

34TH ANNUAL REPORT 2014-15





*To be a reputed Global Company
in the Metals and Energy Sectors*

The Year at a Glance

Particulars	Unit	2014-15
Physical		
Bauxite	MT	5,739,120
Alumina Hydrate	MT	1,851,000
Aluminium	MT	327,070
Power (Net)	MU	5,131
Wind Power	MU	175
Financial		
Export Turnover	₹ in Crore	3,307
Gross Sales	₹ in Crore	7,771
Profit Before Tax	₹ in Crore	2,113
Profit After Tax	₹ in Crore	1,322
Earning Per Share	₹	5.13
Book Value Per Share	₹	49.65
Dividend	₹ Per Share	1.75

Contents

The year at a glance	1
Directors' Report	7
Annual Report on CSR Activities	17
Management Discussion & Analysis Report	21
Business Responsibility Report	31
Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo	49
Report on Corporate Governance	53
Extract of Annual Return	72
Secretarial Audit Report	78
Independent Auditors' Report	83
C&AG Comments	91
Financial Statements	92
Cash Flow Statement	94
5 years performance at a glance- Physical & Financial	123
Offices and Customer Contact Centres	126

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

34th Annual General Meeting

Saturday, 26th September, 2015 at 11:00 A.M.

at NALCO Bhawan, P/1, Nayapalli,

Bhubaneswar - 751 013.

Board of Directors

Shri T K Chand



Shri T.K. Chand joined the Company as Chairman-cum-Managing Director on 27.07.2015.

Shri Chand holds a Post graduate degree in History and Public Administration from Utkal University, a Bachelors degree in Law from Andhra University and DSW (Diploma in Social Welfare) from Calcutta University. A best graduate and gold medalist from Utkal University, he had undergone training in Advanced Management Programme in International Centre for promotion of Enterprises (ICPE) in Western Europe and in Queensland University of Technology, Australia. He was also adjudged as outstanding performer in Certificate course conducted by SCOPE and Dept. of Public Enterprises for Directors and CMDs.

Shri Chand is one of the senior most Directors in industry and is having more than 30 years of rich experience in Mining and Metal Sector, out of which 8 years at Board level. Shri Chand started his career in steel sector. He won "Jawaharlal Nehru Award" for outstanding performance as an executive in RINL.

Before joining NALCO as CMD, he was Director in Rashtriya Ispat Nigam Ltd. (RINL), Visakhapatnam Steel Plant, a Navratna Company of Government of India. He represented Indian steel industry in Paris meet of OECD. Prior to becoming Director in RINL, he was Director in Central Coalfields Ltd., a CPSU in coal sector.

Shri Chand was Chairman of Confederation of Indian Industry (CII), Vizag zone (2012-13) and also the Chairman of Computer Society of India, Vizag Chapter.

He has introduced a number of structural and functional changes in mining and metals sector, which have immensely contributed for the improvement of productivity and profitability of the companies in which he has worked. Within 2 years of his joining as Director (Commercial) he steered RINL from the level of Rs. 10,000 Crs., to Rs. 14,500 crs., turnover company. Shri Chand has developed a blueprint for achieving Rs. 30,000 Crs., turnover for RINL by 2017-18. Shri Chand has opened rural market for steel products by introducing a unique Rural Dealership Scheme and has started globalization of marketing operations by setting up RINL Marketing outlet abroad in Sri Lanka.



Shri N. R. Mohanty

Shri N. R. Mohanty is the Director (P&T) of the Company w.e.f. 01.02.2012. He was also holding additional charge of the post of Chairman-cum-Managing Director from 01.05.2015 to 26.07.2015.

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.

Shri Mohanty had successfully steered NALCO to set its first footprint outside the state of Odisha by foraying into the "Green Energy" with the commissioning of its 1st Wind Power Project of 50.4 MW at Gandikota, Andhra Pradesh at a cost of Rs. 274 crores and 2nd Wind Power Project of 47.6 MW at Jaisalmer, Rajasthan at a cost of Rs. 284 Crores. Under his leadership,

160KWp grid connected Roof Top Solar plant on Corporate Office and 100KWp grid connected Roof Top Solar plant in Township at Bhubaneswar have been commissioned. While investment decision has been taken for 1 Mln TPA 5th Stream in existing Alumina Refinery at Damanjodi (Rs. 5540 Crores at July '13 price level), in-principle approval has been taken for 100 MW Wind Power Plant at one or two locations in India (Rs. 660 Crores), several other domestic projects such as 1 Mln TPA Alumina Refinery in Gujarat, 0.5 Mln TPA Smelter & Captive Power Plant in Sundergarh Dist. Odisha, 2.67 Lakh TPA Caustic Soda Plant with GACL, 60,000 TPA Aluminium Conductor Plant in JV with PGCIL, 20 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 and R&D co-operation agreements with Rio Tinto Alcan & other leading public/private R&D institutions. He is a life member of Indian Institute of Metals, Fellow member of Institute of Engineers and member of Indian Institute of Welding.

Shri S.C. Padhy



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

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 SJVN. Implementation of 'Performance Related Pay (PRP)' based on the tenet of balance score card at SJVN and 'Rationalization of Manpower' including effective utilization of excess manpower through retraining and redeployment are two notable contributions to his credit. 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 with effect from 01.01.2009 till 20.12.2012 before joining NALCO. In MCL, his major contributions were in the field of HRD, R&R of project affected families and strict implementation of statutory and non-statutory welfare measures of contract labour, training and suitable deployment of land displaced recruits.

Board of Directors

Shri K. C. Samal

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

Shri Samal was working as Executive Director (Finance) of the Company before assuming 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 has played a key role in large scale computerization in Finance, Capital Restructuring, 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.



Ms. Soma Mondal

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

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 V Balasubramanyam

Shri V. Balasubramanyam joined the Company as Director (Production) w.e.f. 01.01.2015.

Born on 01.12.1960, Shri V Balasubramanyam completed his B Tech in chemical engineering and joined NALCO as a Graduate Engineer Trainee (GET) in 1984. During his long service association of three decades with NALCO, Shri Balasubramanyam has contributed significantly from Technology adoption to absorption in the field of aluminium technology. With his vast professional experience, which nested from project execution to plant operation at both the production complexes of NALCO, Shri Balasubramanyam held very critical and crucial positions in the organization before taking over as Director (Production).

Shri Balasubramanyam is a life member of Indian Institute of Metals (IIM), Management Committee member of Federation of Indian Mineral Industries (FIMI) and also member of Energy Panel in Odisha chapter of the Confederation of Indian Industries (CII).



Shri R Sridharan

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

Shri Sridharan is Additional Secretary in the Ministry of Mines.



Dr. Niranjan Kumar Singh

Dr. N K Singh was inducted to the Board as a Part-time Official Director w.e.f. 12.11.2014.

Dr. Singh belongs to 1987 batch of Indian Forest Service (IFS) from Gujarat Cadre. He is currently working as Joint Secretary in the Ministry of Mines, Government of India, New Delhi. He served in various capacities in the Centre and State Governments. He worked in district level for conservation and management and social development. He had the opportunity to serve at the level of Director dealing with Environment and Forestry sector in the Planning Commission, Government of India. He also served at the Director level dealing with Integrated Watershed Development Programme (IWDP) in the Dept of Land Resources, Ministry of Rural Development, Govt of India. He also had a significant stint serving as Managing Director, Gujarat Agro Industries Corporation Ltd.

Dr. Singh is B.Tech in Mining Engineering from Indian School of Mines, Dhanbad. He has also accomplished Ph.D.

Dr. Singh is sincere and committed to good governance and development with abundant experience in government and public sector.



Executive Directors



Shri N. Sundaray
ED (Materials)



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



Shri Sanjib K Roy
ED (Production)



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



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



Shri S. D. Sahu
ED (Finance)



Shri S. Acharya
ED (S&P)



Dr. B.K. Satapathy
ED (BD)



Shri A.S. Ahluwalia
ED (Corp. Affairs)



Shri P K Mohanty, IAS
Chief Vigilance Officer



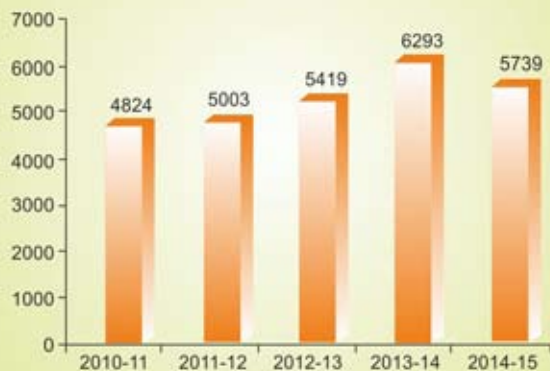
Shri K. N. Ravindra
ED-Company Secretary

Top Management

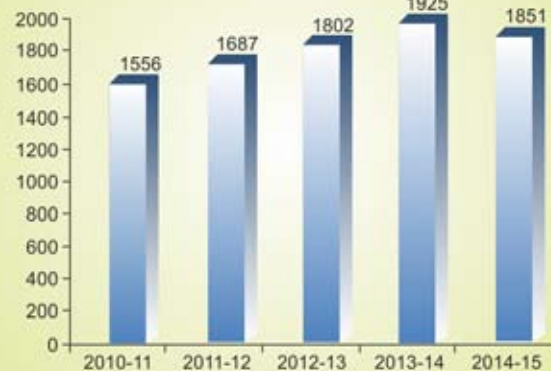


L to R: Ms. Soma Mondal, Director (Commercial), Shri K.C. Samal, Director (Finance), Shri S.C. Padhy, Director (HR),
Shri T.K. Chand, CMD, Shri N.R. Mohanty, Director (P&T), Shri P.K. Mohanty, IAS, CVO,
Shri V Balasubramanyam, Director (Production) and Shri K.N. Ravindra, ED-Company Secretary

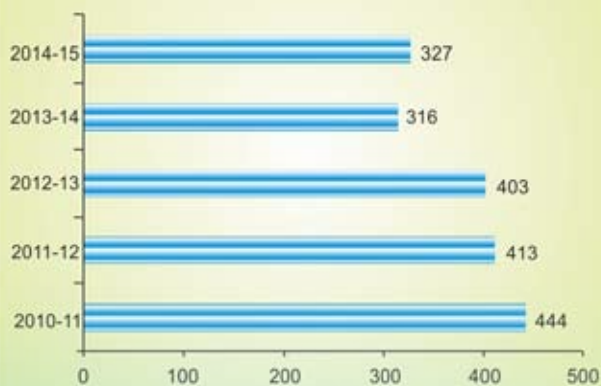
Bauxite (in '000 MT)



Alumina Hydrate (in '000 MT)



Aluminium (in '000 MT)



Power Generation (Million Units)



Overview of Alumina Refinery, Damanjodi, Koraput





Directors' Report



Dear Members,

Your Directors have great pleasure in presenting before you the 34th Annual Report of your Company together with the audited financial statements and Auditors' Report for the financial year ended 31st March, 2015.

Performance Highlights:

Physical Performance

During the year under report, your Company's Alumina Refinery plant at Damanjodi produced 18.51 lakh MT of alumina hydrate against previous best of 19.25 lakh MT. Steam Generation Plant (SGP) achieved the highest ever net power generation of 433 MU surpassing previous best of 423 MU.

The Aluminium Smelter produced 3.27 lakh MT of metal against previous best of 4.44 lakh MT and compared to 3.16 lakh MT produced during last year. Your Company continued to restrict metal production in line with the availability of linkage coal due to low LME price of Aluminium, hence lower production of cast metal. Smelter achieved the highest ever production of Wire Rod of 96,070 MT surpassing previous best of 87,991 MT produced during 2013-14. Tee Ingot production of 39,803 MT was the highest ever since inception surpassing previous best of 14,461 MT achieved during 2011-12.

The Captive Power Plant generated 5,131 MU of Net Power against previous best of 6,608 MU and compared to 4,989 MU generated during previous year.

The 50.4 MW Wind Power Plant-I of your Company at Gandikota, Andhra Pradesh generated 115 MU of wind energy compared to 116 MU generated during the last financial year and the 47.6 MW Wind Power plant-II at Jaisalmer, Rajasthan generated 66 MU of wind energy compared to 34 MU during 2013-14.

Your Company has successfully commissioned 260 KWp roof top solar power system at its Corporate Office and township buildings at Bhubaneswar. During the year 167 kilo units of solar energy was generated.

Sales Performance:

Chemicals

Chemical sale during 2014-15 was 12,24,643 MT compared to 13,42,761 MT achieved during 2013-14. This includes Calcined Alumina export of 11,84,595 MT during 2014-15 as compared to 13,09,473 MT exports made during 2013-14.

Metal

The total metal sales during 2014-15 were 3,26,080 MT compared to 3,19,663 MT during 2013-14. Total metal sale consists of domestic sale of 2,65,328 MT and export of 60,752 MT. The domestic sale includes Wire Rod sale of 96,070 MT which is the highest ever sales made since inception, surpassing the previous best of 87,969 MT achieved during 2013-14.

You will be pleased to know that your Company achieved highest ever Tee Ingot sale of 36,716 MT surpassing previous best of 14,460 MT achieved during 2013-14 and exported

1,529 MT of Tee Ingots for the first time during the year under report.

Financial Performance:

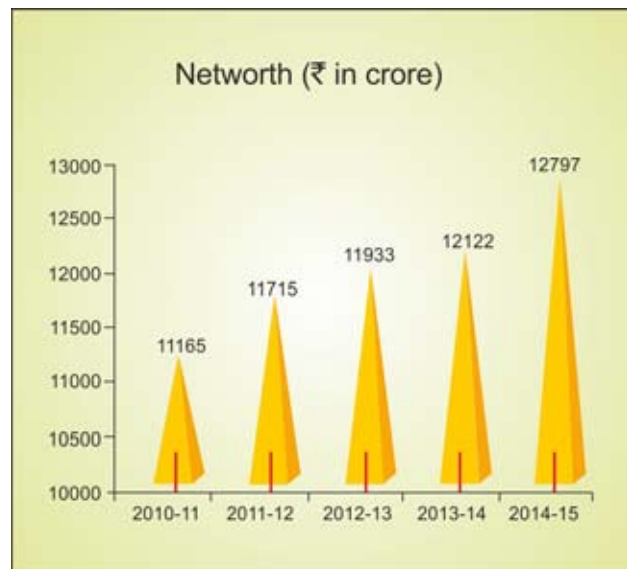
You will be pleased to know that your Company achieved a Profit After Tax of ₹1,322 crores during the year as compared to ₹ 642 crores during the previous year with an increase of 106% over previous year.

The details of financial performance are given below:

(₹ in crore)		
Particulars	2014-15	2013-14
Revenue from Operations(Net)	7,383	6,781
Other Income	672	558
Total Income	8,055	7,339
Cost of materials consumed	1,031	1,063
Power & Fuel	1,802	2,018
Employee benefits Expenses	1,378	1,245
Other Expenses	1,465	1,521
Depreciation & amortisation expenses	414	525
Total Expenses	6,090	6,372
Profit before Exceptional items	1,965	967
Less : Exceptional items	(-148)	49
Profit before Tax	2,113	918
Tax Expenses	791	276
Profit After Tax	1,322	642

Dividend and Appropriations:

Your Board has recommended a final dividend of ₹ 0.50 per share (10% on the equity shares of ₹ 5/- each) for the financial year 2014-15 in addition to the interim dividend of ₹ 1.25 per share (25% on equity share of ₹ 5/- each), already paid in March, 2015. The total dividend payout for the financial year 2014-15 works out to ₹ 451.02 crore as against ₹ 386.59 crore for the



previous year. The final dividend will be paid after approval in the Annual General Meeting.

Your Directors propose to transfer ₹ 780 crore to General Reserve Account from the profits of the year 2014-15 as against ₹190 crore transferred in 2013-14.

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 2014-15.

Human Resources Management:

Presidential Directives on SC/ST reservation

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

As on 31.03.2015, out of 7,320 employees (including Trainees) on the Company's roll, there were 1,194 (16.31%) SCs, 1,324 (18.09%) STs, 789 (10.78%) OBCs and 84 (1.15%) PWDs. As can be seen from the above, every third employee in the Company belongs either to SC or ST category. The total number of lady employees in the organization stands at 355.

Industrial Relations:

The general industrial relation climate in the Company remained cordial throughout the year, which helped the organization to achieve excellent results.

The Recognized Unions as well as Officers' Associations of the Company played a very vital role in helping the management in effective decision making process leading to cost control



Reclamation at Alumina Refinery

and sustainability. In order to enhance the motivation level among the employees, revised Productivity Linked Incentive Scheme was implemented. Security as well as productivity of the Company was addressed by successful implementation of bio-metric attendance system throughout the Company.

SA 8000:2008

As a step towards creating and maintaining decent work place, your Company continued to implement SA 8000:2008 Standard. All Units including Corporate Office have been re-certified to SA 8000 Standard as on date and the certificates will be renewed whenever they fall due.

HR Audit

For evaluating the effectiveness and performance of Human Resource Department regarding HR Policies, Systems and Procedures, your Company conducted HR Audit at Corporate Office in first phase and will be continued in others Units also.

Succession Planning Policy

In order to effectively fill the key senior positions in the organization, your Company has framed a Succession Planning Policy for DGM and above posts and to identify a talent pool from which it can develop potential successors.

Employee Satisfaction Survey

A satisfied employee is an asset for any organization. It is only when a person is free from any grievances or conflict with the organization or satisfied with the work assigned to him that he or she will be able to put in his best efforts in the performance of his organizational role. To find out the satisfaction index of the same, your Company conducted Employee Satisfaction Survey throughout the organization, which indicates job satisfaction

level of 73.73% among non-executive employees and 64.33% among executives.

Corporate Social Responsibility (CSR):

You will be pleased to know that while the Company has been taking up peripheral development activities and CSR activities since inception, a detailed CSR policy in line with the Section 135 of the Companies Act, 2013 was approved by the Board and has been placed in the Company's website, i.e. www.nalcoindia.com. The Company has adopted all the thrust areas identified in the Schedule-VII of the Companies Act, 2013 relating to CSR. During the year, the Company has spent



T-Ingots

₹ 19.09 crore as against the mandated spending of ₹ 20.14 crore. The Company has earmarked the unspent amount for CSR activities to be taken up during the subsequent years.

A detailed report on CSR activities prepared in line with various applicable provisions of the Companies Act, 2013 is attached at Annexure-I.

Visit of Parliamentary Committees:

During the year under review, the following Parliamentary Standing Committees reviewed relevant areas:

- Standing Committee on Coal & Steel on 12.02.2015
- Standing Committee on Labour during 14.02.2015 and 15.02.2015

Management Discussion & Analysis Report:

Management Discussion & Analysis report in line with Clause-49 of the Listing Agreement is placed at Annexure-II to this report.

The report also contains:

- various initiatives undertaken to further business development.
- the details of risk management initiatives, the details in respect of adequacy of internal financial controls with reference to the financial statements.
- various initiatives taken up in the field of Environment Management at different units of your Company.

Computerization Activities:

Information and Communication Technologies are a strong enabler for the Company's business processes and also support the production and manufacturing systems. The basic business processes like Procurement, Inventory management, Finance and Accounting, Marketing and Sales, Human Resource Management are implemented in SAP ERP and provide instant enterprise wide data at necessary levels in the management. Legacy applications outside of SAP are also being centralized to obtain similar benefit.

The in-house Data Centre at Corporate Office, Bhubaneswar, hosts all the centralized applications and enterprise services, and is backed by a Disaster Recovery site located at Damanjodi, and redundant fault tolerant wide area network. Network infrastructure at Corporate Office has been upgraded to 10 Gbps fault tolerant state of the art solution, and work is in progress for similar implementation at all Plants. The bandwidth to internet, as well as data links to Plants have been widened suitably to allow higher throughput in the circuit.

Biometric attendance solution was rolled out at all Units for the employees, and has been fully stabilized. Video conferencing infrastructure has been enhanced resulting in day-to-day use of this facility. New initiatives like collaboration, intranet socials and mobility are being explored to provide enhanced value to individuals and groups. Company e-mail is already available on smart phones. There is a concerted move to reduce paper consumption by control on printers, and proposals are underway for digitization of documents and establishing Knowledge Management solutions.



The e-governance progress continued with stabilization of Material procurement by e-tendering on SRM7 of SAP, and Service procurement by e-tendering on CPP Portal of NIC. Strengthening of employee services is on the anvil to provide online application and approval of leave, loans and employee bills. On-line performance appraisal for executives and recruitment through online applications are well established.

Total Quality Management:

Integrated Management System

Recertification audits of all the five units i.e. Smelter, CPP, Alumina Refinery, Mines & Port Facilities to OHSAS 18001 was successfully completed. These audits were conducted along with scheduled surveillance audits of Integrated Management Systems (IMS) in respect of ISO 9001 and ISO 14001 at the above units. Successful completion of all the above audits, enables continuation of IMS comprising of ISO 9001, ISO 14001 & OHSAS 18001 systems at all the five units during the financial year.

Energy Management

During this year, Energy Management Systems (EMS) conforming to ISO 50001 was successfully implemented at Smelter and the unit was certified in August, 2014. With this all the three energy intensive units of NALCO i.e. Alumina Refinery, Smelter & CPP are certified to ISO 50001.

Quality Circle:

You will be pleased to know that the All Odisha Quality Circle Convention, a premier event in the Quality movement of the state, was organised by your Company for the 19th year in succession, during April, 2014. The convention witnessed, participation of 34 Quality Circles, TPM Circles from twenty units of different organisations in the state.

Eleven Quality Circles (QCs) from the Company participated in National Convention on quality organised by QCFI at Pune in December, 2014. Seven QCs qualified for the highest category i.e. Par-Excellence award.



Gateway to Global Market : Port Facilities at Vizag

Three QCs of the Company participated in state level competition organised by CII at Bhubaneswar during November, 2014 from which two QCs qualified & participated in the regional convention at Kolkata during December, 2014.

Implementation of Official Language Policy:

Your Company is continuing its efforts in implementation of Official Language Act, 1963 and Official Language Rules, 1976. In that direction the following actions were taken during the year:

- All the papers coming under Section 3(3) of Official language Act have been issued in bilingual form.

- Incentives & cash awards were given to the employees who passed Praveen and Pragya Exam in Hindi under Hindi Teaching Scheme, Govt. of India.
- 12 Official Language Implementation Committee Meetings were held at Corporate Office, S&P Complex and M&R Complex.
- 4 Hindi workshops were organized, training 91 employees.
- Observed Hindi fortnight at Corporate Office and S&P Complex. Hindi week was observed in M&R Complex. Hindi divas was observed at Corporate Office and M&R Complex.
- Organised many competitions for Hindi speaking, Non-Hindi speaking employees and students and prizes were distributed.

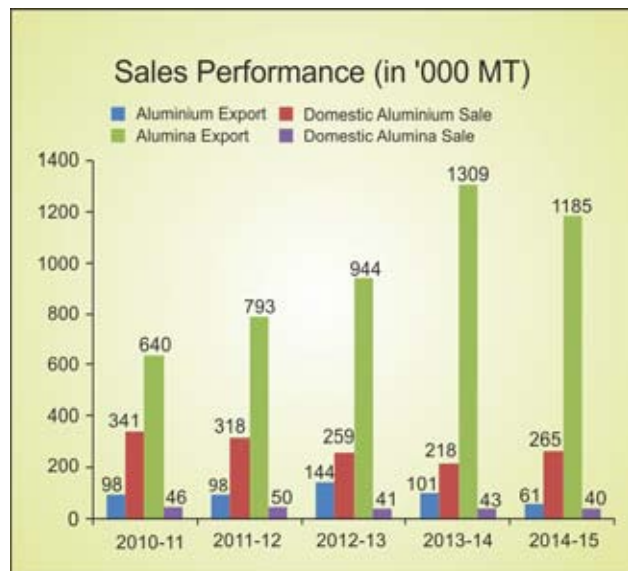
Sports:

Your Company is playing a vital role in the region in development of various sports. As a part of promotion of sports, your Company sponsored Champions Trophy Hockey tournament in which 8 countries participated. Your Company also sponsored Nalco Cup State Hockey Championship, Nalco Cup State Open Tennis Tournament, Nalco Cup Basketball Championship, Nalco Cup Golf Invitation Tournament of Eastern Zone and Nalco Cup Volleyball Championship, etc. Your Company also organized All India Public Sector Volleyball Tournament-2014 at S&P Complex, Angul.

To encourage sports talent, various athletes of Odisha who participated in National and International events were felicitated during the year.

Vigilance:

Vigilance department, in your Company acts as an aid and assistance to the management in various functions to prevent



corruption and brings transparency in the system. Your Company has implemented IT in the form of e-tendering, e-payments, e-auctioning etc. Preventive vigilance activities of the department such as surprise checks, sample tests, regular inspections, CTE type intensive examinations etc., were given priority and lapses were brought to the notice of management.

For creating awareness among employees, Vigilance Awareness Week was celebrated from 27.10.2014 to 01.11.2014 at all the units of your Company including Corporate Office and Regional Offices. Apart from the seminars, various competitions like elocution competition were organized among the employees, spouses, school and college students in different languages and prizes were distributed to the winners.

During the year, 12 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.

The Company has established 'Whistle Blower Policy' and 'Fraud Prevention Policy' which are placed in the Company's website www.nalcoindia.com for easy accessibility. Your Company is also covered under the Whistle Blower Policy of Government of India.

Right to Information :

In order to promote transparency and accountability, an appropriate mechanism has been set up across your Company in line with 'Right to Information Act, 2005'. Your Company has nominated CPIO/APIO/Appellate Authorities at its Corporate Office, Units and Branch Offices to provide required information to the citizens under the provisions of the Act.

Listing in Stock Exchanges & Payment of Listing Fees:

The equity shares of your Company continued to be listed on BSE Limited and NSE Ltd, the premier stock exchanges of the country, having nationwide trading terminals. The listing fee for the year 2014-15 was paid to these stock exchanges on time.

Payment of Annual Custody/Issuer 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 2014-15 were paid to both NSDL and CDSL on time.

Business Responsibility Report:

In line with clause 55 of the Listing Agreement, a Business Responsibility Report for 2014-15 describing various initiatives taken by the Company on social, environmental and governance perspective, is attached at Annexure-III which forms part of this Annual Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required to be disclosed under the Companies Act, 2013 are given in the Annexure-IV to this report.

Directors' Responsibility Statement:

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that;

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had 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 fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;





Potline at Smelter Plant, Angul

- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis; and
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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-V to this report.

Contracts and Arrangements with Related Parties

The Company has not entered into any contracts or arrangements with Related Parties during the year under report. Any transactions by a Government Company in respect of contracts and arrangements entered into with any other Government Company is exempted under Section 188 of the Companies Act, 2013 as notified by Ministry of Corporate Affairs vide notification dated 5.6.2015. Accordingly, the disclosure of Related Party transactions in form AOC-2 is not applicable.

The Policy on Related Party Transactions has been approved by the Board and placed in the Company's website, i.e. www.nalcoindia.com which can be accessed to.

Your Directors draw the attention of the members to Note No. 48 of the financial statements which sets out related party disclosures.

Directors and Key Managerial Personnel

In accordance with the provisions of the Act, the Board of Directors have appointed the following as Key Managerial Personnel:

- Shri T.K. Chand, Chairman-cum-Managing Director (w.e.f.27.07.2015)
- Shri Ansuman Das, Chairman-cum-Managing Director (Upto 30th April, 2015)
- Shri S S Mahapatra, Director (Production) upto 31.12.2014.
- Shri N.R. Mohanty, Director (P&T)
- Shri S.C. Padhy, Director (HR)
- Shri K.C.Samal, Director (Finance)
- Ms. Soma Mondal, Director (Commercial)
- Shri V. Balasubramanyam, Director (Production) w.e.f 01.01.2015
- Shri K.N. Ravindra, Executive Director – Company Secretary

The Company has received declaration from the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Listing Agreement with Stock Exchanges. However, both the Independent Directors tenure ended on 9.7.2015.

Meetings of the Board

During the year, nine Board meetings were held. For further details, please refer to report on Corporate Governance placed in this Annual Report.

Various Sub-committees of the Board

The details of various Sub-committees of the Board including Audit Committee, their composition, terms of reference, details

of meetings held are given in the Corporate Governance Report attached to this report.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annexure -VI to this Report.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under report:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares, sweat equity shares and ESOS to employees of the Company.
- Neither CMD nor the Whole-time Directors of the Company receive any commission from the Company.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors also state that no disclosure or reporting is required in respect of the following areas as they are exempted for Government Companies by Ministry of Corporate Affairs vide notification dated 5th June, 2015.

- Company's policy on Directors, appointment and remuneration including criteria for determining qualification, attributes, independence, etc. as per Section 134(3)(e) and Section 178(1) & (3).

- Manner in which formal Annual Evaluation of performance of Board, its Committees and individual Directors as per Section 134(p) read with Rule 8 (4) of Companies (Accounts) Rules.
- Ratio of remuneration of each Director to the median employee's remuneration and other prescribed details as per Section 197(12) read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules.

Your Directors further state that during the year, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Particulars of loans, guarantees and investments

Particulars of loans, guarantees and investments form part of Note No.11,12,13,14,18 and 19 respectively to the financial statements provided in the Annual Report.

Particulars of Joint Venture Companies and Associated Companies

Particulars regarding joint venture companies and associated companies form part of Note 35 of the Financial Statements provided in the Annual Report.

Awards & Recognitions:

Your Company continued to receive accolades from different organizations for its performance in various fields. The following awards received during the year 2014-15, stand ample testimony for the same:

- Performance Excellence Award-2013, in Golden Category from Indian Institution of Industrial Engineering.

Alumina Loading at Refinery





One of the seven mobile health units in operation

- Eastern Region Export Excellence Gold Trophy from Federation of Indian Export Organizations (FIEO) for the year 2012-13, in Premier Trading House category.
- "Sita Ram Rungta Social Awareness Award 2013-14", instituted by Federation of Indian Mineral Industries (FIMI) for Panchpatmali Bauxite Mines.



Former President Shri A.P.J Abdul Kalam presenting EEPIC Eastern Region Gold Trophy, as Top Exporter in the Large Enterprise Category

- National Energy Conservation Award of Central Electricity Authority (CEA), Ministry of Power, for Energy Conservation in the Aluminium Sector for the year 2012 for M&R Complex.
- Kalinga Safety Award in Aluminium sector for the year 2013 for Refinery by Odisha State Safety Conclave.
- EEPIC (Engineering Export Promotion Council, Eastern Region)'s Gold Trophy, as Top Exporter in the Large

Enterprise Category, for its outstanding export performance during the year 2012-13.

