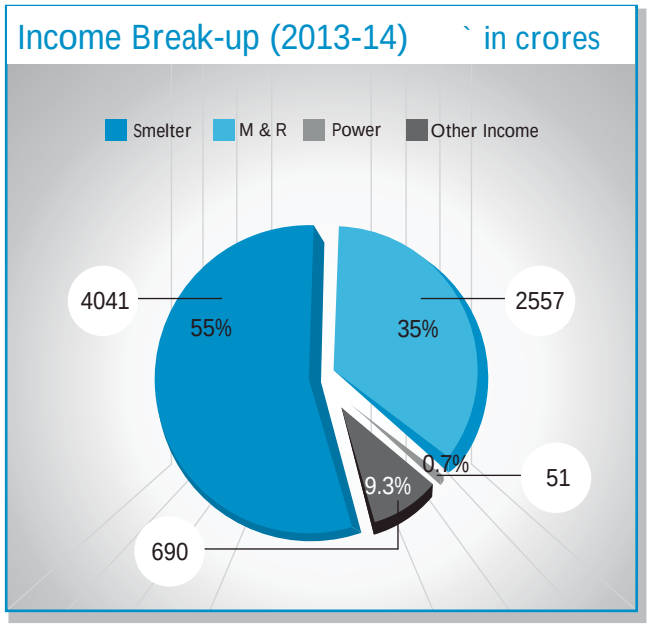
During the financial year 2013-14, the company has achieved chemical sales quantity of 13.43 Lakh MT against 9.85 lakh MT achieved during last year. Sales volume of Metal during the financial year 2013-14 was 3.20 lakh MT against 4.03 lakh MT during last year. Even though average sales realization for Alumina and Metal has been higher during 2013-14 compared to previous year, the lower volume of Metal production and consequently lower sale led to reduction in turnover.

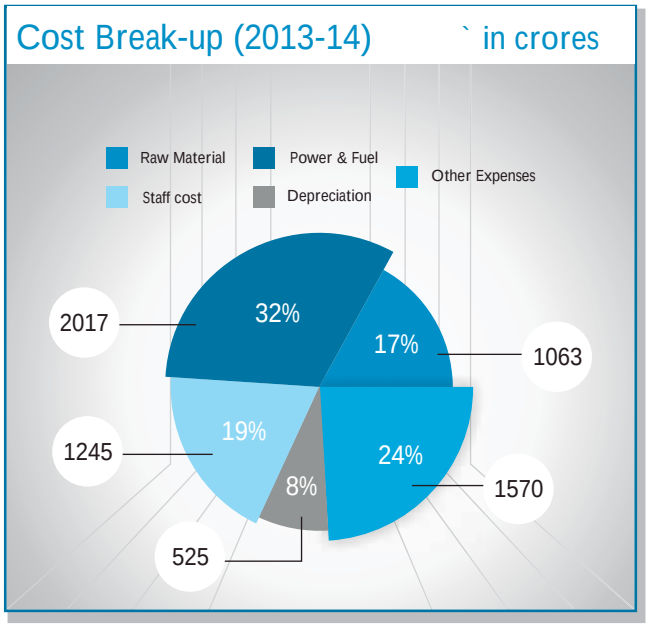
II. Other Income

` in Crore

Particulars	2013-14	2012-13	Change %
Other Income	557.71	511.05	+09

Other income mostly represents income from investments of surplus funds.





III. Expenditure

` in Crore

Particulars	2013-14	2012-13	Change %
Raw Material Consumed	1063.16	1167.83	-09
Power and Fuel	2017.67	2432.27	-17
Employee Benefit Expense	1245.33	1153.93	+08
Stock Accretion /Depletion	58.55	(64.25)	--
Other Expenses	1461.94	1319.83	+11
Finance Cost	-	7.45	-
Depreciation	524.73	505.43	+04
Total	**6371.38**	**6522.49**	**-02**

- Reduction in Raw Material expenses compared to previous year is attributed to lower volume of Metal production and decrease in prices of some input materials. The benefit thus accrued was partly offset by higher caustic soda consumption at Refinery due to inferior mineralogical composition in Bauxite excavated.
- Reduction in Power & Fuel cost happened due to lower volume of power generation and Metal production. Besides power purchase from state grid for Metal production was stopped. Improved efficiency of fuel oil consumption across all sectors also led to substantial savings.
- Increase in employee cost was mostly due to normal salary/DA increase.
- Increase in other expenses was primarily on account of few major replacements undertaken during the year. Provision for interest on disputed dues also contributed to the increase.

IV. Exceptional Item

` in Crore

Particulars	2013-14	2012-13	Change %
Employee Benefits	(49.37)	-	-

Exceptional item (expense) represents differential superannuation benefit for employees and incentive payment to non-executive employees relating to past periods arising out of settlement.

V. Tax Expense

` in Crore

Particulars	2013-14	2012-13	Change %
Current Tax	264.65	263.30	+01
Deferred Tax	7.15	54.02	-87
Earlier Years	3.66	(5.11)	--
Total	**275.46**	**312.21**	**-12**

Deferred Tax Liability for the previous year was higher due to onetime effect of change in surcharge.

VI. Profit after tax and Earnings per Share

` in Crore

Particulars	2013-14	2012-13	Change %
Profit after Tax	642.35	592.83	+08
Earnings per Share of ` 5 each (in `)	2.49	2.30	+08

In spite of a volume drop and hike in fixed expenses in certain area higher net profit could be achieved primarily due to operational efficiency, particularly in the areas of energy management and supplemented by pro-active funds management. But for the exceptional item arising due to a long pending settlement, the net profit would have been ` 674.94 crore i.e. higher by ` 32.59 crore considering tax impact notionally.

VII. Dividend Particulars

Particulars	2013-14	2012-13	Change %
Interim Dividend (%)	22	15	--
Final Proposed Dividend (%)	8	10	--

Considering the increase in profit and to promote investors interest, a higher dividend compared to last year has been proposed for the year 2013-14

B. Financial Position :

I. Non Current Assets

` in Crore

Particulars	2013-14	2012-13	Change %
Fixed assets			
Tangible assets	6688.80	6523.80	+03
Intangible assets	103.14	105.09	-02
Capital work-in-progress	768.74	1001.92	-23
Non-current investments	1.04	161.04	-99
Long-term loans and advances	1517.27	1474.04	+03
Other non-current assets	43.32	36.49	+19

- **Fixed Assets & Capital Work in Progress : (Note 9 &10)** -The increase in tangible fixed assets and decrease in capital work in progress was mainly due to capitalization of wind power plant and up gradation of 4th stream at alumina refinery.
- **Long term Loans & Advances: (Note 12):** Long term loans and advances represent deposits made with statutory authorities, loans and advances to employees etc.Marginal increase is due to deposits with Income tax authorities against demand.

II. Current Assets

` in Crore

Particulars	2013-14	2012-13	Change %
Current investments	1244.00	1329.02	-06
Inventories	1173.66	1380.64	-15
Trade receivables	243.57	148.65	+64
Cash and Bank Balances	4048.29	3504.38	+16
Short-term loans and advances	481.38	473.76	+02
Other current assets	235.30	193.78	+21

- **Inventories: (Note 15) –** Close monitoring has led to substantial reduction in inventory holding as on 31.03.2014 (i.e.by about 15%) across all categories.
- **Trade Receivables: (Note 16) -**The company sales its products against firm financial arrangement, and as such there is no credit sales. Trade receivables mostly represent year end sales remaining unrealized as on 31st March of every year.
- **Cash and Bank Balances : (Note 17) -** Increase in cash and bank balance is due to surplus from operations as well as maturity from Mutual Funds getting invested in term deposits with banks.
- **Other Current Assets: (Note 19) –** Increase in other current assets is primarily due to higher accrued interest on term deposits with banks.

III. Non Current Liabilities

` in Crore

Particulars	2013-14	2012-13	Change %
Deferred tax liabilities (Net)	910.13	903.13	+01
Other Long term liabilities	54.96	70.82	-22
Long-term provisions	218.22	208.62	+05

Other Long term Liabilities :(Note 4) - Other long term liabilities are less due to discharge of liabilities during current year.

IV. Current Liabilities

` in Crore

Particulars	2013-14	2012-13	Change %
Trade payables	531.12	509.17	+04
Other current liabilities	2564.38	2545.75	+01
Short-term provisions	147.25	162.67	-09

Short Term Provisions: (Note 8) - Short term provisions are lower due to lower proposed final dividend and tax thereon.

C. Segmentwise Performance

The detailed segment wise information is furnished below:

	Chemicals (Alumina)		Aluminium		Unallocable		Total
	₹ in cr.	Share(%)	₹ in cr.	Share(%)	₹ in cr.	Share(%)	₹ in
Net Sales	2,557	38.46	4,045	60.84	cr. 47	0.70	6,649
PBIT	822	89.54	(259)	-28.21	355	38.67	918
Capital Employed#	3,097	23.76	4,061	31.16	5,875	45.08	13,033
ROCE (%)	-	26.54	-	-6.38	-	6.04	7.04
PBIT Margins (%)	-	32.15	-	-6.40	-	-	13.81

#Capital employed under "Unallocable Common" includes cash balance and Capital works in progress of expansion units.

9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

Human Resources

Manpower strength of the Company as on 31.03.2014 was 7,425 as against 7,555 at the last day of the previous year. The detailed break-up is given below:

Sl No.	Position*	As on 31.03.2014	As on 31.03.2013
A	Executives	1,809	1,799
B.	Supervisory	881	863
C.	Skilled/Highly Skilled	3,839	3,951
D.	Unskilled/Semi-Skilled	896	942
	Total	**7,425**	**7,555**

* Including GETs/MTs/SOTs/JOTs

Training & Development

As in any successful organization, Human Resources Development plays a key role in our organization. Apart from the need for induction and orientation training programmes, your Company gives emphasis to skill up-gradation programmes to avert skill obsolescence. A blend of internal and external faculties is used to have a right mix of theoretical and practical inputs. Minute attention is given right from training need identification to training effectiveness evaluation in line with the objectives of the Company including requirements of quality management systems.

The training statistics for the year 2013-14 are given below:

Description	Persons	Man days
Executives	1,766	6,566
Non-Executives	3,362	11,726
Total	**5,128**	**18,293**

10. CORPORATE PLAN AND BUSINESS DEVELOPMENT

CORPORATE PLAN:

The Company has adopted vision 2020 to become a reputed global company in metals and energy sectors. The Corporate Plan drafted in 2009 enumerates the Company's plans to expand in alumina and aluminium sectors in India and abroad, to diversify into power sector and to look for business opportunities in other metals. With its enlarged vision, the Company is concentrating on three key directions to achieve its goals for future Globalisation, Diversification and Growth. With the change in the business scenario, the Company intends to review and revise its Corporate Plan to align to the demands of the present time. A new Corporate Plan will be formulated soon.

BUSINESS DEVELOPMENT:

- **Alumina Refinery Project in Gujarat**

  The Company is pursuing to set up 1 MTPA alumina refinery in Kutch district of Gujarat based on supply of bauxite from GMDC's mines, for which Detailed Project Report (DPR) for the project has already been prepared. The project is likely to be taken up in JV with GMDC.

- **Nuclear Power Plant in JV with Nuclear Power Corporation of India Ltd (NPCIL)**

  Approval for equity infusion in the JV Company NPCIL- Nalco Power Company Ltd "NNPCL" for establishment of 2x700 MW Kakrapar Atomic Power Station (KAPS) 3&4 is being pursued at Government level.

- **2nd Smelter and CPP in Odisha**

  The proposal for Smelter and Power Plant in Sundargarh district, Odisha was approved by Govt. of Odisha in Sept, 2012. Dept. of Water Resource, Govt. of Odisha has confirmed availability of 50 cusec water from Hirakud reservoir for the project. However, sanction of the same is awaited. The Company is actively pursuing for allocation of coal blocks for the said project through Govt. dispensation route which would be necessary to make the project viable.

- **Mines & Refinery in Andhra Pradesh**

  Mining Plan preparation has been suspended as field visit is not possible due to security concerns. The project is not being pursued vigorously at this point of time.

- **14 MW Wind Power Plant at Damanjodi**

  The Company is planning to set up a 14 MW wind power project in mined out area of its bauxite mines in Damanjodi. Detailed Feasibility Report (DFR) has been prepared.

- **100 MW Wind Power Plant**

  The Company also plans to set up 100 MW wind power project at a suitable location in India at an estimated investment of Rs 660 crore. Selection of wind power developer is underway.

- **Solar Power Project**

  The Company plans to set up 15 MW solar power plant at an estimated investment of `120 crore at a suitable location in India to meet its solar renewable purchase obligation (RPO).

  As the capital cost of solar projects exhibit a declining trend over last few years, the Company would consider setting up of solar power plants on standalone basis based on the viability of the projects.

- **Rooftop Solar Power Project**

  The Company has already commissioned 160 KWp rooftop solar power plant at its Corporate Office. Installation of 100 KWp rooftop solar power plants in the township at Bhubaneswar is underway. The Company is also undertaking feasibility study to establish ground mounted and rooftop solar power project at the NALCO Research &Technology Centre (NRTC) at Bhubaneswar.

- **Caustic Soda Project**

  The Company plans to set up 2 Lakh TPA caustic soda plant at Dahej in Gujarat at an estimated investment of ` 950 crore in JV with GACL for which the Detailed Project Report (DPR) is under preparation.

- **Aluminium and Aluminium Alloy Conductor Plant**

  The Company plans to set up aluminium and aluminium alloy conductors in JV with Powergrid for which the Techno-economic Feasibility Report (TEFR) has been made. Govt. of Odisha has made in-principle allocation of 30 acres of land in the Angul Aluminium Park.

11. ANCILLARY DEVELOPMENT

Your Company continued its efforts in development of ancillary industries.

Action taken during the year under review in development of ancillary industries are:

- Awarded ancillary status to 4 more MSMEs. With this total MSMEs that have been awarded ancillary status stands at 57.
- Participated and organised the following events for promotion of ancillary industries:
  - Sub-PLAC meeting at Angul and Damanjodi during May/June,2013 respectively.
  - Entrtepreneurs week at M&R Complex at Damanjodi during June, 2013.
  - Buyer Seller interaction meet during December, 2013.
  - Vendor training programme for SC&ST MSMEs at Smelter.
- Participated in various MSME exhibitions like:
  - Buyer Seller's meet like MSME Enterprises Odisha-2013 from 20th to 23rd October, 2013. Your Company bagged best display award at Enterprise Odisha 2013 organised by CII in association with Govt. of Odisha
  - ODISHA MSME International Trade Fair 2014 held during January, 2014 at Bhubaneswar, organised by Govt. of Odisha and M/s NSIC.

