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नालको NALCO

BY SPEED POST

NBC/S/4.5(A)/2011/ 761
Date : 30.05.2011

To
The Manager,
Listing Department
National Stock Exchange of India Ltd.,
"Exchange Plaza", C-1, Block - G,
Bandra- Kurla Complex,
Bandra (E), Mumbai – 400 051. Fax Nos. 022-26598237/26598238

Sub: a) Submission of Audited Financial Results & Statement of Assets & Liabilities for the year ended 31.03.2011

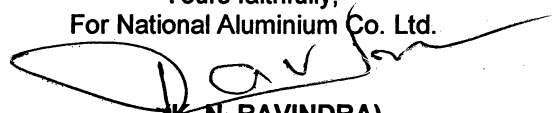
b) Recommendation of Final Dividend

Dear Sir,

- 1.0 This has reference to the correspondence resting with our letter No.NBC/S/4.5(A)/2011/743 dtd. 21.05.2011 on the above subject.
- 2.0 In terms of revised Clause 41 and clause 19 of the Listing Agreement, please find enclosed a copy of the audited Financial Results for the year ended 31.03.2011. These were approved and adopted by the Board in their meeting held on 30.05.2011. Necessary publication is also being made on local & English dailies.
- 3.0 Enclosed also please find a copy of Auditors' Report given by the Statutory Auditors on the Audited Financial Results of our Company for the year ended 31.03.2011.
- 4.0 The Board of Directors have also recommended for payment of final dividend @ ₹ 0.50 per share on the revised equity share capital (10% on face value of ₹ 5 each) in addition to interim dividend of ₹ 2.00 per share already paid on pre revised equity share capital (20% on face value of ₹ 10 each) subject to the approval of shareholders in the ensuing 30th Annual General Meeting.

Thanking you,

Yours faithfully,
For National Aluminium Co. Ltd.


K. N. RAVINDRA
COMPANY SECRETARY

नेशनल एल्युमिनियम कम्पनी लिमिटेड
(भारत सरकार का उद्यम)

निगम कार्यालय
नालको भवन, नयापल्ली, भुवनेश्वर - 751 013 भारत

National Aluminium Company Limited
(A Government of India Enterprise)

REGISTERED OFFICE

NALCO Bhawan, Nayapalli, Bhubaneswar - 751 013, INDIA

www.nalcoindia.com

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NATIONAL ALUMINIUM COMPANY LIMITED
Audited Financial Results for the year ended 31st March, 2011

A. Audited Financial Results :

(Rs. in lakh except for share data at sl.no 16,17 and 18)

Sl. No.	Particulars	Quarter ended		Year ended	
		31st Mar' 11 (Audited)	31st Mar' 10 (Audited)	31st Mar' 11 (Audited)	31st Mar' 10 (Audited)
1	2	3	4	5	6
1	a Sales				
	Less: Excise Duty	190,966	168,634	636,988	531,047
	Net sales	12,215	8,272	41,090	25,574
	b Other Operating Income	178,751	160,362	595,898	505,473
	Total Income	3,789	3,793	9,678	11,885
2	Expenditure :	182,540	164,155	605,576	517,358
	a) (Increase)/decrease in stock-in-trade and work in progress	11,393	6,258	991	2,163
	b) Raw materials consumed	22,292	19,009	76,612	78,600
	c) Power & Fuel	46,977	40,715	177,890	161,686
	d) Employees Cost	33,618	25,820	98,814	81,345
	e) Repair Maintenance & Manufacturing Expenses	14,432	12,946	59,701	50,705
	f) Depreciation	13,192	8,840	42,172	31,940
	g) Other Expenses	8,462	9,683	33,095	32,617
	h) Total	150,366	123,271	489,275	439,056
3	Profit from operations before Other Income, Interest and Exceptional Items (1-2)	32,174	40,884	116,301	78,302
4	Other Income	9,727	7,103	36,174	37,412
5	Profit before interest and Exceptional Items (3+4)	41,901	47,987	152,475	115,714
6	Interest and Financing charges	-	20	5	228
7	Profit after interest but before Exceptional Items (5-6)	41,901	47,967	152,470	115,486
8	Exceptional Items	-	-	-	-
9	Profit from ordinary activities before tax (7+8)	41,901	47,967	152,470	115,486
10	Provision for:				
	a) Current Tax	10,460	12,478	42,261	31,531
	b) Provision for earlier year	(8)	(174)	(8)	(1,392)
	c) Deferred Tax	923	(1,647)	3,287	3,925
11	Net Profit from ordinary activity after Tax (9-10)	30,526	37,310	106,930	81,422
12	Extraordinary Items (net of tax expense)	-	-	-	-
13	Net Profit for the period (11-12)	30,526	37,310	106,930	81,422
14	Paid-up Equity Share Capital (Face value Rs.5 each)	128,862	64,431	128,862	64,431
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	975,127
16	Basic & diluted EPS (Not annualised)-Rs.	1.18	1.45	4.15	3.16
17	Public Shareholding : No. of shares	331,239,972	82,809,993	331,239,972	82,809,993
	Percentage of share holding	12.85	12.85	12.85	12.85
18	Promoters and promoter group shareholding				
	a) Pledged/Encumbered				
	- Number of shares	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil
	b) Non-encumbered				
	- Number of shares	2,245,998,540	561,499,635	2,245,998,540	561,499,635
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	87.15	87.15	87.15	87.15