- First prizes for Panchpatmali Bauxite Mine in Electrical Installations, Welfare Amenities, First Aid, OHC Facilities, Second prizes in Storage, Transport & use of explosives, maintenance of HEMM & workshop, overall performance and third prize in First Aid Competition categories during Odisha Metalliferrous Mines Week.

Comments of Comptroller and Auditor General of India on the financial statements of the Company:

You will be pleased to know that your Company has received 'Nil' comments on the financial statements for the year. Their comments are placed elsewhere in this Annual Report.

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 2014-15. The report of the Statutory Auditors is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

M/s. Guha, Nandi & Co., Chartered Accountants, Kolkata have been appointed as Statutory Auditors for the year 2015-16 by C&AG in place of M/s. Agasti & Associates.

Cost Auditors

As per Cost Audit Orders, Cost Audit is applicable to the Company for the financial year 2014-15. In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and

Auditors) Rules, 2014, M/s. Dhal & Co. were appointed as Cost Auditors to conduct the audit of cost records of your Company for the financial year 2014-15. Your Company will submit its Cost Audit Report to the Ministry of Corporate Affairs within the stipulated time period.

M/s. Tanmaya S Pradhan & Co., Sambalpur have been appointed as Cost Auditors for the year 2015-16.

Secretarial Auditor

In terms of Section 204 of the Act and Rules made there under, M/s Saroj Ray & Associates, Practicing Company Secretaries have been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditors together with the explanations of the management on the qualifying remarks of Secretarial Auditors is enclosed as Annexure--VII to this report.

Internal Auditors

Your Company appointed the following auditing firms for carrying out internal audit functions of your Company for the financial year 2014-15:

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

M/s SCM & Associates. (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 Northern Regional Office, New Delhi)

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

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

M/s D S Sukla & Co. (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 T K Chand, was appointed as Chairman-cum-Managing Director w.e.f 27.07.2015
- Dr. N K Singh, Joint Secretary was appointed as Part time Official Director w.e.f 12.11.2014.
- Shri V Balasubramanyam was appointed as Director (Production) w.e.f 01.01.2015.
- Consequent upon superannuation of Shri Ansuman Das on 30.04.2015, Shri N R Mohanty, D(P&T) was given additional charge of the post of CMD w.e.f. 01.05.2015 to 26.07.2015.

Cessation:

- Shri D S Mishra, Joint Secretary ceased to be part-time official Director on the Board of your Company w.e.f. 11.07.2014.

- Shri S S Mahapatra, Director (Production), superannuated on 31.12.2014. Consequently, he ceased to be Director on the Board of your Company w.e.f 01.01.2015.
- Shri G P Joshi and Shri S S Khurana, Independent Directors ceased to be Directors on the Board of your Company w.e.f 15.09.2014.
- Shri Madhukar Gupta and Shri G H Amin, Independent Directors ceased to be Directors on the Board of your Company w.e.f 27.12.2014.
- Shri Ansuman Das, CMD of your Company superannuated on 30.04.2015. Consequently, he ceased to be a Director on the Board of your Company w.e.f 01.05.2015.
- Shri Qaiser Shamim and Shri Sanjiv Batra, Independent Directors ceased to be Directors on the Board of your Company w.e.f. 10.07.2015.

Your Directors wish to place on record their appreciation for the valuable services rendered by S/Shri D S Mishra, S S Mahapatra, G P Joshi, S S Khurana, Madhukar Gupta, G H Amin, Ansuman Das, Qaiser Shamim and Sanjiv Batra during their tenure on the Board of your Company.

Acknowledgement

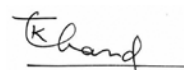
The Board of Directors, with deep sense of appreciation, acknowledges the guidance and co-operation received from Government of India particularly from Ministry of Mines and other Ministries/Departments of the Government of India, Government of Odisha, Mahanadi Coalfields Ltd., Indian Railways, CISF, other Government agencies and CPSEs.

The Board also expresses 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



(T K Chand)

Chairman-cum-Managing Director

Place: Bhubaneswar

Date: 24.08.2015

ANNUAL REPORT ON CSR ACTIVITIES – 2014-15

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

NALCO, as a Socially Responsible Business Enterprise, has always contributed towards development of its stakeholders more particularly to those residing in the peripheries of its plants and operational areas and also has given utmost importance to the protection of environment. Since inception, NALCO has shown its obligation and accountability to all its stakeholders in all its operations and activities with the aim of achieving sustainable development not only in the economic dimension but also in the social and environmental dimension. This has been possible through implementation of its sound and ethical policies on CSR and environmental protection. For NALCO let all be happy is the guiding spirit (**Sarve Bhavantu Sukhina**).

The Company has been allocating 2% of its net profit after tax for CSR activities since 2010-11 out of which, 1% is spent for Peripheral Development activities through RPDAC. The balance 1% is spent for CSR activities through Nalco Foundation.

From 2014-15 onwards, the Company is mandated to spend 2% of its average net profit during the three immediately preceeding financial years under different heads stipulated under Schedule VII of the Companies Act, 2013.

The CSR activities of the Company encompass the following thrust areas:

- To play a catalytic role for improving the living standards and quality of life of the community through upliftment of economic status & community care
- To develop the infrastructural facilities to cater to the social and economic need in vicinity of the community
- To provide better health care & health education
- To promote education & literacy
- Pollution control and environmental measures
- Promotion of sports & games, arts, crafts & culture
- To minimise (making it zero) the negative & social environment impact resulting from its economic activities
- To promote a responsible public image

During 2014-15, the Company focussed its CSR activities in the field of health care service, promotion of education and environmental sustainability, renewable energy etc.

A detailed CSR Policy, approved by the Board, is placed at Company's website i.e. www.nalcoindia.com.

For providing better health care services to the Periphery village people, four Mobile Health Units (MHUs) are being operated in collaboration with Wockhardt Foundation in periphery villages of M&R Complex, Damanjodi. Similarly, three Mobile Health Units (MHUs) are operating in Angul Sector with the help of Lions Club, Angul. Each MHU provides primary health services to the villagers include free medicines, diagnostics and awareness building through Information Education Communication (IEC) activities. In addition to above, an OPD Centre meant for Out Patient Treatment of people of periphery villages in Angul sector has also started operating since July, 2014 in the S&P Complex. The Centre is functioning with a qualified Doctor, para-medical staff. Free medicines are provided to the patients of periphery villages through the Centre.

In the context of promoting education and to bring the tribal students to the mainstream of education, as an important CSR initiative, 655 students from 16 periphery villages of Damanjodi sector have been sponsored for formal education in 3 residential schools viz. (i) Kalinga Institute of Social Sciences, Bhubaneswar, (ii) Koraput Development Foundation, Koraput & (iii) Bikash Vidyalaya, Koraput. The total cost related to study, lodging and boarding of those students till they complete schooling is borne by the Company.

Moreover, Peripheral village school students are also extended educational facilities in the Company aided schools i.e. Saraswati Vidya Mandirs & Delhi Public Schools located at Damanjodi and Angul sectors.

As a part of Company's effort towards harnessing the unconventional and renewable energy sources, NALCO has commissioned 160 KWp Roof Top Solar Power Project at its Corporate Office and 100 KWp at its Township Buildings in Nalco Nagar, Bhubaneswar.

2. The Composition of the CSR Committee:

Shri Qaiser Shamim, Independent Director
 Shri Sanjiv Batra, Independent Director
 Shri S.C. Padhy, Director (HR)
 Ms. Soma Mondal, Director (Commercial)
 Shri V. Balasubramanyam, Director (Production)

3. Average net profit of the company for last three financial years :

₹ 100700 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

₹ 2014.00 lakhs

5. Details of CSR spent during the financial year:

₹ 1909.85 lakhs

(a) Total amount to be spent for the financial year:

₹ 2014.00 lakhs

(b) Amount unspent, if any:

₹ 104.15 lakhs

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in lakhs)

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local areas or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
01	Health Outreach Programme – Mobile Medical Units, Diagnostic & awareness building through Information, Education, Communication (IEC) activities.	Point No.(i) of Schedule VII– Promoting preventive health care	Koraput & Angul Districts of Odisha.	16.60	16.60	16.60	Nalco Foundation and Directly by Company.
02	Construction of toilets under Swachh Vidyalaya Abhiyan & other activities.	Point No.(i) of Schedule VII – Promoting preventive health care and sanitation	Koraput, Angul & Khurda Districts of Odisha.	500.00	40.14	40.14	Nalco Foundation and Directly by Company.

1	2	3	4	5	6	7	8
03	Promoting education, sponsoring formal education of tribal children in reputed residential schools, Operating remedial schools for the school dropout children to bring back them to the mainstream education.	Point No.(ii) of Schedule VII – Promoting education, including special education.	Koraput & Angul Districts of Odisha.	1356.98	1252.83	1252.83	Nalco Foundation and Directly by Company.
04	Providing employment enhancing training to Persons With Disabilities (PWDs) students for their livelihood, support for skill enhancement training programmes.	Point No.(ii) of Schedule VII – Employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Angul & Koraput Districts of Odisha	92.00	92.00	92.00	Directly by Company
05	Contribution in favour of Prime Minister's National Relief Fund for the flood affected people of J&K State.	Point No.(viii) of Schedule VII – Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.	For J&K State	400.00	400.00	400.00	Nalco Foundation
06	Renovation of heritage buildings, preservation of traditional rural arts & handicrafts and traditional objects, promotion of social & cultural events.	Point No.(v) of Schedule VII – Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.	At Sambalpur & Khurda Districts of Odisha.	25.28	25.28	25.28	Directly by Company through Samaleswari Temple Trust, Sambalpur. Society for Development of Rural Literature, Bhubaneswar, Dist: Khurda.
07	Ensuring environmental sustainability, renewable energy through Roof Top Solar Project.	Point No.(iv) of Schedule VII – Ensuring environmental sustainability, ecological balance, conservation of natural resources etc.	At Bhubaneswar, Dist: Khurda	83.00	83.00	83.00	Directly by Company
TOTAL						1909.85	

- The above CSR expenditure forms part of the financial statements for 2014-15 audited by the Statutory Auditors and C&AG.
- Nalco Foundation is a Trust under Indian Trust Act exclusively to take up CSR activities of the Company.
- Some projects have been executed by the Nalco Foundation with the help of appropriate NGO's operating within the operational areas of the Company.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

For extending educational facilities for Peripheral village school students in the Company aided schools i.e Saraswati Vidya Mandirs & Delhi Public Schools located at Damanjodi and Angul Sector and also promoting education of tribal children in residential school, Company has provided estimated fund allocation of ₹1356.98 lakhs considering any possible hike of charges by educational institutions. However, the actual expenditure on this head is ₹1252.83 lakhs, leaving fund of ₹104.15 lakhs on this account.

7. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-
(N.R. Mohanty)
D (P&T) & I/c. CMD
Date: 07-07-2015

Sd/-
(Qaiser Shamim)
Independent Director &
Chairman, CSR & Sustainability
Development Committee
Date: 07-07-2015

Sd/-
(T. K. Chand)
Chairmain-cum-Managing Director
Date: 24-08-2015

Management Discussion & Analysis Report

1. INDUSTRY STRUCTURE & DEVELOPMENTS

Aluminium is third most available element in the earth constituting almost 7.3% by mass. Currently it is also the second most used metal in the world after steel. The consumption of aluminium in India is dominated by the industries like power, infrastructure, transportation and packaging etc.

India is world's fifth largest aluminum producer with an aluminum production of around 2.0 million tonnes, accounting almost 3.7% of the total aluminum production in the world. India is also a huge reservoir of Bauxite with a Bauxite reserve of 3 billion tonnes.

Development in the Alumina and Aluminium industry during the year 2014-15 are detailed below:

Alumina

The world alumina production grew by 4.8% during 2014 to reach a level of 106.26 million tonnes against 101.39 million tonnes in 2013. Correspondingly, world alumina consumption grew during the same period by 7.0% reaching 105.44 million tonnes in 2014 from 98.65 million tonnes in 2013. This has led to a global surplus of about 0.82 million tonnes in the year. China continued to be the world leader in both production and consumption of metallurgical grade alumina during the year, accounting for about 49% of global production and 53% of global consumption. Besides China, highest demand growth of more than 20% y-o-y has been seen in Middle Eastern countries.

World ex-China metallurgical grade alumina (MGA) production is estimated to reach 56.5 million tonnes in 2015 while production from China is expected to reach about 56.0 million tonnes in the year. Thus, total world production of alumina during 2015 is expected to reach 112.5 million tonnes, recording an annual growth rate of 5.9%.

Although Chinese alumina demand is likely to remain strong in 2015, prices of alumina are expected to be under downward pressure, due to weaker Chinese economic activity and falling aluminium prices.

Despite these developments, demand for metallurgical grade alumina (MGA) is expected to increase during 2015, primarily on the back of strong demand for alumina in Middle East & China.

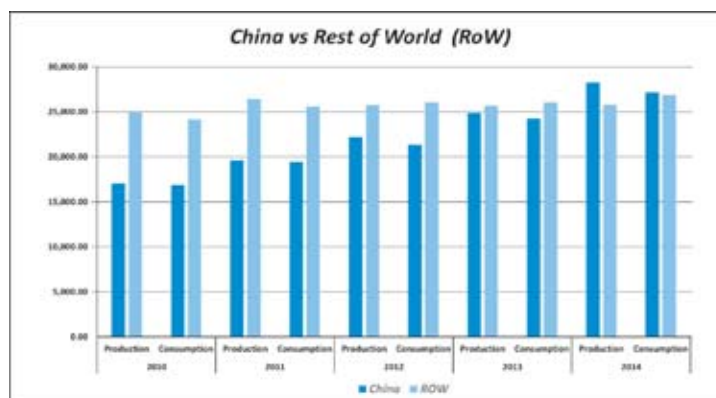
Aluminium

The global economy grew by 2.6% in 2014, marginally better than 2.5% in 2013. The global economy was affected by the slowdown in emerging economies e.g. China, Brazil, Russia and the persistent sluggishness in Europe and Japan. The global economy is expected to grow by 2.8% in 2015 before strengthening moderately to 3.2% in the 2016-2017 period.

Global aluminium production grew by 6.9% from 50.59 million tonnes in 2013 to 54.11 million tonnes in 2014 while global consumption grew by 7.4% from 50.26 million tonnes in 2013 to 53.97 million tonnes in 2014. The aluminium market, thus, recorded a marginal surplus of 0.14 million tonnes in 2014. China continued to be the world's largest producer and consumer of aluminium with a production level of 28.3 million tonnes, constituting roughly 52% of total global output and consumption level of 27.2 million tonnes, constituting roughly 50% of world consumption.

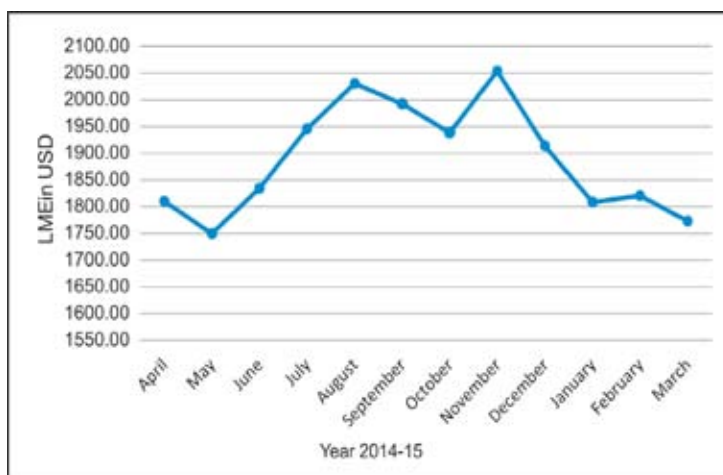
Growth of production in China during 2014 was about 14% while that in the rest of the world was 0.4%. Similarly, growth in consumption of primary aluminium was recorded at 12% in China and 3% in the world ex-China during 2014.

Global demand appears to have entered a period of flux, with large variations seen in off-take of different regions. Macroeconomic indicators suggests that the Chinese economy has slowed significantly. Slowing demand from the construction sector, which accounts for nearly one-third of total demand for aluminium in China is likely to have a significant impact on aluminium demand. However, North American demand growth is expected to be high in 2015, considering the improving economy and increasing intensity of usage of aluminium in the transport sector.



The LME aluminium prices have been highly volatile throughout the year fluctuating between a low of USD 1641.5 in Feb'14 (which was the lowest level for the last 5 years) to a high of USD 2099 in Nov.'14. Aluminium metal prices declined during the 1st Qtr of 2014 and increased during the 2nd Qtr with increased demand and market deficit in the World ex-China. Prices again declined in the 4th Qtr due to the slump in oil prices as well as strengthening of the US Dollar.

The LME cash settlement price average for 2014 was USD 1866 and average prices are expected to remain at similar levels during 2015. Bearish commodity prices, export of Chinese surplus stocks and a strong USD are expected to put pressure on aluminium prices in 2015.



2. OPPORTUNITIES AND THREATS:

Opportunities

The demand for aluminium wire rods in the country is likely to show a higher growth with increased Governmental investment in the power transmission sector. Packaging and Industrial machineries, particularly the automobile sector are also expected to show growth. Opportunities also exist in the downstream and value-added product segment e.g. 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. Opportunity continues to exist 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 of 8 kg.

Threats

Global prices of aluminium have remained under pressure on account of a number of factors including the high global inventory of the metal, concerns about the performance of the Chinese economy, the appreciation in the USD etc. Prices of aluminium are generally expected to remain low in the near-term due to the subdued global demand for the metal, as well as the uncertain macro-economic environment prevailing globally. LME cash prices are expected to average around USD 1,875 during 2015.

Although demand growth has been lower than expected in China – the world's largest producer and consumer of the metal, apprehensions of oversupply remain, as many Chinese primary producers have been ramping up smelting projects.

Overall, the growth rate of primary metal supply in India is higher than the demand growth for the primary metal which may lead to a widening of the surplus.

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.

Other threat perceptions for the Indian aluminium industry includes competition from large scale scrap imports, large scale availability of substitute materials particularly plastics and increasing input costs.

3. OUTLOOK FOR FUTURE

International Outlook

In 2015, after China, India is expected to register the highest increase in production considering the greenfield and brownfield expansion plans of Indian primary producers. Although, production in India and Western Europe is expected to be strong in the near term, it is expected that factors such as a lower global prices and higher Chinese exports may lead to curtailments and capacity closures and also hinder the development of new projects and restarts in the rest of the world. However, the production losses so entailed are expected to be offset by the continuous growth in output from China.

The main sectors expected to drive global demand for the metal are aerospace, automotive, packaging and commercial construction.

Domestic Outlook

The Indian economy grew at 7.4% during 2014-15, compared to 6.9% in 2013-14, due to a pickup in the manufacturing sector. India's GDP growth is expected to strengthen to 7.5% in 2015-16, as a consequence of policy reforms and a pickup in investment.

The total domestic production of aluminium metal during FY 14-15 grew by 18.3% y-o-y from 1.73 million tonnes in 2013-14 to 2.05 million tonnes in 2014-15. Total domestic consumption of primary metal during 2014-15 remained practically flat with respect to 2013-14 levels at 1.58 million tonnes. Primary aluminium exports by Indian producers also registered an impressive 58% growth from 0.49 million tonnes in 2013-14 to 0.77 million tonnes in 2014-15.

Indian aluminium production is expected to rise further in 2015-16, as the operating capacity of primary producers increases further. However, availability of coal and coal prices are major limiting factors. Production level of primary aluminium in the country is estimated to reach around 2.4-2.5 million tonnes in 2015-16.

With increasing investment by the Central Government in the power transmission sector during 2014, India has seen improved demand growth from the electrical sector, which is likely to continue through 2015. Demand growth is likely to be highest in transport, building and construction sectors, but other sectors are also expected to grow simultaneously.

Future growth prospects for aluminium in the country are seen in products like beverage cans, alloy wheels, automobile bodies, railway coaches etc. Growth is also being seen in use of aluminium in the housing sector, in view of the growing emphasis on protection of environment and curtailment of deforestation.

4. RISKS & CONCERNS

Aluminium industries would be adversely affected by the increase in cost of coal as CPPs are not high in the priority in matter of coal blocks / coal linkage allocation. As per the present policy of Govt. of India for allotment of coal mines to Government companies, NALCO will be eligible for allotment of coal mines earmarked for CPP only. Govt. of India is yet to notify such allotment of coal mines.

Availability of new bauxite mines particularly Pottangi mines, improvement of ground situation in the mining area in Andhra Pradesh and allocation of captive coal block may affect its growth plan.

Further, the cancellation of allocation of Utkal-E coal block in view of the order of Hon'ble Supreme Court has an adverse impact on availability of coal to CPP. The Company, however, is pursuing with Govt. of India for re-allocation of coal block under the allocation route as the end use investment is already made.

Poor quality of coal being received, higher reactive silica content in the bauxite, resulting in higher consumption of caustic soda. Volatility in LME prices, declining export premiums, fluctuations in US Dollar exchange rates, rising raw material costs – particularly coal prices, slowdown in the global economy and growing competition from secondary producers in the domestic market continue to remain causes of concern.

5. RISK MANAGEMENT

The company has a 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 separate tasks 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 to ensure that executive management controls risks through means of a properly defined frame work. Periodical review is made to identify new risk areas along with mitigation plans. For the identified risks the nominated risk officers maintain risk registers in prescribed format which are also overviewed by internal auditors of the company as well as at senior management level. Deviations, if any, are reported to the Audit Committee and Risk Management Committee.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company's internal financial control mechanism for financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. This includes the policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with

authorizations of management and directors of the company. The Company has a defined delegation of power with financial limits for approving revenue as well as expenditure.

Besides, 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 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.

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

A. Financial Operation:

I. Revenue from Operation

(₹ in Crore)

Particulars	FY-2014-15	FY-2013-14	Change %
Export Turnover	3307.31	3719.27	-11
Domestic Turnover	4463.31	3305.00	+35
Gross Turnover	7770.62	7024.27	+11
Less: Excise Duty	508.72	375.47	+35
Net Turnover	7261.90	6648.80	+09
Other Operating Income	120.91	132.05	-08
Total	7382.81	6780.85	+09

During the financial year 2014-15, the Company has achieved chemical sales quantity of 12.25 Lakh MT against 13.42 Lakh MT achieved during last year. Lower volume of sales is attributable to lower production. Sales volume of metal during the financial year 2014-15 was 3.26 Lakh MT against 3.20 Lakh MT during last year. Net turnover during the year has increased over the preceding year mainly on account of significant improvement in sales realization both in Alumina and Metal.

II. Other non- operating Income

(₹ in Crore)

Particulars	FY-2014-15	FY-2013-14	Change %
Other non-operating Income	672.64	557.71	+21

The other non-operating income increased by ₹115 crores due to higher interest income from investments of surplus funds.

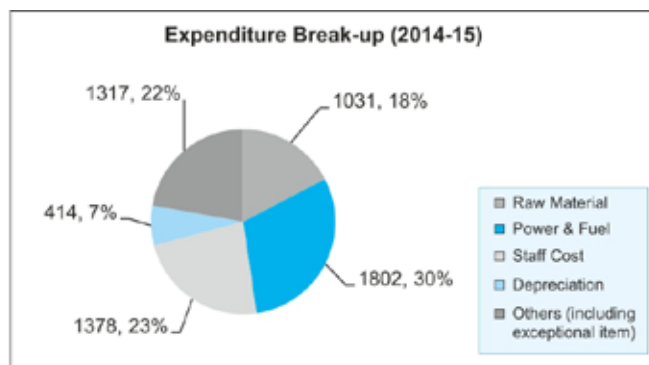
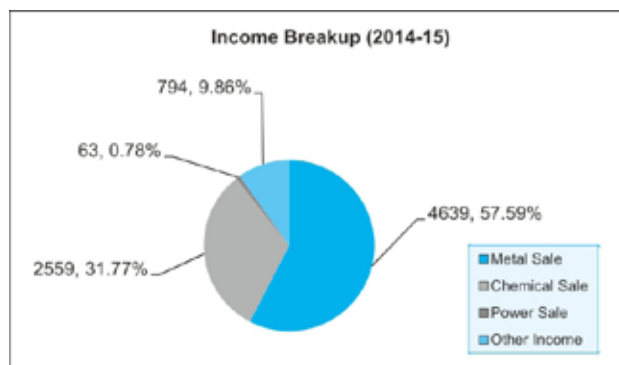
III. Expenditure

(₹ in Crore)

Particulars	FY-2014-15	FY-2013-14	Change %
Raw Materials Consumed	1031.59	1063.16	-03
Power & Fuel	1802.24	2017.67	-11
Employee Benefit Expenses	1377.91	1245.33	+11
Stock Accretion /Depletion	2.90	58.55	--
Other Expenses	1462.15	1461.94	--
Finance Cost	-	-	--
Depreciation	413.66	524.73	-21
TOTAL	6090.45	6371.38	-04

- Reduction in raw material expenses compared to previous year is attributed to decrease in some of input prices and lower volume of alumina production. 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 mainly due to (i) lower price of fuel oil (ii) less use of imported coal at CPP (iii) lower volume of production at Refinery and (iv) increase in efficiency of Coal and fuel oil at CPP. The reduction of expenditure was partly offset due to increase in effective price of Coal at Refinery.
- Increase in employee cost was mostly due to normal Salary/DA increase.
- Decrease in depreciation was due to higher useful life of the fixed assets as prescribed in Schedule-II of the Companies Act, 2013, effective from 1st April 2014.



IV. Exceptional Items

(₹ in Crore)

Particulars	FY-2014-15	FY-2013-14
Exceptional Item	-148.42	49.37

On account of settlement of disputed electricity duty and interest thereon, excess liability provided in the accounts was written back to the extent of ₹148.42 and recognized as exceptional item during 2014-15. Figure for previous year relates to settlement of incentive & pension with retrospective effect.

V. Profit After Tax and Earnings Per Share

(₹ in Crore)

Particulars	FY-2014-15	FY-2013-14
Profit Before Tax	2,113.42	917.81
Tax Expenses	791.57	275.46
Profit after Tax	1,321.85	642.35
Earning Per Share (of ₹ 5/- each)	5.13	2.49

The earning per share is more due to increase in profit after tax. Had there been no exceptional item, EPS would have been ₹ 4.75 for current financial year.

VI. Dividend Particulars

Particulars	FY-2014-15	FY-2013-14
Interim Dividend (%)	25	22
Final Dividend (%)	*10	8
Total (%)	35	30

* Proposed

Considering the increase in profit and to promote investors interest, a higher dividend compared to last year has been proposed for the year 2014-15.

B. Financial Positions

I. Non Current Assets

(₹ in Crore)

Particulars	FY-2014-15	FY-2013-14	Change %
Fixed Assets			
Tangible Assets	6509.21	6688.80	-03
Intangible Assets	136.21	103.14	+32
Capital work-in-progress	549.73	768.74	-28
Non-Current Investments	1.04	1.04	--
Long-term loans & advances	1221.85	1517.27	-19
Other Non-Current Assets	47.45	43.32	+10

- Fixed Assets has come down as depreciation for the year is more than fresh addition of fixed assets.
- Long-term Loans and Advances:(Note 12)-Long Term Loans and Advances decreased due to settlement of Electricity Duty with Govt. authorities.

II. Current Assets

(₹ in Crore)

Particulars	FY-2014-15	FY-2013-14	Change %
Current Investments	950.00	1244.00	-24
Inventories	1165.56	1173.66	-01
Trade Receivables	120.82	243.57	-50
Cash and Bank Balances	4627.98	4048.29	+14
Short-term loans and advances	607.54	481.38	+26
Other Current Assets	240.28	235.30	+02

- Current Investments: (Note 14)-The investments made in Debt and Liquid schemes of mutual funds has come down due to withdrawal of tax benefit.
- 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 balances is due to surplus from operations as well as maturity from mutual funds getting invested in term deposit with banks.
- Short-term Loans and advances: (Note 18)-Increase in short-term loans and advances is due to advance payment to vendors for supply of coal through e-auction route.

III. Non Current Liabilities

(₹ in Crore)

Particulars	FY-2014-15	FY-2013-14	Change %
Deferred Tax Liabilities (Net)	1105.27	910.13	+21
Other Long term Liabilities	65.30	54.96	+19
Long term provisions	242.76	218.22	+11

IV. Current Liabilities

(₹ in Crore)

Particulars	FY-2014-15	FY-2013-14	Change %
Trade Payables	455.46	531.12	-14
Other Current Liabilities	1325.37	2564.38	-48
Short-term provisions	186.21	147.25	+26

- Other Current Liabilities is lower due to settlement of disputes as to electricity duty and interest thereon.
- Short-term provisions is higher due to higher proposed dividend.

C. Segment wise information

Particulars	Chemicals (Alumina)		Aluminium		Unallocable		Total
	₹ In Crore	Share (%)	₹ in Crore	Share (%)	₹ in Crore	Share (%)	₹ in Crore
Net Sales	2,560	35.25	4,644	63.95	58	0.80	7,262
PBIT	1,095	51.82	581	27.50	437	20.68	2,113
Capital Employed #	3,064	22.04	4,072	29.29	6,767	48.67	13,903
ROCE (%)	-	35.74	-	14.27	-	6.46	15.20
PBIT Margin (%)	-	42.77	-	12.51	-	-	29.10

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

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

Human Resources

Manpower strength of the Company as on 31.03.2015 was 7,320 as against 7,425 at the last day of the previous financial year. The detailed break-up is given below:

SI No.	Position*	As on 31.03.2015	As on 31.03.2014
A.	Executives	1,866	1,809
B.	Supervisory	842	881
C.	Skilled/Highly Skilled	3,876	3,839
D.	Unskilled/Semi-Skilled	736	896
	Total	7,320	7,425

* Including GETs/MTs/SOTs/JOTs

Training

Human Resources Development is the key for the success of our organization. Keeping this in mind and the targets set, functional and developmental training needs are identified from multiple sources, primary being, the competency related needs, secondly, needs arising from organizational requirements and finally departmental / sectional imperatives. Emphasis is being placed on specific position related training needs and there is an attempt to customize programmes, to the extent possible. Training effectiveness evaluation is also carried out in line with the requirement of quality management systems, to measure the benefits emanating from the action.