12. COMPUTERISATION ACTIVITIES

Information Technology is an integral part of the Company's business processes as well as production and manufacturing systems. The major enterprise applications like Procurement, Inventory management, Finance and Accounting, Marketing and Sales, Human Resource Management have been implemented in SAP ERP, and are under continual up-gradation. In procurement process, recently the Company has launched e-tendering through SRM 7 module of SAP.

The centralized IT applications and services are hosted at an in-house Data Centre at Corp office, Bhubaneswar, supported by a Disaster Recovery site located at Damanjodi, and Disaster Network Operation Center (NOC) at Angul, so as to effectively implement Business Continuity Plan for the IT based processes. It also features a satellite based time synchronization server to put all devices and servers on the same time framework. Network infrastructure at all Plants and Offices is under replacement with 10 Gbps fault tolerant state of the art equipment and accessories.

New initiatives like Desktop virtualization, and mobility solutions are under active implementation for providing full IT resources on the move to specified sections. Company e-mail has been extended to smart mobiles. A move towards less paper organization has been taken by digitisation of documents with Document Management System, whose implementation has started at Smelter.

The e-governance measures have been widened with introduction of biometric attendance system an all units, centralized payroll system, on-line performance appraisal for executives for faster processing of performance appraisal. GET recruitment has provision for online receipt of applications, and further interaction at various stages of the recruitment process.

13. TOTAL QUALITY MANAGEMENT

Various quality management initiative taken during the year are:

Integrated Management System

Quality Management Systems at five units i.e. Smelter, CPP, Alumina Refinery, Mines & Port Facilities, have been integrated into Integrated Management System comprising of ISO 9001, ISO 14001 & OHSAS 18001. All the five units have successfully undergone external audits on Integrated Management System during the year.

Energy Management System (ISO 50001)

During the year, Energy Management System (EMS) conforming to ISO 50001, was successfully implemented at Alumina Refinery and the unit was certified on 31.03.2014. The documentation of EMS at Smelter is completed and Phase-I audit has been completed.

Quality Circle Activity

- To promote Quality Circle Activities in the state, the Company has organised the All Odisha Quality Circle Convention. This convention, a flagship event in the Quality movement of the State had 33 Quality Circles/TPM Circles from twenty units/plants of different organisations in the State, as participants.

- Ten QCs from your Company participated in National Convention on Quality Circles organised by QCFI at Kolkota in Dec.,2013 where five QCs were awarded the highest category i.e Par-Excellence.

Lean Six Sigma Initiatives

Lean Six Sigma initiatives were taken up at CPP, Alumina Refinery & Mines in addition to Smelter, taking up projects in each unit.

14. SAFETY & OCCUPATIONAL HEALTH

Sustainable operation of an Industry demands attention towards its three vital elements, Environment, Safety and Occupational Health. As a responsible corporate entity, the Company has taken utmost care of the environment, safety and occupational health issues in all its activities. Accordingly, all production units got certified to International Standard under OHSAS 18001, Occupational Health and Safety Management System and are valid during the operating year 2013-14.

For developing awareness on safety & occupational health, the Company imparted internal as well external training to its employees and contractor workers.

Your Company has provided Occupational Health Centre (OHC) at its S&P Complex as well as its M&R Complex. Both the OHCs are provided with qualified Doctors, qualified Technical staffs associated with all modern testing facilities. The analysis of PME results indicates no Occupational Diseases observed in both the complexes.

15. ENVIRONMENTAL PROTECTION & CONSERVATION

The Company has taken various measures for protection & conservation of environment. Salient features of activities under taken during the year are:

- During the year all operating units of your Company have operated with valid “Consent to operate” under Water (PCP) Act,1974 & Air (PCP) Act,1981, Valid authorizations under Hazardous Waste Management and Handling Rules, Municipality Solid Waste Management Rules, Biomedical Waste Management and handling Rules etc. & valid licenses under different statutory regulations applicable to the organization.
- All operating units of your Company have adopted zero discharge with respect to their waste water management as well as sewage waste water management. The treated waste water were recycled and reused in the process / horticulture purposes.
- Around 1,85,828 saplings were planted in and around the production units of your Company during the year.
- Your Company has utilized 71.67 % and 69.64 % ash in its Captive Power Plant at Angul and Steam and Power Plant at Damanjodi respectively.
  - Retrofitting of ESPs for old 6th CPP Units by installation of additional pass and revamping of existing ESPs is taken up for reducing stack emission to below 100 mg/NM3. The retrofitting has been successfully completed in 4 units and work is under progress in balance two units (Unit #2 & #4).
  - Real Time Data Acquisition System (RTDAS) for Cast House (B) stack, FTP 7 & 8 and on line data transmission to the server of OSPCB through GPRS service completed.
  - Integrated automated alumina and bath mixing system commissioned to reduce generation of dust to a great extent.
  - HDPE lining of 3rd Holding pool completed, which shall prevent any contamination of underground water due to holding of waste water after treatment. The concreting work of 3rd Holding pool is in progress.

AGASTI & ASSOCIATES
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11A, Bapuji Nagar,
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INDEPENDENT AUDITORS' REPORT

To
THE MEMBERS OF
NATIONAL ALUMINIUM COMPANY LIMITED,

Report on the Financial Statements

We have audited the accompanying financial statements of National Aluminium Company Limited, ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13 September, 2013 issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date, and

c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 read with general circular 15/2013 dated 13 September, 2013 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
   e. In terms of Government of India, Ministry of Finance, Department of Company Affairs, Notification No.GSR 829 (E) dated 21st October, 2003, Government Companies are exempt from the applicability of provisions of Section 274 (1)(g) of the Companies Act, 1956;

For Agasti & Associates
Chartered Accountants
Firm Registration No. - 313043E

(CA. B. Agasti)
Partner Membership No.:051026

For ABP & Associates
Chartered Accountants
Firm Registration No. - 315104E

(CA. Prabhat K. Panda)
Partner Membership No.057140

Place : New Delhi
Dated : 28th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

i) In respect of Fixed Assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets:

(b) All the movable assets have been physically verified by a Firm of Chartered Accountants during the year. No material discrepancy were noticed on such verification;

Non-movable assets have been physically verified by the Management at an interval of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets;

As informed to us, no material discrepancies between book records and physical assets have been noticed;

(c) In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of fixed assets during the year and the going concern status of the Company has not been affected;

ii) In respect of Inventories:

(a) As explained to us, all inventories, except stocks relating to expansion project, stocks lying with third parties and stocks in-transit have been physically verified by a Firm of Chartered Accountants at reasonable intervals during the year;

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed are reasonable and adequate in relation to the size of the Company and the nature of its business;

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification between physical stocks and book records relating to shortage have been dealt in the books of Accounts while excess have been ignored;

iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii) (a) to (g) of paragraph 4 of the Order are not applicable;

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system;

v) According to the information and explanations given to us, the Company has not entered into any contract or arrangement which requires to be entered in the register maintained under Section 301 of the Companies Act, 1956. Hence clause (v) (b) of paragraph 4 of the Order is not applicable;

vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed thereunder;

vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business;

viii) We have broadly reviewed the books of account maintained by the Company, pursuant to the Companies (Cost Accounting Records) Rule, 2011 prescribed by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of manufacturing activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate and complete;

ix) (a) According to the information and explanations given to us and on the basis of our examination of the records in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and Electricity Duty with the appropriate authorities;

According to the information and explanations given to us, no undisputed amounts are payable in respect of Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues as at 31st March, 2014 for a period of more than six months from the date they became payable;

(b) According to the information and explanations given to us, disputed statutory dues which have not been deposited as on 31st March, 2014 are as under:

Name of the Statute	Nature of Dues	Amount disputed (₹ in crore)	Amount deposited (₹ in crore)	Forum where disputes are pending
Sales Tax	Sales Tax	139.85	28.29	Commissioner
		179.73	52.72	Tribunal
		116.88	5.86	High Court
		436.46	**86.87**	
Entry Tax	Entry Tax	145.93	33.51	Commissioner
		29.18	20.94	Tribunal
		7.63	5.04	High Court
		182.74	**59.49**	
Central Excise Act,1944	Excise Duty			
		9.65	2.71	Commissioner
		25.19	0.59	Tribunal
		44.26	0.03	High Court
		79.10	**3.33**	
Service Tax		1.55	0	Commissioner
		0.07	0	Tribunal
		1.62	**0.00**	
Customs Act, 1962	Customs Duty	7.47	0.06	Commissioner
Income Tax Act, 1961	Income Tax	**7.47**	**0.06**	
		709.90	524.52	Commissioner
		107.65	61.65	High Court
		817.55	**586.17**	
	Total:	**1524.94**	**735.92**	

x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year;

xi) The company does not have any outstanding dues to any Financial Institution, banks or debenture holders during the year;

xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;

xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order is not applicable to the Company;

xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4 (xiv) of the Order is not applicable to the Company;

xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions;

xvi) According to the information and explanations given to us, the Company has not raised any term loan during the year;

xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment;

xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956;

xix) According to the information and explanations given to us, the Company has not issued any debentures during the year;

xx) According to the information and explanations given to us, the Company has not raised any money by way of public issues during the year;

xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Agasti & Associates
Chartered Accountants
Firm Registration No. - 313043E

(CA. B. Agasti)
Partner Membership No.:051026

For ABP & Associates
Chartered Accountants
Firm Registration No. - 315104E

(CA. Prabhat K. Panda)
Partner Membership No.057140

Place : New Delhi
Dated : 28th May, 2014

COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NATIONAL ALUMINIUM COMPANY LIMITED, FOR THE YEAR ENDED 31ST MARCH 2014.

The preparation of financial statements of National Aluminium Company Limited for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28-05-2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of National Aluminium Company Limited for the year ended 31st March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

(Pramod Kumar)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata

Place: Kolkata
Date: 25.06.2014

Balance Sheet as at 31.03.2014

(` in Crore)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	1,288.62	1,288.62
Reserves and surplus	2	10,833.83	10,643.83
Non-current liabilities			
Deferred tax liabilities (Net)	3	910.13	903.13
Other Long term liabilities	4	54.96	70.82
Long-term provisions	5	218.22	208.62
Current liabilities			
Trade payables	6	531.12	509.17
Other current liabilities	7	2,564.38	2,545.75
Short-term provisions	8	147.25	162.67
Total		**16,548.51**	**16,332.61**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	6,688.80	6,523.80
Intangible assets	9	103.14	105.09
Capital work-in-progress	10	768.74	1,001.92
Non-current investments	11	1.04	161.04
Long-term loans and advances	12	1,517.27	1,474.04
Other non-current assets	13	43.32	36.49
Current assets			
Current investments	14	1,244.00	1,329.02
Inventories	15	1,173.66	1,380.64
Trade receivables	16	243.57	148.65
Cash and Bank Balances	17	4,048.29	3,504.38
Short-term loans and advances	18	481.38	473.76
Other current assets	19	235.30	193.78
Total		**16,548.51**	**16,332.61**

Significant Accounting Policies
See accompanying notes to the financial statements. 1 - 45

For and on behalf of Board of Directors

(CS. K.N. Ravindra)
Company Secretary

(K.C. Samal)
Director (Finance)

(Ansuman Das)
Chairman-cum-Managing Director

In terms of our report of even date attached.

For Agasti & Associates
Chartered Accountants
FRN - 313043E

(CA. B. Agasti)
Partner (M.No.:051026)

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA. Prabhat K. Panda)
Partner (M.No.057140)

Place : New Delhi
Dated : 28th May, 2014

Statement of Profit and Loss for the year ended 31.03.2014

(` in Crore)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
Revenue from operations	22	6,780.85	6,916.48
Other income	23	557.71	511.05
Total Revenue		**7,338.56**	**7,427.53**
Expenses:			
Cost of materials consumed	24	1,063.16	1,167.83
Power and Fuel	25	2,017.67	2,432.27
Changes in inventories of finished goods, intermediaries and work-in-progress	26	58.55	(64.25)
Employee benefits expense	27	1,245.33	1,153.93
Finance costs	28	-	7.45
Depreciation and amortization expense	29	524.73	505.43
Other expenses	30	1,461.94	1,319.83
Total expenses		**6,371.38**	**6,522.49**
Profit before exceptional items and tax		967.18	905.04
Exceptional items	31	49.37	-
Profit Before Tax		917.81	905.04
Tax expense:			
(1) Current tax		264.65	263.30
(2) Deferred tax		7.15	54.02
(3) Earlier Years		3.66	(5.11)
Profit / (Loss) for the period		642.35	592.83
Earning per Share			
(a) Profit After Tax		642.35	592.83
(b) Average Number of equity shares (Face value ₹ 5/- each)		2,577,238,512	2,577,238,512
Earning per Share (₹) - Basic (a/b)		2.49	2.30
Earning per Share (₹) - Diluted (a/b)		2.49	2.30

Significant Accounting Policies
See accompanying notes to the financial statements. 1 - 45

For and on behalf of Board of Directors

(CS. K.N. Ravindra)
Company Secretary

(K.C. Samal)
Director (Finance)

(Ansuman Das)
Chairman-cum-Managing Director

In terms of our report of even date attached.