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B: Segmentwise Revenue, Results and Capital Employed :

(Rs. in lakh)

Sl. No.	Particulars	Quarter ended		Year ended	
		31st Mar'11 (Audited)	31st March'10 (Audited)	31st Mar'11 (Audited)	31st Mar'10 (Audited)
1	2	3	4	5	6
1	Segment Revenue :				
	a) Chemicals	58,789	67,277	206,850	194,469
	b) Aluminium	142,542	125,325	482,820	409,527
	c) Electricity	48,255	38,303	176,560	145,493
	Total :	249,586	230,905	866,230	749,489
	Less: Inter segment revenue	71,835	70,543	270,332	244,016
	Net sales / Income from operations	177,751	160,362	595,898	505,473
2	Segment Results :				
	Profit before tax and interest :				
	a) Chemicals	11,985	25,477	44,962	51,388
	b) Aluminium	19,269	9,361	59,270	5,297
	c) Electricity	7,654	10,708	32,243	37,108
	Sub-total :	38,908	45,546	136,475	93,793
	Less: Interest & financing charges	-	20	5	228
	Add: Other unallocated income	-	-	-	-
	net of unallocated expenses	2,993	2,441	16,000	21,921
	Total Profit before Tax :	41,901	47,967	152,470	115,486
3	Capital Employed				
	a) Chemicals	149,186	143,177	149,186	143,177
	b) Aluminium	288,237	289,506	288,237	289,506
	c) Electricity	132,141	88,168	132,141	88,168
	d) Unallocated Common assets - liabilities	617,731	585,627	617,731	585,627
	Total :	1,187,295	1,106,478	1,187,295	1,106,478

C:Statement of Assets and Liabilities as at 31st March 2011 (Audited)

	(Rupees in Lakhs)	
	For the Year ended 31st Mar'11 (Audited)	For the Year ended 31st Mar'10 (Audited)
1 Shareholders' Fund		
(a) Share Capital	128,862	64,431
(b) Reserves and Surplus	987,599	975,127
2 Loan Funds :		
(a) Secured Loan	1,488	861
3 Deferred Tax Liability (Net)	69,346	66,059
TOTAL	1,187,295	1,106,478
1 Fixed Asset	723,706	707,971
2 Investments	133,167	98,675
3 Current Assets, Loans & Advances		
(a) Inventories	105,847	94,492
(b) Sundry Debtors	11,240	18,178
(c) Cash and Bank Balances	379,523	315,235
(d) Other Current Assets	16,384	14,500
(e) Loans and Advances	91,523	78,559
Less: Current Liabilities & Provisions		
(a) Current Liabilities	235,446	184,134
(b) Provisions	38,649	36,998
4 Miscellaneous expenses (Not written off or adjusted)	-	-
5 Profit & Loss Account	-	-
TOTAL	1,187,295	1,106,478

1) During 4th quarter of the current year the company has split one equity share of face value Rs.10 each into 2 shares of Rs.5 each. Thereafter bonus share has been issued in the ratio of 1:1. Consequential EPS for the previous year is restated. However previous year figures for share capital at sl.no.14,17 and 18 remain unchanged.

2) The company has segmented its business activities in three parts i.e. Chemicals (Alumina), Aluminium and Electricity in accordance with Accounting Standard 17 issued by ICAI. For computation of Segment Revenue and Segment Results, inter segment transfer of Alumina is considered at a price calculated based on cost plus fixed percentage of return on investment in gross fixed assets @ 15.50%. Similarly, for Electricity, cost plus a fixed percentage of return on investment in gross fixed assets @ 15.50 % as per CERC guidelines, has been considered for segment revenue and segment results.

3) The Board of Directors have recommended a final dividend of Rs.0.50 per equity share on revised equity share capital (10% on face value of Rs.5 each) in addition to interim dividend of Rs.2.00 per equity share paid on pre revised equity share capital (20% on face value of Rs.10 each)

4) "Segment results of chemical segment during the year is less by Rs.41.31 crore on account of provision for impairment for Special Grade Alumina plant.

5) "Unallocated common Assets - Liabilities" include investment of funds in term deposits and in mutual funds amounting Rs. 5,123 crore.

6) Figures pertaining to previous periods have been regrouped / recasted wherever necessary.

7) During the year 63 investors complaints were received. These were promptly disposed off by the company. No complaints were pending either at the beginning or at the end of the year.

8) Above financial results have been examined by Audit Committee and taken on record by Board of Directors in the meeting held on 30th May, 2011.

9) The results are subject to supplementary audit by C & A.G.