The training statistics for the year 2014-15 is given below:

Description	Persons	Man days
Executives	2,381	6,952
GETs Induction Program	127	6,090
Non-Executives	3,433	6,110
Total	5,941	19,098

9. CORPORATE PLAN AND BUSINESS DEVELOPMENT

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. However, in the backdrop of continuing uncertainties in the global business environment coupled with the changing landscape of business, industry and regulatory framework within the country, the company will revisit its strategies for growth and sustainability. A new Corporate Plan, spanning a horizon of 10 years is envisaged with the support of a consultant of global repute. The plan is proposed to be robust yet flexible to meet the challenges of the evolving future.

• Alumina Refinery Project in Gujarat

NALCO is pursuing to set up 1 MTPA Alumina Refinery in Kutch district of Gujarat based on supply of bauxite from GMDC's mines. Detailed Project Report (DPR) for the project has been prepared. The Company is in discussion with GMDC for establishing the availability of bauxite for the project.

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

JV Company NPCIL- NALCO Power Company Ltd “NNPCL” has been incorporated in March, 2012. Kakrapar Atomic Power Project (3&4) has been selected as the first project for the JVC of NPCIL & NALCO. ₹ 2.6 lakhs paid to the JV Company in Mar, 2013 towards initial paid-up capital. Further equity infusion would be made after approval of Govt. of India for establishment of the project in JV mode.

- **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 which is under examination.

- **100 MW Wind Power Plant**

NALCO plans to set up 100 MW Wind Power Project at suitable location(s) in India at an estimated investment of ₹ 660 crore. Selection of wind firm developer is underway.

- **Solar Power Projects**

The Company plans to set up 20 MW scale Solar Power Plant at a suitable location in India to meet its solar Renewable Purchase Obligation (RPO).

NALCO commissioned 260 KWp roof-top Solar Power System at its Corporate office and township buildings at Bhubaneswar. The Company also plans to establish 3.8 MW rooftop solar projects at various buildings at CPP and Smelter at Angul & NALCO Research & Technology Centre (NRTC) at Bhubaneswar under MNRE subsidy scheme.

- **Caustic Soda Project**

NALCO plans to set up 2.7 Lakh TPA Caustic Soda Plant along with 100 MW Captive Power Plant at Dahej in Gujarat at an estimated investment of ₹ 1789 crore in JV with M/s GACL for which JV-cum-Share Holder's Agreement has been signed on 23rd June, 2015. Detailed Project Report (DPR) for the project has been prepared.

- **Titanium Slag Project**

NALCO has revived the MOU with IREL in July, 2014 for development of 1 LTPA Titanium Slag Project at Chhatrapur in Odisha in JV. Pre-feasibility Report for the project is being prepared.

- **Overseas Smelter**

NALCO is exploring the opportunity to set up a Greenfield aluminium smelter in a country where energy would be available at a competitive price. Based on a study carried out by the consultants two countries have been identified to pursue further.

- **Alumina Refinery- 3rd Expansion**

Board has accorded approval for setting up of 5th Stream of 1 MTPA capacity in existing Alumina Refinery at Damanjodi at an estimated CAPEX of ₹ 5,540 Crore. The project is envisaged with Medium Pressure Digestion Technology. Sourcing of the Bauxite is planned from Pottangi Mines, for which matter is being perused with Govt. of Odisha. However, pending the same, pre-project activities have been initiated considering sourcing of Bauxite from existing Panchpatmali deposits.

- **220 KV Transmission Line Project from Laxmipur to Damanjodi**

For stable and reliable grid connectivity and for uninterrupted power supply to its Alumina Refinery, construction of 220 KV transmission line from Laxmipur to Damanjodi of about 38 KM and up-gradation of present Sub-station at Damanjodi at a capital outlay of ₹ 95 Crore is under implementation.

- **Back Pressure Turbo-Generator**

Another Back Pressure Turbo-Generator (BPTG) having rated capacity of 19.5 MW is being installed at Steam-cum-Co-Generation Power Plant of Alumina Refinery complex at a capital outlay of ₹ 42 Crore to augment its captive power source. The project is likely to be completed by Sept' 15.

10. ANCILLARY DEVELOPMENT

In line with Government Policies, the Company continued its efforts for promotion of Ancillary Industries. The “Best Mother Plant” award given to the Company during Odisha MSME Trade Fair 2015 for maximum purchases from MSE industries, stands ample testimony for the efforts made by the Company in this direction.

Major initiatives taken during the year for development of ancillary industries are as follows:

- Two more vendors from Odisha were accorded Ancillary status. With this, the total number of Ancillary units of the Company has now increased to 59.

- The procurement of Goods and Services from MSE (Micro and Small Enterprise) units of Odisha including Ancillary Units for the financial year 2014-15 stands at ₹ 270.18 crores. The total procurement of Goods and Services from MSE units (including those from outside Odisha) stands at ₹ 350.01 crores during financial year 2014-15 as compared to ₹ 294.41 crores during financial year 2013-14 which shows an increase of 18.89%.
- A Booklet titled as “Micro and Small Enterprise Product Profile” on products to be developed by MSEs for Smelter and Power Complex published during the year was appreciated by MSME Industry Associations and Entrepreneurs.
- The 19th PLAC (Plant Level Advisory Committee) Meeting was held at Bhubaneswar on 25.08.2014. The PLAC Sub-Committee meetings was also held at S&P Complex in February, 2015.
- Besides, Buyers and Sellers interaction meetings and various training programmes were conducted at the Company’s Training Institute at S&P Complex, Angul.
- Entrepreneurs week was also organized at M&R Complex, Damanjodi. Since the Company has adopted e-procurement process, as per Govt. of India guidelines, emphasis was given to facilitate and enable the MSE vendors by way of training support and hand holding support to participate in the e-procurement processes of the Company.
- Participated in various MSME exhibitions like “MSME Expo Odisha 2014” organized by MSME, Director of Industries, Cuttack, Odisha from 11.12.2014 to 14.12.2014 and “Odisha MSME Trade Fair 2015” organized by the Ministry of MSME, Govt. of Odisha.

11. SAFETY, OCCUPATIONAL HEALTH & ENVIRONMENT

As a Responsible Corporate entity, NALCO is committed for a cleaner, greener and safe working environment in all its production units. All production units are certified to International Standards, on Environmental Management Systems (ISO 14001) as well as Occupational Health and Safety Management Systems (OHSAS 18001).

Nalco proactively takes steps to meet the challenges of upcoming stringent statutory regulations from time to time.

For developing awareness on environment, Safety and Health, NALCO imparts internal as well as external training to its employees, contractor workers, celebrates Environment, Safety and Health functions like World Environment Day, Vanamahotsav, Chemical Disaster Prevention Day, Ozone Day, National Safety Day/Week, Electrical Safety Week, Road Safety Week and continuously publication of Bulletins, Newsletter and Annual journal.

NALCO’s overall efforts and achievement towards Environment, Safety and Health related issues during the Financial Year 2014-15 are briefed below:

Sustainable Mining

Reclamation and rehabilitation of mined out area are carried out as per progressive Mine Closure Plan, approved by IBM. The reclaimed area is biologically rehabilitated by carrying out plantation of suitable species. During 2014-15, 20.38 Ha of mined out areas were reclaimed, with total cumulative area reclaimed and rehabilitated in Mines as on 31.3.15 being 263.30 Ha. 30,89,853 nos. of trees belonging to about 66 different species are planted in and around Mines. Peripheral barrier of more than 7.5 mt. width is left all along the mined-out area with green belt developed over it. Garland drains around the mining area are maintained to drain surface run-off water following natural gradient. Dust suppression in mining area is being carried out by water sprinkler using mobile tankers and auto sprinkler system along the central haul road.

Environment Management

- All operating units of your Company are 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 & valid licenses under Factories Act, Explosive Act etc. 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.
- Company has adopted rooftop rain water harvesting, surface run off rain water harvesting systems at its different operating units during the year.
- The hazardous waste, Bio-medical waste and the municipality solid waste are disposed off in line with the authorization conditions and concerned regulations.
- For monitoring waste water quality, stack emission, ambient air quality laboratory facilities along with installation of monitoring equipments associated with Laboratory testing facilities have been provided in all its operating units.

The improvements taken up in the field of Environment Management at different units of your Company during the year are:

Bauxite Mines

- 1,00,343 nos. of trees were planted at Mines.
- Stage-II Forest clearance has been granted by MoEF& CC, GOI during 15th September 2014 for the 1st Renewal of Mining Lease of North & Central Block of Panchpatmali Bauxite Mine.

Smelter Plant

- Online monitoring system at the Fume Treatment Plant stacks, online effluent monitoring system at the Effluent Treatment Plant installed to monitor continuously the discharge data.
- To control air pollution with latest dry scrubbing technology, erection and commissioning of Fume treatment centre at Bake oven-I completed on 31.12.2014.

Captive Power Plant

- To further reduce stack emission, the project of retrofitting of Electro Static Precipitators by installing an additional pass and revamping of exiting old ESPs (Unit-1,2,3,4,5,& 6) has been completed.
- Installation of 4 Nos. of Continuous Ambient Air Quality Monitoring Station for ambient air quality monitoring with digital display & transmission of data to OSPCB through GPRS has been completed. Regarding transmission of stack data to OSPCB, Unit-9 has already been connected with the server of OSPCB. Connectivity of rest of the Units is under way.
- To control fugitive dust at CHP-II crusher house, DE system has been installed which is controlling fugitive coal dust emission in that area.
- On line effluent monitoring system with provision of data transmission has been installed at the outlet of Industrial Drain Recycling System.
- Ash utilization for the year 2014-15 is 23.78%. Efforts are on to complete the lean slurry project to achieve 100% ash utilization.
- During the year 2014-15 around 15,000 nos. of trees were planted inside Plant premises.

Safety Management specific to Units

Bauxite Mines

- Training on "Safe use & Handling of Explosives" was imparted to blasting crew members during the year.
- Dust, Noise and Equipment Vibration Survey by National Institute of Miners Health (NIMH), Nagpur was carried out during the year. All the parameters are within prescribed norms.
- There were no fatal, serious, reportable and minor accidents at Mines during the year.

Refinery Plant

- All fire management activities were carried out and there was no major fire incidence during the year.
- There was no reportable Industrial Accident during the year.

Smelter Plant

- There were 4 nos. of reportable Industrial Accident during the year. Corrective & Preventive actions are taken based on the cause analysis.

Captive Power Plant

- In order to make aware on hazard & risk involved on daily activities, "TOOL BOX" talk / meeting started in all the departments on regular basis.
- For the first time 'Safety Report' has been prepared by Safety department for submission to DoFB, Odisha.
- There was 1 no. of reportable Industrial Accident during the year.
- During the year 592 nos. of employees and 7,057 nos. of contractual workers in the Company had undergone PME. No cases of occupational diseases were reported.

Occupational Health Management

- Company has provided Occupational Health Centre (OHC) at its S&P Complex as well as its M&R Complex. Both the OHC are provided with qualified Doctors, qualified Technical staffs associated with all modern testing facilities.
- Periodical Medical Examination (PME) for all employees of your Company as well as Contractor Workers are carried out at regular interval as per statute. No Occupational Diseases observed in both the complexes.

Business Responsibility Report for 2014-15

Section A: General Information about the Company

Sl. No.	Particulars	Company Information
1	Corporate Identification Number (CIN) of the Company	L27203OR1981GOI000920
2	Name of the Company	National Aluminium Company Limited
3	Registered Office & Corporate Office	NALCO Bhawan Plot No. P/1, Nayapalli Bhubaneswar -751013, Odisha, India
4	Website	www.nalcoindia.com
5	E-mail ID	investorservice@nalcoindia.co.in
6	Financial year reported	FY 2014-15
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 Group Code 242 Electricity Generation : Industrial Group Code 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	a) Number of International Locations b) Locations in India	NIL a) Corporate Office, Bhubaneswar – 751013, Odisha b) Mines & Refinery Complex, Damanjodi-763008, Odisha c) Smelter Plant, Nalco Nagar, 759145, Angul-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 : 11 (Jaipur, Faridabad, Baddi, Kolkata, Bengaluru, Chennai, Visakhapatnam, Bhiwandi, Silvassa, Vadodara, Delhi)

Sl.No.	Particulars	Company Information
10	Markets served by the Company	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, The Netherlands, Italy 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, Iran, UAE, Bahrain etc.

Section B: Financial Details of the Company

Sl.No.	Particulars	Company Information
1	Paid up Capital, as on 31.3.15	INR 1288.62 crores
2	Turnover : Gross : Net	INR 7771 crores INR 7262 crores
3	Profit after Tax	INR 1321.85 crores
4	Total Spending on Corporate Social Responsibility (CSR) a) in INR b) As a percentage of Net Profit (%)	a) The mandated expenditure on CSR activities is INR 20.14 Crore . <i>A sum of ₹19.09 cr. was spent during the year on CSR activities</i> b) The mandated expenditure on CSR activities as a % of average Net Profit of the three preceeding Financial Years ie. 2011-12,2012-13 and 2013-14 : 2.0% The major shortfall of about ₹ 1.04 Crores is on account of less actual expenditure during 2014-15 for providing education to peripheral village school students in Company aided schools & education of tribal children in residential schools, compared to the fund allocated for the same.
5	List the activities, in which expenditure on CSR as mentioned above, has been incurred	a) Promotion of Education b) Health and Sanitation c) Building Community Infrastructure d) Environmental Sustainability e) Renewable Energy f) Relief Measures g) Enhancing Vocational Skills h) Promoting Cultural activities of Local Community i) Reaching out to Marginalised, Differently-abled persons in Society

Section C: Other Details

- Does the Company have any Subsidiary Company/ Companies?
No
- 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
- 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%]
All the Business Responsibility initiatives taken up are financed by the organization itself. No other entities like suppliers, contractors etc. participate in these initiatives.

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

a) Director (HR) : for Corporate Social Responsibility (CSR)

Director (Production): for the Sustainable Development (SD) initiatives

b.1) 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.2) Details of the BR head for Sustainable Development :

1	DIN Number	06965313
2	Name	Shri V.Balasubramanyam
3	Designation	Director (Production)
4	Telephone Number	0674-2300660
5	e-mail ID	dirprod@nalcoindia.co.in

b.3) NALCO constituted CSR & SD Committee in 2011. The present Committee comprises of 3 functional directors and 2 independent directors. During the reporting period, the committee met once on 30th July'14.

The Committee members as on 31.3.15 are :

Name	Designation	DIN Number
Shri Qaiser Shamim	Independent Director	03560915
Shri Sanjiv Batra	Independent Director	00602669
Shri S. C. Padhy	Director (HR)	02594088
Ms. Soma Mondal	Director (Commercial)	06845389
Shri V. Balasubramanyam	Director (Production)	06965313

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 wellbeing 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

Sl. 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 ISO9001, ISO 14001, OHSAS 18001, ISO50001 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 www.nalcoindia.com/download/SD_Policy.pdf 2. Code of Business Conduct and Ethics for Board Members and Senior Management www.nalcoindia.com/CodeofConduct.pdf 3. Fraud prevention policy www.nalcoindia.com/NALCOFRAUDPREVENTIONPOLICY.pdf 4. Whistle blower policy www.nalcoindia.com/Whistleblowerpolicy_nalco.pdf
Principle 2: Sustainability in life-cycle of product	1. Sustainable Development Policy www.nalcoindia.com/download/SD_Policy.pdf
Principle 3: Employee well-being	1. Mission Statement www.nalcoindia.com/mission.aspx 2. HR vision and mission in Corporate Plan 2020 in NALCO intranet http://nalcoinsightnew/Policies/CorpPlan2020.pdf

NVG Principles	Web-link of Policies
Principle 4: Stakeholder engagement	- Sustainable Development Policy www.nalcoindia.com/download/SD_Policy.pdf - Partially addressed in Corporate Plan 2020 in NALCO intranet http://nalcoinsightnew/Policies/CorpPlan2020.pdf
Principle 5: Promotion of human rights	- Sustainable Development Policy www.nalcoindia.com/download/SD_Policy.pdf - Mission Statement www.nalcoindia.com/mission.aspx
Principle 6: Environmental protection	Sustainable Development Policy www.nalcoindia.com/download/SD_Policy.pdf
Principle 7: Responsible public policy advocacy	Partially addressed in Corporate Plan 2020 : http://nalcoinsightnew/Policies/CorpPlan2020.pdf
Principle 8: Inclusive growth	- Sustainable Development Policy www.nalcoindia.com/download/SD_Policy.pdf - NALCO FOUNDATION Vision & Mission www.nalcoindia.com/NALCO_FOUNDATION.pdf
Principle 9: Customer value	- Sustainable Development Policy www.nalcoindia.com/download/SD_Policy.pdf - Mission Statement www.nalcoindia.com/mission.aspx

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									
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)									

NOT APPLICABLE

3. Governance related to Business Responsibility(BR):

Information with reference to BRR framework :

Sl.No.	Questions	Information
1	Frequency of review, by the CSR and SD Committee of the Board, to assess the BR performance.	<i>Review of BR performance, by the CSR and SD committee, is carried out annually. During the Financial Year (F.Y.) 2014-15, the committee met on 30th July'14, to review CSR and SD activities.</i>
2	BR and Sustainability Report published.	The first Sustainable Development report, based on National Voluntary Guidelines (NVG) by Ministry of Corporate Affairs, developed for the F.Y. 2011-12 was released in FY 2012-13. This report summarized our performance related to the nine principles of the NVG. The web-link for the sustainability report published for FY 2011-12 is: http://www.nalcoindia.com/download/Sustainable-Report-Nalco-2011-12.pdf

Sl.No.	Questions	Information
		• Business Responsibility Report for FY 2012-13 and FY 2013-14 were published along with the respective Annual Reports. • Detailed Sustainable Development Reports for the FY 2012-13 and FY 2013-14, based on Global Reporting Initiative (Amsterdam, The Netherlands) G3.1 guidelines, are also published and the web link: http://www.nalcoindia.com/download/Sustainable-Report-Nalco-2012-13.pdf & http://www.nalcoindia.com/download/Sustainable-Report-Nalco-2013-14.pdf, respectively. • The Business Responsibility Report for FY 2014-15 is published as part the Annual Report for F.Y.2014-15.

Section E: Principle-wise Performance

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

Corporate Governance, an integral part of our organizational philosophy, is an institutional framework with proper checks and balances to undertake, coordinate and oversee the interest of all stakeholders. Establishing and maintaining strong culture of values & ethics, ensuring integrity and fairness in all dealings, is embedded in our business strategy.

Information with reference to BRR framework:

Sl.No.	Questions	Information
1.1	Policy relating to ethics, bribery and corruption.	a) Well-defined guidelines for ethical conduct of business are available as outlined below: 1. Code of Conduct for Board members and Senior management personnel covers all the Directors and Senior management executives of the Company. 2. Fraud Prevention Policy applies for any fraud or suspect fraud involving employees as well as representatives of vendors, suppliers, contractors, consultants, service providers or any outside agency(ies) doing any type of business with us. 3. CDA rules are applicable to all executives while Certified Standing Order as applicable to all other employees. 4. Insider trading code is applicable to designated employees of the Company. 5. NALCO Vigilance Manual, PIDPI scheme, Whistle Blower Policy & similar CVC guidelines issued from time to time are applicable. b) The Chief Vigilance Officer, as the Head of the function, reports to CMD & the Board of Directors with functional guidance from Central Vigilance Commission, as per the norms. c) To bring further transparency in procurement transactions, Integrity Pact is adopted. d) A Sustainable Development Policy is formulated and implemented which demonstrates our commitment towards ethical conduct of business, transparency and accountability and incorporates the spirit of all the above mentioned guidelines and directives.
1.2	Stakeholder complaints received and satisfactorily resolved by the management.	i. During financial year 2014-15, 96 vigilance complaints were received. In addition to this, 26 complaints were pending from previous financial year. As on 31.03.2015 out of total 122 complaints, 97 have been resolved and 25 are pending at different stages of investigation. ii. Vigilance investigations were carried out based on prescribed procedures with functional guidance sought from CVC, as per rules of the Company and appropriate actions ie. issuance of advisory letters and imposition of minor/major penalties etc., were taken. iii. Suggestions for some important systemic improvements were also made during the year. iv. Number of investor complaints received during the F.Y. 2014-15 is 74, all of which have been successfully resolved. v. 14 no. of complaints are received from various bidders/ contractors/ vendors. vi. One finding is received from Independent External Monitor in respect of a complaint received.

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

Our products are designed to serve the needs of the society and is well received in the domestic as well as in the international markets. The development of products and associated processes incorporates economic value, societal benefits and environmental stewardship. Safety, Occupational Health and Environmental issues are also comprehensively addressed in our Sustainable Development policy.

Information with reference to BRR framework:

Sl.No.	Questions	Information
2.1	Products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	For the Mines & Plants , comprehensive Environment impact assessment is carried out and Environment Management Plan approved by Regulatory Authority is implemented to mitigate any risks regarding negative impacts on environment or society , emanating from products, processes & services. The initiatives taken as per the plan are monitored by regulatory agencies. Aspect Impact Study, Hazard Identification & Risk Assessment and On Site Emergency Management Plans are also drawn up with periodic reviews to address environmental and social risks. For Aluminium, Calcined Alumina and Electricity . Environment concern, risks, opportunities are mentioned below : at “ TABLE-A ”.
2.2	Details in respect of resource use (energy, water, raw material etc.) per unit of product (optional) for each such product. i) Reduction during sourcing/ production across value chain ii) Reduction during usage by customers	- Efficiency in resource use is integrated into our product and process design. Due cognizance of importance regarding efficient use of energy, water and raw materials for enhancing sustainability is instilled in our managerial interventions. R&D efforts and innovative steps are taken for continual improvements in optimization of resource use i.e. energy, water, raw material etc. - Aluminum production is fairly resource intensive considering the process of extracting alumina from bauxite and then smelting it into liquid metal. With several interventions aimed towards reducing the energy consumption, we are able to continually improve performance in terms of energy use. This has also led to reduction in the amounts of greenhouse gas (GHG) emissions. Specific consumption achieved during the F.Y. is given below at “ TABLE-B ” - Continual improvements in our processes ensure production of desired quality of Calcined Alumina and Aluminum. By producing and supplying to customers products as per the specified quality on consistent basis, smooth operation of plants at customer end is facilitated resulting in optimum use of energy and other critical inputs in the customers' processes. - Environmental footprint is reduced by transportation of bauxite in a single flight multi-curve long distance cable belt conveyor. - The extensive use of aluminium by the automobile manufacturers has not only resulted in significant weight reduction, but also as a consequence improved the fuel efficiency reducing the GHG emissions over the complete life cycle. Studies have shown that reducing weight of an automobile by 10% can result in up to a 7% reduction in the vehicle's GHG emissions over the life cycle. (Source: Aluminum Association). Comparing a baseline steel vehicle with an aluminum-intensive vehicle design revealed that the aluminum design offer 25% reduction in vehicle weight resulting in 20% reduction in primary energy consumption and a 17% decline in CO2 emissions over the vehicle's life cycle. (Source: Oak Ridge National Laboratory). Significant environment footprint reductions have been achieved over the years by aluminum industry. Increased aluminum use can drive future improvements.
2.3	Sustainable sourcing (including transportation) What percentages of inputs are sourced sustainably?	Sustainable sourcing of coal is through long-term Fuel Supply Agreement (FSA) with Mahanadi Coalfields Ltd. For any gap in requirement vis-a-vis availability through FSA , procurement of coal through e-auction or import or both is done, based on cost benefit analysis. A dedicated Captive Railway Merry-go Round System is available for transportation of coal from Bharatpur coal Mines, Talcher to CPP, Nalco.

Sl.No.	Questions	Information
		2. Sustainable sourcing of Bauxite has been primarily ensured by having captive mines at Panchpatmali situated close to the Alumina Refinery . 100% of our bauxite requirement is met from this source. Similarly, the Captive Power Plant for Smelter is close to the coal mines of M/s MCL from which coal is procured as per fuel supply agreement (FSA). Due to our direct control over the mining, extraction and transportation of bauxite and close coordination with Coal Mines for coal supply & Railways regarding transportation of major raw materials, competitive edge is added to Sustainable sourcing throughout the supply chain. 3. All bulk raw materials i.e. Caustic Soda, Lime, CT Pitch, CP Coke, 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 for ensuring sustainability in sourcing stores & raw materials. 4. Water is sourced from river and streams in proximity of the operating units.
2.4	Procurement from local and small producers, including communities surrounding their place of work	1. Special thrust is given for development of MSE (Micro and Small Enterprises) units and opportunity is provided to produce and supply various input materials & services . A fair, equitable and transparent tendering procedure is adopted facilitating participation of all bidders including local and small producers. Certain financial incentives are also available for local vendors and contractors to encourage them. 2. During the FY 2014-15, two MSE units from Odisha were accorded Ancillary status. The total number of Ancillary units of Nalco has now increased to 59. The procurement of Goods and services from MSE units of Odisha for FY 2014-15 stands at ₹270.18 crores . The total procurement of Goods and services from MSE units (including those from outside Odisha) stands at ₹ 350.01crores during FY 2014-15 as compared to ₹294.41crores during FY 2013-14, registering an increase of 18.89% , on F.Y. basis. 3. Continuous efforts are made to engage the local MSEs and encourage them to enhance their contribution. A booklet is brought out, titled as “Micro and Small Enterprise Product Profile”, highlighting products to be developed for Smelter and Power Complex by the MSEs. This is well received by MSME Industry associations & the local entrepreneurs and likely to provide a fillip to their participation in the supply chain. 4. The 19th PLAC (Plant Level Advisory Committee) Meeting was held at Bhubaneswar on 25.08.2014. The PLAC Sub-Committee meetings was also held at S&P Complex in Feb., 2015. 5. Besides, Buyers and Sellers interaction meetings and various training programmes were conducted at our Training Institute at S&P Complex, Angul. Entrepreneurs week was also organized at M&R Complex, Damanjodi. Since Nalco has adopted e-procurement process, as per Govt. of India guidelines, emphasis is being given to facilitate and enable the MSE vendors by way of training support and hand holding support to participate in the e-procurement processes . 6. We also participated in various MSME exhibitions like “MSME Expo Odisha 2014” organized at Cuttack by MSME Directorate of Industries from 11th to 14th Dec.’14 and “Odisha MSME Trade Fair 2015” organized by the Ministry of MSME, Govt. of Odisha at Exhibition Ground, Bhubaneswar from 8th to 14th Jan.’15. The “Best Mother Plant” award for maximum purchase from MSEs was conferred on us in the “Odisha MSME Trade Fair 2015” at Bhubaneswar. 7. Percentage of procurement from MSEs , out of total procurement, was 27.23 % during 2014-15 compared to that of 19.29 % during year 2013-14.

Sl.No.	Questions	Information
2.5	Recycling of Products & Waste. Percentage of recycling to be mentioned	1. Being a primary aluminium producer, the thrust is given to recycle the inevitable process wastes to the maximum possible extent. The aluminium dross generated in melting furnaces at Smelter 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. 2. Priority is given to sustainable use of water & 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 & township by reverse osmosis process is planned. In CPP, the ash pond overflow water is recycled and reused in the ash disposal system. In the year 2014-15 : 1,25,17,775 cubic meter water was recycled from the ash pond. Recovery and reuse of different wastes etc. in our Operations, are stated at “TABLE-C”, below:

(Please refer 2.1 at page 9)

Table A: Environment concerns, risks, opportunities addressed, as mentioned Product-wise :

Products	Environmental concerns	Risks	Opportunity
Alumina	• Air Pollution • Water pollution • Land contamination	Risks arising from: • Fly Ash • Lime grit • Waste water	• Recycle & reuse of fly ash for utilization in manufacturing of fly ash bricks, cement, road construction etc. • Utilisation of lime grit in fly ash brick manufacturing. • Recycling of return water from ash pond and red mud pond for reuse in ash slurry pumping, red mud slurry making and mud washing. • Scientific Management of Wastes and incorporation of improved technology for prevention & control of environmental pollution etc.
Aluminium	• Air pollution • Water pollution • Land contamination	Risks arising from: • Generation of spent potlining • Generation of Aluminium dross • Stack emission from FTPs, pot operation • Spillage of bath material during different operating processes. • Generation of waste oil from different equipments. • High HFO consumption due to incomplete burning of HFO in Cast House furnaces, Anode Baking furnace.	• Spent potlining utilization in Cement industry and power plant. • Provision of recycling of Aluminium Dross in Smelter Plant. • Prevention of HF gas leakage from potline by using leak proof pot hoods. Absorption of Fluoride gases in alumina by dry scrubbing method in FTPs. • Provision of automatic shutoff valve and recycling of spillage bath. • Operation of multiple oil-water separators and safe disposal of waste oil. Improvement of maintenance practices. • Automatic computer controlled burner firing system in Cast House and heat regulation system in Anode Bake Furnace.

Products	Environmental concerns	Risks	Opportunity
Electricity	- Air Pollution - Water Pollution - Land Contamination	<i>Risks arising from:</i> - Emissions - Fly Ash - Waste water	- Fly ash utilization in brick making, cement plant, road construction, reclamation of low lying area, abandoned stone queries, abandoned coal mines void etc. - Recycling of ash pond decanted water for ash slurry making. - Utilisation of STP water for horticulture & plantation.

(Please refer 2.2 at page 9)

Table B : Specific Consumption

Specific Consumption per unit of production	Norm (F.Y. 2014-15)	Previous Year (F.Y. 2013-14)	Current Year (F.Y. 2014-15)
Explosive consumption in Bauxite Mines	130 gm/T	120 gm/T	132 gm/T
HFO consumption in Alumina Plant	80.8 Ltr/MT	81.59 Ltr/MT	81.48 Ltr/MT
DC Energy consumption in Smelter	13500 KWH/MT	13408 KWH/MT	13395 KWH/MT
AC Energy consumption in Smelter	14850 KWH/MT	14754 KWH/MT	14814 KWH/MT
HFO consumption in Smelter	60 Ltr/MT	57 Ltr/MT	59 Ltr/MT
Al. Fluoride Consumption in Smelter	19.0 Kg/MT	17.71 Kg/MT	17.11 Kg/MT
Fuel Oil consumption in CPP (HFO+LDO)	1.0 ml/KWH	1.01 ml/KWH	0.58 ml/KWH

(Please refer 2.5 at page 11)

Table C : Recycling/ Reuse of waste

Unit	Utilisation	Percentage
Bauxite Mines	Overburden utilized for concurrent reclamation of mined out areas	100%
Alumina Refinery	Caustic Soda recycled from waste redmud	6.1%
	Ash utilization	52.50%
	Recycling of Ash pond water	93%
Smelter	Recycling of Aluminium scrap, spent anode, flue gas dust from bake oven, carbon anode baking waste, green anode ridge waste	100%
	Aluminium dross recycled as input to process	59%
	Recycling of coke dust in green anode making	50%
CPP	Ash Utilisation	23.78%

Principle 3: Business should promote the wellbeing of all employees

A progressive organization provides enablers for employees to play a pivotal role in shaping the future of the organisation. Caring for the well-being of employees and nurturing their talent is an integral part of our culture. A fair, equitable and non-discriminatory management approach is adopted to create a high performance work culture. Management is sensitive to the needs of its employees and committed towards employee wellbeing. We have established robust practices focused on according prime attention to address and resolve the concerns of employees. There are several programs within the organization which are based on the concept of fair management and aim to ensure that employees are dedicated to their jobs and assured with a sense of security. The HR policy seeks to inculcate a feeling of collective involvement among the employees to keep them motivated. Training needs of the employees are catered with the objective of building a rewarding career with ample progress and high level of satisfaction. The actions and initiatives are backed by the strong management systems such as SA 8000 and OHSAS 18001 which have been implemented across all the locations.