For Agasti & Associates
Chartered Accountants
FRN - 313043E

(CA. B. Agasti)
Partner (M.No.:051026)

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA. Prabhat K. Panda)
Partner (M.No.057140)

Place : New Delhi
Dated : 28th May, 2014

Cash Flow Statement for the year 2013-14

(` in Crore)

		Figures for the current reporting period		Figures for the previous reporting period	
A.	**Cash flow from Operating Activities :**				
	Net Profit before tax and Extraordinary Income		**917.81**		**905.04**
	Adjustments for :				
	Depreciation	524.73		505.43	
	Interest and financing charges	-		7.45	
	Provisions (Net)	32.34		24.99	
	Stores, spares, claims etc. written off	19.45		13.85	
	Dividend Income	(122.48)		(73.10)	
	Interest Income	(368.88)		(395.03)	
	Loss/(Profit) on sale of assets (net)	0.06		0.17	
			85.22		**83.76**
	Operating Profit before working capital changes		**1,003.03**		**988.80**
	Adjustments for :				
	Inventories	191.30		(205.25)	
	Trade & other receivables	(122.37)		(120.66)	
	Trade & other payables	268.97		213.68	
			337.90		**(112.23)**
	Cash generated from Operations		**1,340.93**		**876.57**
	Direct taxes paid (includes refund and deposits under protest)		(359.59)		(435.11)
	Net cash from operating activities		**981.34**		**441.46**
B.	**Cash Flow from Investing Activities:**				
	Purchase of fixed assets	(618.68)		(648.93)	
	(Purchase)/Sale of Investments	245.02		(735.80)	
	Divided income from Mutual fund	122.48		73.10	
	Interest Income from Deposits, Loans and Advances	329.23		434.71	
	Net cash used in investing activities		**78.05**		**(876.92)**
C.	**Cash Flow from Financing Activities:**				
	Interest and Financing charges	-		(7.45)	
	Dividends including dividend tax paid	(515.48)		(221.06)	
	Net cash used in financing activities		**(515.48)**		**(228.51)**
D.	**Net changes in Cash & Cash equivalents (A+B+C)**		**543.91**		**(663.97)**
E.	**Cash & Cash equivalents - Opening balance**		**3,504.38**		**4,168.35**
F.	**Cash & Cash equivalents - Closing balance (D+E)**		**4,048.29**		**3,504.38**

Note:

a) Cash and Bank Balances under Current Assets at note 17 are Cash and Cash equivalents for the purpose of drawing Cash Flow statement. Therefore reconciliation statement required under para-42 of the Accounting Standard 3 is not furnished separately.

b) Cash and cash equivalents includes ₹672.67 crore(Previous Year ₹571.13 crore) towards disputed Electricity Duty, 4.32 crore towards` Unpaid dividend (Previous year ₹37.36 crore), not freely available for use by the Company.

c) Figures in brackets are cash outflow/income, as the case may be.

For and on behalf of Board of Directors

(CS. K.N. Ravindra)
Company Secretary

(K.C. Samal)
Director (Finance)

(Ansuman Das)
Chairman-cum-Managing Director

In terms of our report of even date attached.

For Agasti & Associates
Chartered Accountants
FRN - 313043E

(CA. B. Agasti)
Partner (M.No.:051026)

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA. Prabhat K. Panda)
Partner (M.No.057140)

Place : New Delhi
Dated : 28th May, 2014

Segmentwise Information

(` in Crore)

Business Segments	Chemicals		Aluminium		Unallocated Common		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A. Revenue								
External sales	**2,556.81**	1,783.83	**4,045.18**	5,022.98	**46.81**	2.64	**6,648.80**	6,809.45
Inter-segment transfers	**1,160.01**	1,414.53	**184.95**	135.04	**-**	-	**1,344.96**	1,549.57
Total Revenue	**3,716.82**	3,198.36	**4,230.13**	5,158.02	**46.81**	2.64	**7,993.76**	8,359.02
Less: Elimination							**(1,344.96)**	(1,549.57)
Net Revenue							**6,648.80**	6,809.45
B. Result								
Segment result	**821.80**	715.24	**(258.99)**	(120.20)	**(136.36)**	(150.68)	**426.45**	444.36
Interest expense							**-**	7.45
Interest income							**491.36**	468.13
Income taxes							**275.46**	312.21
Net Profit							**642.35**	592.83
C. Other Information								
Segment assets	**3,663.63**	3,356.25	**6,476.38**	6,773.47	**6,408.50**	6,202.89	**16,548.51**	16,332.61
Segment liabilities	**566.70**	510.83	**2,415.48**	2,232.63	**533.75**	753.57	**3,515.93**	3,497.03
Capital expenditure	**301.57**	146.91	**171.87**	205.28	**(43.49)**	470.33	**429.95**	822.52
Depreciation	**187.72**	177.33	**312.82**	319.55	**24.19**	8.54	**524.73**	505.42
Non-cash expenses (other than depreciation)	**14.51**	7.15	**59.78**	31.68	**1.54**	-	**75.83**	38.83

Geographic Segments	India		Outside India			Total	
	Current Year	Previous Year	Current Year	Previous Year		Current Year	Previous Year
A. Revenue							
External sales	**2,929.53**	3,398.96	**3,719.27**	3,410.49		**6,648.80**	6,809.45
B. Other Information							
Segment assets	**16,339.16**	16,206.79	**209.35**	125.82		**16,548.51**	16,332.61
Capital expenditure	**429.95**	822.52	**-**	-		**429.95**	822.52

Note:

i) The Company has considered Chemicals and Aluminium as the two primary business segments. Chemicals include Calcined Alumina, Alumina Hydrate and other related products. Aluminium includes aluminium ingots, wire rods, billets, strips, rolled and other related products. Bauxite produced for captive consumption for production of alumina is included under chemicals and power generated for captive consumption for production of Aluminium is included under Aluminium segment. Wind Power Plant commissioned primarily to harness the potential renewable energy sources is included in the unallocated Common segment.

ii) India and Outside India are the two geographical segments. Since all production and other facilities are located in India, segment assets except export debtors are shown under one geographic segment i.e. India.

iii) Inter-segment transfer of Calcined Alumina is considered at average sales realization from export sales during the period less freight from Refinery to Port at Vizag plus export incentive. Transfer of power from Aluminium segment to Chemical segment is considered at the annual / periodic average purchase price of power from State Grid at Alumina Refinery.

iv) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities. Revenue, expenses, assets and liabilities, which relate to the enterprise as a whole and are not allocable on a reasonable basis, have been included under Unallocated Common segment.

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING.

The financial statements are prepared under historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles in India, relevant provisions of the Companies Act, 1956 and accounting standards notified there under.

2. USE OF ESTIMATES.

In preparing the financial statements in conformity with accounting principles generally accepted in India, the company makes estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amount of revenues and expenses during the reported period. Actual result in some cases could differ from those estimates. Any revision of such estimates is recognized in the period in which the result is crystallized.

3. FIXED ASSETS.

3.1 All tangible fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment loss, if any. Cost includes all direct expenditure of acquisition, attributable borrowing cost and net of CENVAT/VAT credit, wherever applicable.

3.2 Expenditure on existing tangible assets towards renovation and modernization resulting in increased life and/or efficiency of an existing asset is added to the cost of related assets.

3.3 Expenditure on development of land including leasehold land is capitalized as part of cost of land.

3.4 Intangible Assets are stated at acquisition cost less accumulated amortization.

Mining rights (NPV and related payments made to Govt. authorities for bauxite mines), Software (Application Software packages like ERP and application development tools like RDBMS), License& Franchise (Technical know-how right) and R&D knowhow are treated as intangible assets.

3.5 Capital expenditure on jointly controlled assets having exclusive user right is reflected as CWIP to the extent of Company's share in the asset and on completion considered as tangible fixed assets.

3.6 Machinery spares (insurance spares) that are specific to a fixed asset valuing more than `1.00 lakh per unit are capitalized along with the fixed asset.

3.7 Fixed assets retired from active use and held for disposal are stated at net book value less provision for doubtful realization if any and considered as other current asset till the time of its disposal.

4. DEPRECIATION.

4.1 Depreciation on tangible assets is provided on straight-line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except in respect of the following assets, where depreciation at higher rate is provided based on their estimated remaining useful life, evaluated on the basis of technical estimate made periodically.

Earth work portion of:

a) Red mud pond at Alumina Refinery;

b) Ash pond at Alumina Refinery;

c) Ash ponds at Captive Power Plant.

4.2 Intangible assets:

a) Software classified as intangible assets are amortized over a period of 3 years.

b) Mining Rights is amortized over 20 years from the date of payment or date of renewal / deemed renewal of mining lease whichever is earlier.

License (Technical knowhow) is valid for the full life of the related plant & machinery. Accordingly, the useful life of intangible asset "Technical knowhow right – RTA license" is amortized over the useful life of related plant & machinery.

4.3 Depreciation in respect of railway sidings and wagons are provided at the rate of 5.28% in line with continuous process plant.

4.4 Certain assets at Port Facilities are depreciated at rates calculated on the basis of balance lease period of land belonging to the Port Authority on which these assets are installed.

4.5 Assets costing ` 5,000/- or less individually are depreciated fully in the year in which they are put to use.

4.6 Where the life and/or efficiency of an asset is increased due to renovation, modernization or major replacement the depreciable value is prospectively amortized over the revised useful life of related plant & machinery.

4.7 Assets laid on land not owned by the Company are depreciated over a period of five years from the date on which the asset is ready for put to use.

4.8 Classification of plant and machinery into continuous and non-continuous is made on the basis of technical opinion and depreciation is provided accordingly.

4.9 Depreciation on value adjustment is provided prospectively.

5. BORROWING COST.

5.1 General and specific borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset until such time the assets are ready for their intended use.

5.2 Other borrowing costs are recognized as expenses in the period in which these are incurred.

6. IMPAIRMENT.

The carrying amount of cash generating units is reviewed at each Balance sheet date where there is any indication of impairment based on internal/external indicators. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units.

An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

7. INVESTMENTS.

7.1 Investments intended to be held for not more than one year from the date of such investment, are classified as current investments. All other investments are classified as long term investments. Long-term investments (including investment in Joint ventures) are carried at cost, after providing for diminution in value, if it is of a permanent nature.

7.2 Current investments are stated at cost or market value whichever is lower.

8. INVENTORY.

8.1 Inventory of raw material, stores and spares are valued at cost net of CENVAT / VAT credit wherever applicable. Cost is determined on moving weighted average price on real time basis.

8.2 Stores and spares other than insurance spares held but not issued for more than 5 years are valued at 5% of the cost.

8.3 Shortage of coal up to 1% of the receipt quantity is treated as normal loss and beyond 1% is treated as abnormal loss.

8.4 Materials and other supplies held for use in the production (other than considered as non-moving) are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

8.5 Inventories of finished goods, semi-finished goods, intermediary products and work in process including process scrap except anode butts and rejects are valued at lower of cost and net realizable value. Cost is generally determined at moving weighted average price of materials on real time basis, appropriate share of labour and related overheads. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

8.6 Scrap of various nature internally generated is valued at estimated net realizable value.

9. GOVERNMENT GRANTS.

9.1 Fixed assets acquired out of financial grant from Government are shown at cost by crediting the grant-in-aid received to Subsidy Reserve.

9.2 Grants related to revenue are recognized as revenue over the period to which these are related.

10. FOREIGN CURRENCY TRANSACTIONS.

10.1 All foreign currency transactions are recorded by applying the exchange rate as on the date of transactions.

10.2 Monetary assets and liabilities in foreign currency are restated at year-end exchange rates. Exchange difference on restatement is recognized in the statement of Profit & Loss.

10.3 In respect of forward contracts relating to firm commitments and highly probable forecast transactions, loss due to exchange difference is recognized in the profit and loss account in the reporting period in which the exchange rate changes.

11. REVENUE RECOGNITION.

11.1 Sales:

a) Sale of Alumina & Alumnium : Sales in the domestic market are recognized at the time of dispatch of materials to the buyers. Export sales are recognized on issue of Bill of Lading. Domestic Sales include excise duty and are net of rebate and price concessions.

b) Sale of Wind Power: Sale of wind power is recognized on the basis of power transmitted to DISCOMs at the price notified by respective authorities.

c) Sale of Thermal Power : Sale of power from CPP is considered on the basis of quantity injected to state GRID excluding wheeling to refinery but including inadvertent power sale at the price notified by appropriate authority.

11.2 Receivables/ Incentives:

a) Claims and interest receivables are accounted for in the statement of Profit and Loss based on certainty of their realization.

Interest income on term deposits is recognized on a time proportion basis taking in to account the amount outstanding and the rate applicable.

b) Export incentives i.e Duty draw back & Focuss marketing license are recognized on accrual basis on the shipping quantity as per BOL/ export invoice.

c) Income from Renewable Energy Certificates (REC) is recognized on the basis of power billed to DISCOMs at the weighted average of quoted price of recognized power exchanges on the last trading day of the reporting period.

d) Generation Based Incentive (GBI) is recognized on the invoiced quantity at the applicable rate as per scheme.

e) If there is uncertainty in realization, revenue recognition is postponed.

12. LONG TERM EMPLOYEE BENEFITS.

12.1 Defined Contribution Plan: Contributions towards Provident Funds & Pension Scheme are charged to the statement of Profit and Loss for the period as and when the contributions to the Funds are due.

12.2 Defined Benefit Plan: The provisions/liabilities towards gratuity, accrued leave, long service awards, post retirement medical and settling- in benefits, future payments to the legal heirs of deceased employees under the NEFFARS scheme, are made based on the actuarial valuation as at the end of the year and charged to statement of Profit and loss after considering actuarial gains/losses.

12.3 Expenditure on voluntary retirement compensation is charged off in the year in which it is incurred.

13. PRIOR PERIOD /PREPAID ITEMS.

Income/ Expenditure relating to prior period and prepaid expenses not exceeding `5 lakh in each case is treated as income/expenditure for the current year.

14. EXPENDITURE ON NEW PROJECTS.

Expenses on account of new potential projects incurred till investment approval, are charged to revenue. Expenditure incurred thereafter in case of successful projects are accounted for under capital-work-in progress and capitalized subsequently.

15. EXPENDITURE ON RESEARCH AND DEVELOPMENT.

Expenditure incurred during research phase is charged to revenue when no intangible asset arises from such research.

Development expenditure except capital nature is charged to statement of Profit and Loss in the year incurred after setting of incidental income, if any.

16. EXCEPTIONAL ITEMS.

Exceptional items are the items of income and expenses within profit or loss from ordinary activities of such size, nature or incidence whose disclosure is necessary.

17. DEFERRED TAX.

17.1 Deferred Tax expense or benefit is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

17.2 Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

18. JOINT VENTURES.

18.1 Interest in a jointly controlled entity has been accounted for as an investment in accordance with Accounting Standard (AS) 13, Accounting for investments. However necessary disclosure is made in line with Accounting Standard (AS) 27, Financial Reporting of interests in Joint ventures.