New Delhi
30th May, 2011



(CA. B. L. Bagra)
Director (Finance)

Auditors' Report

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To THE MEMBERS
NATIONAL ALUMINIUM COMPANY LIMITED,

1. We have audited the attached Balance Sheet of NATIONAL ALUMINIUM COMPANY LIMITED, as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4 A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, 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 purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3c) of the Companies Act, 1956;
 - e. In terms of Government of India, Ministry of Finance, Department of Company

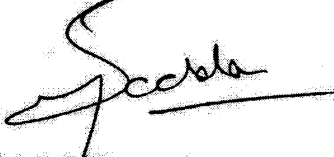


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Affairs, Notification No.GSR 829 (E) dated 21st October,2003, Government Companies are exempt from the applicability of provisions of Section 274 (1) (g) of the Companies Act,1956,

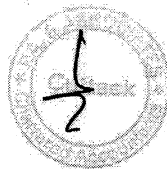
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes on accounts appearing in Schedule Y and Schedule Z respectively give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date and
 - In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For P.A. & Associates
Chartered Accountants
FRN 313085E



(CA S.S. Poddar)
Partner
Membership No.51113

Place : New Delhi
Date : 30th May,2011



For C.K.Prusty & Associates
Chartered Accountants
FRN 323220E

C.K. Prusty
(CA C.K. Prusty)
Partner
Membership No.57318



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**ANNEXURE TO THE AUDITORS' REPORT
(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE)**

1. (a) The company has maintained records showing full particulars including quantitative details and situation of fixed assets.

(b) The company has a programme of conducting physical verification of non-movable assets at an interval of three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. All the movable assets were physically verified during the year. As informed to us, no material discrepancies were noticed on such verification wherever reconciliations have been carried out and the same has been adjusted in the books.

(c) In our opinion and according to the information and explanations, the Company has not disposed off substantial part of fixed assets during the year.
2. (a) In respect of its inventories 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 the management at reasonable intervals during the year.

(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management were 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 its inventories. The discrepancies noticed on physical stock and book records relating to shortages have been dealt with in the books of account, while excesses have been ignored .
3. (a) According to 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.

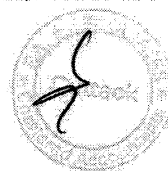


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4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal control system.
5. According to information and explanations given to us, the Company has not entered into any contracts or arrangements which require to be recorded in register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public during the year.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company, pursuant to the rules made 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 determining whether they are accurate and complete.
9. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and Electricity Duty with the appropriate authority.

According to the information and explanations given to us, no undisputed amounts are payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date on which they become payable.

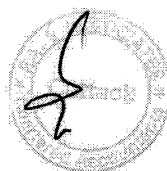
According to the information and explanations given to us, there are disputed statutory dues which have not been deposited are given herein below:



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Statute	Nature of Dues	Amount Disputed Rs.in Crore	Amount Deposited Rs.in Crore	Forum where disputes are pending
Sales Tax	Sales Tax	141.11	17.02	Commissionrate Tribunal High Court
		309.46	73.76	
		<u>5.04</u>	<u>4.21</u>	
		<u>455.61</u>	<u>94.99</u>	
Entry Tax	Entry Tax	36.14	13.47	Commissionrate Tribunal High Court
		30.48	21.55	
		<u>8.46</u>	<u>4.1</u>	
		<u>75.08</u>	<u>39.13</u>	
Central Excise Act, 1944	Excise Duty	63.31	2.54	Commissionrate Tribunal
		<u>36.42</u>	<u>0.59</u>	
		<u>99.73</u>	<u>3.13</u>	
Customs Act, 1962	Customs Duty	<u>0.06</u>	<u>0.06</u>	Commissionrate
		<u>0.06</u>	<u>0.06</u>	
Income Tax Act, 1961	Income Tax	193.68	201.83	Commissionrate Tribunal
		<u>82.82</u>	<u>82.33</u>	
		<u>276.5</u>	<u>284.16</u>	
		<u>906.98</u>	<u>421.47</u>	

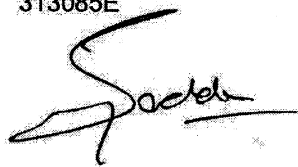
10. The Company does not have accumulated losses at the end of the financial year .The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund/nidhi/mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Order are not applicable to the Company.



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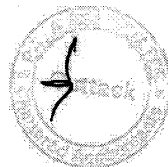
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. Based on our examination of the records and the information and explanations given to us, the Company has not raised any term loan during the year under audit.
17. According to the information and explanations 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 of the company.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. Based on our examination of the records and the information and explanations given to us, the Company has not issued debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For P.A. & Associates
Chartered Accountants
FRN 313085E



(CA S.S. Poddar)
Partner
Membership No.51113

Place : New Delhi
Date : 30th May, 2011



For C.K.Prusty & Associates
Chartered Accountants
FRN 323220E



(CA C.K. Prusty)
Partner
Membership No.57318