Information with reference to BRR framework :

Sl.No.	Questions	Information : as on 31.3.2015		
3.1	Total number of employees.	7320		
3.2	Total number of employees hired on temporary/ contractual/ casual basis.	10		
3.3	Number of permanent women employees.	355		
3.4	Number of differently-abled permanent employees.	84		
3.5	Employee association that is recognized by management.	Four trade unions are recognized by management and in addition to those four, there are 31 registered associations.		
3.6	Percentage of your permanent employees is members of this recognized employee association.	About, 99% of the non-executive employees, are members of the Registered Unions. As far as the Recognised Unions are concerned, 52% of unionized employees are members of these Unions.		
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 2014-15 & including the ones pending since previous years)	No. of complaints pending as on 31.03.2015
		Child Labour/ Forced labour/ involuntary labour	Nil	Nil
		Sexual harassment	01	Nil
		Discriminatory employment	Nil	Nil
		Public grievances	58	Nil
3.8	Employees that were given safety and skill upgradation training in the last year.	Training for different Employee Categories*		% trained on Safety & Skill Upgradation
		Permanent employees		51%
		Permanent women employees		30%
		Workmen engaged by Job Contractors for outsourced jobs		7%
		Employees with disabilities		5%

*Conscious efforts are made to cover all categories of employees for training within a stipulated time period as per the Company policy. Minimum of 2.2 man-days of training per employee is planned every year.

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

Engaging stakeholders in the identification of potential business risks & challenges, provides us insights regarding our own impacts on stakeholders and vice-a-versa. The Code of business conduct and ethics for board members and senior management, enjoins on all to ingrain a sense of responsibility and accountability towards all stakeholders leading to in-depth interactions based on which synergetic decisions are taken. The Mission statement and the vision document also highlight interactions, communication with stakeholders & strive for their satisfaction.

Information with reference to BRR framework:

Sl.No.	Questions	Information
4.1	Mapping of internal and external stakeholders.	We are guided by a comprehensive framework for stakeholder engagement. Perspectives of high impact stakeholders i.e. customers, employees, government, regulatory authorities, investors and shareholders, industry associations, civil society organizations and suppliers and vendors are taken into consideration while mapping the prioritized sustainability issues across important domains i.e. Economic, Environment, Labour Practices, Human Rights, Social, Corporate Governance etc. The information pertaining to 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 2014-15, a total of 217 applications were received in addition to 15 pending ones as on 01.04.2014. Out of this, 194 queries have been settled while 18 queries are in different stages of processing and 20 applications have been rejected.
4.2	Identification of disadvantaged, vulnerable and marginalized stakeholders.	During EIA study, baseline assessment of socio-economic conditions in the periphery of mines & plants are carried out. A CSR and peripheral development plan is prepared within the framework of EIA-EMP study in order to bring in overall improvement of infrastructure in the periphery and quality of life of the identified disadvantaged, vulnerable and marginalized group of society. The inhabitants of villages located within 15 km radius of Nalco's Mines and Plants and the proposed mining areas are extended coverage under the CSR program. Focussed interventions on the prioritized areas i.e. Education, Healthcare etc. are taken up for them.
4.3	Special initiatives taken to engage with the disadvantaged, vulnerable and marginalized stakeholders.	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, from class I to class X, is borne by Nalco Foundation, the CSR arm of the Company. In addition to above, educational facilities in company-aided schools were also extended to children from peripheral villages. During the FY 2014-15, 2,254 nos. of health camps were conducted and total 1,06,272 patients from periphery villages at Damanjodi and Angul were treated and medicines were provided, free of cost.

Principle 5: Businesses should respect and promote human rights.

Respecting human rights is ingrained in our work culture. In the job contract conditions, human rights related parameters like child labour, forced/ compulsory labour are introduced to restrain the service providers for any violations. The employee grievance mechanism encourages venting the voice of employees related to discrimination if any. Protecting and respecting human dignity is central to our everyday business operations.

Information with reference to BRR framework:

Sl.No.	Questions	Information
5.1	Policy on human rights.	The priority accorded to Human Rights issues is reflected in implementation of SA 8000 Management System at all our production units and Corporate Office, in order to maintain decent work places and ethical business practices. The Code of Business conduct and ethics for board members and Senior Management, mandates to be fair and not to discriminate on the basis of race, sex, religion and the values of equality, tolerance, respect for others are stressed. Human Rights practices with ethics is a highpoint in our Sustainable Development Policy.
5.2	Stakeholder complaints received and satisfactorily resolved by the management in the FY 2014-15.	One complaint related to sexual harassment was pending as on 1.4.14. This was successfully resolved during the year.

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

Our Mines , Port operations at Vizag and all the plants are implementing Environment Management Systems conforming to the International Standard ISO 14001. Specific initiatives for enhancing energy efficiency are taken up to achieve targets under the Perform , Achieve and Trade (PAT) scheme of Govt. of India. Energy Management Systems conforming to ISO 50001 standard are implemented in our energy intensive plants , the designated consumers under PAT scheme. Energy Policy emphasizes our thrust on driving energy efficiency measures. Implementation of these Management Systems , certified by a reputed external Certification Body with global accreditation , underpins the priority accorded towards environment and energy management. The Sustainable Development Policy also provides ample focus on Environment and Energy related issues. Steps are also taken for green energy generation i.e. Wind Power & Solar Power.

Information with reference to BRR framework :

Sl.No.	Questions	Information
6.1	Extension of policy to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others	<i>Our commitment to minimize our environmental footprints, from the stage of commencement of operations to the post-closure stage is strongly articulated in our Environment policy document. The comprehensive policy document is applicable for implementation in all units, operations and offices. The units implement the Corporate Policy with objectives derived from it specific to areas of operation. Suppliers and Contractors are also brought into the ambit of Environment Policy through incorporation of clauses in NIT and Workorders.</i>
6.2	Strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.	<i>Initiatives taken to address global environment issues such as climate change, global warming are highlighted below:</i> <i>• The pilot cum demonstration plant for Carbon Sequestration at CPP, commissioned in 2012-13 is under operation during 2014-15, striving for reduction of carbon dioxide to the tune of 20 T/acre/year.</i> <i>• Two Wind Power Projects, one of 50.4 MW at Gandikota, Andhra Pradesh and the other project of 47.6 MW at Jaisalmer, Rajasthan are in operation.</i> <i>• Roof Top Solar Power Plants operating at the Corporate Office and township, at Bhubaneswar.</i> <i>• Under the PAT scheme , Alumina Refinery and Smelter & Power plants, have taken initiatives to achieve targets set by BEE , for reduction of specific energy consumption to the tune of 5.54% and 5.024% respectively. The major initiatives on energy conservation taken at different units are highlighted in the annual report.</i> <i>• A brief on Per Fluorocarbon (PFC) gases from Smelter Operations is placed below at Table-D.</i>
6.3	Identification and assessment of potential environmental risks.	<i>Yes. Review of environment impacts arising out of key business activities are done periodically to identify and assess potential environment risks and take steps to mitigate the identified impacts. Sustainable mining including the approved Mines closure plan are implemented in the Mines area, elaborated at Table-E. Site Specific Wildlife Conservation and Management Plan are also in place for launching appropriate initiatives. Similarly, in all our plants i.e. Alumina Refinery, Smelter & CPP review of environment impacts arising out of key business activities are done and steps are taken to mitigate the identified impacts. Hot-spots and gaps for significant environmental impacts and effects i.e. emissions to air, effluent discharge quality, hazardous waste etc. are identified and appropriate mitigation measures are taken. These provide a basis for various environment initiatives.</i>
6.4	Project related to Clean Development Mechanism (CDM)	<i>Wind Power Projects are taken under Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change (UNFCCC), since the projects help in significant reduction of GHG emissions. The wind power projects are grid connected renewable energy projects that generate electricity through utilization of wind energy.</i>

Information with reference to BRR framework:

Sl.No.	Questions	Information
		50.4 MW Wind Power Plant at Gandikota - CDM project CDM Project activity has obtained Host Country Approval (HCA) from Ministry of Environment and Forests, GoI who are the National CDM Authority (NCDMA) in India. The project activity has been validated by (UNFCCC) accredited Designated Operational Entity (DOE). Registration of the project with UNFCCC is under process. Estimated amount of annual average GHG emission reductions 85927 tons of CO₂ equivalent. 47.6 MW Wind Power Plant at Jaisalmer - CDM project CDM Stakeholder Consultation Meeting was carried out at project site. Project Design Document (PDD) and Project Concept Note (PCN) have been submitted to National CDM Authority (NCDMA), MoEF, GoI for Host Country Approval. Estimated amount of annual average GHG emission reductions 83,426 tons of CO₂ equivalent.
6.5	Other initiatives on clean technology, energy efficiency, renewable energy.	In addition to the Wind Power Plants mentioned above, the other initiatives implemented are: - Carbon Sequestration pilot cum demonstration Plant in CPP 160 KWp Roof Top Solar Power Plant at the Corporate Office, Bhubaneswar. - Solar roof top plant (100 KWp) 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 operating units of 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.	Two show cause notices from OSPCB were received during the period. Corrective actions are in progress and planned to be implemented within agreed schedule.

Table-D
Per Fluorocarbon (PFC) gases from Smelter

The primary aluminium production process i.e. Smelter operations lead to emission of two Per fluorocarbon (PFC) gases i) tetrafluoromethane (CF₄) : 80-90% and ii) hexafluoroethane (C₂F₆) : 10-20% , having high global warming potential. Emission of these gases are due to Anode Effects from Electrolytic cells. In our Smelter, during 2012-13, a project was taken up in collaboration with Jawaharlal Nehru Aluminium Research Development & Design Centre (JNARDDC), Nagpur for measurement of PFC in 180 KA Point feed Pre-baked (PFPB) cell, using photo acoustic field gas monitor. During this period, Potline 3 and Potline 4 were equipped with most advanced ALPSYS pot control system ensuring well-regulated alumina feeding while Potline 1 was not having such facility.

As per Tier 3B of IPCC guidelines, CF₄ slope, CF₄ over-voltage coefficient and C₂F₆ weight fraction were obtained and compared with IPCC 4th assessment report, table 2.14, chapter 2, page 212. The results obtained are

Table : Range of slope values

	IPCC report	NALCO Line 1	NALCO Line 3/4	IPCC report	NALCO Line 1	NALCO Line 3/4
	CF ₄ slope (kg CF ₄ /t Al)/ (AE min/cell-day)	CF ₄ slope (kg CF ₄ /t Al)/ (AE min/cell-day)	CF ₄ slope (kg CF ₄ /t Al)/ (AE min/cell-day)	C ₂ F ₆ Weight fraction (kg C ₂ F ₆ /kg CF ₄)	C ₂ F ₆ Weight fraction (kg C ₂ F ₆ /kg CF ₄)	C ₂ F ₆ Weight fraction (kg C ₂ F ₆ /kg CF ₄)
PFPB	0.07-0.21	0.096	0.074	0.03-0.24	0.055	0.025204

	IPCC report	NALCO Line 1	NALCO Line 3/4	IPCC report	NALCO Line 1	NALCO Line 3/4
	CF ₄ over-voltage coefficient (kg CF ₄ /t Al/ milivolts/ cell-day)	CF ₄ over-voltage coefficient (kg CF ₄ /t Al/ milivolts/ cell-day)	CF ₄ over-voltage coefficient (kg CF ₄ /t Al/ milivolts/ cell-day)	C ₂ F ₆ Weight fraction (kg C ₂ F ₆ / kg CF ₄)	C ₂ F ₆ Weight fraction (kg C ₂ F ₆ / kg CF ₄)	C ₂ F ₆ Weight fraction (kg C ₂ F ₆ / kg CF ₄)
PFPB	0.60-2.3	0.9379	0.4952	0.03-0.24	0.055137	0.025204

PFPB : Point Feed Pre-Baked

These data exhibit good agreement with data reported as per IPCC guidelines for PFC measurement. The data from Potline 3 and Potline 4 show better performance in these two lines, compared to that of Potline 1 in respect of CF₄ slope, CF₄ over-voltage coefficient and C₂F₆ weight factor. This improved performance is due to availability of better regulation facility. During this project period, measurement of PFC could not be detected at 60 & 120 pot ducts (emission being below the minimum value of detection by the measuring instrument).

During 2013-14, Potline 1 and Potline 2 were equipped with ALPSYS pot control system and the Anode Effect which contribute to PFC emissions were brought down. During the current year 2014-15, Anode Effect (AE/Pot/Day value) is 0.081 against the norm of 0.10, which indicate that the PFC generation/ emission is well below prescribed norms and the performance of 2014-15, is better than that of 2012-13, as evaluated earlier.

Table-E
Sustainable Mining

1. Implementation of progressive Mine Closure Plan:

Reclamation and rehabilitation of mined out area are carried out as per progressive Mine Closure Plan, approved by IBM. Overburden and top soil, stripped ahead of bauxite mining faces, are dumped in mined out areas for backfilling purpose. Levelling of laterite overburden is done and over that top soil is put, which gets subsequently levelled & dressed, developing reclaimed land suitable for plantation with provision of benches and terraces. The reclaimed area is biologically rehabilitated by carrying out plantation of suitable species. During 2014-15, 20.38 Ha of mined out areas were reclaimed, with total cumulative area reclaimed and rehabilitated in Mines as on 31.3.15 being 263.30 Ha.

2. Implementation of Environmental Management Plan (EMP) :

The following activities are undertaken as per EMP :

- Peripheral barrier of more than 7.5 mt. width is left all along the mined-out area with green belt developed over it.
- Garland drains around the mining area are maintained to drain surface run-off water following natural gradient. Proper drainage control is also maintained within the mining area.
- Dust suppression in mining area is being carried out by water sprinkler using mobile tankers. In addition to this, auto sprinkler system is installed & maintained all along the central haul road.
- Effective sewage system is provided in Mining area. Effluents from Mechanical workshop area is channelized through well designed oil-water separation tank and clear water is collected in zero discharge sump. Similarly canteen waste, after treatment, is directed to the zero discharge sump. Water from zero discharge sump is pumped for horticulture use and dust suppression.
- Plantation of 30,89,853 nos. of trees belonging to about 66 different species are planted in and around Mines.
- Adequate measures are taken for control of noise and vibration from blasting activity & operation of equipment/ machineries. Workmen are provided with ear plug, ear muff etc., as per requirement.

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

Strengthening external communication with business associates, statutory agencies and Govt. authorities is given thrust in our Corporate Plan. We advocate various business related development processes as member of various organizations & associations.

Information with reference to BRR framework :

Sl.No.	Questions	Information
7.1	Member of any trade and chamber or association.	Yes, we are members of some of the reputed associations. The major ones are : 1. Federation of Indian Mineral Industries (FIMI), New Delhi. 2. National Safety Council, Mumbai 3. Standing Conference of Public Enterprise (SCOPE), New Delhi. 4. Confederation of Indian Industry (CII), New Delhi 5. Indian Ceramic Society, Kolkata 6. Quality Circle Forum of India, Secunderabad 7. Utkal Chamber of Commerce, Cuttack 8. Engineering Export Promotion Council, Kolkata 9. Federation of Indian Export Organisation, New Delhi 10. International Chamber of Commerce, Delhi 11. Chemicals & Allied Products Export Promotion Council, Kolkata

Information with reference to BRR framework :

Sl.No.	Questions	Information
7.2	Through above association advocacy of policy for advancement or improvement of public good.	Yes, we advocate policy issues through our involvement in discussions/meetings at associations mentioned above for the benefit of the industry as well as the society at large. Some of the major issues are: • Enhancing use of Aluminium in various sectors as a material for sustainable future. • Avenues for enhancement of utilization of fly ash • Sustainable mining practices including mineral conservation • Issues of miners' health • Betterment of industry and its stakeholders • Employee involvement • Research work in environment like Carbon Sequestration • Compliance to the regulatory requirements

Principle 8: Businesses should support inclusive growth and equitable development

The organization firmly believes that long term success can only be achieved through sustained development of society where it operates. Creating an enduring positive social impact on the communities in the neighborhood of operations is accorded top priority in our Sustainable Development policy. Focused initiatives on Sustainability and CSR are taken up for ensuring a better quality of life for the local and marginalized communities.

Information with reference to BRR framework :

Sl.No.	Questions	Information
8.1	Programmes/ initiatives/ projects in pursuit of the policy.	Yes. The various programmes and initiatives undertaken, are briefly outlined below: i) 2% of average Net Profit of the immediately preceeding three financial years are earmarked for CSR activities to be undertaken, as per the Companies Act, 2013. The approved projects are implemented through Nalco Foundation / departmentally by NALCO/Government Agencies/NGOs, Agencies having proven track record.. ii) Out patient treatment for the villagers living in the periphery villages of S&P Complex, Angul, has started in the OPD centre. The Centre is equipped with a qualified doctor and paramedical staff. After check-ups, patients are being provided medicines free of cost at the Centre. Total 1425 patient from periphery villages have availed treatment during the year. iii) 14353 saplings have been distributed in 2045 households of 25 peripheral villages at M&R Complex, Damanjodi as an environmental care initiative.

Sl.No.	Questions	Information
		iv) Total seven Mobile Health Units (MHUs) are operating at M&R and S&P Complex with a view to providing primary health services to the villagers which include free medicines, diagnosis, awareness building through information, education, communication (IEC) activities. During the year, total 2254 nos. of health camps (which includes one health camp organized by Corporate office) have been conducted and total 1,06,272 patients have been treated, free of cost. v) 655 students from 16 periphery villages of Damanjodi sector have been sponsored for formal education in three residential schools i.e. a) Kalinga Institute of Social Science, Bhubaneswar, b) Koraput Development Foundation, and c) Bikash Vidyalaya, Koraput. In addition to above, educational facilities in company-aided schools, were also extended to children from peripheral villages. vi) Financial assistance of ₹150 lakhs is provided for organizing Champions Trophy Hockey Tournament-2014, held in Bhubaneswar from 6th to 14th Dec. '14. vii) One Mini Bus, with a financial implication of ₹12.50 Lakhs, was provided to Open Learning Systems, Bhubaneswar for transportation of Cerebral Palsy and Mentally Retarded Children. viii) Under Swachh Vidyalaya Abhiyan, construction is taken up for 238 toilets in 154 schools of Odisha and 117 toilets in 49 schools of Andhra Pradesh, which has been blocked in the Ministry of HRD website. In addition to this, 79 toilets are also under construction in identified schools at Angul, Koraput & Khurda districts.
8.2	In-house experts/ departments implement the CSR initiatives.	The CSR & Peripheral Development(PD) activities in the organization is carried out, as follows : i) Policy decisions & approval of the CSR projects and the implementing agencies, are made by the Board level CSR & SD Committee. ii) Nalco Foundation, a trust registered by the Company, executes the approved CSR projects assigned to it. iii) Some of the approved CSR projects are also carried out departmentally. iv) There is also provision of executing the projects through NGOs/specialized agencies etc. having established track record of 3years or above, in undertaking projects of the required kind.
8.3	Impact assessment of CSR initiatives.	The monitoring and evaluation of all CSR projects are as per CSR policy of the organisation.
8.4	Direct contribution to community development projects.	The mandated expenditure on CSR activities is Rs 20.14 Crore, which is 2 % of Net Profit of the three preceeding Financial Years i.e. 2011-12, 2012-13, 2013-14. A sum of ₹19.09 crore was spent during the year on activities under the broad categories of a) Promotion of Education b) Health and Sanitation c) Building Community Infrastructure d) Environmental Sustainability e) Renewable Energy f) Relief Measures g) Enhancing Vocational Skills h) Promoting Cultural activities of Local Community i) 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 making the whole process sustainable.

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

Our motto and core driving principle is to identify and deliver the needs of customer and adopt a customer centric approach to provide better service to customers. The 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. Taking cognizance of importance regarding customer feedbacks during various interactions, the important processes i.e. marketing, production, process control are periodically revisited for enhancing Customer Satisfaction.

Information with reference to BRR framework :

Sl.No.	Questions	Information
9.1	Percentage of customer complaints/ consumer cases pending as on the end of financial year i.e. 31st March'15.	<i>Complaints pending as on 31.03.2014 : 01 no.</i> <i>Complaints received during FY 2014-15 : 07 nos.</i> <i>Complaints disposed during FY 14-15 : 06 nos.</i> <i>Complaints pending as on 31.3.15 : 02 nos.</i> <i>% Customer Complaints pending, : 25.0 %</i> <i>as on 31.03.2015, with respect to total complaints</i> <i>Both the complaints have been resolved subsequently.</i>
9.2	Display of product information on the product label.	<i>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: company name, 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.</i>
9.3	Complaints by Stakeholders.	<i>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.</i>
9.4	Consumer survey/ Consumer Satisfaction Trends.	<i>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.</i> <i>Based on the trend analysis of Customer Satisfaction Survey, there is improvement of the average CSI from 0.926 during Sept., 2014 to 0.929 in March 2015.</i>

Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

A) Conservation of Energy :

i) Steps taken and impact on Conservation of Energy:

Major initiatives on Conservation of Energy, implemented at different units during the financial year 2014-15, and the impact thereof, are indicated below :

a) Bauxite Mines

1. Load sharing (temporary merging) of capacities of the existing three nos. of 33/0.433 KV, 1250 KVA transformers at MRS sub-station, in order to have an optimum loading of two nos. of transformers while keeping one switched off alternatively, in a period of ten days. This led to an annual energy savings of approx. 15,020 KWhr (1.3 TOE).
2. Modification of sump height of sprinkling pump house for haul roads is completed. On an average, savings of approx. 2100 KWhr (0.18 TOE) during the year is realised, based on the no. of operation of the pumps for sprinkling purpose.
3. Installation of 10 nos. of 36 W LED based solar street light poles is completed. The same has been installed at water distribution pump house area new sub-stations and CISF barrack area. The new system has replaced the use of conventional street light system with 250 W HPSV street light luminaries with a control gear losses upto 50 W working on mains electrical supply. This resulted in energy savings of 8,140 KWhr (0.7 TOE), during the year.

b) Alumina Refinery

1. Automatic control system to maintain Seal Air DP across Coal mills in old Boilers i.e. in Boiler-1, 2 & 3, by application of VFD system, thereby avoiding throttling of manual valve and thus saving energy to the tune of 269 TOE.
2. Optimisation of Gland Steam Condenser operation of TG by optimising the steam ejectors in service, thereby saving energy to the tune of 8951 TOE.

c) Smelter Plant

1. The specific DC energy consumption in Smelter Plant has reduced to 13395 KWhr/MT of Hot metal during the FY 2014-15 against the target of 13500 KWhr/MT. This could be achieved by using ALPSYS Pot regulation system in all Pot Lines, reducing anodic problems, reducing wedge drop and stem beam drops, use of graphitized cathode blocks, use of slotted anodes and increasing Anode stub hole & pin length in running pots. All these activities resulted in total annual energy savings of 11,071.5 TOE.
2. The Specific fuel oil consumption achieved is 59 Lt/MT of cast metal during FY 2014-15 against specific fuel oil consumption target i.e. 60 Lt/MT of cast metal. This could be achieved by adopting best operational practices, optimising the furnace operation with availability of hot metal and planning of production as per market demand, thereby reducing furnace idling time. Other factors such as semi-automatic firing with PID controller for optimum firing in furnaces, ensuring proper atomisation and combustion in the furnaces etc. also significantly contributed to the results. This resulted in total oil savings of 317.257 TOE.

d) Captive Power Plant

1. Three nos. of Regenerative Feed Water Heater were replaced in Unit-5, 6 & 7. This has resulted in temperature gain of Feed Water by 5-6°C & helped in arresting heat loss of feed water, resulting in energy savings of 6,019 TOE.
2. Fuel oil consumption has reduced from 5084 KL in 2013-14 to 2993 KL during the year by implementing improved operation and maintenance practices, resulting in energy savings of 2028 TOE.
3. In the lighting system 948 nos. of 40W TL copper choke were replaced with Electronic choke, 469 nos. of 2x40W tube lights with 2x28W T5 fitting and 1656 nos. of 125W HPMW lamps with 70W HPSV ones, with energy savings of 14 TOE.

Energy Conservation project proposed or in progress during 2014-15, with completion planned in 2015-16 are:

In Alumina Refinery, installation of Magnadrive coupling in Conveyor 5A, 5B and 6A is in progress. This is planned for completion in 2015-16 with estimated energy savings of 4 TOE.

ii) The steps taken for utilising alternate sources of energy:
Alumina Refinery :

Regarding usage of alternate source of energy, feasibility study was carried out to assess the Solar Power generation potential at M&R Complex, Damanjodi. The study reveals the solar generation potential at M&R Complex is 1.9 MWp.

Smelter Plant :

To harness the renewable Energy in compliance to the RPO obligation, the solar potential available on the rooftops of thirteen buildings of Smelter Plant & Township have been assessed to be 1.17 MW during peak hour. The matter is taken up with Ministry of New & Renewable Energy for availing capital subsidy for installation of above rooftop solar PV cells.

iii) The capital investment on energy conservation equipments :

No specific capital expenditure incurred for energy conservation equipments during the year.

B. 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	Two stage PHE eliminating water cooling stage 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.
7	Synthetic flocculants for use in Conventional washers in place of Natural flocculant wheat bran	Wheat Bran which is a fodder can be replaced. Cost reduction is an added advantage.

b) Smelter Plant, Angul:

Sl.No.	Details of modification	Benefits thereof
1	Installation of modified drive arrangement with additional brake on drum output shaft for anode grab hoist of Stacking Crane in ABF-2	Eliminate free fall of hoist in case of failure of gearbox which improves equipment as well as human safety.
2	Installation of Mogensen Screen in Coke system of GAP-I	- Reduce downtime, increase availability and avoid non-availability of spares for obsolesce of old equipment. - Less stoppage of plant & less jamming improve anode quality.
3	Modification of screw conveying system of dust generated from Dedusting unit of Bath Breaking m/c in RS-2 by installing 2 stage screw conveyors	- Smooth conveying of bath dust and improves dedusting system. - Avoid leakage bath at the bottom. - Improves housekeeping.
4	Installation & commissioning of bar code product label printing system for coils produced in WRM 1&2 in CH-A	This system will help tracking WRM coil and its weights in different stages and automatic uploading of weight data / reports to SAP system which will help immensely for dispatch of the product.
5	In CH-A, furnaces 5,6,7 & 8 logic modification done for control of Furnace auto firing from tundish temperature reference instead of controlling from bath temperature	This would result in precise control of the casting temperature avoiding the variations in the drop of molten metal temperature during flow in the launder.

Sl.No.	Details of modification	Benefits thereof
6	T-Casting, Briquetting Press of CH-B, Allen Bradley Flex-Logix Control System was in-house upgraded to Controllogix system with shifting of the PLC panel to the control room from the field	Flex-logix has become obsolete and no spares were available. Also in the old system there was no provision for online monitoring of process for identification of problems. Shifting of the PLC resulted in ease of operation & safer environment.
7	In order to avoid alumina spillage in the pot room during PTM filling due to malfunction of the level sensor mounted in the PTM hopper, Program logic was modified to stop PTA fan irrespective of the status of the level sensor after a fixed time. This program modification was carried out in FTP-1, 4, 5 & 6 as per FTP (O) requirement	After the modification the system is working satisfactorily and there are no observations on incident of alumina spillage during the PTM filling operation in FTP-1, 4, 5 & 6.
8	In order to monitor the dust content in the flue gas of the stack, dust analyzers were installed in stacks of FTP-1,4,5 & 6, necessary wiring was done, PLC logic was developed, indication facility & trend facility are provided in SCADA	This provided close monitoring of the dust parameters in the stack. Also History and trend facility provides direction of change in parameter and it's magnitude at various instant of time.

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, area where this has not taken place, reasons, therefore and future plans or action
Auto Analyser for particle size analysis	2010-11	-	Under evaluation
IR Thermography studies to locate hot spots in furnaces and electrical Switchyard equipments	2009-11	-	Procedure/ System under establishment.

(b) Smelter Plant, Angul:

Fume treatment Center in Anode Baking Furnace- 2 for meeting the environmental norms	2012-13	YES	
Successful operation of potlines with slotted anodes for reduction of DC Energy consumption	2012-13	NO	Complete absorption of technology will take place after commissioning of 2nd slot cutting machine which is under procurement process.
Pot lining material upgraded from semigraphite cathodes to graphitized cathodes in potline-3 for increase in amperage and better performance. All potlines will be upgraded in next four to five years.	2009-10	NO	235 pots have been lined with graphitized cathodes.
RTDAS (Real Time Data acquisition system) for CH (B) stacks, FTP 7 & 8 stacks for continuous uploading data to the server of OSPCB through GPRS service	2013-14	YES	—
Online ambient air quality monitoring station at Township commissioned for continuous uploading data to the server of OSPCB through GPRS service	2013-14	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" and 10" Billets	2013-14	YES	—

Technology Imported	Year of import	Has technology been fully absorbed	if not fully absorbed, area where this has not taken place, reasons, therefore and future plans or action
Anode stub hole depth increased for reduction of DC Energy consumption	2013-14	YES	–
Introduction of automatic bath breaking m/c in Rodding Shop-1	2013-14	YES	–
Six numbers online particulate matter (PM) analysers installed & commissioned in FTPs of Potlines	2014-15	YES	–
Three numbers online ambient air quality monitoring stations commissioned inside Smelter plant	2014-15	YES	–
Online effluent monitoring station commissioned at the outlet of effluent treatment plant	2014-15	YES	–
Automated Alumina mixing system for crushed bath plant at rodding shop-1	2014-15	YES	–
C.P.Coke blending system installed in GAP1	2014-15	YES	–

Expenditure on R&D:

(₹ in lakhs)

	2014-15	2013-14
(a) Capital	81	796
(b) Recurring	650	591
(c) Total	731	1387
(d) Total R&D Expenditure as % of total turnover	0.09	0.20

- C. The foreign exchange earning for the year 2014-15 was ₹ 3,161 crores as against ₹ 3,617 crores in 2013-14. The foreign exchange outgo for the year under report was ₹ 202 crores as against ₹ 319 crores in the previous year.