18.2 Interest in a jointly controlled asset is classified and disclosed according to the nature of assets.

19. PROVISIONS AND CONTINGENT LIABILITIES & CONTINGENT ASSETS.

19.1 A provision is recognized when there is present obligation as a result of a past event and it is probable that an out flow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. These are reviewed at end of each year and adjusted to reflect the best current estimate.

19.2 Provision is made /written back in respect of balances on account of sums payable/receivable for more than 3 years, in respect of parties other than Govt. Dept./ Govt. Companies. In case of Govt. Dept./ Govt. Companies, the same is made on case to case basis depending upon the merit of the case.

19.3 Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require any outflow of resources.

19.4 No provision is recognized or disclosure for contingent liability is made, when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote.

19.5 Contingent assets are neither recognized nor disclosed in the financial statement.

Notes to the Financial Statements

(` in Crore)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Note 1 : Share Capital		
Share Capital		
Equity Share Capital		
AUTHORISED		
600,00,00,000 shares of par value of ` 5/- each (Previous year 600,00,00,000 shares of par value of ` 5/- each)	3,000.00	3,000.00
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
257,72,38,512 shares of par value of ` 5/- each fully paid up (Previous year 257,72,38,512 shares of par value of ` 5/- each fully paid-up)	1288.62	1288.62

a) The Government of India holds 208,90,59,622 equity shares (81.06%), Previous year 208,90,59,622 equity shares(81.06% of the total equity shares) of the company. The shareholding of Govt. of India has come down 81.06% from 87.15% after disinvestment in the year 2012-13.

b) Holding of equity shares of the company by Life Insurance Corporation of India is 14,92,66,579 (5.79%) previous year 15,52,66,579 (6.02%).

c) The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the company.

d) During the financial year 2010-11, the company has issued 128,86,19,256 equity shares as fully paid bonus shares. The bonus issue was made subsequent to splitting up of shares from the face value of ` 10/- each into 2 equity shares of ` 5/- each in the said year. Other than the said bonus issue, the company has not issued/bought back any equity shares in the last 5 years.

Note 2 : Reserve and Surplus

a) Capital Reserve				
As per last balance sheet	-		0.35	
Less : Transferred to Subsidy Reserve	-		0.35	
Less : Transferred to Surplus	-			
Closing balance		-		-
b) General Reserve				
As per last balance sheet	10,639.90		10,419.90	
Add : Transfer from Surplus	190.00		220.00	
Closing balance		**10,829.90**		**10,639.90**
c) Surplus				
- Balance as at the beginning of the year	3.63		6.21	
- Add : Profit after tax for the year transferred from statement of profit and loss	642.35		592.83	
- Add : Transferred from Capital Reserve	-		-	
- Less : Transfer to General Reserve	190.00		220.00	
- Less : Interim dividend #	283.50		193.29	
- Less : Tax on interim dividend	48.18		31.36	
- Less : Proposed final dividend #	103.09		128.86	
- Less : Tax on proposed final dividend	17.52		21.90	
Closing balance		**3.69**		**3.63**
d) Other Reserve				
Subsidy Reserve				
- As per last balance sheet	0.30		-	
- Add : Transferred from Capital Reserve	-		0.35	
- Less : Transferred to depreciation	0.06		0.05	
Closing balance		**0.24**		**0.30**
Total :		**10,833.83**		**10,643.83**

Refer Note - 42

Notes to the Financial Statements

(` in Crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 3 : Deferred Tax Liabilities (Net)				
Deferred Tax Liability :				
Difference in depreciation between books and income tax		**1,164.91**		**1121.14**
Less : Deferred Tax Assets				
Disallowances u/s 43B of the Income Tax Act,1961	126.70		106.16	
On retirement Benefits expenses	82.83		74.65	
Provision for doubtful debts, claims & others	45.25		37.20	
Closing balance		**254.78**		**218.01**
Total :		**910.13**		**903.13**
Note 4 : Other Long Term Liabilities				
Trade payables		**14.30**		**30.10**
Other liabilities				
Payable for capital expenditure	2.52		7.19	
Others	38.14		33.53	
Sub total :		**40.66**		**40.72**
Total :		**54.96**		**70.82**
Note No. 5 : Long Term Provisions				
Provisions for Employee Benefits :				
Leave encashment	186.19		173.07	
Post retirement medical benefits	7.03		5.51	
Settling-in- benefit	7.36		6.44	
Long service reward	6.86		11.53	
NEFFARS	10.78		12.07	
Total :		**218.22**		**208.62**
Note 6 : Trade Payables				
Trade payables				
Micro and small enterprises #		0.47		0.80
Others		530.65		508.37
Total :		**531.12**		**509.17**

Refer Note - 41

Notes to the Financial Statements

(` in Crore)

Particulars		Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 7 : Other Current Liabilities					
Employee benefits payable			180.49		194.68
Statutory dues					
Electricity duty & interest thereon		1,258.88		1,092.26	
Water charges & interest thereon		414.60		329.15	
Income Tax (TDS & TCS)		16.08		20.62	
Others		10.70		24.50	
	Sub total :		1,700.26		1,466.53
Creditors for capital expenditure					
Micro and small enterprises #		0.07		0.05	
Others		447.43		628.76	
	Sub total :		447.50		628.81
Customers credit balances & advance from customers			132.01		115.79
Renewable Purchase Obligation # #			40.52		39.87
Other payables			59.28		62.71
Unpaid dividend			4.32		37.36
Total :			**2,564.38**		**2,545.75**

Refer Note - 41
Refer Note - 37

Note 8 : Short Term Provisions

Provisions for Employee Benefits :					
Gratuity		-		-	
Leave encashment		12.59		3.74	
Post retirement medical benefits		0.26		0.20	
Settling-in- benefit		0.70		0.47	
Long service reward		3.13		0.06	
NEFFARS		8.77		6.54	
	Sub total :		**25.45**		**11.01**
Others :					
Provision for wealth tax		1.19		0.90	
Provision for dividend		103.09		128.86	
Tax provision on dividend		17.52		21.90	
	Sub total :		**121.80**		**151.66**
Total :			**147.25**		**162.67**

Notes to the Financial Statements

Note 9 : Fixed Assets

(` in Crore)

	Gross Block				Depreciation				Net Block	
	As on 01.04.2013	Addition / Adjustments	Deductions	As on 31.03.2014	As on 01.04.2013	For the Year	Deductions	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
A.TANGIBLE ASSETS										
Land										
Free Hold	73.41	0.01	-	73.42	-	-	-	-	73.42	73.41
Lease	8.28	4.52	-	12.80	2.05	0.23	-	2.28	10.52	6.23
Buildings	1,003.19	50.61	-	1,053.80	392.41	30.55	-	422.96	630.84	610.78
Railway Sidings	82.26	13.57	-	95.83	61.13	2.32	-	63.45	32.38	21.13
Plant and Equipments	12,653.06	598.67	(2.19)	13,249.54	6,935.04	471.67	(2.07)	7,404.64	5,844.90	5,718.02
Furniture and fixtures	27.52	2.81	(0.14)	30.19	19.16	1.48	(0.11)	20.53	9.66	8.36
Vehicles	45.80	0.84	(1.24)	45.40	28.43	3.13	(1.18)	30.38	15.02	17.37
Office equipments	43.25	3.83	(0.31)	46.77	29.82	3.33	(0.28)	32.87	13.90	13.43
Miscellaneous equipments	104.62	8.04	(1.16)	111.50	49.55	4.73	(0.94)	53.34	58.16	55.07
Total :	**14,041.39**	**682.90**	**(5.04)**	**14,719.25**	**7,517.59**	**517.44**	**(4.58)**	**8,030.45**	**6,688.80**	**6,523.80**
B. INTANGIBLE ASSETS										
Softwares	11.58	0.65	(0.14)	12.09	10.24	0.83	(0.11)	10.96	1.13	1.34
Mining Rights	107.30	4.79	-	112.09	16.56	5.71	-	22.27	89.82	90.74
Licenses & Franchise	14.70	-	-	14.70	1.69	0.82	-	2.51	12.19	13.01
Total Intangible Assets :	**133.58**	**5.44**	**(0.14)**	**138.88**	**28.49**	**7.36**	**(0.11)**	**35.74**	**103.14**	**105.09**
Grand Total	**14,174.97**	**688.34**	**(5.18)**	**14,858.13**	**7,546.08**	**524.80**	**(4.69)**	**8,066.19**	**6,791.94**	**6,628.89**
Grand Total (Previous Year)	**13,658.62**	**522.50**	**(6.15)**	**14,174.97**	**7,046.27**	**505.51**	**(5.70)**	**7,546.08**	**6,628.89**	**6,612.35**

Note :

1. The cumulative impairment provision included in cumulative value of depreciation in buildings & structures is ` 5.49 crore (previous year ` 6.14 crore)
2. The cumulative impairment provision included in cumulative value of depreciation in plant and equipments is ` 34.20 crore (previous year ` 37.62 crore)
3. The impairment provision included in depreciation in buildings & structures is ` (0.65) crore (previous year ` (0.62) crore)
4. The impairment provision included in Depreciation in Plant and equipments is ` (3.42) crore (previous year ` (3.42) crore)
5. Gross Block includes the following capital expenditure represented by assets laid on land not owned by the company:
   a) Buildings - ` 6.32 Crore (previous year ` 6.32 Crore), Cumulative Depreciation ` 6.32 Crore (previous year ` 6.32 Crore)
   b) Railway Sidings - ` 4.45 Crore (previous year ` 2.26 Crore), Cumulative Depreciation ` 2.47 Crore (previous year ` 2.26 Crore)
   c) Plant and Equipments - ` 31.40 Crore (previous year ` 16.18 Crore), Cumulative Depreciation ` 17.66 Crore (previous year ` 16.18 Crore)
6. Title deeds have been executed for freehold land acquired through State Government, except for land measuring 64.15 acres. Process of conversion of freehold land for Industrial use has been taken- up with Revenue Authorities.
7. Leasehold land includes 1510.53 acres of land in respect of which lease deeds are yet to be executed. However, the Company has been permitted by the Government to carry on its operations on the said land.
8. Leasedeed for land of 75.76 hectares acquired in the state of Andhra Pradesh and Rajasthan for wind power plant is yet to be executed.
9. Registration formalities in respect of office space for 6,459 Sq.ft purchased from Kolkata Municipal Development Authority valuing ` 5.50 crore in Kolkata is under progress.
10. Land includes 2803.651 Hectres of Bauxite Mines, 43.75 Acres at Refinery and 240.282 Sq. Yard at Port Facitilies applied for surrender.
11. Plant and Machinery includes a jointly controlled asset (220 KV Substation) at Laxmipur, Koraput Gross block ` 15.23 Crore (previour year Nil), Cummulative Depreciation ` 1.48 Crore (previous year Nil)

Notes to the Financial Statements

(` in Crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 10 : Capital Work - in - Progress				
Capital Work - in - progress at cost #	650.56		714.86	
Less : Doubtful Realisation	0.28		-	
Sub total :		650.28		714.86
Construction materials including in transit (at cost)		52.80		200.63
Expenditure during construction pending allocation (Note 10.1)		65.66		86.43
Total :		**768.74**		**1,001.92**
Note 10.1				
EXPENDITURE DURING CONSTRUCTION				
Pending allocation (opening balance)		**86.43**		**81.27**
Add : Expenditure during the year				
Technical consultants fee and know how	4.72		6.35	
Startup & commissioning	9.40		-	
Other expenses	15.05		11.20	
Depreciation	0.03		0.03	
	29.20		**17.58**	
Less : Income during the year				
Income out of trial operation	3.87		-	
Net expenditure during the year		**25.33**		**17.58**
Total expenditure		**111.76**		**98.85**
Less : Allocated to fixed assets		46.10		12.42
Balance carried forward		**65.66**		**86.43**

Includes jointly controlled asset of Current year (Nil),Previous year ` 8.13 crore

Note 11 : Non-Current Investments

	No.of Units in '000		No.of Units in '000	
Trade Investments & Unquoted				
Equity Investments				
Equity Shares in Bhubaneswar Stock Exchange Ltd		0.03		0.03
Equity Shares in Excel Services Ltd.		*		*
Investment in Joint Ventures (Refer Note 36)				
Equity shares (Face value of ` 10 each) in				
Angul Aluminium Park Pvt. Ltd.	990	0.99	990	0.99
NPCIL-NALCO Power Company Ltd.	26	0.02	26	0.02
Other Investments & Quoted				
Investment in Mutual Funds				
(Face value of ` 10 each)				
SDFS-14 Months-Series-I	-	-	15,000	15.00
LIC Nomura FMP Series -56-18 Months-Growth	-	-	45,000	45.00
UTI-FTIF Series-XIV-VIII-371 Days Direct Growth Plan	-	-	100,000	100.00
Total :		**1.04**		**161.04**
Aggregate amount of Quoted Investments		-		160.00
Aggregate amount of Quoted Investments market value		-		160.92
Aggregate amount of Unquoted Investments		1.04		1.04

* Amount is less than one lakh

Notes to the Financial Statements

(` in Crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 12 : Long term Loans and Advances				
Capital Advances				
Unsecured, considered good #	278.06		303.30	
Doubtful	0.26		0.26	
Less : Allowances for doubtful realisation	0.26		0.26	
Sub total :		**278.06**		**303.30**
Other loans and advances				
Loans to Employees				
Secured, considered good	64.14		50.80	
Unsecured, considered good	43.87		50.58	
Sub total :		**108.01**		**101.38**
Loans to others				
Secured, considered good		**0.21**		**0.08**
Deposits (undisputed, unsecured, considered good)				
Customs, Excise, Sales Tax, Port Trusts etc.	15.47		19.14	
Income Tax Authority including Advance tax net of provision	181.12		182.32	
Other Government Authorities	233.15		233.19	
Others	4.84		6.37	
	434.58		**441.02**	
Deposits (disputed, unsecured, considered good)				
Customs, Excise, Sales Tax, Railways, Port Trusts etc.	183.37		206.65	
Income Tax Authority	513.04		421.61	
	696.41		**628.26**	
Deposits (disputed, unsecured, considered doubtful)				
Customs, Excise, Sales Tax, Railways, Port Trusts etc.	0.24		0.24	
Less : Allowances for doubtful realisation	0.24		0.24	
	-		-	
Sub total :		**1,130.99**		**1,069.28**
Total :		**1,517.27**		**1,474.04**

Includes an amount of ` 151 Crore paid by the Company to Gujarat Mineral Development Corporation Ltd (GMDC) towards upfront payment while bidding for a new project for establishing Alumina Refinery and Aluminium Smelter with supply of Bauxite by GMDC in the state of Gujarat.

Note 13 : Other Non Current Assets

Long Term Trade Receivables				
Doubtful	38.95		38.95	
Less : Allowances for doubtful realisation	38.95		38.95	
Sub total :		-		-
Interest Accrued on				
Loans to employees				
Secured, considered good	35.67		33.54	
Unsecured, considered good	7.61		2.95	
Sub total :		**43.28**		**36.49**
Loans to others				
Secured ,considered good	0.04		*	
Sub total :		0.04		*
Total :		**43.32**		**36.49**

* Amount is less than one lakh

Notes to the Financial Statements

(` in Crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 14 : Current Investments				
	Units in '000		**Units in '000**	
(Long Term Investment with Maturity less than 12 months from the date of balance sheet date)				
SBI SDFS-14 Months-Series-I - Dir- Growth	15,000	15.00		
LIC FMP Series -56-18 Months-Growth Plan	45,000	45.00		
UTI FTIF Series-XIV-VIII-(371 Days)	100,000	100.00		
UTI-FTIF Series XI Plan- VIII			75,000	75.00
UTI-FTIF Series XI Plan IX			40,000	40.00
UTI-FTIF Series XI Plan X			50,000	50.00
UTI-FTIF Series XII Plan I			80,000	80.00
UTI-FTIF Series XII Plan II			5,000	5.00
UTI-FTIF Series XII Plan IV			50,000	50.00
UTI-FTIF Series XII Plan IX			20,000	20.00
UTI-FIIF Series III-Annual IntervalPlan- RetailOption-Growth			26,471	40.00
UTI-FTIF Series-XIV-II-366 Days Direct Growth Plan-U2-G1			40,000	40.00
SBI-SDFS-366 Days- Series 1			150,000	150.00
SBI-SDFS-366 Days- Series 2			25,000	25.00
SBI-SDFS -366 Days-Series 3			75,000	75.00
SBI-SDFS -366 Days-Series 4			20,000	20.00
SBI-SDFS -366 Days-Series 5			75,000	75.00
SBI-SDFS -366 Days-Series 6			35,000	35.00
SBI-SDFS -366 Days-Series 8			30,000	30.00
SBI-SDFS -366 Days-Series 11			20,000	20.00
SBI-SDFS -366 Days-Series 12			25,000	25.00
SBI-SDFS -366 Days-Series 15			20,000	20.00
SBI-SDFS -366 Days-Series 18			50,000	50.00
SBI-SDFS-366 Days-Series-22			60,000	60.00
IDBI-FMP Sereies - III- 367 Days - A			25,000	25.00
IDBI-FMP Sereies - III- 367 Days - A			25,000	25.00
LICN-FMP Series -52-367 Days-Growth Plan-V2			50,000	50.00
LICN-Interval Fund Yearly Plan Series - 1			14,000	14.00
LICN-FMP Series 53 - 367 Days - Growth			25,000	25.00
LICN-Interval Fund Quarterly Plan Series - 1			10,000	10.00
LICN-FMP Series-54-375 Days - Direct Plan-V4-G1			45,000	45.00
LICN-FMP Series-61-365 Days Direct Growth Plan-S1-G1			30,000	30.00
Union KBC			10,000	10.00
UTI FTIF Series XV Plan- I (368 Days)	75,000	75.00		
UTI FTIF Series XV Plan- II (367 Days)	40,000	40.00		
UTI FTIF Series XV Plan- III (366 Days)	35,000	35.00		
UTI FTIF Series XV Plan- IV (368 Days)	75,000	75.00		
UTI FTIF Series XV Plan- V (366 days)	75,000	75.00		
UTI FTIF Series XV Plan- VII (369 Days)	50,000	50.00		
UTI FTIF Series XV Plan- IX (366 Days)	50,000	50.00		
UTI FTIF Series XVIII Plan- III (367 Days)	30,000	30.00		
SBI SDFS-366 Days-Series-28- Dir- Growth	150,000	150.00		
SBI SDFS-366 Days-Series-29 - Dir- Growth	75,000	75.00		
SBI SDFS-366 Days-Series-30 - Dir- Growth	50,000	50.00		
SBI SDFS-366 Days-Series-31 - Dir -Growth	50,000	50.00		
SBI SDFS-366 Days-Series-32 - Dir - Growth	50,000	50.00		
IDBI FMP Sereies - III- 366 Days - G Direct Plan	20,000	20.00		
LIC FMP Series-62-456 Days	25,000	25.00		
LIC Interval Fund Yearly Plan Series - 1 Annual Growth Plan (Face value ` 14.7058 Each)	10,200	15.00		
LIC FMP Series-55-375 Days - Growth Plan	30,000	30.00		
LIC FMP Series-66-371 Days Growth Plan	50,000	50.00		
Union KBC FMP Series -7 Growth - Direct Plan	14,000	14.00		
BOI AXA FMP Series 6(370 Days)	15,000	15.00		
Investment in Mutual Funds (Face Value `1000.600 Each)				
SBI Mutual Fund Liquid			1,100	110.02
BOI AXA Liquid Fund Direct Plan-Dividend-LF-DD (Face Value `1003.5439 Each)	149	15.00		
Canara Robeco Liquid Direct Daily Dividend (Face Value Each `1005.5000 Each)	149	15.00		
IDBI Liquid Fund Direct Plan Daily Dividend (Face Value `1001.0209 Each)	400	40.00		

Notes to the Financial Statements

(` in Crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 14 : Current Investments Contd...				
SBI PLF- Dir Plan Daily Dividend (Face Value ` 1003.2500 Each)	199	20.00		
Union KBC Liquid Fund Daily Dividend (Face Value ` 1000.6506 Each)	200	20.00		
Total		**1,244.00**		**1,329.02**
Aggregate amount of Quoted Investments		1,244.00		1,329.02
Aggregate amount of Quoted Investments market value		1,323.69		1,410.73

Note 15 : Inventories

Raw Materials	53.40		94.23	
Add :In Transit	39.15		38.83	
Sub Total :	92.55		**133.06**	
Less: Provision against material in transit	0.27		-	
		92.28		**133.06**
Work-in-Progress	198.15		186.29	
Intermediaries	118.53		115.58	
Finished Goods	133.35		202.84	
		450.03		**504.71**
Stores & Spares	440.78		442.74	
Add :In Transit	40.42		69.45	
		481.20		**512.19**
Coal & fuel oil	121.10		191.21	
Add :In Transit	29.05		39.47	
		150.15		**230.68**
Total :		**1,173.66**		**1,380.64**

Note 16 : Trade Receivables

Unsecured, Considered Good				
- Outstanding for a period exceeding 6 months from the date they are due	6.99		2.15	
- Others	236.58		146.50	
Total :		**243.57**		**148.65**

Note 17 : Cash and Bank Balances

Cash and Cash Equivalents				
Balances with banks				
In Current Account	101.09		112.70	
Cash on hand including stamps	0.21		0.19	
Sub total :		**101.30**		**112.89**
Other Bank Balances				
Unpaid Dividend Account*	4.32		37.36	
Term deposits having maturity more than 3 months but less than 12 Months	3,270.00		2,783.00	
Term deposits as per court order #	515.02		469.26	
Escrow deposits as per court order #	157.65		101.87	
Sub total :		**3,946.99**		**3,391.49**
Total:		**4,048.29**		**3,504.38**

* Amount due at the end of the current year (nil) (previous year nil) for credit to Investors Education and Protection Fund.
# Includes ` **672.67 Crore** (Previous year ` **571.13 Crore**) for disputed electricity duty based on court order. The amount includes interest reinvested in Fixed Deposits gross of TDS.

Notes to the Financial Statements

(` in Crore)

Particulars		Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 18 : Short term Loans and Advances					
Other loans & Advances					
Secured, considered good					
- Loans to employees		**15.64**		**11.79**	
- Loans to others		**0.08**		**-**	
	Sub total :		**15.72**		**11.79**
Unsecured, considered good					
- Loans to employees		19.33		12.36	
- Advances to employees		52.84		81.65	
- Advances to Vendors		82.95		120.36	
- VAT Credit Receivable		12.90		12.27	
- Cenvat Credit Receivable		193.22		137.51	
- Claims receivable from customs, excise and railway authorities		6.67		3.06	
- Prepaid expenses		3.71		4.13	
- Others		94.04		90.63	
	Sub total :		**465.66**		**461.97**
Unsecured, considered doubtful					
- Advances to employees		0.01		0.01	
- Advances to vendors		2.43		2.33	
- VAT credit receivable		56.06		25.07	
- Claims receivable from customs, excise and railway authorities		0.70		1.15	
- Others		2.85		3.52	
		62.05		32.08	
Less : Allowances for doubtful realisation		62.05		32.08	
	Sub total :		-		-
Total :			**481.38**		**473.76**
Note 19 : Other Current Assets					
Interest accrued on					
Unsecured, considered good					
Bank deposits		158.25		125.47	
Loans to employees		0.20		0.54	
Other loans and advances		0.22		0.16	
		158.67		126.17	
Secured, considered good					
Loans to employees		3.88		3.56	
	Sub total :		**162.55**		**129.73**
Export incentive claims			**36.53**		**34.15**
Generation Based Incentives on power from renewable sources			**7.78**		**-**
Gold medalion on hand			**0.06**		**0.06**
Non trade receivables					
Unsecured, considered good		0.79		0.98	
Unsecured, considered doubtful		0.38		0.14	
Less : Allowances for doubtful realisation		0.38		0.14	
	Sub total :		**0.79**		**0.98**
Insurance claims		13.10		11.01	
Less : Allowances for doubtful realisation		8.92		7.73	
	Sub total :		**4.18**		**3.28**
Scraps & unserviceable materials		23.36		25.21	
Less : Allowances for doubtful realisation		0.41		0.16	
	Sub total :		**22.95**		**25.05**
Fixed assets awaiting disposal		4.83		4.86	
Less : Allowances for doubtful realisation		4.37		4.33	
	Sub total :		**0.46**		**0.53**
Total:			**235.30**		**193.78**

Notes to the Financial Statements

(` in Crore)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Note 20 : Contingent Liabilities not provided for		
Claims against the company not acknowledged as debts :		
1. Sales tax	438.02	534.81
2. Excise duty	142.55	169.17
3. Customs duty	7.99	0.92
4. Service tax	1.62	-
5. Claims of contractor's suppliers & others	114.06	185.83
6. Land acquisition and interest there on	50.73	49.30
7. Income tax	817.55	486.19
8. Entry tax and Road tax	186.01	147.92
9. Employee state insurance	0.32	0.32
10. Provident fund commissioner	0.08	0.08
11. Royality	0.48	0.48
12. Stamp duty	211.64	-
13. NPV and related expenses under mining lease	106.04	106.71
Total :	**2,077.09**	**1,681.73**

Note 21 : Capital and other commitments

a) Capital commitments		
Estimated amount of contracts on capital account and not provided for remaining to be executed.	357.15	556.16
b) Other commitments		
The company has imported capital goods under the Export Promotion Capital Goods scheme (EPCG) of the Govt. of India at concessional rates of duty under the scheme to fulfill quantified exports for duty saved ` 53.34 crore(previous year ` 105.06 crore).	423.84	1,017.65
Total :	**780.99**	**1,573.81**

Notes to the Financial Statements

(` in Crore)

Particulars	Figures for the current reporting period		Figures for the previous reporting period	
Note 22 : Revenue From Operations				
Sale of Products				
(i) Export :				
Alumina	2,480.75		1,686.91	
Aluminium	1,238.52		1,723.58	
	3,719.27		3,410.49	
(ii) Domestic :				
Alumina	85.59		109.05	
Aluminium	3,168.24		3,718.40	
Electricity	51.17		9.23	
	3,305.00		3,836.68	
Turnover (Gross)	**7,024.27**		**7,247.17**	
(iii) Less : Excise Duty				
Alumina	9.53		12.13	
Aluminium	365.94		425.59	
	375.47		**437.72**	
Sub total : Turnover (Net)		**6,648.80**		**6,809.45**
Other Operating Revenue				
(i) Export Incentives				
Alumina	77.91		70.32	
Aluminium	22.01		33.40	
	99.92		103.72	
(ii) Incentives on Renewable Energy	25.69		-	
(ii) Own manufactured goods internally used /capitalised	6.44		3.31	
Sub total :		**132.05**		**107.03**
Total :		**6,780.85**		**6,916.48**

Note 23 : Other Income

Interest Income on:				
Bank deposits*	356.62		378.58	
Loans to employees	11.11		6.32	
Income tax refund	-		6.60	
Others	1.15		3.53	
Sub total :		**368.88**		**395.03**
Income on Investments:				
Net Gain /(Loss) on				
Dividend plan investments	7.33		11.01	
Short term investments	0.68		4.55	
Long term investments	114.47		57.54	
Sub total :		**122.48**		**73.10**
Net gain/ (loss) on foreign exchange translation & transactions		**1.46**		**6.60**
General scrap income		**16.72**		**19.30**
Miscellaneous income		**20.22**		**18.09**
Adjustments pertaining to earlier years		**27.95**		**(1.07)**
Total :		**557.71**		**511.05**

*Includes Income Tax Deducted at source ` 36.68 Crore (Previous year ` 36.49 Crore)

Notes to the Financial Statements

(` in Crore)

Particulars	Figures for the current reporting period			Figures for the previous reporting period		
Note 24 : Cost of Materials Consumed						
Raw Materials	Quantity(MT)			Quantity(MT)		
Caustic Soda	188,279	571.46		157,674	467.44	
C.P. Coke	116,989	268.02		156,163	393.07	
C.T. Pitch	27,621	107.18		37,445	163.66	
Aluminium Flouride	5,606	45.99		7,463	71.51	
Lime	60,660	42.68		57,946	40.40	
Others		27.83			31.75	
Total :			**1,063.16**			**1,167.83**
Note 25 : Power and Fuel						
Coal		1,139.49			1,325.54	
Fuel Oil		739.25			809.65	
Duty on own generation		113.42			135.71	
Purchased power		4.12			152.84	
Power transmission charges		6.51			4.34	
Sub Total :		2,002.79			2,428.08	
Adjustments Pertaining to earlier years		14.88			4.19	
Total :			**2,017.67**			**2,432.27**
Note 26 : Changes in inventories of finished goods, intermediaries and work-in-process						
Finished Goods						
Opening Stock	Basic	Excise Duty* included		Basic	Excise Duty included	
Bauxite	8.92	-		14.96	-	
Chemical	129.46	5.14		94.33	2.79	
Aluminium	51.46	7.86		48.90	8.65	
	189.84	13.00		158.19	11.44	
Less: Closing stock						
Bauxite	8.62	-		8.92	-	
Chemical	97.84	1.90		129.46	5.14	
Aluminium	21.79	3.20		51.46	7.86	
	128.25	5.10		189.84	13.00	
(Accretion)/Depletion	61.59	7.90	**69.49**	(31.65)	(1.56)	**(33.21)**
Net (Accretion)/Depletion - (A)			**69.49**			**(33.21)**
Intermediaries						
Opening stock						
Anodes	112.41			88.44		
Others	3.17			16.04		
	115.58			104.48		
Less: Closing stock						
Anodes	114.50			112.41		
Others	4.03			3.17		
	118.53			115.58		
(Accretion)/Depletion	(2.95)		**(2.95)**	(11.10)		**(11.10)**
Net Accretion(-)/Depletion - (B)			**(2.95)**			**(11.10)**
Work in Process						
Opening stock	186.29			166.35		
Less: Closing stock	198.15			186.29		
(Accretion)/Depletion	(11.86)		**(11.86)**	(19.94)		**(19.94)**
Transfer from Trial Operation			**3.87**			**-**
Net (Accretion)/Depletion - (C)			**(7.99)**			**(19.94)**
Total (A+B+C) :			**58.55**			**(64.25)**

* Excise duty included on stock held for domestic sale only.