Report on Corporate Governance

General

In accordance with the provisions of Clause 49 of the Listing Agreement with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and the DPE guidelines, the report containing the details of Corporate Governance Systems and Practices at NALCO are given below:

1. Philosophy

Corporate governance is about commitment to values and ethical business conduct. It gives a picture of how an organization is managed. Corporate Governance is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. Timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the Company is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organization. Consequently, it results in attracting investors and enhance the trust and confidence of the stakeholders.

At NALCO, the Company strives to manage the affairs in a fair and transparent manner to gain and retain the trust of all stakeholders. An enlightened, well-informed and independent Board is the root to ensure highest standards of corporate governance. A sound system of internal control, compliance of laws, rules and regulations, timely supply of material information to all stakeholders have strengthened governance practices in NALCO over the years. The Company has endeavored to adhere to the ethical standards at the highest level for effective management and to discharge social responsibility for sustainable development of all stakeholders.

Corporate Governance Policies

The Company has adopted various codes and policies to carry out its duties in an ethical manner. Some of these codes and policies are (i) Code of Conduct for Directors and Senior Management, (ii) Code of practices and procedures for fair disclosure of unpublished price sensitive information, (iii) Code of Conduct to regulate, monitor and report trading by its employees and other connected persons, (iv) Fraud Prevention Policy, (v) Whistle Blower Policy, (vi) Policy on Related Party Transactions, (vii) Corporate Social Responsibility Policy etc.

2.0 Board of Directors

The Company is managed by an enlightened Board which formulates strategies, policies and reviews the performance periodically. The Directors, both Executive Directors and Non-Executive Directors which include the independent directors are appointed by the Govt. of India from a pool of talent comprising of senior bureaucrats, technocrats, professionals having requisite qualification, experience and expertise in various fields. The Board is having the support of a management team to ensure that day to day activities are performed in an efficient manner. The Board has also constituted several Sub-Committees to discharge its responsibilities in an effective manner.

2.1 Composition

The Board had 10 directors comprising of six full time directors including the Chairman-cum-Managing Director, two non-executive official directors and two non-executive non-official (independent) directors as on 31st March, 2015. The six full time directors including CMD manage the day to day activities of the Company under the overall supervision of the Board.

The Listing Agreement and Dept. of Public Enterprises (DPE), Govt. of India guidelines on Corporate Governance stipulate a condition that half of the Board should comprise of independent directors if Chairman of the Company is an Executive Director. Accordingly, there was a requirement of at least 8 Independent Directors on the Board of the Company as against 2 Independent Directors as on 31st March, 2015.

During the year, no Independent Directors were appointed to fill-up the vacancy caused intermittently with cessation of tenure of independent directors. Hence, there was non-compliance on the composition of the Board in terms of Clause 49 of the Listing Agreement, throughout the year.

There was also non-compliance of Section 149(4) of the Companies Act, 2013 w.e.f. 27.12.2014, which stipulates that the Company should have at least one third of the total number of Directors as Independent Directors.

2.2 Resume of Directors

Director's profile specifying the qualification, experience, expertise in 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.

2.3 Training of Board Members

On appointment of new Independent and Non-Executive Directors, the Company provides necessary documents/brochures, reports, corporate plan document etc. to enable them to familiarize with the Company's procedures and practices. The

Company also makes presentations before the Board, Board sub-committee meeting on several issues from time to time.

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 to discharge their duties effectively as Directors.

2.4 Board Meetings

As per the revised Clause 49 of the Listing Agreement, the Board should meet at least four times a year with a maximum time gap of 120 days between any two meetings. Similarly, DPE guidelines on corporate governance for CPSEs prescribe that there should not be a gap of more than three months between any two Board meetings.

Nine Board meetings were held during the financial year 2014-15. The meetings were held on 09-04-2014, 28-05-2014, 30-07-2014, 13-08-2014, 12-09-2014, 12-11-2014, 10-12-2014, 10-02-2015 & 12-03-2015. The minimum and maximum time gap between any two Board meetings was 13 days and 62 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		
		Functional	Part-time Official	Independent
273/09-04-2014	14	06	01	05
274/28-05-2014	14	06	01	06
275/30-07-2014	13	05	01	05
276/13-08-2014	13	06	01	06
277/12-09-2014	13	06	01	04
278/12-11-2014	11	06	01	04
279/10-12-2014	12	06	02	03
280/10-02-2015	10	05	01	02
281/12-03-2015	10	06	01	01

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 33rd AGM held on 27.09.2014	No. of other directorships	Membership in the Committees of other Companies*	
	Held during the tenure	Attended			Membership	Chairmanship
Shri Ansuman Das, CMD	9	9	Yes	Nil	NA	NA
Shri S.S. Mahapatra, Director (Production)	7	6	Yes	Nil	NA	NA
Shri N.R. Mohanty, Director(P&T)	9	9	Yes	Nil	NA	NA
Shri S C Padhy, Director (HR)	9	8	Yes	Nil	NA	NA
Shri K.C. Samal, Director (Finance)	9	9	Yes	Nil	NA	NA
Ms. Soma Mondal, Director (Commercial)	9	9	Yes	Nil	NA	NA
Shri V. Balasubramanyam (w.e.f. 01.01.2015)	2	2	NA	Nil	NA	NA

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

Shri R. Sridharan, IAS	9	6		Nil	NA	NA
Shri Durga Shanker Mishra, IAS, (upto 11.07.2014)	2	1		02	02	-
Dr. N. K. Singh, IFS (w.e.f. 12.11.2014)	3	3		01	01	-

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

Shri Qaiser Shamim	9	8		Nil	NA	NA
Shri Sanjiv Batra	9	5		02	02	-
Shri G.P. Joshi, IAS(Retd.) (upto 15.09.2014)	5	5		03	-	-
Shri S.S. Khurana (upto 15.09.2014)	5	5		01	01	-
Shri Madhukar Gupta, IAS (Retd.) (upto 27.12.2014)	7	7		01	-	-
Shri G.H. Amin (upto 27.12.2014)	7	6		Nil	NA	NA

* Membership/Chairmanship only in the Audit Committee and Stakeholders Relationship Committee is considered as per the Listing Agreement.

2.5 Board/Committee Meetings and procedures

(A) Institutionalized decision making process

The Board of Directors is the apex body to oversee the overall functioning of the Company. The Board is responsible for setting the policies and ensure processes are in place to deliver the results. The Board has constituted various sub-Committees, depending on statutory requirement and business needs.

(B) Observance of Secretarial Standards

Though the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) were non mandatory during the year, the Company has substantially practiced these standards relating to Board Meeting, General Meetings, Payment of Dividend, Maintenance of Register of Records, Minutes of Meeting, Transmission of Shares, Passing of Resolution by Circulation, Board Reports etc.

(C) Scheduling and selection of Agenda items for Board / Committee Meetings

- (i) Board meetings are scheduled after seeking convenience of the Directors and the notice is circulated among all the Directors. This ensures the Directors to plan their schedule for participation in meeting well in advance. This also helps the management in ensuring preparation of the agenda items well in advance and to keep it ready for the meeting.
- (ii) The meetings are convened by giving at least 7 days advance notice after obtaining approval of CMD/ Chairman of Committee.
- (iii) Resolutions are passed by circulation to address specific urgent needs.
- (iv) The agenda papers are prepared by concerned officials, recommended by the concerned functional Directors and approved by the CMD. Agenda papers having financial implications are concurred by Director (Finance) before those are put up to CMD for approval.
- (v) Due care is taken to circulate the duly approved agenda papers well in advance before the scheduled date of meeting amongst members of the Board/ Committee. Detailed agenda notes are circulated in advance to facilitate meaningful, informed and focused deliberations and decisions at meetings. Document or agenda of confidential nature and additional/ supplemental item(s) on the agenda are placed on the table with the prior approval of Chairman.
- (vi) Presentations are made to the Board/ Committee covering Finance, Production, Operations, major Business Segments, Human Resources, Marketing, Joint Venture operations, whenever required.

(vii) The members of the Board/ Committee have complete access to all information of the Company and are also free to recommend inclusion of any matter in the agenda for discussion. Senior officials are called to provide additional inputs to the items being discussed by the Board/Committee, as and when required.

(D) Recording minutes of proceedings at the Board Meeting

Minutes of the proceedings of every meeting are prepared with all relevant information discussed in the meeting. Draft minutes are circulated amongst all members of the Board/Committee for their comments and suggestions made, if any, by any member are incorporated in the minutes before it is put up to the Chairman of the Board/Committee for approval. These minutes are confirmed in the next Board/ Committee Meeting. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

The minutes of the Sub-Committee meetings are placed before the Board in the subsequent meeting.

(E) Follow-up mechanism

There is an effective post-meeting follow-up, review and reporting process for the action taken on decisions/instructions/ directions of the Board and Committees.

(F) Compliance

Functional heads are primarily responsible towards ensuring adherence to all applicable provisions of law, rules, regulations, guidelines respective to their areas. Periodically Compliance Report is prepared after collecting the compliance report from the nodal officers confirming adherence to all applicable laws, rules, and guidelines are placed before the Board for information.

(G) The items / matters that are placed before the Board, inter alia, include:

- Annual operating plans of businesses and budgets including capital budgets and revision therein.
- Quarterly results of the Company including the segment results.
- Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report
- Minutes of meetings of the Audit Committee and other Committees of the Board.
- Fatal or serious accidents, dangerous occurrences, and 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.
- Details of any joint venture or collaboration agreement.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like implementation of Voluntary Retirement Scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- Foreign exchange exposures, and steps taken by management to limit risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as non-payment of dividend, delay in share transfer, if any etc.
- Appointment, remuneration and resignation of Directors
- Formation/reconstitution of Board Committees
- Terms of reference of Board Committees
- Declaration of Independent Directors at the time of appointment/annually
- Disclosure of Directors' interest and their shareholding
- Appointment or removal of the Key Managerial Personnel (KMP).
- Appointment of Internal Auditors and Secretarial Auditors.
- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors.
- Declaration of Dividend.
- Significant changes in accounting policies and internal controls
- Statement of significant transactions, related party transactions.
- Fixing of remuneration of the Auditors as recommended by the Audit Committee
- Internal Audit findings and External Audit Reports (through the Audit Committee)
- Compliance Certificate certifying compliance with all laws as applicable to the Company

3.0 Board Committees

The Board has constituted certain Committees as per requirements under different statutes and some other Committees voluntarily for smooth functioning of the activities of the Company. The guidelines relating to Board are applicable to the Committees as well, to the extent possible.

Statutory Committees:

- a) Audit Committee
- b) Stakeholders Relationship committee
- c) Risk Management Committee
- d) CSR & Sustainability Development Committee
- e) Nomination & Remuneration Committee
- f) Technology Committee (as per DPE Guidelines)

Non-statutory Committees:

- a) Human Resources Committee
- b) Ethics & Corporate Governance Committee
- c) Committee of Directors for Projects and New Ventures

3.1 Audit Committee

The Audit Committee is constituted in compliance with requirements of Section 177 of the Companies Act, 2013, Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance. Members of the Audit Committee possess financial/ accounting expertise / exposure.

Powers of the Audit Committee

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

Role of the Audit Committee inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of cost auditors, fixation of audit fees and other terms of appointment.
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them.

Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of Section 134(5) of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by the management
- Significant adjustments made in financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of related party transactions
- Qualifications in draft audit report
- Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice, and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.

- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments, if any.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board.
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- Mandatory review of the following information by Audit Committee:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions, submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of internal auditors / chief internal auditor.

The Audit Committee consisted of the following members as on 31.03.2015:

1. Shri Qaiser Shamim – Independent Director
2. Shri Sanjiv Batra – Independent Director
3. Dr. N. K. Singh – Part-time Official Director

Shri Qaiser Shamim was the Chairman of the Committee.

Executives of Finance & Accounts Department, Chief of Internal Audit and representatives of Statutory Auditors/Cost Auditors attend Audit Committee Meetings as per statutory/regulatory provisions.

Shri Madhukar Gupta, the then Chairman of the Audit Committee was present at the last Annual General Meeting.

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 28.05.2014, 30.07.2014, 13.08.2014, 12.11.2014, 10.02.2015 & 12.03.2015. The maximum gap between any two Audit Committee meetings was 90 days.

During the year, there was no valid quorum for one of the Audit Committee meeting as per the requirements of the Listing Agreement. However, requisite quorum was there in the meeting as the provisions of the Companies Act, 2013.

Recommendations made by the Audit Committee in the Audit Committee Meetings were accepted by the Board.

Details of meetings held and attended by members are given below:

Member of Audit Committee	Meetings held	Meetings attended
Shri G.P. Joshi (upto 15.09.2014)	3	3
Shri Madhukar Gupta (upto 27.12.2014)	4	4
Shri Qaiser Shamim	6	6
Shri Sanjiv Batra	3	2
Dr. N. K. Singh	2	2

3.2 Stakeholders Relationship Committee

The Board of Directors have constituted Stakeholders Relationship Committee in terms of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Consequently, the terms of reference of Audit Committee which was hitherto looking into the Investors' Grievances has been amended.

The Committee is primarily responsible to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

The Committee consisted of the following directors as on 31.03.2015:

- | | | |
|-----------------------|---|----------------------|
| 1. Shri Qaiser Shamim | – | Independent Director |
| 2. Shri Sanjiv Batra | – | Independent Director |
| 3. Shri N R Mohanty | – | Director (P&T) |

Shri Qaiser Shamim was the Chairman of the Committee.

Meeting Details

The Committee met twice on 12-11-2014 and 10-02-2015 during the year.

Compliance Officer

Shri K. N. Ravindra, Executive Director - Company Secretary is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

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	01	01	Nil
Stock Exchanges	Nil	03	03	Nil
Individuals & Institutions	Nil	70	70	Nil
TOTAL	Nil	74	74	Nil

All complaints/grievances of the shareholders/investors are expeditiously and usually resolved in 2-3 days' time except cases relating to non-receipt of 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	51
Non receipt of Annual Report	08
Non-receipt split & bonus share certificate	10
Demat / Remat confirmation not received	03
Demat / Remat request pending	01
Non receipt of NECS intimation slip	01
TOTAL	74

3.3 Risk Management Committee

In accordance with the provisions of revised Clause 49 of the Listing Agreement which came into effect from 01-10-2014, constitution of Risk Management Committee has become mandatory. However, the Company had constituted Risk Management Committee much before 01-10-2014 with the following terms of reference:

- 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 consisted of the following members as on 31.03.2015:

- | | | |
|---------------------------|---|-----------------------|
| 1. Shri Qaiser Shamim | – | Independent Director |
| 2. Shri K C Samal | – | Director (Finance) |
| 3. Shri V Balasubramanyam | – | Director (Production) |

Shri Qaiser Shamim was the Chairman of the Committee.

The Committee met once on 12.09.2014 during the year.

3.4 CSR & Sustainability Development Committee

The Companies Act, 2013 mandates constitution of Corporate Social Responsibility Committee. The Company had constituted Corporate Social Responsibility & Sustainability Development Committee much before the requirements under the Companies Act, 2013. The Committee is empowered to look into matters related to CSR activities and sustainability development programmes.

The Committee consisted of the following members as on 31-03-2015:

- | | | |
|---------------------------|---|-----------------------|
| 1. Shri Qaiser Shamim | – | Independent Director |
| 2. Shri Sanjiv Batra | – | Independent Director |
| 3. Shri S. C. Padhy | – | Director (HR) |
| 4. Ms. Soma Mondal | – | Director (Commercial) |
| 5. Shri V Balasubramanyam | – | Director (Production) |

Shri Qaiser Shamim was the Chairman of the Committee.

The Committee met once on 30-07-2014 during the year under review.

3.5 Nomination & Remuneration Committee

The Board of Directors have rechristened the existing Remuneration Committee which was constituted in terms of DPE guidelines, as Nomination and Remuneration Committee during the year by incorporating the terms of reference of Remuneration Committee as one of its terms of reference. Prior to rechristening the Remuneration Committee as Nomination and Remuneration committee, the Remuneration Committee had met once during the year. During the year, the Company did not hold any meeting of the Nomination and Remuneration Committee pending receipt of clarifications/exemptions for the Government Companies.

The Nomination and Remuneration Committee was constituted with the following members, as on 31.03.2015:

- | | | |
|-----------------------|---|-----------------------------|
| 1. Shri Sanjiv Batra | – | Independent Director |
| 2. Shri Qaiser Shamim | – | Independent Director |
| 3. Dr. N. K. Singh | – | Part-time Official Director |

3.6 Technology Committee

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

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 consisted of the following members, as on 31.03.2015:

- | | | |
|---------------------------|---|-----------------------|
| 1. Shri Sanjiv Batra | – | Independent Director |
| 2. Shri N R Mohanty | – | Director (P&T) |
| 3. Ms. Soma Mondal | – | Director (Commercial) |
| 4. Shri V Balasubramanyam | – | Director (Production) |

The Committee was headed by Shri Sanjiv Batra, Independent Director.

The members met once on 21-08-2014 during the year.

3.7 Human Resources Committee

The Company is having a Human Resources Committee with the following terms of reference:

- 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.
- Wage structure and scales of pay of the non-executives and any changes therein.
- Organization chart including manpower planning.
- Any other reference made by the Board from time to time.

The HR Committee consisted of the following members, as on 31.03.2015:

- | | | |
|----------------------|---|----------------------|
| 1. Shri Sanjiv Batra | – | Independent Director |
| 2. Shri S. C. Padhy | – | Director(HR) |
| 3. Shri K C Samal | – | Director (Finance) |

The Committee was headed by Shri Sanjiv Batra, Independent Director.

HR Committee met thrice on 27-07-2014, 07-08-2014 & 02-09-2014 during the year.

3.8 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 FIs 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 consisted of the following members, as on 31.03.2015:

- | | | |
|-----------------------|---|----------------------|
| 1. Shri Kaiser Shamim | — | Independent Director |
| 2. Shri S. C. Padhy | — | Director (HR) |
| 3. Shri K C Samal | — | Director (Finance) |

Shri Kaiser Shamim was the Chairman of the Committee.

The Committee met once on 30-07-2014 during the year.

3.9 Committee of Directors for Projects and New Ventures

A Committee of Directors for Projects and New Ventures has been constituted with following terms of reference to examine and make recommendation to the Board on new projects/capital expenditure on Joint ventures:

- 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 crore each.

The Committee consisted of the following members, as on 31.03.2015:

- | | | |
|---------------------------|---|--------------------------------|
| 1) Shri Ansuman Das | — | Chairman-cum-Managing Director |
| 2) Shri N R Mohanty | — | Director (P&T) |
| 3) Shri S C Padhy | — | Director (HR) |
| 4) Shri K C Smal | — | Director (Finance) |
| 5) Ms. Soma Mondal | — | Director (Commercial) |
| 6) Shri V Balasubramanyam | — | Director (Production) |
| 7) Dr. N K Singh | — | Part-time official Director |
| 8) Shri Kaiser Shamim | — | Independent Director |

CMD is the Chairman of the Committee.

The Committee met twice on 09-04-2014 & 12-11-2014 during the year.

3.10 Other Committees

The Board has constituted the following Committees with only functional directors to take care of certain regular activities with the terms of reference 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

To ensure smooth process of transfer/transmission and dematerialization of shares, ED-Company Secretary has been authorized by the Board to approve all such requests/cases. However, cases pertaining to issue of new share certificates in case of torn/mutilated/defaced/lost/rematerialisation are placed before the 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 Meeting of Independent Directors

The Companies Act, 2013 and Listing Agreement stipulate that at least one meeting of the Independent Directors should be held in a year without presence of the functional Directors or management personnel, with following terms of reference:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Being a Govt. Company, the terms of reference at (a) & (b) above for the Independent Directors meeting are in conflict with the existing Government guidelines. The Company is awaiting clarification from the Government on the subject. However, the Independent Directors met on 26-02-2014 and 30-05-2015.

5.0 Remuneration of Directors

(a) Whole-time Directors

Details of remuneration of the whole time directors paid during the financial year 2014-15 are as follows:

Name	Relationship with other Directors	Remuneration for the year 2014-15 (₹)		
		All elements of remuneration package, i.e. salary, PF contribution, pension, Gratuity etc.	Other benefits	Total
Shri Ansuman Das, CMD	No	35,16,344	27,416	35,43,760
Shri N.R. Mohanty, Director(P&T)	No	44,30,060	71,573	45,01,633
Shri S.C. Padhy, Director(HR)	No	28,44,193	59,779	29,03,972
Shri K.C. Samal, Director (Finance)	No	33,88,951	91,796	34,10,747
Ms. Somal Mondal, Director (Commercial)	No	36,92,912	-	36,92,912
Shri V. Balasubramanyam, Director (Prod.) (w.e.f. 01.01.2015)	No	7,09,660	2,933	7,12,593
Shri S.S. Mahapatra, Director (Prod.) (Upto 31.12.2014)	No	23,02,884	48,833	23,51,717

The Company has not issued any stock options during 2014-15.

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

Sitting fees is payable to the Independent Directors as per the ceiling prescribed under the Companies Act, 2013. 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 (₹)*		Total (₹)
	Board Meetings	Committee Meetings	
Shri Qaiser Shamim	160000	200000	360000
Shri Sanjiv Batra	100000	100000	200000
Shri G.P. Joshi (upto 15.09.2014)	100000	100000	200000
Shri S.S. Khurana (upto 15.09.2014)	100000	100000	200000
Shri Madhukar Gupta (upto 27.12.2014)	140000	180000	320000
Shri G.H. Amin (upto 27.12.2014)	120000	100000	220000

*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, 2015. No remuneration was paid to them.

(d) 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 (Part-time non-official) are appointed by the President of India for a period of three years usually.

There is no provision for payment of severance fees.

6.0 Accountability of Functional Directors

The Company enters into an annual Memorandum of Understanding (MoU) with the Administrative Ministry i.e. Ministry of Mines, Govt. of India, at the beginning of the year setting targets on financial and non-financial parameters with appropriate weightages in consultation with the Ministry. The performance with regard to MoU is reviewed by the Ministry periodically.

The Companies Act, 2013 and the revised clause 49 of the Listing Agreement has introduced evaluation of the individual directors as well as the Board as a whole. Considering the criteria stipulated under the Act, the Board has approved the following:

- To evaluate the performance of the whole time directors including CMD based on the criteria stipulated in the MoU for the year 2014-15 and existing guidelines issued by Government on the subject till clarifications/exemptions relating to Govt. companies are notified by the Government.
- For part-time official directors, the evaluation criteria to be as per the prevailing rules and guidelines of the Govt. of India.
- The criteria for evaluation of Independent Directors and the Board is to be decided by the Government.

7.0 Auditors

M/s. Agasti & Associates, Chartered Accountants and M/s. ABP & Associates, Chartered Accountants are appointed as joint Statutory Auditors of the Company for the financial year 2014-15 by Comptroller & Auditor General of India (CAG).

The fees payable to the joint statutory auditors for the year 2014-15 was ₹ 20 lakhs towards statutory audit fees, ₹ 15 lakhs plus applicable tax for quarterly Limited Review Report for three quarters, ₹ 4 lakhs plus applicable tax towards fee for Tax audit and ₹ 1 lakh plus applicable tax towards fee for certification on Corporate Governance.

External firms have been engaged as Internal Auditors to review internal controls and operating systems and procedures unit wise. One of the General Manager level officer has been designated as Chief of Internal Auditor to supervise the internal audit activities.

M/s. S. Dhal & Associates, Cost Accountants have been appointed as Cost Auditors of the Company for the financial year 2014-15.

M/s. Saroj Ray & Associates, Company Secretaries have been appointed as Secretarial Auditors of the Company for the financial year 2014-15.

8.0 General Meetings of Shareholders

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

Annual General Meeting

Year	2012	2013	2014
Date/Time	14.08.2012/11.00 AM	27.09.2013/11.00AM	27.09.2014/11.00AM
Venue	NALCO Bhawan, P/1, Nayapalli Bhubaneswar-751 061	NALCO Bhawan, P/1, Nayapalli Bhubaneswar-751 061	NALCO Bhawan, P/1, Nayapalli Bhubaneswar-751 013
Special Resolution	Nil	Nil	Nil

Extra-ordinary General Meeting

Year	2012	2013	2014
Date/Time	--	--	--
Venue	--	--	--
Special Resolution	Nil	Nil	Nil

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

9.0 Disclosures

(a) Material Contracts/Related Party Transactions

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 48 of Notes to financial statements in the Annual Report outlines the disclosure of transactions with the related parties.

b) As per DPE guidelines

- Items of expenditure debited in books of accounts, not related to business – Nil.
- Expenses incurred which are personal in nature and incurred for the Board of Directors and top management – Nil.
- Administrative and office expenses as a percentage of total expenses are given below:

(₹ in Crore)

Particulars	2014-15	2013-14
Administrative and office expenses	71.19	93.27
Total expenses	6090.45	6371.38
Administrative and office expenses as a % of total expenses	1.17	1.46

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

10.0 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.

11.0 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-compliances on the composition of the Board of Directors etc. reported elsewhere in the Report. Compliance on composition of the Board of Directors is beyond the control of the Company. The non-compliance on this front is reported to the Stock Exchanges on regular interval while filing the quarterly report on corporate governance.

No penalties have been imposed on the Company nor any stricture passed by the Stock Exchanges, SEBI or other statutory authorities during the last three years.

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 as per the self-appraisal report for the financial year 2014-15.

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

12.0 Reporting on compliance of various applicable laws

The Company had been reporting to the Board about the status of compliance of various statutes based on the certifications received from the concerned departments. In order to streamline and to put in place a system driven statutory compliance management, the Company has recently engaged a legal firm to develop a module on compliance management solution.

13.0 Adoption of Non-Mandatory Requirements

The Company has complied with the non-mandatory requirement of achieving unqualified audited financial statements. The Company has been getting unqualified audit report from Statutory Auditors and C&AG for last several years which indicate a regime of unqualified financial statements.

13.0 Corporate Ethics

(a) Code of conduct for prevention of Insider Trading

To ensure further strengthening the regulatory framework dealing with insider trading in India, SEBI has substituted/revised the SEBI (Prohibition of Insider Trading) Regulations, 1992 with a new SEBI (Prohibition of Insider Trading) Regulations, 2014. The new Regulation was notified on 15th January, 2015 to be effective from 15th May, 2015. Under the new regulation, the definition of Insider has become wider, immediate relatives have been considered as connected persons, definition of unpublished price sensitive information has been strengthened.

The Company has put in place a new Code of Practices and Procedures for fair disclosure of unpublished price sensitive information & Code of Conduct to regulate, monitor and report trading by its employees and other connected persons in line with the requirements under the new Regulations during 2015-16.

(b) Model Code of Business Conduct and Ethics for Board Members and Senior Management

The Model Code of Business Conduct and Ethics for Board Members and Senior Management ('the Code'), as adopted by the Board, is a comprehensive Code applicable to Directors and senior management. The Code has laid down the standards of business conduct, ethics and governance to be followed in letter and spirit.

The code was recently amended to include the duties of Independent Directors in line with requirements of the Companies Act, 2013. A copy of the Code has been put on the Company's website www.nalcoindia.com. The Code has been circulated to all Directors and senior management, and compliance of the same is affirmed annually.

A declaration signed by the Company's Chairman and Managing Director is published 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 2014-15."

sd/-

(T.K. Chand)

Chairman-cum-Managing Director

13.0 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 30.05.2015, as required under clause 49 of the Listing Agreement. The CMD and Director (Finance) had also given 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.

14.0 Means of Communication

- (i) 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) 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 beforehand and the same are also uploaded in the Company's website.

- (iii) 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) 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) 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) 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) 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) The investor complaints are processed in a centralized web based complaints redress system. This system provides Centralized 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.

15.0 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: 26th September, 2015

Time: 11.00 A.M.

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

(iii) Financial Calendar for 2015-16:

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, 2016	By September , 2016

(iv) Book Closure Dates

Book Closure/Record Date	Purpose
19th March, 2015	Interim Dividend @ ₹ 1.25 per share for 2014-15
22nd September, 2015 to 26th September, 2015	Final Dividend @ ₹ 0.50 per share for 2014-15

(v) Dividend payment

The Board has recommended a final dividend of ₹ 0.50 per share (10% on the paid-up share capital) for the financial year 2014-15 in addition to the interim dividend of ₹ 1.25 per share (25% on the paid-up share capital) paid on 30.03.2015.

Total dividend for the year 2014-15 works out ₹ 1.75 per equity share of ₹ 5 each against ₹ 1.50 per equity share of ₹ 5 each declared during the previous year. The total amount of proposed dividend for 2014-15 is ₹ 451.02 crore as against ₹ 386.59 crore paid during the previous year.

(vi) Dividend History

Year	Dividend per share (₹)	Total Equity Shares	Total Dividend (₹ in crores)
2009-2010	2.50*	64,43,09,628	161.07
2010-2011	2.50*	257,72,38,512 #	257.72
2011-2012	1.00*	257,72,38,512	257.72
2012-2013	1.25*	257,72,38,512	322.15
2013-2014	1.50*	257,72,38,512	386.59

* Including interim dividend. # Subsequent to the split and bonus issue.

The Company has paid ₹ 5227.93 crore (excluding the final dividend recommended for 2014-15) 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 and also in the Ministry of Corporate Affairs 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
2006-07	Final Dividend	4,84,488	07.10.2014
2007-08	Interim Dividend	8,08,419	12.02.2015

(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 2015-16	28.04.2015	28.04.2015

Annual Custody/Issuer fee for the year 2014-15 has been paid by the Company to NSDL and CDSL on receipt of the invoices.