Notes to the Financial Statements

(` in Crore)

Particulars	Figures for the current reporting period		Figures for the previous reporting period	
Note 27 : Employee Benefit Expenses				
Salaries and wages	1,034.09		919.53	
Contribution to Provident, Pension and Gratuity Fund	161.07		190.30	
Staff welfare expenses	50.17		44.10	
Total :		**1,245.33**		**1,153.93**

Long term Employee Benefit obligations (As per AS-15) included in Note 27 above

	Gratuity	Leave Encash-ment	Post Retire-ment Medical Benefit	Setting-in-Benefit	NEFFAR Scheme	Long Service Reward
Amount Recognised in Balance Sheet:						
Present value of obligation	**272.52**	**198.78**	**7.30**	**8.05**	**19.56**	**9.99**
	273.92	176.81	5.71	6.91	18.61	11.59
Fair value of Plan asset	**277.91**	**-**	**-**	**-**	**-**	**-**
	270.96	-	-	-	-	-
Funded Status [excess/(short)]	**5.39**	**-**	**-**	**-**	**-**	**-**
	(2.96)	-	-	-	-	-
Net liability recognised	**(5.39)**	**-**	**-**	**-**	**-**	**-**
	2.96	-	-	-	-	-
Amount Recognised in Profit & Loss Account:						
Current Service cost	**24.02**	**52.66**	**-**	**-**	**-**	**0.56**
	20.86	45.75	-	-	-	0.58
Interest cost	**23.26**	**12.58**	**0.44**	**0.58**	**-**	**0.85**
	20.33	*11.78*	*0.63*	*0.93*	-	*0.96*
Expected Return on Plan Asset	**23.71**	**-**	**-**	**-**	**-**	**-**
	20.55	-	-	-	-	-
Net Actuarial (gain)/loss	**(32.47)**	**23.03**	**2.67**	**1.09**	**0.95**	**0.68**
	(13.55)	*12.91*	*(2.14)*	*(5.32)*	*(4.61)*	*1.50*
Expenses recognised	**(8.90)**	**88.27**	**3.11**	**1.67**	**0.95**	**2.09**
	7.09	*70.44*	*(1.51)*	*(4.39)*	*(4.61)*	*3.04*
Movement of Net Liability Recognised in Balance Sheet:						
Opening Net Liability	**(3.53)**	**176.81**	**5.71**	**6.91**	**18.61**	**11.59**
	5.22	*188.12*	*8.53*	*11.79*	*23.22*	*15.29*
Expenses recognised	**(8.90)**	**88.27**	**3.11**	**1.67**	**0.95**	**2.09**
	7.09	*70.44*	*(1.51)*	*(4.39)*	*(4.61)*	*3.04*
Benefits paid	**16.21**	**66.30**	**1.52**	**0.53**	**-**	**3.69**
	15.84	*81.75*	*1.31*	*0.49*	-	*6.74*
Contributions	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-
Closing Net Liability	**(28.64)**	**198.78**	**7.30**	**8.05**	**19.56**	**9.99**
	(3.53)	*176.81*	*5.71*	*6.91*	*18.61*	*11.59*

Note :

1. Figures in italics pertain to previous year.
2. Gratuity is a post employment funded defined employee benefit plan
3. Other benefits are un-funded defined employee benefit plan

Notes to the Financial Statements

(` in Crore)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Note 27 : Employee Benefit Expenses Contd...		
A. Acturial Asumptions		
Mortality Table (LIC)	*LICI 1994-1996*	*LICI 1994-1996*
Discount rate	8.75%	8.00%
Return on plan assets	8.75%	8.00%
Rate of escalation in salary	6.00%	5.00%
Superannuation Age	60 Years	60 Years

The estimates of future salary increases considered in acturial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employement market. Further, the expected return on plan asset is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of asset management and historical returns from plan assets.

B. Investment Details of Plan Assets

	` in Crore	%	` in Crore	%
Insurer Managed Fund	277.79	99.96	270.93	99.99
Others	0.12	0.04	0.03	0.01
Total :	**277.91**	**100.00%**	**270.96**	**100.00%**
C. Actual Return on Plan Assets	**` 23.09 Crore**		**` 24.39 Crore**	

D. General description of various defined benefit schemes are as under :

(i) Provident Fund : The company pays fixed contribution to Provident Fund at predetermined rates, to a separate trust, which invests the funds in permitted securities. On contributions, the trust is required to pay a minimum rate of interest ,to the members, as specified by Govt. of India. Where the trust is unable to pay interest at the declared rate for the reasons that the return on investment is less or for any other reason, then the deficiency shall be made good by the company.

(ii) Pension Fund : The company pays fixed contribution to the trustee bank of PFRDA, which in turn invests the money with the insurers as specified by the employee concerned. The company's liability is limited only to the extent of fixed contribution.

(iii) Gratuity : Gratuity payable to employees as per The Payment of Gratuity Act subject to a maximum of `10,00,000/. The gratuity scheme is funded by the company and is managed by a separate trust. The liability for gratuity under the scheme is recognised on the basis of actuarial valuation.

(iv) Post Retirement Medical Benefit : The benefit is available to retired employees and their spouses who have opted for the benefit. Medical treatment as an in-patient can be availed from the company's hospital/Govt.Hospital/hospitals notified by the company. They can also avail treatment as out-patient subject to ceiling limit of expenses fixed by the company. The liability under the scheme is recognised on the basis of actuarial valuation.

(v) Settling-in-benefit : On superannuation /retirement/termination, the employees who have opted for the benefit and/or family shall be entitled to get travelling allowance as fixed by the company (as per TA rule) from the last headquarters to the home town or any other place of settlement. The liability for the same is recognised on the basis of actuarial valuation.

(vi) Long Service Reward : The employee who completes 25 years of service are entitled for a long service reward which is equal to one month basic pay and DA. The liability for the same is recognised on the basis of actuarial valuation.

(vii) NEFFARS : In the event of disablement/death,the company pays monthly benefit to the employee/legal heir(s) at their option and on deposit of prescribed amount as stipulated under the scheme upto the date of notional superannuation. The liability for the same is recognised on the basis of actuarial valuation.

(viii) Leave Encashment : The accumulated earned leave, half pay leave & sick leave is payble on separation, subject to maximum permissible limit as prescribed in the leave rules of the company.During the service period encashment of accumulated leave is also allowed as per company's rule.The liability for the same is recognised on the basis of actuarial valuation.

Note 28 : Finance Cost

Interest Expense				
Interest on short term loans	-		2.14	
Applicable net (gain)/loss on foreign currency transaction and translation				
Adjustment to interest cost	-		5.31	
Total :		**-**		**7.45**

Notes to the Financial Statements

(` in Crore)

Particulars		Figures for the current reporting period		Figures for the previous reporting period	
Note 29 : Depreciation and Amortisation Expenses					
Depreciation for the current year		524.80		493.52	
Less :Transferred to Capital Account		0.03		0.03	
Less : Transferred from Subsidy Reserve		0.04		0.05	
	Sub total :	524.73		493.44	
Adjustments pertaining to earlier years		-		11.99	
Total :			**524.73**		**505.43**
Note 30 : Other Expenses					
Repairs and Maintenance					
Repairs to Building		34.39		37.37	
Repairs to Plant & Machinery		119.50		123.06	
Repairs to Others		16.69		12.56	
	Sub Total :		**170.58**		**172.99**
Consumption of Stores & Spare Parts etc.					
Stores & Spares*		354.33		272.59	
Consumables		119.05		109.40	
	Sub Total :		**473.38**		**381.99**
Other Manufacturing Expenses					
Royality & Cess		80.33		67.70	
Water Charges		20.59		23.80	
Others		21.34		42.89	
	Sub Total :		**122.26**		**134.39**
Freight and Forwarding Expenses					
Incoming Materials		68.67		80.75	
Outgoing Materials		122.52		105.83	
	Sub Total :		**191.19**		**186.58**
Rent			**3.38**		**2.32**
Rates & Taxes			**4.64**		**3.05**
Insurance			**7.74**		**5.76**
Payment to Auditors					
As Auditors		0.16		0.16	
For Taxation matters		0.03		0.03	
For Company law matters		0.13		0.12	
For reimbursement of expenses		0.15		0.11	
	Sub Total :		**0.47**		**0.42**
Payment to Cost Auditors			**0.02**		**0.02**
Security & fire fighting expenses			**74.63**		**69.82**
CSR expenses			**29.00**		**30.99**
Miscellaneous					
Administrative and general expenses		93.27		93.47	
Interest on disputed Govt. dues & others		202.62		168.50	
Selling & distribution expenses		21.61		20.58	
Write off of Inventories, Claims etc		19.45		13.85	
Others		32.34		24.99	
Provisions		14.36		13.84	
	Sub Total :		**383.65**		**335.23**
Adjustments pertaining to earlier years			**1.00**		**(3.73)**
Total :			**1,461.94**		**1,319.83**

*Not included in Repairs & Maintenance

Notes to the Financial Statements

(` in Crore)

Particulars	Figures for the current reporting period		Figures for the previous reporting period	
Note 31 : Exceptional Items				
Employee benefit expense*		49.37		-
Total :		**49.37**		**-**

*On revision of Production Linked Incentive Scheme (PLIS) for Non executive employees and percentage contribution to pension scheme for all employees retrospectively, ` 49.37 crore relating to the past periods has been considered as exceptional item.

Note 32 : Expenditure incurred in Foreign Currency

Professional & consultation fees	8.11		8.55	
Other expenses	0.37		0.83	
Total :		**8.48**		**9.38**

Note 33 : Earnings in Foreign Currency

Export of goods calculated on FOB basis	3,615.31		3,376.35	
Other Income(despatch money claim)	1.89		1.15	
Total :		**3,617.20**		**3,377.50**

Note 34 : Value of Imports calculated on CIF basis

Raw materials	201.79		129.83	
Coal	204.68		266.73	
Components & spare parts	79.10		79.63	
Capital goods	29.35		68.57	
Total :		**514.92**		**544.76**

Note 35 : Value of Raw Materials, Spare parts & components consumed during the year

	Value	%	Value	%
a) Raw Materials				
Imported	230.46	21.68	152.19	13.03
Indigenous	832.70	78.32	1,015.64	86.97
Total :	**1,063.16**	**100.00**	**1,167.83**	**100.00**
b) Spare parts and components				
Imported	139.29	29.42	105.77	27.69
Indigenous	334.09	70.58	276.22	72.31
Total :	**473.38**	**100.00**	**381.99**	**100.00**

Notes to the Financial Statements

Note 36 : Joint Ventures

Pursuant to compliance of Accounting Standard-27 issued by the Institute of Chartered Accountants of India, relevant disclosures relating to interest in Joint ventures are as follows:

a) Details of name, country of incorporation and ownership interest

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership	
		Figures as at the end of current reporting period	**Figures as at the end of the previous reporting period**
i) NPCIL-NALCO Power Company Ltd.	India	26.00%	26.00%
ii)Angul Aluminum Park Pvt. Ltd.	India	49.50%	49.50%

b) Aggregate amount of company's interest in Joint Ventures as per accounts is as under.

(` in Crore)

Particulars	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
i) NPCIL-NALCO Power Company Ltd.		
Equity and Liabilities		
Shareholders Fund	0 .01	0 .01
Non Current liabilities	-	-
Current liabilities	*	0 .01
Assets		
Non Current Assets	-	-
Current Assets	0.02	0.03
Income	*	-
Expenses	*	0.01
ii) Angul Aluminum Park Pvt. Ltd.		
Equity and Liabilities		
Shareholders Fund		1.02
Non Current liabilities		-
Current liabilities		*
Assets		
Non Current Assets		0.16
Current Assets		0.86
Income		0.05
Expenses		*

* Amount is less than one lakh

Note: For the current financial year accounts of Angul Aluminium Park Pvt. Ltd. is yet to be received.

Note No.37. Renewable Purchase Obligation (RPO):

As per the provisions of Odisha Electricity Regulatory Commission (OERC) notification, Nalco, being an obligated entity has the obligation to generate power 6% (Previous year 5.5%) of its total consumption from renewable sources comprising of 4.20% (Previous year 3.95%) from Co- generation, 0.20% (Previous Year 0.15%) from Solar renewable source and 1.60% (previous year 1.40%) from Non solar renewable source.

a) The company has fulfilled the requirement of its Co-generation obligation for the year 2013-14 through co-generation of power from Steam & Power Plant at Refinery Unit.

b) On complete commissioning and generation of wind power at Gandikota (AP) and Jaisalmer (Rajsthan) the company has fulfilled its Non solar obligation (through wind power generation) for the current year and part obligation for previous years. Cumulative Non solar REC obligation as on 31.3.2014 is `15.54 Crore towards 1, 03,656 numbers of Non-solar REC.

c) Due to non-fulfillment of the obligation to generate power from renewable source of Solar the company has provided cumulative liability up to 31.3.2014 for `24.98 Crore towards 26,855 numbers of Solar REC.

Note No. 38: Electricity Duty

As per the Judgment of Hon'ble High Court of Orissa dated 6th May 2010 (OJC No 966 of 2001), Electricity duty is a consumption based levy. Power lost in the course of transmission from the point of generation to the point of consumption is not subject to levy of Electricity duty.

Electricity Duty on power consumed out of generation from Captive Power Plant, Angul and Steam & Power Plant at Refinery is considered after allowing transmission loss @ 5.421% and 12.47% of gross generation respectively based on in-house technical estimation. The technical estimation is not accepted by the State Govt. The claim for refund of duty paid up to 31.3.2014 amounts to ` 94.55 Crore (up to previous year ` 90.17 Crore) which could not be pursued due to Interim Order of Hon'ble Supreme Court.

Note No. 39: Jointly Controlled assets

The Company has entered in to an MOU with M/s Aditya Aluminium & M/s Utkal Alumina International Limited for construction of a 220 KV switch station at Laxmipur area of Koraput District in the state of Odisha for drawing power to their respective premises.

The facility shall be used exclusively by the beneficiaries. The operation and maintenance expenses shall also be shared proportionately by the co-beneficiaries. Following are the disclosure in compliance to AS27:

a. Name of the asset : 220 KV substation at Laxmipur
b. Nature of Asset : Electrical Installation
c. Nature of benefit envisaged : Drawing power for plant operation through feeder
d. Total Value of the work : ` 45.70 Crore
e. Nalco's share in joint asset : 33.33% (1/3rd)
f. Value of asset capitalized : ` 15.23 Crore
g. Liability as on 31.3.2014 : ` 3.99 Crore
h. Income from sale/use of output : Nil
i. Expenses in respect of Nalco's interest : Nil

Note No.40 Operating Leases:

a) The company is operating its mining activities at Panchpatmali bauxite mines based on lease granted by Government of Odisha renewable after every 20 years. In connection with lease renewal, the company has paid NPV and related payments which is capitalized as intangible assets under Mining Rights and amortized on straight line basis as per the Accounting policies of the company for intangible assets.

b) The Mining lease is subject to payment of surface rent and dead rent on the land acquired by the company. The company has paid an amount of ` 0.19 crore (previous year ` 0.16 Crore) towards surface and dead rent and charged to statement of profit and loss of the respective year.

Note No.41. Dues payable to Micro, Small and Medium Enterprises:

Dues payable to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure pursuant to said Act is as under:

(` in Crore)

		As at 31st March 2014	As at 31st March 2013
i)	Principal amount due	0.54	0.85
ii)	Interest on principal amount due	Nil	Nil
iii)	Interest and principal amount paid beyond appointment day	Nil	Nil
iv)	The amount of interest due and for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the amount of interest specified under MSME Development Act 2006.	Nil	Nil
v)	The amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSME Development Act 2006.	Nil	Nil

Note No.42. Dividend for the year:

42.1 The Company has paid interim dividend of ` 1.10 per equity share of ` 5/- each for the year 2013-14 (previous year ` 0.75 per equity share of ` 5/- each).

42.2 The provision for final dividend of ` 0.40 per equity share of ` 5/- each is made for the year 2013-14 (previous year ` 0.50 per equity share of ` 5/- each) .

42.3 Total dividend for the year 2013-14 works out to ` 1.50/- per equity share of ` 5/- each (previous year ` 1.25 per equity share of ` 5/- each).Total amount of proposed dividend for the year 2013-14 is ` 386.59 crore (previous year ` 322.15 crore).

Note No.43. Change in Accounting Policy/ Practice:

43.1. Inclusion of Captive power generation in Aluminium Segment.

Nature of Change:

Captive generation of power is an integral part of Aluminium metal production in the Smelter plant. Aluminium smelting is power intensive and accordingly the project was conceived with adequate captive generation of power as the aluminium smelter is not viable without captive power support. Every capacity increase in CPP is directly related to capacity increase in aluminum smelter. Of late Smelter operation with purchase of power from State (Grid) will not be economically viable and is not part of the business model. Sustained power supply at reasonable cost is one of the predominant sources of risk and return for Aluminium smelter. It can influence the risk and return to a larger extent. As such, major strategic or managerial decisions concerning either of the plant are interdependent.

Accordingly, the policy of reporting Captive power generation as a separate reportable segment has been dispensed. Power generation at CPP for captive consumption for Aluminium production is included in Aluminium segment.

Previous year's figures have been recasted accordingly to make it comparable.

43.2. Change in price for transfer of Alumina from Chemical Segment to Aluminium Segment and transfer of power from Aluminium segment to Chemical segment

Nature of Change:

Inter-segment transfers should be measured on the basis that the enterprise actually used to price those transfers. In other words, the price that is actually used in the books of account to reflect the transaction between different segments and the price that is used to reflect segment results for the purpose of segment reporting under AS 17, should be same. Accordingly the following change in policy has been brought from current year.

a) Transfer price of Alumina from Chemical segment to Aluminium Segment

Old: Lower of average price from export sales during the period less freight and cost plus 15.50% return on investment on gross fixed assets

New: Average sales realization from export sales during the period less freight from Refinery to Port at Vizag plus export incentive.

b) Transfer of Power from Aluminium Segment to Chemical segment

Old: Lower of average sales price to GRIDCO and cost plus 15.50% return on investment on gross fixed assets.

New: Annual/ periodic average purchase price of power from state GRID at Alumina Refinery.

Previous year's figures have been recasted accordingly to make it comparable.

Note No.44. Regrouping of previous year's figures:

Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable.

Note No.45 Related Party Disclosures:

45.1 As per AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the names of the related parties during the year are given below:-

i) Whole time Directors:

(a) Shri Ansuman Das
(b) Shri B.L. Bagra (up to 01.05.2013)
(c) Shri S.S. Mahapatra
(d) Shri N.R. Mohanty
(e) Shri S.C. Padhy
(f) Shri K C Samal (from 3.1.2014)
(g) Ms Soma Mondal (from 11.3.2014)

ii) Part time Official Directors: (Nominee of Govt. of India):

(a) Ms. Gauri Kumar, IAS (up to 1.7.2013)

(b) Shri R Sridharan, IAS (from 30.8.2013)

(c) Shri D S Mishra,IAS (Upto 22.04.2013 and from 04.07.2013)

iii) Part time non official (Independent) Directors:

(a) Shri Ved Kumar Jain (up to 20.3.2014)

(b) Shri P.C. Sharma, IAS (Retd.) (up to 20.3.2014)

(c) Shri G.P. Joshi, IAS (Retd.)

(d) Shri S.S. Khurana

(e) Shri Madhukar Gupta, IAS (Retd)

(f) Shri G H Amin

(g) Shri Qaiser Shamim

(h) Shri Sanjiv Batra

iv) The company has interest in joint venture Angul Aluminium Park Pvt Ltd. and NPCIL-NALCO Power Company Ltd. with 49.5% and 26% share holding respectively. During the year the company has not made any transaction with the JVs (Previous year Nil)

45.2 Related party transactions:

Remuneration and loans to whole time directors are as furnished below:

(` in Crore)

S.No.	Particulars	Current Year	Last Year
1.	**Whole time Directors Remuneration:**		
	Salaries	1.41	2.01
	Contribution to Provident Fund	0.12	0.12
	Medical Benefits	0.01	0.01
	Other Benefits	0.07	0.07
	Total	**1.61**	**2.21**
2.	**Loans / advances due from Directors:**		
	Outstanding at the end of the year	0.09	0.07
	Maximum amount due at any time during the year	0.14	0.10

5 YEARS PERFORMANCE AT A GLANCE - PHYSICAL

Sl	Particulars	Units	2013-14	2012-13	2011-12	2010-11	2009-10
1	**Production:**						
	Bauxite	MT	6,292,677	5,419,391	5,002,626	4,823,908	4,878,888
	Alumina Hydrate	MT	1,925,000	1,802,000	1,687,000	1,556,000	1,591,500
	Aluminium	MT	316,492	403,384	413,089	443,597	431,488
	Power (net)	MU	4,989	6,076	6,200	6,608	6,293
	Wind Power	MU	144	14	-	-	-
2	**Export Sales:**						
	Alumina	MT	1,309,473	944,117	792,552	639,855	702,554
	Aluminium	MT	101,243	144,161	98,399	98,200	146,947
3	**Domestic Sales:**						
	Alumina Hydrate and Other Chemicals	MT	33,288	40,605	50,253	45,916	44,420
	Aluminium	MT	218,420	258,941	317,517	340,752	289,032
	Power (Net)	MU	27	26	16	56	15
	Wind Power	MU	144	14	-	-	-

5 YEARS PERFORMANCE AT A GLANCE - FINANCIAL (₹ in crore)

Sl	Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
A	**Income Statement :**					
1	Exports	3,719	3,410	2,569	2,065	2,209
2	Domestic Sales	3,305	3,837	4,358	4,305	3,101
3	Gross Sales (1+2)	7,024	7,247	6,927	6,370	5,310
4	Less : Excise Duty	375	438	427	411	256
5	Net Sales (3 - 4)	6,649	6,809	6,500	5,959	5,054
6	Other Income :					
7	Operating	132	107	112	98	119
8	Non-operating	558	511	542	353	374
9	Operating expenses	5,847	6,010	5,467	4,464	4,071
10	Operating Profit (5+7-9)	934	906	1,145	1,593	1,102
11	Exceptional Expenditure	49	-	22	-	-
12	Earning before interest, dep. & taxes (EBIDT)(10+8 -11)	1,443	1,417	1,665	1,946	1,476
13	Interest & Financing charges	0	7	1	-	2
14	Earning before dep. & taxes (EBDT) (12-13)	1,443	1,410	1,664	1,946	1,474
15	Depreciation and Amortisation	525	505	467	422	319
16	Profit Before Tax (PBT) (14-15)	918	905	1,198	1,524	1,155
17	Provision for Tax	276	312	348	455	341
18	Net Profit (PAT) (16 - 17)	642	593	850	1,069	814
B	**Balance Sheet :**					
19	Equity Capital	1,289	1,289	1,289	1,289	644
20	Reserves & Surplus	10,834	10,644	10,426	9,876	9,751
21	Networth (19+20)	12,122	11,933	11,715	11,165	10,395
22	Loans	0	-	-	15	9
23	Net Fixed Assets	6,792	6,629	6,612	5,494	4,836
24	Working Capital	3,949	3,411	4,193	3,304	2,998
25	Capital Employed (23+24)	10,741	10,040	10,805	8,798	7,834
C	**Ratios :**					
26	Operating Profit Margin (OPM) (%) (10 / 5*100)	14.05	13.31	17.62	26.73	21.80
27	Net Profit Margin (%) (18 / 5 *100)	9.66	8.71	13.07	17.94	16.11
28	Return on Capital Employed (ROCE) (%) (18/25*100)	5.98	5.91	7.86	12.15	10.39
29	Return on Networth (RONW)(%) (18/21*100)	5.30	4.97	7.25	9.57	7.83
D	**Others :**					
30	Book value per share of ` 5 each(in `)	47.04	46.30	45.46	43.32	40.34
31	Earnings per share (in `)	2.49	2.30	3.30	4.15	3.16
32	Dividend (` Per Share)	1.50	1.25	1.00	2.50	2.50

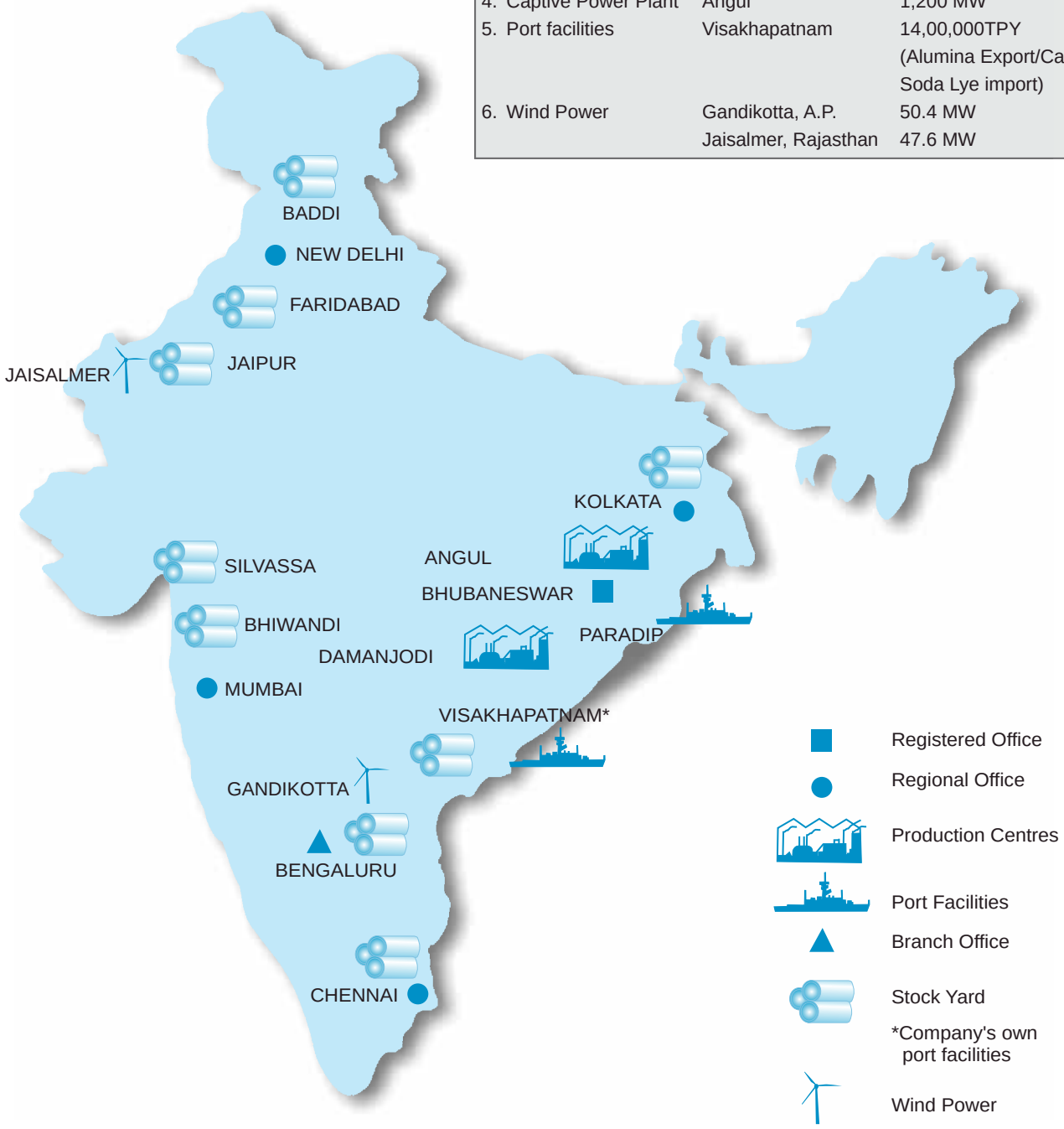
Reconciliation of Published Quarterly(Unaudited)Financial Results and Annual (Audited) Financial Results for the year 2013-2014