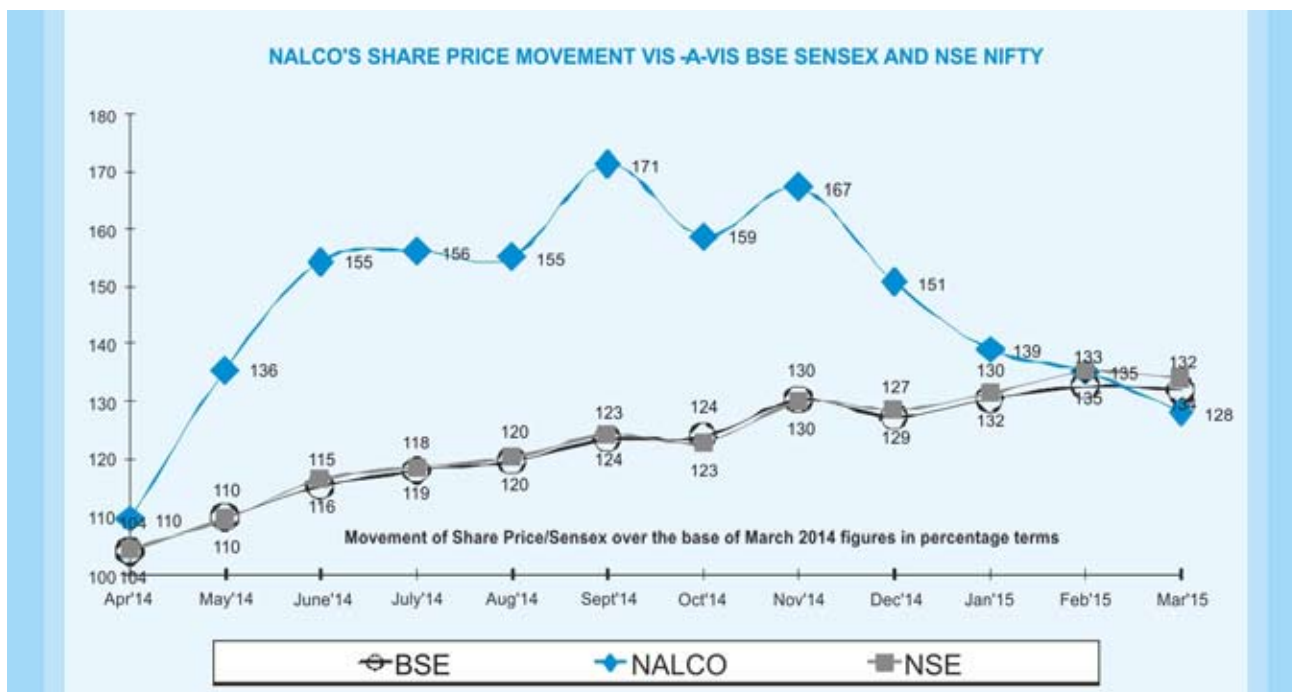
(x) Market Price Data

(Amount in ₹)

MONTH	SHARE PRICE (BSE)			SHARE PRICE (NSE)		
	H	L	Avg. Turnover	H	L	Avg. Turnover
April, 2014	41.85	37.60	281958	41.75	37.60	1289424
May	60.30	38.15	1279179	60.25	38.05	6535773
June	63.50	48.60	2009243	63.40	48.75	6070134
July	62.90	50.80	1003343	62.80	50.55	3127781
August	60.30	52.25	523114	60.25	52.30	1712579
September	68.80	55.80	693548	69.10	55.20	2854683
October	61.50	53.90	198592	61.60	53.65	1134910
November	64.30	57.15	370622	64.30	57.20	1644890
December	61.40	48.25	279820	60.75	48.10	1419527
January, 2015	56.45	44.55	240482	56.45	44.55	1122996
February	52.80	45.25	192978	52.90	45.25	1243620
March	50.80	42.05	136824	50.90	42.10	654716

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

Performance in comparison to broad - based Indices



(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 practising 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 Practising Company Secretary have been submitted to Stock Exchanges in time.

16.0 Registrar and Transfer Agents

The Company is having an 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)

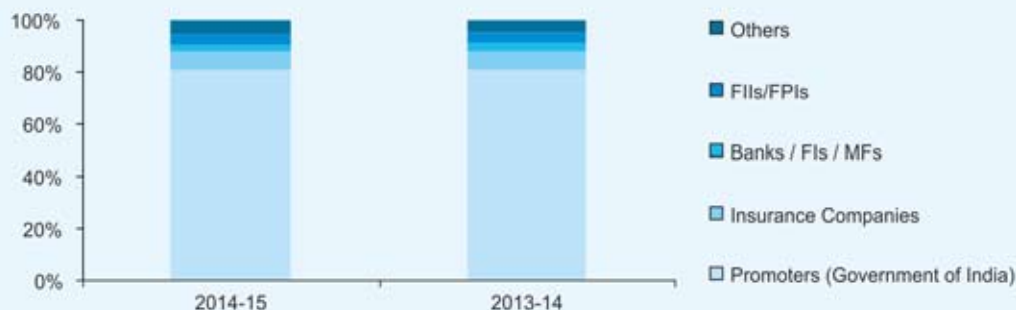
Fax: 0674-2300677

E-mail addresses:

- i) knravindra@nalcoindia.co.in
- ii) nkmohanty@nalcoindia.co.in
- iii) bharatsahu@nalcoindia.co.in

(ii) Shareholding pattern as on 31.03.2015

Sl. No.	Category	No. of Shareholders	No. of shares	Percentage of shareholding
1.	Promoters (Government of India)	1	208,57,82,622	80.93
2.	Mutual Funds	60	2,49,58,812	0.97
3.	Banks/ Financial Institutions	22	3,53,27,741	1.37
4.	Insurance Companies	9	18,91,36,844	7.34
5.	FII's	121	5,95,83,817	2.31
6.	Foreign Portfolio Investor (Corporate)	16	3,26,35,680	1.27
7.	Bodies Corporate	1,203	10,30,04,114	4.00
8.	Indian Public	68,450	4,13,47,115	1.60
9.	Others	2701	54,61,767	0.21
	TOTAL	72583	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	41,050	2,04,34,805	0.16
201-500	16,322	3,13,29,935	0.24
501-1000	7,460	3,08,64,430	0.24
1001-50000	7,532	15,28,89,730	1.19
50001-100000	66	2,49,78,100	0.19
100001 and above	153	1262,56,95,560	97.98

(iv) Major Shareholders as on 31.03.2015

Details of shareholders holding more than 1% of the paid-up capital as on 31.03.2015 are given below:

Name of shareholders	No. of shares held	% to Paid-up capital
President of India	208,57,82,622	80.93
LIC of India	15,92,66,579	6.18
Bajaj Allianz Life Insurance Co. Ltd.	3,22,54,260	1.25
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, 2015.

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.

Total no. of shares held in physical and in dematerialization mode as on 31.03.2015:

	No. of Shares	% to total shares	No. of shareholders
Demat shares with NSDL	2,53,09,54,995	98.20	46,657
Demat shares with CDSL	4,37,45,289	1.70	21,749
Shares in physical mode	25,38,228	0.10	4,177
Total	2,57,72,38,512	100	72,583

During the year, the Company has confirmed 151 dematerialization requests involving 75,972 shares. The Company has also confirmed 2 rematerialisation requests for 1800 shares during the year and the physical share certificates were dispatched to the shareholders within stipulated time.

17.0 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.

18.0 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)

Captive Power Plant

Angul - 759 122,(Odisha)

Mines & Refinery

Mines & Refinery Complex, Damanjodi - 763 008,
Dist.-Koraput (Odisha)

Port Facilities

Opposite Ore Handling Complex, Port Area,
Visakhapatnam – 530 035, (Andhra Pradesh)

Jaisalmer 47.6 MW Wind Power Plant

Village - Ludarva, Kahela, Khadero-Ki-Dhani, Tawariya, Chatrel,
Division/Taluk/District – Jaisalmer, Rajasthan – 345001

Gandikota 50.4 MW Wind Power Plant

Village – Gandikota, Division – Prodattur Taluka –
Jammalmadugu, District - Kadapa
Andhra Pradesh- 516434

19.0 Address for correspondence

ED-Company Secretary

National Aluminium Company Ltd.

NALCO Bhawan

P/1, Nayapalli

Bhubaneswar- 751 013

E-mail addresses: i) knravindra@nalcoindia.co.in
ii) nkmohanty@nalcoindia.co.in
iii) bharatsahu@nalcoindia.co.in

AGASTI & ASSOCIATES

Chartered Accountants
Plot No.97, Bhoinagar
Bhubaneswar-751 022
E-mail: agasti_associates@yahoo.com

ABP & ASSOCIATES

Chartered Accountants
11A, Bapuji Nagar,
Bhubaneswar-751 009.
E-mail: mail@caabp.com

AUDITORS' REPORT

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, 2015 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 did not have requisite number of independent directors on its Board during the financial year 2014-15.

The requisite number of independent directors were not present in the Company's 94th Audit committee held on 12th March, 2015 which was in violation of clause 49 (IIIB) of Listing Agreement.

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
Firm Registration No. 313043E

CA. Raj Kumar Agasti
Partner
Membership No. 304920

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

CA. Prabhat Kumar Panda
Partner
Membership No. 057140

Place : New Delhi
Dated : 3rd August, 2015

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 2014-15
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L27203OR1981GOI000920
ii)	Registration Date	:	7th JANUARY 1981
iii)	Name of the Company	:	NATIONAL ALUMINIUM COMPANY LTD
iv)	Category / Sub-Category of the Company	:	PUBLIC SECTOR COMPANY LIMITED BY SHARES
v)	Address of the Registered office and contact details	:	NATIONAL ALUMINIUM COMPANY LTD. NALCO BHAWAN, P/1, NAYAPALLI, BHUBANESWAR-751013 website: www.nalcoindia.com
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	In-house Share Registry, National Aluminium Company Ltd. NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751013 Phone No.: 0674-2303197 E mail: investorservice@nalcoindia.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Alumina	201	35.24
2	Aluminium	242	63.89
3	Power	351	0.87

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1.	NPCIL- NALCO Power Company Ltd. 16th Floor, Centre-1, World Trade Centre, Cuffe Parade, Colaba, Mumbai-400005	Associate	26	2(6)
2.	Angul Aluminium Park Pvt Ltd. IDCO Tower, Janpath, Bhubaneswar-751022	Associate	49.5	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/ HUF									
(b) Central Govt	2089059622	-	2089059622	81.06	2085782622	-	2085782622	80.93	(0.13)
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1)	2089059622	-	2089059622	81.06	2085782622	-	2085782622	80.93	(0.13)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter(A) = (A)(1)+(A)(2)	2089059622	-	2089059622	81.06	2085782622	-	2085782622	80.93	(0.13)
(B) Public shareholding									
1. Institutions									
a) Mutual Funds	6703754	88600	6792354	0.27	24870212	88600	24958812	0.97	0.70
b) Banks / FI	78347621	0	78347621	3.04	35327741	0	35327741	1.37	(1.67)
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	178140759	1600	178142359	6.91	189135244	1600	189136844	7.34	0.43
g) FIs	98047365	30200	98077565	3.81	59553617	30200	59583817	2.31	(1.5)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others(specify)	0	0	0	0	32635680	0	32635680	1.27	1.27
Sub-total(B)(1)	361239499	120400	361359899	14.02	341522494		341642894	13.26	(0.76)
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	89689505	17200	89706705	3.48	102986914	17200	103004114	4.00	0.52
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	24004124	1677400	25681524	1.00	30609110	1613828	32222938	1.25	0.25
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5955742	10600	5966342	0.23	9124177	0	9124177	0.35	0.12
c) Others (specify)	4677620	786800	5464420	0.21	4674967	786800	5461767	0.21	-
Sub-total (B)(2)	124326991	2492000	126818991	4.92	147395168	2417828	149812996	5.81	0.89
Total Public Shareholding (B)=(B)(1)+ (B)(2)	485566490	2612400	488178890	18.94	488917662	2538228	491455890	19.07	0.13
(C) Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2574626112	2612400	2577238512	100	2574700284	2538228	2577238512	100	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	% change in share holding during the year
1	President of India	2089059622	81.06	-	2085782622	80.93	-	(0.13)
2	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-
	Total	2089059622	81.06	-	2085782622	80.93	-	(0.13)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	2089059622	81.06	2089059622	81.06
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	(3277000) transfer of shares to employees Post- OFS 28.05.2014	(0.13)	2085782622	80.93
2	At the End of the year	2085782622	80.93	2085782622	80.93

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year (as on 31.03.2014)		Cumulative during the year (as on 31.03.2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Life Insurance Corporation of India	149266579	5.79	159266579	6.18
2.	Franklin Templeton Investment Funds	63010810	2.44	0	0
3.	Hindalco Industries Ltd	28667404	1.11	28667404	1.11
4.	Bajaj Allianz Life Insurance Company Ltd	25398388	0.99	32254260	1.25
5.	Templeton Emerging Markets Investment trust PLC	17615091	0.68	0	0
6.	Renuka Investments and Finance Ltd	16418964	0.64	16418964	0.64
7.	Renukeshwar Investment and Finance Ltd	12814264	0.50	12814264	0.50
8.	General Insurance Corporation of India	10309536	0.40	10309536	0.40
9.	LIC of India Market Plus-1 Growth Fund	9987308	0.39	9987308	0.39
10.	State Bank of India	9549000	0.37	0	0
11.	Platinum Asia Fund	-	-	22135594	0.86
12.	LIC of India Profit Plus	9987308	0.39	9987308	0.39
13.	Reliance Capital Trustee Ltd.	-	-	8875000	0.34

*The shares of the company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Ansuman Das CMD	400	-	400	-
2.	Shri N.R. Mohanty Director (P&T)	1304	-	5764	-
3.	Shri S.C. Padhy Director (HR)	0	-	1250	-
4.	Shri K C Samal Director (Fin)	400	-	400	-
5.	Smt Soma Mondal Director (Com)	1600	-	1600	-
6.	Shri V Balasubramanyam Director (Prod)	0	-	5260	-
7.	Shri K N Ravindra ED-Company Secretary	500	-	2260	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	Nil			Nil
ii) Interest due but not paid	Nil			Nil
iii) Interest accrued but not due	Nil			Nil
Total (i+ii+iii)	Nil			Nil
Change in Indebtedness during the financial year				Nil
• Addition				Nil
• Reduction				Nil
Net Change				Nil
Indebtedness at the end of the financial year				Nil
i) Principal Amount				Nil
ii) Interest due but not paid				Nil
iii) Interest accrued but not due				Nil
Total (i+ii+iii)				Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/WT/Manager							Total Amount (₹)
		Shri Ansuman Das, CMD	Shri N.R. Mohanty, Director (P&T)	Shri S.C. Padhy Director(HR)	Shri K C Samal Director(Fin)	Smt Soma Mondal Director (Com)	Shri V Balasubramanyam Director (Prod) w.e.f. 01.01.2015	Shri S S Mahapatra Director(Prod) Upto 31.12.2014	
1.	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,43,760	45,01,633	29,03,972	34,10,747	36,92,912	7,12,593	23,51,717	2,11,17,334
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	50,251	49,456	2,56,229	25,145	2,51,105	57,194	1,44,452	8,33,832
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-	-
4.	Commission								
	- as % of profit	-	-	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-	-
	Total (A)	35,94,011	45,51,089	31,60,201	34,35,892	39,44,017	7,69,787	24,96,169	2,19,51,166
	Ceiling as per the Act								

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors						Total Amount (₹)
		Shri Qaiser Shamim	Shri Sanjiv Batra	Shri G P Joshi	Shri S S Khurana	Shri Madhukar Gupta	Shri G H Amin	
1.	Independent Directors							
	• Fee for attending board committee meetings	3,60,000	2,00,000	2,00,000	2,00,000	3,20,000	2,20,000	15,00,000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	3,60,000	2,00,000	2,00,000	2,00,000	3,20,000	2,20,000	15,00,000
2.	Other Non-Executive Directors							
	• Fee for attending board committee meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	3,60,000	2,00,000	2,00,000	2,00,000	3,20,000	2,20,000	15,00,000
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	-	-	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary Shri K N Ravindra	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	29,58,806 33,067 -	NA	29,58,806 33,067 -
2.	Stock Option		-		-
3.	Sweat Equity		-		-
4.	Commission - as % of profit - others, specify		- - -		- - -
5.	Others, please specify		-		-
	Total		29,91,873		29,91,873

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

TYPE	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. Company					
Penalty		NIL			
Punishment					
Compounding					
B. Directors					
Penalty		NIL			
Punishment					
Compounding					
C. Other Officers in Default					
Penalty		NIL			
Punishment					
Compounding					

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
National Aluminium Company Limited
NALCO Bhawan, Plot No. P/1, Nayapalli,
Bhubaneswar – 751013 (Odisha)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Aluminium Company Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act), and Rules made there under;
- (ii) The Companies Act, 1956 and Rules made there under, to the extent for specified sections in the Act, not yet notified.
- (iii) The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit Period**);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not applicable to the Company during the Audit Period**);
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**);
- (vii) The other laws as may be applicable specifically to the Company are:
 - a. The Mines Act, 1952;
 - b. Mines & Minerals (Development & Regulation) Act, 1957;
 - c. The Explosives Act, 1984;
 - d. Environment Protection Act, 1986

- e. The Forest Conservation Act, 1980
- f. The Water (Prevention & Control of Pollution Act), 1974
- g. The Air (Prevention and Control of Pollution) Act, 1981
- h. Indian Boilers Act, 1923.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Not applicable to the Company during the audit period, since the same were not notified).**
- (ii) The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

During the financial year under review, the Board of Directors of the Company consists of the following Directors, as detailed below:

LIST OF DIRECTORS DURING THE FINANCIAL YEAR

Sl. No	Name of the Directors	Positions Held	Date of Appointment	Date of Cessation
WHOLE-TIME DIRECTORS				
1.	Shri Ansuman Das	Chairman-cum-Managing Director	28.10.2009*	-
2.	Shri S.S. Mahapatra	Director (Production)	01.10.2011	31.12.2014
3.	Shri N.R. Mohanty	Director (P & T)	01.02.2012	-
4.	Shri S.C. Padhy	Director (HR)	20.12.2012	-
5.	Shri K.C. Samal	Director (Finance)	03.01.2014	-
6.	Ms. Soma Mondal	Director (Commercial)	11.03.2014	-
7.	Shri V. Balasubramanyam	Director (Production)	01.01.2015	-
PART-TIME OFFICIAL DIRECTORS				
1.	Shri R. Sridharan	Director	30.08.2013	-
2.	Shri D.S. Mishra	Director	04.07.2013	11.07.2014
3.	Dr. Niranjana Kumar Singh	Director	12.11.2014	-
PART-TIME NON-OFFICIAL (INDEPENDENT) DIRECTORS				
1.	Shri G.P. Joshi, IAS (Retd.)	Director	15.09.2011	14.09.2014
2.	Shri S.S. Khurana	Director	15.09.2011	14.09.2014
3.	Shri M. Gupta, IAS (Retd.)	Director	27.12.2011	26.12.2014
4.	Shri G.H. Amin	Director	27.12.2011	26.12.2014
5.	Shri Kaiser Shamim	Director	10.07.2012	-
6.	Shri Sanjiv Batra	Director	10.07.2012	-

*Shri Ansuman Das was appointed as Director (Commercial) on 28.10.2009. He held additional charge of Chairman-cum-Managing Director w.e.f 29.08.2012 and he was appointed as Chairman-cum-Managing Director w.e.f 19.07.2013.

At the beginning of the year, there were six (6) Whole time Directors (Executive Directors), two (2) Part-time official Directors and six (6) Part – time Non-official (Independent) Directors on the Board of the Company. Out of six whole time Directors, Shri S.S Mahapatra, Director (Production) superannuated on 31.12.2014 and in his place Shri V. Balasubramanyam was appointed as Director (Production) w.e.f 01.01.2015. Out of two Part -time official directors, the tenure of one Part time Official Director ended on 11.07.2014 and in his place Dr. Niranjana Kumar Singh was appointed w.e.f 12.11.2014. Out of six Part-time Non-official (Independent) Directors, the tenure of two Independent Directors ended on 14.09.2014 and another two Independent Directors was ended on 26.12.2014. Hence, the Company had 6 Whole- time Directors, 2 Part-time Official Directors and 2 Part-time Non-official Directors on the Board as on 31st March, 2015.

As per provisions of Section 149(4) of the Companies Act, 2013, every listed public company should have at least one-third of the total number of directors as Independent Directors.

As per the provisions of Revised Clause 49(II) (A) of the Listing Agreement, where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of Independent Directors and in case the Company does not have a regular non executive Chairman, at least half of the Board should comprise Independent Directors.

DPE guidelines on Corporate Governance also contain similar provisions as regards to the composition of Directors.

Since the Chairman of the Company is an Executive Director, the Company was required to have 8 Independent Directors as against 6 at the beginning of the year and against 2 as on 31st March, 2015.

For early appointment of requisite number of Independent Directors, the Company has been regularly following up with the Ministry of Mines, Government of India.

In view of the above, the composition of the Board at the beginning of the year as well as at the end of the financial year ending on 31st March, 2015 was not in compliance with the provisions of Revised Clause 49 (II) (A) of the Listing Agreement, Section 149(4) of the Companies Act, 2013 and also DPE Guidelines.

Further as per the Listing Agreement, the presence of at least two Independent Directors is required to constitute a valid quorum in an Audit Committee meeting. In the Audit Committee meeting held on 12th March 2015, out of three members, only one Independent Director and one Part-time Official Director were present. However the quorum was present in terms of the Companies Act, 2013.

In terms of Section 135 of the Companies Act, 2013, Rules made there under and Schedule-VII of the Act, the CSR obligation of the Company during the year was Rs.20.14 Crore. However, the Company has spent Rs.19.09 crore during the period.

- **Adequate notice was given to all directors for the Board Meetings, Agendas and notes on the agendas were mostly sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meeting.**
- All decisions at Board Meetings and Committee Meetings are carried out unanimously, as was evident from the minutes of the meetings.

We further report that based on the information provided by the Company and also on the review of periodical compliance reports by respective departments/marketing officers of the Company which were put up in the Board Meetings, in our opinion adequate systems, processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, regulations and guidelines.

For Saroj Ray & Associates
Company Secretaries

CS Saroj Kumar Ray, FCS
Partner,
CP: 3770, FCS: 5098

Place: Bhubaneswar

Date: 28.07.2015

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure-A

To
The Members,
National Aluminium Company Limited
NALCO Bhawan, Plot No. P/1, Nayapalli,
Bhubaneswar – 751013 (Odisha)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, followed by the Company provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Saroj Ray & Associates**
Company Secretaries

CS Saroj Kumar Ray, FCS
Partner,
CP: 3770, FCS: 5098

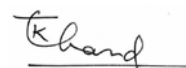
Place: Bhubaneswar
Date: 28.07.2015

Management's explanation on the qualifying remarks of Secretarial Auditor

The qualifying remarks, reported by the Secretarial Auditor in their report for the Financial Year ended 31st March, 2015 and the explanations of the management are tabulated below:

Sl. No.	Qualifying remarks of Secretarial Auditor	Management's explanation
01.	The composition of the Board at the end of the financial year ending on 31st March, 2015 was not in compliance with the provisions of Revised Clause 49 (II) (A) of the Listing Agreement, Section 149(4) of the Companies Act, 2013 and also DPE Guidelines.	President of India is the appointing authority for the Directors as per the Articles of Association of the Company. The Company has been regularly following up with Ministry of Mines, Govt. of India for early appointment of requisite number of Independent Directors for complying with the provisions of the Companies Act, 2013, Listing Agreement and DPE guidelines.
02.	In the Audit Committee meeting held on 12.03.2015, there was no valid quorum in terms of the Listing Agreement. As per the Listing Agreement, the presence of at least two Independent Directors is required to constitute a valid quorum in an Audit Committee meeting. The quorum was present in terms of the Companies Act, 2013.	94th meeting of the Audit Committee was held on 12.03.2015 without valid quorum of presence of two Independent Directors in terms of the Listing Agreement. However, quorum was present in terms of the Companies Act, 2013. The fact that requisite quorum was not present in terms of Listing Agreement was brought to the notice of the Audit Committee and recorded in the minutes of the meeting. On appointment of requisite number of Independent Directors, such situation may not arise.
03.	In terms of Section 135 of the Companies Act, 2013, Rules made there under and Schedule –VII of the Act, the CSR obligation of the Company during the year was ₹ 20.14 Crore. However, the Company has spent ₹19.09 Crore during the period.	For extending educational facilities for Peripheral village school students in the Company aided schools i.e. Saraswati Vidya Mandirs & Delhi Public Schools located at Damanjodi and Angul Sector and also promoting education of tribal children in residential school, Company has provided estimated fund allocation of ₹1356.98 lakhs considering any possible hike of charges by educational institutions. However, the actual expenditure on this head is ₹1252.83 lakhs, leaving fund of ₹104.15 lakhs on this account.

For and on behalf of National Aluminium Company Limited



(T. K. Chand)
Chairman-cum-Managing Director

AGASTI & ASSOCIATES

Chartered Accountants
Plot No.97, Bhoinagar
Bhubaneswar-751 022
E-mail: agasti_associates@yahoo.com

ABP & ASSOCIATES

Chartered Accountants
11A, Bapuji Nagar,
Bhubaneswar-751 009.
E-mail: mail@caabp.com

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, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure-I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the Companies Act 2013 under Section 143(5), we give in the Annexure-II a statement on the matters directed by C&AG.
3. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and 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 Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the management, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

CA. Raj Kumar Agasti
Partner
Membership No. 304920

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

CA. Bimal K. Chanduka
Partner
Membership No. 053714

Place : New Delhi
Dated : 30th May, 2015

ANNEXURE - I 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 discrepancies 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;
- 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 not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, clauses (iii) (a) & (b) of paragraph 3 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) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi) We have broadly reviewed the books of account maintained by the Company, as specified by the Central Government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 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;
- vii) (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, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, VAT, Cess, Electricity Duty and any other material statutory dues with the appropriate authorities;
According to the information and explanations given to us, no undisputed amounts are payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, VAT, Cess, Electricity Duty and any other material statutory dues as at 31st March, 2015 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' 2015 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	148.28	30.29	Commissioner
		181.40	52.97	Tribunal
		<u>115.42</u>	<u>3.56</u>	High Court
		445.10	86.82	
Entry Tax	Entry Tax	161.49	48.35	Commissioner
		29.18	20.94	Tribunal
		<u>23.57</u>	<u>9.16</u>	High Court
		214.24	78.45	
Central Excise Act, 1944	Excise Duty	2.11	2.50	Commissioner
		23.52	0.83	Tribunal
		<u>26.78</u>	<u>0.00</u>	High Court
		52.41	3.33	
Service Tax	Service tax	2.19	0.02	Commissioner
		<u>0.07</u>	<u>0.00</u>	Tribunal
		2.26	0.02	
Customs Act, 1962	Custom Duty	<u>4.85</u>	<u>0.00</u>	Commissioner
		4.85	0.00	
Income Tax Act, 1961	Income Tax	772.98	540.94	Commissioner
		198.74	22.99	Tribunal
		<u>107.65</u>	<u>89.55</u>	High court
		1079.37	653.48	
Odisha stamps Act	Stamp duty	<u>211.64</u>	<u>0.00</u>	High court
		211.64	0.00	
	Total:	2009.87	822.10	

(c) According to the information and explanations given to us, the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act and rules there under has been transferred to such fund within time;

- viii) 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;
- ix) The company does not have any outstanding dues to any Financial Institution, banks or debenture holders during the year;
- x) 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;
- xi) According to the information and explanations given to us, the Company has not raised any term loan during the year;
- xii) As intimated by the management there was no noticeable fraud on or by the Company has been reported during the year.

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

CA. Raj Kumar Agasti
Partner
Membership No. 304920

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

CA. Bimal K. Chanduka
Partner
Membership No. 053714

Place : New Delhi
Dated : 30th May, 2015

ANNEXURE - II TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserve) may be examined including the mode and present stage of disinvestment process.

As informed to us, the Company has received a letter from Department of Disinvestment dated 25.02.2015 addressed to the legal firm M/s. Crawford Bayley & Co. about their appointment as Legal Advisor for disinvestment of 10% paid up equity of Nalco. However, the Company does not have any further information regarding valuation, mode and the timeline of such disinvestment process.

2. Please report whether there are any cases of waiver/write off of debts/loan/interest etc., if yes, the reason there for and the amount involved.

As informed by the management and based on records examined, there are ten (10) cases of write off of Trade Receivables total amounting to ₹ 1.84 Crores. These are old cases of debtors against sale of Aluminium metal outstanding prior to 1993-94. Even though the company has got the decrees from the courts/ award by arbitrators, execution of the decree could not be materialized due to non existence of said debtors. The Board in 278th meeting held on 12.11.2014 has approved the proposal for write off of these bad debts.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.

As informed by the management and based on records examined, proper records are maintained for the inventories lying with third parties.

As informed by the management and based on records examined, the Company has not received any gift from Govt. or Other authorities.

4. A report on age wise analysis of pending legal/ arbitration cases including the reason of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign & local) may be given .

As informed by the management and based on records examined, the company has 86 nos of pending legal/arbitration cases against the Company pending in various courts/ arbitration (except disputes related to Govt. demands and statutory dues) amounting to ₹ 154.58 Crore. Out of these, there are 23 cases above ₹ 50.00 lakhs amounting to ₹ 146.72 crore. (A statement of major legal/ arbitration cases above ₹ 50.00 lakhs against the Company with age wise analysis and pending in various courts/ arbitration is provided at Appendix-A)

These cases pending with courts/ arbitration have arisen in the ordinary course of business. Based on our examination and as reported by Company's management, it is reasonably estimated that these legal actions when ultimately concluded and determined will not have material adverse effect on the company's results of operation or financial condition.

In the matter of existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) in the company, as informed by the management and on the basis of record examined by us the legal department headed by Executive Director-Company Secretary is regularly monitoring all those pending cases. In general the company fixes rate contracts with advocates for appearance and filling of regular cases. Wherever there is no rate contract, expenditure is incurred with approval of the competent authority on case to case basis. During the year the company has spent ₹ 3.72 crore on various legal matters including tax and allied appearance.