(₹ in crore except sl. no. 12 & 13)

Sl. No.	Particulars	1st Quarter (Reviewed)	2nd Quarter (Reviewed)	3rd Quarter (Reviewed)	4th Quarter (Reviewed)	Total of four Quarters	Full Year (Audited)	Variances
1	2	3	4	5	6	7	8	9
1	Gross Turnover	1621.29	1805.33	1716.87	1880.78	7024.27	7024.27	-
	Less:Excise Duty	84.75	95.24	95.91	99.57	375.47	375.47	-
	Net Sales	1536.54	1710.09	1620.96	1781.21	6648.80	6648.80	-
2	Other Income	202.72	150.98	143.68	192.38	689.76	689.76	-
3	Total Expenditure Excl.Depreciation	1407.52	1470.60	1439.56	1528.97	5846.65	5846.65	-
4	Interest & Financing Charges	-	-	-	-	-	0.00	-
5	Depreciation & Provision	124.47	128.57	130.75	140.94	524.73	524.73	-
6	Profit Before Tax & Exceptional Items	207.27	261.90	194.33	303.68	967.18	967.18	-
7	Exceptional Items	-	-	-	49.37	49.37	49.37	-
8	Profit Before Tax	207.27	261.90	194.33	254.31	917.81	917.81	-
9	Provision for Tax	47.57	82.73	63.30	81.86	275.46	275.46	-
10	Net Profit(PAT)	159.70	179.17	131.03	172.45	642.35	642.35	-
11	Paid up Equity Share Capital	1288.62	1288.62	1288.62	1288.62	1288.62	1288.62	-
12	Earning per Share (`)	0.62	0.70	0.51	0.67	2.49	2.49	-
	(Not annualised)							
13	Aggregate of non-promotor Shareholding:							
	Number of Shares	488,178,890	488,178,890	488,178,890	488,178,890	488,178,890	488,178,890	
	Percentage of Shareholding	18.94	18.94	18.94	18.94	18.94	18.94	

NALCO'S VARIOUS PRODUCTION UNITS, THEIR LOCATION & INSTALLED CAPACITIES

1. Bauxite Mines	Panchpatmalli	63,00,000 TPY
2. Alumina Refinery	Damanjodi	21,00,000 TPY
3. Smelter Plant	Angul	4,60,000 TPY
4. Captive Power Plant	Angul	1,200 MW
5. Port facilities	Visakhapatnam	14,00,000TPY (Alumina Export/Caustic Soda Lye import)
6. Wind Power	Gandikotta, A.P.	50.4 MW
	Jaisalmer, Rajasthan	47.6 MW



OFFICES AND CUSTOMER CONTACT CENTRES

REGD. & CORPORATE OFFICE

NALCO Bhawan
Plot No. - P/1, Nayapalli
Bhubaneswar - 751 013 (Orissa)
Phone : 0674-2301988 to 2301999

UNITS

1. Mines & Refinery

Mines & Refinery Complex
Damanjodi - 763 008
Dist. : Koraput (Orissa)
Phone : 06853-254515/254550
254251

2. Captive Power Plant

Dist. : Angul (Orissa)
PIN : 759 122
Phone : 06764-220158
Fax : 06764-220646

3. Smelter Plant

NALCO Nagar - 759 145
Dist. : Angul (Orissa)
Phone : 06764-220110
Fax : 06764-220738/220206

PORT FACILITIES

Visakhapatnam

Opp Ore Handling Complex
Port Area
Visakhapatnam - 530 035
Andhra Pradesh
Phone : 0891-2561433/2561435
Fax : 0891-2561598
E-mail : gmport@nalcoindia.co.in

Paradip (Port Office)

'V' Point

Badapadia
Paradip : 754142
Phone : 06722-221286
Fax : 06722-221286
E-mail : nalco_paradeep@nalcoindia.co.in

REGIONAL OFFICES

1. Eastern Region

1st floor, J K Millenium Centre
46-D, Chowringhee Road,
Kolkata - 700 071
Phone : 033-66224510-34
Fax : 033-22810393/22878936
E-mail: : rmeast@nalcoindia.co.in

2. Western Region

215, T.V. Industrial Estate
S.K. Ahire Marg, Worli,
Mumbai - 400 025
Phone : 022-24939288/89
Fax : 022-24950500
E-mail : bbsinghbabu@nalcoindia.co.in

3. Northern Region

Core -4, 5th Floor, South Tower,
District Centre, Scope Minar,
Laxmi Nagar, Delhi 110 092
Phone : 011-22010793/794/801
Fax : 011-22010800/
22010790/792
E-mail : amarjit.ahluwalia@nalcoindia.co.in

4. Southern Region

3E, Century Plaza, 560, Anna Salai,
Teynampet, Chennai-600 018
Phone : 044-24344162/24349157
Fax : 044-24343495
E-mail : rmsouth@nalcoindia.co.in

BRANCH OFFICE

Bengaluru
Ground Floor, Jal Bhavan, No. 5&6,
1st Stage, 1st Phase, BTM Layout
Bannerghatta Main Road,
Bengaluru-560 029
Phone : 080-26637297/ 26637083/
26637084
Fax : 080-26530148
E-mail : nalblr@nalcoindia.co.in

STOCK YARDS

1. Bhiwandi
National Aluminium Company Limited
C/o. NSIC Limited,
Godown No. 42/57 Indian Corp. Compound
Mankoli Naka, Mumbai Nasik Road,Thane,
Maharashtra
Bhiwandi : 421302
Phone : 02522-320047

2. Kolkata
National Aluminium Company Limited
C/o. Balmer Lawrie & Company Limited
WH, 1-Sonapur Road, Kolkata- 700 088,
West Bengal
Phone : 033-24506840

3. Bengaluru

National Aluminium Company Limited
C/o. M/s. Container Corporation of
India Limited
Warehouse no. 3, Whitefield Road,
Bangaluru - 560 066, Karnataka
Phone : 080-28451327/28
Fax : 080-28451329

4. Jaipur

National Aluminium Company Limited
C/o. Central Warehousing Corporation
Central Warehouse
SP-1296, Sitapura Industrial Area
Tonk Road, Jaipur- 302 022, Rajasthan
Phone : 0141-2770226
Fax : 0141-2770817

5. Silvassa

National Aluminium Company Limited
C/o. NSIC Limited
Godown: Shalimar Enterprises, Corporation
80/4, Dayat Falia Road,
Amli (Piparia), Silvasa-396 230
(U.T. of Dadra Nagar Haveli)
Phone : 0260-2641436

6. Faridabad

National Aluminium Company Limited
C/o. NSIC Limited
India Garage Equipment,
Plot No. 51, Sec-6
Faridabad, Haryana - 121 003
Phone : 0129-4102430

7. Visakhapatnam

National Aluminium Company Limited
NALCO Port Facilities
Port Area, Visakhapatnam - 530 035
Andhra Pradesh
Phone : 0891-2721032

8. Baddi

National Aluminium Company Limited
C/o. NSIC Limited
Village : Dharampur
P. O. : Baddi, Tehsil : Nalagarh,
Dist. : Solan-173205, Himachal Pradesh
Phone : 0179-5657895

9. Chennai

National Aluminium Company Limited
C/o. NSIC Limited, NAFED Ware Housing
Complex, Ponniammanmedu Post,
Madhavaram, Chennai - 600 010, Tamil Nadu
Phone : 044-25530310/320/327/433

नालको NALCO

NATIONAL ELECTRONIC CLEARING SERVICE MANDATE FORM

(Applicable for shareholders, holding shares in physical form only)
(Please fill in the information in CAPITAL LETTERS. Please TICK wherever it is applicable)

1. Regd. Folio No. ☐☐☐☐☐

2. First Shareholder's Name : Shri/Smt./Kum./M/s. _____

_____

3. First Shareholder's Address: _____

_____

_____

_____ Pin Code : ☐☐☐☐☐☐

4. Particulars of Bank:

Bank Name ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Branch Name ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Address ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐
☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Branch Code (9 Digit MICR code appearing on the MICR Band of the cheque) ☐☐☐☐☐☐☐☐☐

(Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled)

Account Type

SB ☐ CA ☐ CC ☐

Account Number.

☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

5. Date from which the mandate should be effective: _____

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected for reasons due to incomplete or incorrect information, I shall not hold National Aluminium Company Limited responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of the amount through NECS (Credit Clearing).

_____
Signature of Shareholder(s)

Place:
Date :

NOTE: In case the shareholder is not in a position to enclose a photocopy of a blank cheque, a certificate from the Bank as under may be furnished.

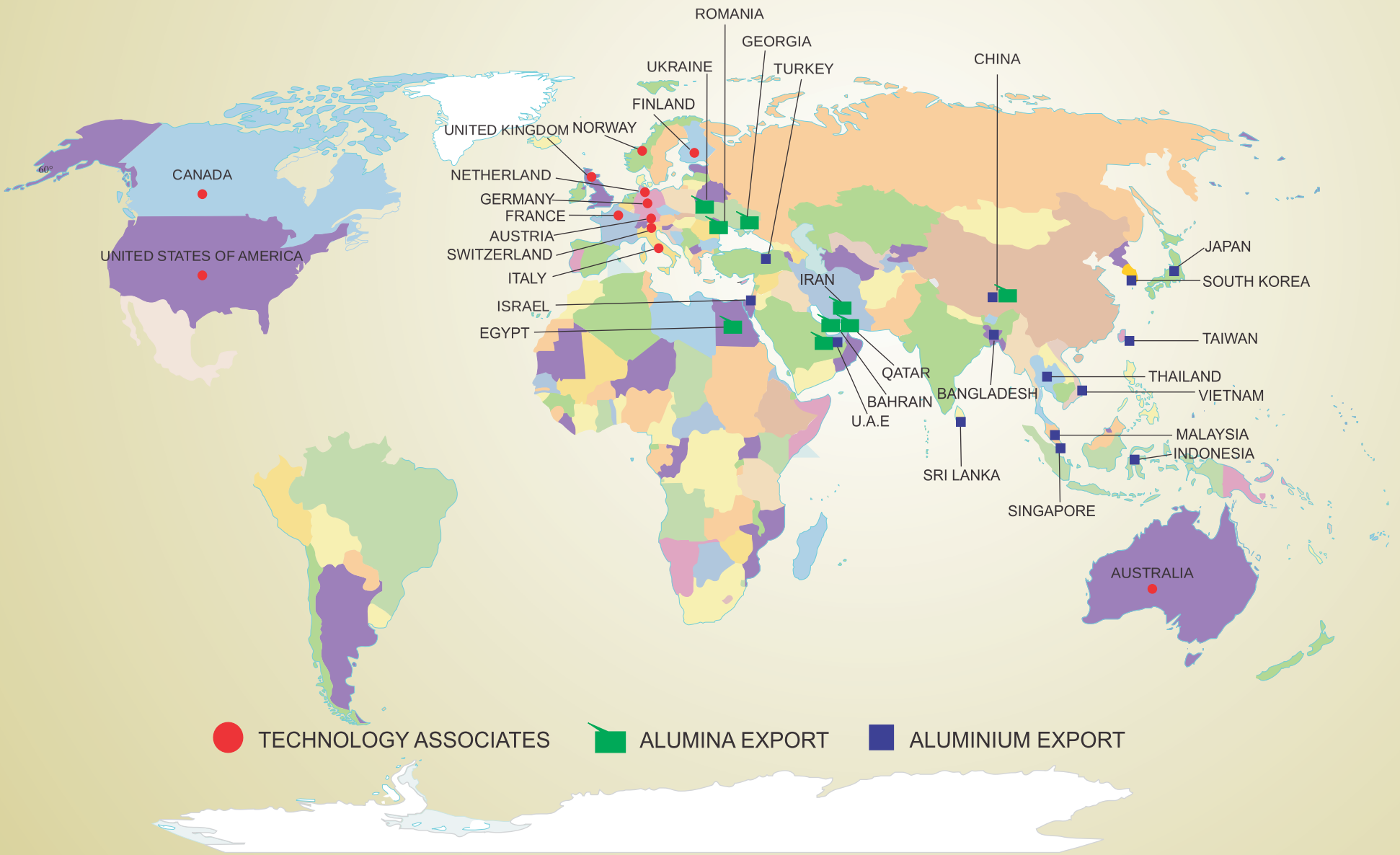
Certified that the particulars furnished above are correct as per our records.

Bank's Stamp:
Date:

Signature of the Authorized Official from the Bank

National Aluminium Company Limited, Nalco Bhawan, Nayapalli, Bhubaneswar – 751 013
INDIA. Tel.0674-2300677/2301988-99, www.nalcoindia.com

Global Reach



नालको NALCO

National Aluminium Company Limited

(A Government of India Enterprise)

www.nalcoindia.com

A NAVRATNA COMPANY

REGD. & CORPORATE OFFICE

Nalco Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar - 751 061, Odisha, India

CIN : L27203OR1981GOI000920