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

CA. Raj Kumar Agasti
Partner
Membership No. 304920

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

CA. Bimal K. Chanduka
Partner
Membership No. 053714

Place : New Delhi
Dated : 30th May, 2015

Appendix-A
**Referred to Annexure - II to the Independent Auditors' Report
in paragraph 4 of our Report of even date**
Details of major pending legal/arbitration cases

S.No.	Type of Case	Year of Commencement	Particulars	Amount (₹ in Lakhs)	Present Status of the case	Reasons of pendency and existence/ effectiveness of a monitoring mechanism	Pending with
1	2	3	4	5	6	7	8
1	Nauratan Das & Co Ltd. (Claimant)	1986	Claims of Contractors and Suppliers	232.19	₹18,44,439/- awarded against NALCO has been paid to the party. Execution Case No.31 of 2001 has been filed by Nauratandas & Co. Ltd. before the Dist. Judge, Khurda at BBSR and the case is pending for hearing.	The case is yet to be listed for final hearing by the Hon'ble Court.	Dist Judge Khurda
2	M/s.KC & CC. Pvt Ltd. (Claimant) vrs. NALCO	1988	Arising out of contract for (i) Construction for civil, engg. & earth work in formation of minor bridge etc. CPP, Smelter. (ii) P. way materials. (iii) Trak-linking	492.24	₹ 4,92,24,107.00 has been awarded in favour of KC&CC and NALCO has challenged the aforesaid award before Hon'ble High Court of Madras.	The case is yet to be listed for final hearing by the Hon'ble Court.	High Court, Madras
3	BPMEL (Claimant) vrs. NALCO.	1992	Arising out of contract for DM Water Plant, CPP, Angul.	358.64	Award awaited from Permanent Machinery of Arbitrators, New Delhi.	Award awaited from Permanent Machinery of Arbitrators, New Delhi.	Permanent Machinery of Arbitrators, New Delhi.
4	Gayatri Projects (Claimant) vrs. NALCO	1999	Raising height of ash pond	248.50	₹ 2,48,50,100/- together with pendente lite and future interest @12% per annum has been awarded in favour of Gayatri and NALCO's counter claim was rejected. Now the case is pending in Orissa High Court.	The case is yet to be listed for final hearing by the Hon'ble Court.	High Court
5	Coalchem Pvt. Ltd. (Claimant) vrs. NALCO	2001	Arising out of contract for supply of 1200 MT of Coal Tar Pitch placed on M/s. Orissa Coal-Chem Industries Pvt. Ltd. Dhenkanal	79.59	The Hon'ble High Court of Orissa has stayed the proceeding before the IFC.	The case is yet to be listed for final hearing by the Hon'ble Court.	High Court, Odisha

S.No.	Type of Case	Year of Commencement	Particulars	Amount (₹ in Lakhs)	Present Status of the case	Reasons of pendency and existence/ effectiveness of a monitoring mechanism	Pending with
1	2	3	4	5	6	7	8
6	DIL (Claimant) vrs. NALCO.	2001	Arising out of contract for Dispute arose out of contract for Civil work for Boiler, Turbo Generator CPP.	449.02	The proceeding before the Arbitrator is stayed by Dist. Judge, Angul.	The case is yet to be listed for final hearing by the Hon'ble Court.	Dist Judge, Angul
7	Supplier HEI & Others.(Claimant)	2002	Supply of 30nos. of BTPN wagons	575.12	Section 12, 14 petition filed under Arbitration and Conciliation Act, 1996 dismissed against claimant.	The order has gone in favour of NALCO. The party is yet to prefer appeal.	District Judge, Khurda
8	Bhilai Engineering (Claimant) Vs. NALCO	2002	Court case for 90 pot shell	932.85	Case is at stage of Award	Award is yet to be published.	Arbitrator
9	Orien. Engg. (Claimant) vrs. NALCO.	2002	Arising out of contract for Expansion of Port Handling Facility	383.00	Award passed and challenged by both the parties before the Learned Court of Dist. Judge, Khurda.	The case is yet to be listed for final hearing by the Hon'ble Court.	Court of Dist. Judge, Khurda.
10	Jagannath Transport Corpn. (Claimants) vrs. NALCO.	2003	Arising out of contract for Railway Track Work (Package-P3) Expansion of Rail Transport System at NALCO, Damanjodi and Visakahapatnam	155.36	The case is at the stage of hearing.	NALCO has no claim nor counter claim.	Arbitrator
11	Marc Rich (Claimant) vrs. NALCO	2004	Short supply of Alumina	744.71	2nd partial award has been published on 8th August, 2006 amounting to USD401,662.08 together with interest on this sum at the rate of 5% per annum from 30th June,2004.	Action will be taken when the party files execution petition in India.	—
12	Unit Construction, (Claimant) vrs. NALCO.	2004	Arising out of contract for Civil works IV of NALCO Expansion of Bauxite Mines and Alumina Refinery	215.24	Order passed under Section-16 Petition under A&C Act,1996 by Dist. Judge, Khurda is challenged by NALCO in High Court of Orissa.	The case is yet to be listed for final hearing by the Hon'ble Court.	Hon'ble High Court of Orissa.
13	Funance Fabric India Ltd. (Claimant)	2004	Arising out of contract for Modification of existing alumina calciner plant and construction of new calciner plant at Damanjodi.	66.91	The award passed against Furnace Fabrica is challenged before the Learned Court of Dist. Judge, Koraput.	The case is yet to be listed for final hearing by the Hon'ble Court.	District Judge, Koraput

S.No.	Type of Case	Year of Commencement	Particulars	Amount (₹ in Lakhs)	Present Status of the case	Reasons of pendency and existence/ effectiveness of a monitoring mechanism	Pending with
1	2	3	4	5	6	7	8
14	VCC, (Claimant) vrs. NALCO.	2005	Arising out of contract for operation maintenance & management of NALCO's Rail Transport System for Smelter and Power Complex at Angul and for maintenance of track signaling and for traffic operation.	182.51	Section 16 Petition under A&C Act, 1996 is being heard.	Original arbitrator resigned. Arbitrator appointed on the resignation of 1st Arbitrator expired. New Arbitrator has been appointed on 30.08.2013. The proceeding before him continues.	Arbitrator.
15	VCC, (Claimant) vrs. NALCO.	2005	Arising out of contract for operation maintenance & management of NALCO's Rail Transport System for Smelter and Power Complex at Angul and for maintenance of track signaling and for traffic operation. (Interest @24%)	731.14	Section 16 Petition under A&C Act, 1996 is being heard.	Original arbitrator resigned. Arbitrator appointed on the resignation of 1st Arbitrator expired. New Arbitrator has been appointed on 30.08.2013. The proceeding before him continues.	Arbitrator.
16	Vivek Steel (Claimant) Vs. NALCO	2005	SCRAP Disposal	90.00	Arbitration Proceeding stayed by the Court .	The case is yet to be listed for final hearing by the Hon'ble Court.	District Court, Alipur (case No.1/08)
17	Jagannath Choudhury, (Claimant) vrs. NALCO.	2007	Arising out of contract for (i) Bitumen carpeting of mines access road from Mathalput to Mines, (ii) construction of a new approach road to deep cut area at M&R Complex, Damanjodi.	292.09	Sole arbitrator expired	NALCO has no claim nor counter claim.	The party has not yet requested for appointment of new arbitrator.
18	Arjun Sahu & 03 others (Claimants) Vs Spl. L.A.O Angul	2009	Claim of higher compensation of land acquisition	76.40	LA Case No. 188/2009, Civil Judge Angul is disposed of on 16.01.2013 favour of Claimant. NALCO filed appeal LAA No.36 of 2013 before the Hon'ble High Court of Orissa. On 24.11.2013 the case was disposed of by Lok Adalat in favour of NALCO		

S.No.	Type of Case	Year of Commencement	Particulars	Amount (₹ in Lakhs)	Present Status of the case	Reasons of pendency and existence/ effectiveness of a monitoring mechanism	Pending with
1	2	3	4	5	6	7	8
19	JP Mishra, (Claimant) vrs. NALCO	2010	Arising out of contract for supply of lime to NALCO, M&R Complex, Damanjodi	149.94	The Award was published against NALCO and is under challenge and NALCO preferred appeal in High Court against the order of the Dist. Judge, Khurda and got an order of stay.	The case is yet to be listed for final hearing by the Hon'ble Court.	High Court of Orissa
20	Himadhri Chemical in Pvt. Ltd. (Claimant) vrs. NALCO.	2010	Arising out of contract for supply of Liquid Coal Tar Pitch to our Smelter Plant Angul.	2679.08	Hearing on Section 16 Petition by the Respondent is continuing.	The original arbitrator was replaced by a newly appointed arbitrator on 14.03.2014. The proceeding before him continues.	Arbitrator
21	M/s.Ajay Transport Co. Ltd., (Claimant) vrs. NALCO.	2011	Work Order No. CPP/CNT/MC-3635/WO/2010/3359 dated 29.12.2010	180.10	The Arbitrator has passed the award on 28.04.2015 in favour of Claimant.	The award is under scrutiny by NALCO.	—
22	Maheswari Brothers Coal Ltd. (Claimant) vrs. NALCO.	2012	P.O. No. CPP/ MMP/ COAL/ 2008/PO/586 Dated 29.04.2009.	4267.17	Proceeding continues	Hearing continues.	Arbitrator.
23	NPCC (Claimant) vrs. NALCO	2014	NPCC Vs NALCO	1090.75	Statement of claim filed.	Permanent Machinery of Arbitrators, New Delhi.	Permanent Machinery of Arbitrators, New Delhi.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NATIONAL ALUMINIUM COMPANY LIMITED, BHUBANESWAR FOR THE YEAR ENDED 31ST MARCH 2015.

The preparation of financial statements of National Aluminium Company Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30th May, 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act of the financial statements of National Aluminium Company Limited for the year ended 31 March 2015. 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.

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

(Yashodhara Ray Chaudhuri)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata

Place: Kolkata
Date: 19-06-2015

National Aluminium Company Limited
Balance Sheet as at 31.03.2015

(₹ 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	11,508.68	10,833.83
Non-current liabilities			
Deferred tax liabilities (Net)	3	1,105.27	910.13
Other Long term liabilities	4	65.30	54.96
Long-term provisions	5	242.76	218.22
Current liabilities			
Trade payables	6	455.46	531.12
Other current liabilities	7	1,325.37	2,564.38
Short-term provisions	8	186.21	147.25
Total		16,177.67	16,548.51
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	6,509.21	6,688.80
Intangible assets	9	136.21	103.14
Capital work-in-progress	10	549.73	768.74
Non-current investments	11	1.04	1.04
Long-term loans and advances	12	1,221.85	1,517.27
Other non-current assets	13	47.45	43.32
Current assets			
Current investments	14	950.00	1,244.00
Inventories	15	1,165.56	1,173.66
Trade receivables	16	120.82	243.57
Cash and Bank Balances	17	4,627.98	4,048.29
Short-term loans and advances	18	607.54	481.38
Other current assets	19	240.28	235.30
Total		16,177.67	16,548.51

The significant accounting policies and accompanying notes 1-48 form an integral part of the financial statements.

For and on behalf of Board of Directors

(CS. K.N. Ravindra)
Executive Director-
Company Secretary

(K.C. Samal)
Director (Finance)

(N.R. Mohanty)
Director (Project & Technical) and
Chairman-Cum-Managing Director

In terms of our report of even date attached.

For Agasti & Associates
Chartered Accountants
FRN - 313043E

(CA. Raj Kumar Agasti)
Partner (M.No. : 304920)

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA. Bimal Kumar Chanduka)
Partner (M.No. : 053714)

Place : New Delhi
Dated : 30th May, 2015

National Aluminium Company Limited Statement of Profit and Loss for the year ended 31.03.2015

(₹ in Crore)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
Revenue from operations	22	7,382.81	6,780.85
Other income	23	672.64	557.71
Total Revenue		8,055.45	7,338.56
Expenses:			
Cost of materials consumed	24	1,031.59	1,063.16
Power and Fuel	25	1,802.24	2,017.67
Changes in inventories of finished goods, intermediaries and work-in-progress	26	2.90	58.55
Employee benefits expense	27	1,377.91	1,245.33
Depreciation and amortization expense	28	413.66	524.73
Other expenses	29	1,462.15	1,461.94
Total expenses		6,090.45	6,371.38
Profit before exceptional items and tax		1,965.00	967.18
Exceptional items	30	(148.42)	49.37
Profit Before Tax		2,113.42	917.81
Tax expense:			
(1) Current tax		520.63	264.65
(2) Deferred tax		249.68	7.15
(3) Earlier Years		21.26	3.66
Profit / (Loss) for the period		1,321.85	642.35
Earning per Share			
(a) Profit After Tax		1,321.85	642.35
(b) Average Number of equity shares (Face value ₹ 5/- each)		2,577,238,512	2,577,238,512
Earning per Share (₹) - Basic (a/b)		5.13	2.49
Earning per Share (₹) - Diluted (a/b)		5.13	2.49

The significant accounting policies and accompanying notes 1-48 form an integral part of the financial statements.

For and on behalf of Board of Directors

(CS. K.N. Ravindra)
Executive Director-
Company Secretary

(K.C. Samal)
Director (Finance)

(N.R. Mohanty)
Director (Project & Technical) and
Chairman-Cum-Managing Director

In terms of our report of even date attached.

For Agasti & Associates
Chartered Accountants
FRN - 313043E

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA. Raj Kumar Agasti)
Partner (M.No. : 304920)

(CA. Bimal Kumar Chanduka)
Partner (M.No. : 053714)

Place : New Delhi
Dated : 30th May, 2015

Cash Flow Statement for the year 2014-15

(₹ in Crore)

Particulars	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	2,113.42	917.81
Adjustments for :		
Depreciation & Amortisation	413.66	524.73
Provisions (Net)	61.01	32.34
Stores, Spares, Claims etc. written off	13.17	19.45
Dividend Income	(119.39)	(122.48)
Interest Income	(477.20)	(368.88)
Loss/(Profit) on sale of assets (net)	(0.24)	0.06
	(108.99)	85.22
Operating Profit before working capital changes	2,004.43	1,003.03
Adjustments for :		
Inventories	(1.26)	191.30
Trade & other receivables	199.33	(122.37)
Trade & other payables	(1,190.54)	268.97
	(992.47)	337.90
Cash generated from Operations	1,011.96	1,340.93
Direct taxes paid (includes refund and deposits under protest)	(491.49)	(359.59)
Net cash from operating activities	520.47	981.34
B. Cash Flow from Investing Activities:		
Purchase of fixed assets	(303.14)	(618.68)
(Purchase)/Sale of Investments	294.00	245.02
Dividend income from Mutual fund	119.39	122.48
Interest Income from Deposits, Loans and Advances	455.47	329.23
Net cash used in investing activities	565.72	78.05
C. Cash Flow from Financing Activities:		
Dividends including dividend tax paid	(506.50)	(515.48)
Net cash used in financing activities	(506.50)	(515.48)
D. Net changes in Cash & Cash equivalents (A+B+C)	579.69	543.91
E. Cash & Cash equivalents - Opening balance	4,048.29	3,504.38
F. Cash & Cash equivalents - Closing balance (D+ E)	4,627.98	4,048.29

Note:

- 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.
- Cash and cash equivalents includes ₹ Nil (Previous Year ₹ 672.67 crore) towards disputed Electricity Duty, ₹ 5.00 crore towards Unpaid dividend (Previous year ₹ 4.32 crore), not freely available for use by the Company.
- Figures in brackets are cash outflow/income, as the case may be.

For and on behalf of Board of Directors

(CS. K.N. Ravindra)
Executive Director-
Company Secretary

(K.C. Samal)
Director (Finance)

(N.R. Mohanty)
Director (Project & Technical) and
Chairman-Cum-Managing Director

In terms of our report of even date attached.

For Agasti & Associates
Chartered Accountants
FRN - 313043E

(CA. Raj Kumar Agasti)
Partner (M.No. : 304920)

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA. Bimal Kumar Chanduka)
Partner (M.No. : 053714)

Place : New Delhi
Dated : 30th May, 2015

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	2,559.44	2,556.81	4,644.25	4,045.18	58.21	46.81	7,261.90	6,648.80
Inter-segment transfers	1,325.48	1,160.01	163.10	184.95	-	-	1,488.58	1,344.96
Total Revenue	3,884.92	3,716.82	4,807.35	4,230.13	58.21	46.81	8,750.48	7,993.76
Less: Elimination							(1,488.58)	(1,344.96)
Net Revenue							7,261.90	6,648.80
B. Result								
Segment result	1,094.77	821.80	581.49	(258.99)	(159.43)	(136.36)	1,516.83	426.45
Interest/ dividend income							596.59	491.36
Income taxes							791.57	275.46
Net Profit							1,321.85	642.35
C. Other Information								
Segment assets	3,531.75	3,663.63	5,371.62	6,476.38	7,274.30	6,408.50	16,177.67	16,548.51
Segment liabilities	467.87	566.70	1,300.00	2,415.48	507.22	533.75	2,275.09	3,515.93
Capital expenditure	201.39	301.57	110.77	171.87	(74.11)	(43.49)	238.05	429.95
Depreciation	159.17	187.72	224.87	312.82	29.62	24.19	413.66	524.73
Non-cash expenses (other than depreciation)	26.59	14.51	74.19	59.78	3.03	1.54	103.81	75.83

GEOGRAPHICAL SEGMENTS	India		Outside India			Total	
	Current Year	Previous Year	Current Year	Previous Year		Current Year	Previous Year
A. Revenue							
External sales	3,954.59	2,929.53	3,307.31	3,719.27		7,261.90	6,648.80
B. Other Information							
Segment assets	16,101.14	16,339.16	76.53	209.35		16,177.67	16,548.51
Capital expenditure	238.05	429.95	-	-		238.05	429.95

Note:

- 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.
- 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.
- 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.
- 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, 2013 and applicable accounting standards.

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. CLASSIFICATION OF ASSETS AND LIABILITIES

All assets and liabilities have been classified as current or noncurrent as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current-noncurrent classification of assets and liabilities.

4. FIXED ASSETS.

- 4.1 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.
- 4.2 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.
- 4.3 Expenditure on development of land including leasehold land is capitalized as part of cost of land.
- 4.4 Intangible Assets are stated at acquisition cost less accumulated amortization.

Mining rights (NPV and related payments made to Govt. authorities for bauxite mines), User Right (Jointly controlled asset), 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.

- 4.5 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.
- 4.6 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.
- 4.7 In pursuant to Schedule-II of the Companies Act 2013, the fixed assets (Plant & machinery) of significant value are componentized with separate useful life. The cut off limit of Component value to capitalize separately with different useful life is considered as ₹ 1 Crore.

5. DEPRECIATION.

- 5.1 Depreciation on tangible fixed assets is provided on straight-line method over the useful life of the asset in the manner prescribed under Schedule II of the Companies Act 2013. The asset life is considered as prescribed under Schedule-II of the Companies Act 2013 or life assessed by the technical committee whichever is lower.
- 5.2 Fixed assets which are subject to componentization, comprises of main assets, componentized assets and remainders if any. Main assets have the life as prescribed under Schedule-II of the Companies Act 2013 or life assessed by the technical committee whichever is lower. Componentized assets having value of ₹1 crore or above have the life as assessed by the Technical Committee whereas the remainders if any carry the life of main assets as explained above.

- 5.3 The residual value of Plant & Machineries, vehicles, mobile equipments, and earth moving equipments, Railway facilities, Rolling stock and residential quarters are maintained at 5% of the original cost and for all other assets the residual value is considered as Nil.
- 5.4 For the following assets a higher rate of depreciation is considered based on the lower useful life ascertained through technical estimation which is further subject to lower component life:
- a) Life of immovable fixed assets at Bauxite Mines is limited to the period up to which Bauxite reserve is available at respective block of mines.
 - b) Life of thermal power generation plant at CPP and Steam Power plant at Refinery is considered as 30 years and 25 years respectively.
 - c) Depreciation at higher rate is provided on Red mud pond & Ash Pond at Alumina Refinery and Ash ponds at Captive power plant based on their estimated remaining useful life, evaluated on the basis of technical estimates made periodically.
- 5.5 Intangible assets are amortized on a straight line basis as follows
- 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.
 - c) License (Technical knowhow) is amortized over 10 years from the date of capitalization of corresponding process plant.
 - d) User Right (jointly controlled assets) is amortized over 10 years from the date of commissioning.
- 5.6 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.
- 5.7 Assets costing ₹10,000/- or less individually are depreciated fully in the year in which they are put to use.
- 5.8 Subsequent expenditure related to an item of fixed asset is prospectively depreciated over the revised useful life of related plant & machinery.
- 5.9 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.
- 5.10 Depreciation on value adjustment is provided prospectively.

6. BORROWING COST.

- 6.1 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.
- 6.2 Other borrowing costs are recognized as expenses in the period in which these are incurred.

7. 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.

8. INVESTMENTS.

Investments that are readily realizable and are intended to be held for not more than one year from that date, on which such investments are made are classified as current investments. All other investments are classified as long term investments.

Current investments are stated at cost or market value whichever is lower. Long-term investments are carried at cost, after providing for diminution in value, if it is of a permanent nature.

9. INVENTORY.

- 9.1 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.
- 9.2 Stores and spares other than insurance spares held but not issued for more than 5 years are valued at 5% of the cost.
- 9.3 Shortage of coal up to 1% of the receipt quantity is treated as normal loss and beyond 1% is treated as abnormal loss.
- 9.4 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.
- 9.5 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.
- 9.6 Scrap of various nature internally generated is valued at estimated net realizable value.

10. GOVERNMENT GRANTS.

- 10.1 Fixed assets acquired out of financial grant from Government are shown at cost by crediting the grant-in-aid received to Subsidy Reserve.
- 10.2 Grants related to revenue are recognized as revenue over the period to which these are related.

11. FOREIGN CURRENCY TRANSACTIONS.

- 11.1 All foreign currency transactions are recorded by applying the exchange rate as on the date of transactions
- 11.2 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.

12. FORWARD EXCHANGE CONTRACT.

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

Forward exchange contracts outstanding at the year end on account of firm commitment/ highly probable forecast transactions are marked to market and the losses if any are recognized in the statement of profit & loss and gains are ignored.

13. REVENUE RECOGNITION.

13.1 Sales:

- a) Alumina & Aluminium : 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) Renewable Power: Sale of wind power is recognized on the basis of power transmitted to DISCOMs at the price notified by respective authorities. Solar power generated is consumed for captive use in office & townships and hence not recognized as separate item of income.
- 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.

13.2 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 & Focus 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.

14. LONG TERM EMPLOYEE BENEFITS.

- 14.1 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.

- 14.2 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.

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

15. 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.

16. EXPENDITURE ON NEW PROJECTS.

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

17. 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.

18. 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 felt necessary.

19. TAX EXPENSES.

Tax expenses for the period, comprising of current tax and deferred tax are included in the determination of net profit or loss for the period.

- 19.1 Current tax is measured at the amount expected to be paid to tax authorities in accordance with the prevailing taxation laws.

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

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.

20. JOINT VENTURES.

- 20.1 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.
- 20.2 Interest in a jointly controlled asset is classified and disclosed separately.

21. PROVISIONS AND CONTINGENT LIABILITIES & CONTINGENT ASSETS.

- 21.1 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.
- 21.2 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.
- 21.3 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.
- 21.4 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.
- 21.5 Contingent assets are neither recognized nor disclosed in the financial statements.

Notes to the Financial Statements

(₹ in Crore)

Particulars	Figures as at the end of current reporting period	Figures as at the end of the 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)	<u>3,000.00</u>	<u>3,000.00</u>
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)	<u>1288.62</u>	<u>1288.62</u>

- a) The Government of India holds 208,57,82,622 equity shares (80.93%), Previous year 208,90,59,622 equity shares (81.06%) of the company. The shareholding of Govt. of India has come down to 80.93% from 81.06% through post OFS employee offer during the year.
- b) Holding of equity shares of the company by Life Insurance Corporation of India is 18,82,51,981 (7.30%) previous year 14,92,66,579 (5.79%)
- 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 general 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 : Reserves and Surplus

a) General Reserve			
As per last balance sheet	10,829.90		10,639.90
Less: Adjustment towards asset value as per transitional provision of Schedule II of Companies Act 2013	105.92		-
Add : Transfer from Surplus	<u>780.00</u>		<u>190.00</u>
Closing balance		11,503.98	10,829.90
b) Surplus			
- Balance as at the beginning of the year	3.69		3.63
- Add : Profit after tax for the year transferred from statement of profit and loss	1,321.85		642.35
- Less : Transfer to General Reserve	780.00		190.00
- Less : Interim dividend #	322.16		283.50
- Less : Tax on interim dividend	64.41		48.18
- Less : Proposed final dividend #	128.86		103.09
- Less : Tax on proposed final dividend	<u>25.77</u>		<u>17.52</u>
Closing balance		4.34	3.69
c) Other Reserve			
Subsidy Reserve			
- As per last balance sheet	0.24		0.30
- Add : Subsidy received	0.37		-
- Less : Transferred to depreciation	<u>0.25</u>		<u>0.06</u>
Closing balance		0.36	0.24
Total :		11,508.68	10,833.83

Refer Note - 45

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 #	1,274.58	1164.91
Less : Deferred Tax Assets		
Disallowances u/s 43B of the Income Tax Act, 1961	8.32	126.70
On retirement benefits expense	93.88	82.83
Provision for doubtful debts, claims and others	67.11	45.25
Closing balance	169.31	254.78
Total :	1,105.27	910.13

An amount of ₹ 54.54 crore has been adjusted to the opening balance of deferred tax liability on account of asset value (carrying amount) as per transitional provision of Schedule II of the Companies Act '2013.

Note 4 : Other Long Term Liabilities

Trade payables	19.82	14.30
Other liabilities		
Payable for capital expenditure	3.07	2.52
Others	42.41	38.14
Sub total :	45.48	40.66
Total :	65.30	54.96

Note No. 5 : Long Term Provisions

Provisions for Employee Benefits :		
Leave encashment	214.08	186.19
Post retirement medical benefits	6.57	7.03
Settling-in- benefit	5.39	7.36
Long service reward	6.69	6.86
NEFFARS	10.03	10.78
Total :	242.76	218.22

Note 6 : Trade Payables

Trade payables		
Micro and small enterprises #	2.85	0.47
Others	452.61	530.65
Total :	455.46	531.12

Refer Note - 44

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	160.09	180.49
Statutory dues		
Electricity duty & interest thereon #	13.43	1,258.88
Water charges & interest thereon	522.43	414.60
Income Tax (TDS & TCS)	13.66	16.08
Others	23.44	10.70
Sub total :	572.96	1,700.26
Creditors for capital expenditure		
Micro and small enterprises # #	0.20	0.07
Others	361.78	447.43
Sub total :	361.98	447.50
Customers credit balances & advance from customers	151.74	132.01
Renewable Purchase Obligation # # #	18.43	40.52
Other payables	55.17	59.28
Unpaid dividend	5.00	4.32
Total :	1,325.37	2,564.38

Refer Note - 37

Refer Note - 44

Refer Note - 36

Note 8 : Short Term Provisions

Provisions for Employee Benefits :		
Gratuity	2.05	-
Leave encashment	15.36	12.59
Post retirement medical benefits	0.25	0.26
Settling-in- benefit	0.60	0.70
Long service reward	2.08	3.13
NEFFARS	10.20	8.77
Sub total :	30.54	25.45
Others :		
Provision for wealth tax	1.04	1.19
Provision for dividend	128.86	103.09
Tax provision on dividend	25.77	17.52
Sub total :	155.67	121.80
Total :	186.21	147.25

Notes to the Financial Statements

Note 9 : Fixed Assets

(₹ in Crore)

	Gross Block			Depreciation			Net Block	
	As on 01.04.2014	Addition / Adjustments	Deductions	As on 31.03.2015	For the Year	Deductions	As on 31.03.2015	As on 31.03.2014
A. TANGIBLE ASSETS								
Land								
Free Hold	73.42	(2.09)	-	71.33	-	-	71.33	73.42
Lease	12.80	-	-	12.80	0.30	-	10.22	10.52
Buildings	1,053.80	30.61	-	1,084.41	113.83	-	547.62	630.84
Railway Sidings	95.83	14.82	-	110.65	6.10	-	41.10	32.38
Plant and Equipments	13,249.54	314.64	(0.19)	13,563.99	401.71	(0.18)	5,757.82	5,844.90
Furniture and fixtures	30.19	2.45	(0.13)	32.51	5.57	(0.09)	6.50	9.66
Vehicles	45.40	1.08	(0.28)	46.20	3.65	(0.27)	12.44	15.02
Office equipments	46.77	3.88	(0.64)	50.01	9.91	(0.64)	7.87	13.90
Miscellaneous equipments	111.50	15.55	(0.28)	126.77	19.33	(0.21)	54.31	58.16
Total :	14,719.25	380.94	(1.52)	15,098.67	560.40	(1.39)	8,589.46	6,688.80
B. INTANGIBLE ASSETS								
Softwares	12.09	2.59	-	14.68	0.91	-	2.81	1.13
Mining Rights	112.09	26.58	-	138.67	8.68	-	107.72	89.82
User Right (Jointly controlled asset)	-	17.98	-	17.98	2.55	-	15.43	-
Licenses & Franchise	14.70	-	-	14.70	1.94	-	10.25	12.19
Total Intangible Assets :	138.88	47.15	-	186.03	14.08	-	136.21	103.14
Grand Total	14,858.13	428.09	(1.52)	15,284.70	574.48	(1.39)	8,639.28	6,645.42
Grand Total (Previous Year)	14,174.97	688.34	(5.18)	14,858.13	524.80	(4.69)	8,066.19	6,628.89

Note :

- Depreciation for the year includes ₹ 160.46 crore adjusted to opening balance of General Reserve and deferred tax liability by ₹ 105.92 crore and ₹ 54.54 crore respectively as per transitional provision of Schedule II of the Companies Act '2013.
- The cumulative impairment provision included in cumulative value of depreciation in buildings & structures is ₹ 4.94 crore (previous year ₹ 5.49 crore)
- The cumulative impairment provision included in cumulative value of depreciation in plant and equipments is ₹ 31.40 crore (previous year ₹ 34.20 crore)
- The impairment provision included in depreciation in buildings & structures is ₹ (0.55) crore (previous year ₹ (0.65) crore)
- The impairment provision included in Depreciation in Plant and equipments is ₹ (2.80) crore (previous year ₹ (3.42) crore)
- Gross Block includes the following capital expenditure represented by assets laid on land not owned by the company.
 - Buildings - ₹ 6.32 Crore (previous year ₹ 6.32 Crore), Cumulative Depreciation ₹ 6.32 Crore (previous year ₹ 6.32 Crore)
 - Railway Sidings - ₹ 4.45 Crore (previous year ₹ 4.45 Crore), Cumulative Depreciation ₹ 4.45 Crore (previous year ₹ 2.47 Crore)
 - Plant and Equipments - ₹ 16.18 Crore (previous year ₹ 16.18 Crore), Cumulative Depreciation ₹ 16.18 Crore (previous year ₹ 16.18 Crore)
- 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.
- Leasehold land includes 1502.65 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.
- Lease deed for land of 75.76 hectares acquired in the state of Andhra Pradesh and Rajasthan for wind power plant is yet to be executed.
- 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.
- Land includes 43.75 Acres at Refinery applied for surrender.

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	478.90	650.56
Less: Doubtful Realisation	-	0.28
Sub total :	478.90	650.28
Construction materials including in transit (at cost)	47.49	52.80
Expenditure during construction pending allocation (Note 10.1)	23.34	65.66
Total :	549.73	768.74
Note 10.1		
EXPENDITURE DURING CONSTRUCTION		
Pending allocation (opening balance)	65.66	86.43
Add : Expenditure during the year		
Technical consultants fee and know how	(0.08)	4.72
Startup & commissioning	-	9.40
Other expenses	1.13	15.05
Depreciation	0.10	0.03
	1.15	29.20
Less : Income during the year		
Income out of trial operation	-	3.87
Net expenditure during the year	1.15	25.33
Total expenditure	66.81	111.76
Less : Allocated to fixed assets	8.72	46.10
Less: Transferred to claim #	34.75	-
Balance carried forward	23.34	65.66

Refer Note 41

Note 11 : Non-Current Investments

Trade Investments & Unquoted Equity Investments	No.of Units in '000	No.of Units in '000
Equity Shares in Bhubaneswar Stock Exchange Ltd	0.03	0.03
Equity Shares in Excel Services Ltd	*	*
Investment in Joint Ventures (Refer Note 35)		
Equity shares (Face value of ₹ 10 each) in		
Angul Aluminium Park Pvt.Ltd	990	990
NPCIL-NALCO Power Company Ltd	26	26
Other Investments & Quoted	-	-
Total :	1.04	1.04
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 #	255.28	278.06
Doubtful	0.50	0.26
Less : Allowances for doubtful realisation	0.50	0.26
Sub total :	255.28	278.06
Other loans and advances		
Loans to Employees		
Secured, considered good	65.29	64.14
Unsecured, considered good	28.58	43.87
Sub total :	93.87	108.01
Loans to others		
Secured, considered good	0.27	0.21
Deposits (undisputed, unsecured, considered good)		
Customs, Excise, Sales Tax, Port Trusts etc.	15.49	15.47
Other Government Authorities	1.44	233.15
Others	4.98	4.84
	21.91	253.46
Deposits (disputed, unsecured, considered good)		
Customs, Excise, Sales Tax, Railways, Port Trusts etc.	204.66	183.37
Income Tax Authority	645.86	694.16
	850.52	877.53
Deposits (disputed, unsecured, considered doubtful)		
Customs, Excise, Sales Tax, Railways, Port Trusts etc.	0.43	0.24
Less : Allowances for doubtful realisation	0.43	0.24
-	-	-
Sub total :	872.43	1,130.99
Total :	1,221.85	1517.27

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	37.11	38.95
Less : Allowances for doubtful realisation	37.11	38.95
Sub total :	-	-
Interest Accrued on		
Loans to employees		
Secured, considered good	36.47	35.67
Unsecured, considered good	10.89	7.61
Sub total :	47.36	43.28
Loans to others		
Secured, considered good	0.09	0.04
Sub total :	0.09	0.04
Total :	47.45	43.32

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 (Long Term Investment with Maturity less than 12 months from the date of balance sheet date) (Face Value of ₹ 10 each.)	units in '000		units in '000	
UTI FTIF Series XVIII Plan- V (370 Days)	45,000	45.00	-	-
UTI FTIF Series XVIII Plan- VIII (366 Days)	40,000	40.00	-	-
UTI FTIF Series XVIII Plan- X (366 Days)	20,000	20.00	-	-
UTI FTIF Series XVIII Plan- XII (366 Days)	40,000	40.00	-	-
UTI FTIF Series XVIII Plan- XIII (366 Days)	40,000	40.00	-	-
UTI FTIF Series XIX Plan- I (369 Days)	25,000	25.00	-	-
UTI FTIF Series XIX Plan- III (368 Days)	75,000	75.00	-	-
UTI FTIF Series XIX Plan- IV (366 Days)	25,000	25.00	-	-
UTI FTIF Series XIX Plan- VI (366 Days)	50,000	50.00	-	-
UTI FTIF Series XIX Plan- VIII (368 Days)	35,000	35.00	-	-
UTI FTIF Series XIX Plan- IX (369 Days)	1,00,000	100.00	-	-
UTI FTIF Series XIX Plan- X (367 Days)	10,000	10.00	-	-
UTI FTIF Series XIX Plan- XI (366 Days)	60,000	60.00	-	-
SBI SDFS-366 Days-Series-A-20 (366 Days)	50,000	50.00	-	-
SBI SDFS-366 Days-Series-A-22 (366 Days)	50,000	50.00	-	-
SBI SDFS-366 Days-Series-A-24 (367 Days)	50,000	50.00	-	-
SBI SDFS-366 Days-Series-A-27 (366 Days)	30,000	30.00	-	-
SBI SDFS-366 Days-Series-A-28 (367 Days)	50,000	50.00	-	-
SBI SDFS-366 Days-Series-A-31 (366 Days)	40,000	40.00	-	-
SBI SDFS-366 Days-Series-A-32 (367 Days)	35,000	35.00	-	-
SBI SDFS-366 Days-Series-A-34 (367 Days)	25,000	25.00	-	-
SBI SDFS-366 Days-Series-A-35 (367 Days)	50,000	50.00	-	-
BOI AXA FMP Series 14(366 Days)	5,000	5.00	-	-
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)	-	-	1,00,000	100.00
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	-	-	1,50,000	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 Series - 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	-	-	-	-
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
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		950.00		1,244.00
Aggregate amount of Quoted Investments		950.00		1,244.00
Aggregate amount of Quoted Investments market value		1,021.06		1,323.69

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 15 : Inventories		
Raw materials	98.06	53.40
Add : In transit	19.99	39.15
Sub total :	118.05	92.55
Less: Provision against material in transit	-	0.27
	118.05	92.28
Work in progress	202.22	198.15
Intermediaries	108.01	118.53
Finished goods	136.90	133.35
	447.13	450.03
Stores & spares	448.76	440.78
Add :In transit	21.19	40.42
	469.95	481.20
Coal & fuel oil	128.47	121.10
Add : In transit	1.96	29.05
	130.43	150.15
Total :	1,165.56	1,173.66

Note 16 : Trade Receivables

Unsecured,considered good		
- Outstanding for a period exceeding 6 months from the date they are due	12.37	6.99
- Others	108.45	236.58
Total	120.82	243.57

Note 17 : Cash and Bank Balances

Cash and Cash Equivalents		
Balances with banks		
In current account	3.68	101.09
Cash in hand including stamps	0.14	0.21
Sub total :	3.82	101.30
Other Bank Balances		
Unpaid Dividend Account*	5.00	4.32
Term deposits having maturity more than 3 months but less than 12 Months	4,619.16	3,270.00
Term deposits as per court order #	-	515.02
Escrow deposits as per court order #	-	157.65
Sub total :	4,624.16	3,946.99
Total:	4,627.98	4,048.29

* Amount due for credit to Investors Education and Protection Fund at the end of the current year (nil) (previous year nil).

Includes ₹ Nil (Previous year ₹ 672.67 Crore) for disputed electricity duty.

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	17.17	15.64
- Loans to Others	0.08	0.08
Sub total	17.25	15.72
Unsecured , considered good		
- Loans to employees	19.27	19.33
- Advances to employees	23.14	52.84
- Advances to vendors	286.47	82.95
- VAT credit receivable	15.95	12.90
- Cenvat credit receivable	200.73	193.22
- Claims receivable from customs, excise and railway authorities	4.14	6.67
- Prepaid expenses	3.89	3.71
- Others	36.70	94.04
Sub total	590.29	465.66
Unsecured , considered doubtful		
- Advances to employees	31.20	0.01
- Advances to vendors	2.39	2.43
- VAT credit receivable	87.69	56.06
- Claims receivable from customs excise and railway authorities	3.48	0.70
- Others	2.67	2.85
	127.43	62.05
Less : Allowances for doubtful realisation	127.43	62.05
Sub total	-	-
Total :	607.54	481.38
Note 19 : Other Current Assets		
Interest accrued on		
Unsecured, considered good		
Bank deposits	173.14	158.25
Loans to employees	0.60	0.20
Other loans and advances	0.44	0.22
	174.18	158.67
Secured, considered good		
Loans to employees	5.97	3.88
Sub total	180.15	162.55
Export incentive claims	23.82	36.53
Generation Based Incentives on power from renewable sources	4.82	7.78
Gold medalion on hand	0.06	0.06
Non trade receivables		
Unsecured, considered good	0.73	0.79
Unsecured , considered doubtful	0.44	0.38
Less : Allowances for doubtful realisation	0.44	0.38
Sub total	0.73	0.79
Insurance claims	11.96	13.10
Less : Allowances for doubtful realisation	6.45	8.92
Sub total	5.51	4.18
Scraps & unserviceable materials	25.08	23.36
Less : Allowances for doubtful realisation	0.41	0.41
Sub total	24.67	22.95
Fixed assets awaiting disposal	4.91	4.83
Less : Allowances for doubtful realisation	4.39	4.37
Sub total	0.52	0.46
Total :	240.28	235.30

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	445.60	438.02
2. Excise duty	83.35	142.55
3. Customs duty	5.77	7.99
4. Service tax	2.26	1.62
5. Income tax	1,079.37	817.55
6. Entry tax and Road tax	214.46	186.01
7. Land acquisition and interest there on	43.83	50.73
8. Stamp duty	211.64	211.64
9. Demand from Dept. of mines Govt. of Odisha	90.05	0.48
10. NPV and related expenses under mining lease	106.04	106.04
11. Claims of contractor's suppliers & others	163.27	114.06
12. Employee state insurance	0.32	0.32
13. Provident fund commissioner	0.05	0.08
Total :	<u>2,446.01</u>	<u>2,077.09</u>

Claims against the company not acknowledged as debts includes:

- Demand from various statutory authorities towards Income Tax, Sales Tax, Excise Duty, Customs Duty, Service Tax, Entry Tax and other government levies. The company is contesting the demand at appellate authorities. It is expected that the ultimate outcome of these proceedings will not have any material adverse effect on the company's financial position and results of operation.
- Claims of contractors' for supply of material/services pending with arbitration/ courts those have arisen in the ordinary course of business. The company reasonably expect that these legal actions when ultimately concluded and determined will not have material adverse effect on the company's results of operation or financial condition.

Note 21 : Capital and other commitments

a) Capital Commitments		
Estimated amount of contracts on capital account and not provided for, remaining to be executed.	207.54	357.15
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 ₹ 8.90 crore(previous year ₹ 53.34 crore).	53.41	423.84
Total :	<u>260.95</u>	<u>780.99</u>

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	2,470.22	2,480.75
Aluminium	837.09	1,238.52
	<u>3,307.31</u>	<u>3,719.27</u>
(ii) Domestic :		
Alumina	100.42	85.59
Aluminium	4,299.86	3,168.24
Electricity	63.03	51.17
	<u>4,463.31</u>	<u>3,305.00</u>
Turnover (Gross)	7,770.62	7,024.27
(iii) Less : Excise Duty		
Alumina	11.20	9.53
Aluminium	497.52	365.94
	<u>508.72</u>	<u>375.47</u>
Turnover (Net)	7,261.90	6,648.80
Other Operating Revenue		
(i) Export Incentives		
Alumina	64.81	77.91
Aluminium	14.60	22.01
	<u>79.41</u>	<u>99.92</u>
(ii) Incentives on Renewable Energy	34.94	25.69
(iii) Own manufactured goods internally used /capitalised	6.56	6.44
Sub total :	<u>120.91</u>	<u>132.05</u>
Total	7,382.81	6,780.85

Note 23 : Other Income

Interest Income on:		
Bank deposits *	455.95	356.62
Loans to employees	11.27	11.11
Income tax refund	9.55	-
Others	0.43	1.15
Sub total :	<u>477.20</u>	<u>368.88</u>
Income on Investments:		
Net Gain /(Loss) on		
Dividend plan investments	18.77	7.33
Short term investments	-	0.68
Long term investments	100.62	114.47
Sub total :	<u>119.39</u>	<u>122.48</u>
Net gain/ (loss) on foreign exchange translation & transactions	13.40	1.46
General scrap income	22.95	16.72
Miscellaneous income	40.05	20.22
Adjustments pertaining to earlier years	(0.35)	27.95
Total :	672.64	557.71

*Includes Income Tax Deducted at source ₹ 46.29 Crore (Previous year ₹ 36.68 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	1,90,491	536.39	1,88,279	571.46
C.P. Coke	1,24,310	282.48	1,16,989	268.02
C.T. Pitch	29,075	109.98	27,621	107.18
Aluminium Flouride	5,597	39.31	5,606	45.99
Lime	50,231	36.83	60,660	42.68
Others		26.60		27.83
Total :		1,031.59		1,063.16
Note 25 : Power and Fuel				
Coal		1,052.61		1,139.49
Fuel oil		612.84		739.25
Duty on own generation		121.50		113.42
Purchased power		2.14		4.12
Power transmission charges		5.74		6.51
Sub total :		1,794.83		2,002.79
Adjustments pertaining to earlier years		7.41		14.88
Total :		1,802.24		2,017.67
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	8.62	-	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
Less:Closing stock				
Bauxite	4.83	-	8.62	-
Chemical	94.32	4.87	97.84	1.90
Aluminium	28.53	4.35	21.79	3.20
	127.68	9.22	128.25	5.10
(Accretion)/Depletion	0.57	(4.12)	61.59	7.90
Net (Accretion)/Depletion - (A)		(3.55)		69.49
Intermediaries				
Opening stock				
Anodes	114.50		112.41	
Others	4.03		3.17	
	118.53		115.58	
Less:Closing stock				
Anodes	103.49		114.50	
Others	4.52		4.03	
	108.01		118.53	
(Accretion)/Depletion	10.52	10.52	(2.95)	(2.95)
Net (Accretion)/Depletion - (B)		10.52		(2.95)
Work in Process				
Opening stock	198.15		186.29	
Less:Closing stock	202.22		198.15	
(Accretion)/Depletion	(4.07)	(4.07)	(11.86)	(11.86)
Transfer from Trial Operation		-		3.87
Net (Accretion)/Depletion - (C)		(4.07)		(7.99)
Total (A+B+C) :		2.90		58.55

* Excise duty included on stock held at plant and stockyards

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 27 : Employee Benefit Expenses		
Salaries and wages	1,146.61	1034.09
Contribution to provident, pension and gratuity fund	177.71	161.07
Staff welfare expenses	53.59	50.17
Total :	1,377.91	1,245.33

Long term employee benefit obligations (as per AS-15) included in note 27 above

	Gratuity	Leave Encashment	Post Retirement Medical Benefit	Settling-in-Benefit	NEFFAR Scheme	Long Service Reward
Amount Recognised in Balance Sheet:						
Present value of obligation	293.76	229.44	6.82	5.98	20.22	8.77
	272.52	198.78	7.30	8.05	19.56	9.99
Fair value of plan asset	291.71	-	-	-	-	-
	277.91	-	-	-	-	-
Funded status[excess/(short)]	(2.05)	-	-	-	-	-
	5.39	-	-	-	-	-
Net liability recognised	2.05	-	-	-	-	-
	(5.39)	-	-	-	-	-
Amount Recognised in Profit & Loss Account:						
Current service cost	26.97	59.26	-	-	-	0.52
	24.02	52.66	-	-	-	0.56
Interest cost	20.96	13.41	0.47	0.63	-	0.69
	23.26	12.58	0.44	0.58	-	0.85
Expected return on plan asset	22.23	-	-	-	-	-
	23.71	-	-	-	-	-
Net actuarial (gain)/loss	(18.26)	20.46	1.81	(2.23)	0.66	0.38
	(31.93)	23.03	2.67	1.09	0.95	0.68
Expenses recognised	7.44	93.13	2.28	(1.60)	0.66	1.59
	(8.36)	88.27	3.11	1.67	0.95	2.09
Movement of Net Liability Recognised in Balance Sheet:						
Opening net liability	(5.39)	198.78	7.30	8.05	19.56	9.99
	2.97	176.81	5.71	6.91	18.61	11.59
Expenses recognised	7.44	93.13	2.28	(1.60)	0.66	1.59
	(8.36)	88.27	3.11	1.67	0.95	2.09
Benefits paid	-	62.47	2.76	0.47	-	2.81
	-	66.30	1.52	0.53	-	3.69
Contributions	-	-	-	-	-	-
	-	-	-	-	-	-
Closing net liability	2.05	229.44	6.82	5.98	20.22	8.77
	(5.39)	198.78	7.30	8.05	19.56	9.99

Note :

- Figures in italics pertain to previous year.
- Gratuity is a post employment funded defined employee benefit plan.
- Other benefits are un-funded defined employee benefit plan.
- Expenses recognised includes ₹ 5.39 crore excess fund available at the beginning of the year.

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 Cont...		
A. Actuarial Assumptions		
Mortality table	<i>IALM-(2006-08) ULT</i>	<i>IALM-(2006-08) ULT</i>
Discount rate	8.00%	8.75%
Return on plan assets	8.00%	8.75%
Rate of escalation in salary	6.00%	6.00%
Superannuation Age	60 Years	60 Years

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, viz. supply and demand in the employment 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	291.62	99.97%	277.79	99.96%
Others	0.09	0.03%	0.12	0.04%
Total :	291.71	100.00%	277.91	100.00%
C. Actual Return on Plan Assets	₹ 34.39 Crore	₹ 23.09 Crore		

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

- 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.
- 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.
- 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.
- Post Retirement Medical Benefit** : The benefit is available to retired employees and their spouses who have opted for the benefit. Medical treatment as an inpatient can be availed from the company's hospital/ Govt. Hospital/ hospitals as per company's rule. 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.
- Settling-in- Benefit** : On superannuation /retirement/termination of service, if opted for the scheme, the transfer TA is admissible to the employees and / or family for the last head quarters to the hometown or any other place of settlement limited to distance of home town. Transport of personal conveyance shall also be admissible. 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/ nominee 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 payable 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.

Notes to the Financial Statements

(₹ in Crore)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Note 28: Depreciation and Amortisation Expenses		
Depreciation for the current year	414.02	524.80
Less : Transferred to Capital Account	0.10	0.03
Less : Transferred from Subsidy Reserve	0.26	0.04
Total :	413.66	524.73

Note 29 : Other Expenses

(₹ in Crore)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
Repairs and Maintenance		
Repairs to building	33.83	34.39
Repairs to plant & machinery	138.39	119.50
Repairs to others	20.70	16.69
Sub total	192.92	170.58
Consumption of Stores & Spare Parts etc.		
Stores & spares*	299.07	354.33
Consumables	120.77	119.05
Sub total	419.84	473.38
Other Manufacturing Expenses :		
Royalty & Cess	90.53	80.33
Water charges	24.13	20.59
Others	48.56	21.34
Sub total	163.22	122.26
Freight and Forwarding Expenses		
Incoming materials	77.59	68.67
Outgoing materials	123.96	122.52
Sub total	201.55	191.19
Rent	3.38	3.38
Rates & Taxes	5.53	4.64
Insurance	8.13	7.74
Payment to Auditors :		
As Auditors	0.20	0.16
For Taxation matters	0.04	0.03
For Company law matters	0.16	0.13
For reimbursement of expenses	0.13	0.15
Sub total	0.53	0.47
Payment to Cost Auditors	0.04	0.02
Security & fire fighting expenses	84.69	74.63
CSR expenses	19.31	29.00
Miscellaneous		
Administrative and general expenses	71.19	93.27
Interest on disputed Govt. dues & others	166.75	202.62
Selling & distribution expenses	20.02	21.61
Write off of Inventories, Claims etc	13.17	19.45
Provisions	61.01	32.34
Others	20.71	14.36
Sub total	352.85	383.65
Adjustments Pertaining to earlier years	10.16	1.00
Total :	1,462.15	1,461.94

* 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 30 : Exceptional Items		
Employee benefit expense *	-	49.37
Power & Fuel expense	(0.74)	-
Other Expense **	(147.68)	-
Total :	<u>(148.42)</u>	<u>49.37</u>

* Previous year figure is on account of revision of Production Linked Incentive Scheme (PLIS) for Non executive employees and percentage contribution to pension scheme for all employees retrospectively relating to the past periods.

** Other expenses includes write back of liability towards interest on disputed electricity for ₹ 253.21 Crore and reversal of claims towards T&T loss for ₹ 105.53 Crore pertaining to earlier years.

Note 31 : Expenditure incurred in Foreign Currency

Professional & consultation fees	5.24	8.11
Other expenses	1.14	0.37
Total :	<u>6.38</u>	<u>8.48</u>

Note 32 : Earnings in Foreign Currency

Export of goods calculated on FOB basis	3,159.48	3,615.31
Other income(despatch money claim)	1.23	1.89
Total :	<u>3,160.71</u>	<u>3,617.20</u>

Note 33 : Value of Imports calculated on CIF basis

Raw materials	114.78	201.79
Coal	107.89	204.68
Components & spare parts	76.00	79.10
Capital goods	5.11	29.35
Total :	<u>303.78</u>	<u>514.92</u>

Note 34 : Value of Raw Materials, Spare parts & components consumed during the year

	Value	%	Value	%
a) Raw Materials:				
Imported	139.22	13.50	230.46	21.68
Indigenous	892.37	86.50	832.70	78.32
Total :	<u>1,031.59</u>	<u>100.00</u>	<u>1,063.16</u>	<u>100.00</u>
b) Spare parts and components				
Imported	102.95	24.52	139.29	29.42
Indigenous	316.89	75.48	334.09	70.58
Total :	<u>419.84</u>	<u>100.00</u>	<u>473.38</u>	<u>100.00</u>

Notes to the Financial Statements

Note 35 : Joint Ventures

Pursuant to compliance of Accounting Standard-27, 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	*	*
Assets		
Non Current Assets	-	-
Current Assets	0.01	0.01
Income	*	*
Expenses	*	*
ii) Angul Aluminum Park Pvt. Ltd.		
Equity and Liabilities		
Shareholders Fund		1.08
Non Current liabilities		*
Current liabilities		
Assets		
Non Current Assets		0.17
Current Assets		0.91
Income		0.08
Expenses		*

* Amount is less than one lakh

Note: For the current financial year, accounts Angul Aluminium Park Pvt. Ltd. is yet to be received. There is no material change / effect of this company on the accounts.

Note No. 36. 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 equal to 6.5% (Previous year 6%) of its total consumption from renewable sources comprising of 4.45% (Previous year 4.20%) from Co- generation, 0.25% (Previous Year 0.20%) from Solar renewable source and 1.80% (previous year 1.60%) from Non solar renewable source.

- a) The company has fulfilled the Co-generation obligation for the year 2014-15 through generation of power from Steam & Power Plant at Refinery Plant.
- b) The company has also fulfilled its Non solar obligation (through wind power generation) for the current year and part obligation for previous years. Cumulative Non solar obligation as on 31.3.2015 is ₹4.21 Crore (previous year ₹15.54 crore) towards 28,080 (previous year 1, 03,656) numbers of Non-solar REC.
- c) Due to non-fulfillment of the obligation to generate required quantum of power from renewable source of Solar the company has provided cumulative liability up to 31.3.2015 for ₹14.22 crore (previous year ₹24.98 Crore) towards 40,637 (previous year 26,855) numbers of Solar REC valued @ ₹3,500 (previous year ₹9,300) per certificate.

Note No. 37. Settlement of Disputed Electricity Duty and Interest thereon

During the year, there was out of court settlement by the Company with Govt of Odisha with regards to disputed Electricity duty, Interest on unpaid Electricity Duty and Electricity duty on Transmission and Transformation loss. As per settlement, the unpaid electricity duty in respect to auxiliary consumption and differential duty is fully paid amounting to ₹ 520.02 crore after adjustment of Electricity duty on Transmission and Transformation loss of an amount of ₹ 38.81 Crore.

Out of the Interest liability on the unpaid electricity duty and interest earned on FD/ Escrow (deposited as per court order) up to the date of settlement amounting to ₹ 355.08 Crore, an amount of ₹ 352.11 Crore has been paid leaving ₹ 2.97 crore to be paid subsequently.

After the settlement, the excess amount provided in the accounts over and above the settled amount is written back, thereby increasing the profit by ₹ 196.82 Crore (current year ₹ 48.40 crore and earlier years ₹ 148.42 Crore). The expenditures for earlier years it is treated as exceptional items (Ref Note 30).

Note No 38. Asset Componentization:

In pursuant to Schedule-II of the Companies Act, 2013, the fixed assets (Plant & machinery) of significant value are componentized with separate useful life. The cut off limit of component value to capitalize separately with different useful life is considered as ₹ 1 Crore and above in each case except Hydrate process at Alumina Refinery and thermal power generation plant at CPP. For Hydrate process the componentization under each sub process is based on % of its constituent elements and for Thermal power generation plant at CPP, the componentization is based on broad billing break up by the equipment provider M/s BHEL.

Note No 39. Effect of schedule-II-Transitional provision

In accordance with Schedule-II of the Companies Act, 2013, the company has revised the useful life of the fixed assets. As per the transitional provision the company has adjusted ₹160.46 crore towards carrying amount of assets where the remaining useful life is nil to opening balance of Reserve & Surplus and deferred tax liability by ₹105.92 crore and ₹54.54 Crore respectively.

Apart from the above, due to revision of useful life of the fixed assets in compliance to Schedule-II of the Companies Act, 2013, on account of lower depreciation, profit for the year increased by Rs 130.13 crore.

Note No.40. CSR Expenditure

In terms of Sec 135 of the Companies Act, 2013, the CSR obligation of the Company for the year 2014-15 works out to ₹20.14 crore, the Company has spent ₹19.09 crore (includes capital expenditure of ₹ 0.83 Crore towards renewable energy) on various CSR activities leaving an obligation of ₹1.05 crore to be spent in the succeeding years which has been provided in Accounts.

Note No 41. Utkal E Coal Block

Utkal E Coal Block was allotted to Nalco by Govt. of India. The Company has paid ₹ 91.57 Crore to M/s Odisha Industrial Development Corporation for acquisition of land and other Govt. Agencies for development of infrastructural facilities. Besides the company has spent ₹ 34.75 Crore towards infrastructural development expenses for Utkal E Coal Block. The process of alienation of land in the name of Nalco is yet to be completed. Pursuant to The Coal Mines (Special Provisions) ordinance, 2014 issued by GOI dated 21st October 2014, consequent upon de-allocation of Utkal E Coal Block, the amount of ₹ 34.75 crore spent on development of infrastructure expenses till the date of de-allocation has been put under claim with Government of India. Such expenditure incurred after the date of de-allocation is charged to revenue.

The company has applied for reallocation of Utkal E Coal Block in its favour and the matter is being pursued with Government of India.

Note No. 42: 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 for their plants.

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 switching 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	:	₹53.97 Crore (previous year ₹45.70 crore)
e.	Nalco's share in joint asset	:	33.33% (1/3rd)
f.	Value of asset capitalized	:	₹17.99 Crore (previous year ₹15.23 crore)
g.	Liability as on 31.3.2015	:	₹4.40 Crore (previous year ₹3.99 crore)
h.	Income from sale/use of output	:	Nil
i.	Expenses in respect of Nalco's interest	:	Nil

Note No.43 Operating Leases:

- The company is operating its mining activities at Panchpatmali bauxite mines based on lease granted by Government of Odisha. 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.
- 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 ₹0.26 crore (previous year ₹0.19 Crore) towards surface and dead rent and charged to statement of profit and loss of the respective year.
- The port facilities is being operated on the land taken on Lease from Vizag Port Trust. The amount spent during the year is ₹2.53 crore (previous year ₹2.58 Crore).

Note No.44. 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 2015	As at 31st March 2014
i) Principal amount due	3.05	0.54
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.45. Dividend for the year:

- 45.1 The Company has paid interim dividend of ₹1.25 per equity share of ₹5/- each for the year 2014-15 (previous year ₹1.10 per equity share of ₹5/- each).
- 45.2 The provision for final dividend of ₹0.50 per equity share of ₹5/- each is made for the year 2014-15 (previous year ₹0.40 per equity share of ₹5/- each) .
- 45.3 Total dividend for the year 2014-15 works out to ₹1.75/- per equity share of ₹5/- each (previous year ₹1.50 per equity share of ₹5/- each). Total amount of proposed dividend for the year 2014-15 is ₹451.02 crore (previous year ₹386.59 crore).

Note No.46. Change in Accounting Policy/ Practice:

- 46.1. a) Increase in the minimum asset value for 100% depreciation in the year of acquisition from ₹5,000 to ₹10,000 in each case. The above change in accounting policy has led to increase in the depreciation expenditure for the current year by an amount of ₹4.27 Crore.
- b) Life of Intangible Assets License (RTA technical knowhow) has been changed from 18 years to 10 years. Besides, life of 220 KV switching station (jointly controlled Assets) earlier considered as tangible fixed assets to be amortized over 5 years has been changed as Intangible assets (User License) to be amortized over 10 years. The above change in accounting policy has led to net increase in the depreciation expenditure for the current year by an amount of ₹0.17 Crore.

Note No.47. Regrouping of previous year's figures:

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

Note No.48 Related Party Disclosures:

48.1 Related Parties

A) Joint Ventures

- a) Angul Aluminium Park Pvt Ltd.
- b) NPCIL-NALCO power company Ltd.

B) Key Managerial Personnel:

i) Whole time Directors

- | | | |
|-----|--|--------------------------------|
| (a) | Shri Ansuman Das | Chairman Cum Managing Director |
| (b) | Shri S.S. Mahapatra (up to 31.12.2014) | Director (Production) |
| (c) | Shri N.R. Mohanty | Director (Project & Technical) |
| (d) | Shri S.C. Padhy | Director (Human Resources) |
| (e) | Shri K C Samal | Director (Finance) |
| (f) | Ms Soma Mondal | Director (Commercial) |
| (g) | Shri V Balasubramanyam (w.e.f. 01.01.2015) | Director (Production) |

ii) Others

- a) Shri K N Ravindra Executive Director-Company Secretary

C) Part time Official Directors: (Nominee of Govt. of India):

- (a) Shri R Sridharan, IAS
- (b) Shri D S Mishra, IAS (Upto 11.07.2014)
- (c) Dr N K Singh (w.e.f. 12.11.2014)

D) Part time non official (Independent) Directors:

- | | | |
|-----|---------------------------------|--------------------|
| (a) | Shri G.P. Joshi, IAS (Retd.) | (Up to 15.9.2014) |
| (b) | Shri S.S. Khurana | (Up to 15.9.2014) |
| (c) | Shri Madhukar Gupta, IAS (Retd) | (up to 27.12.2014) |
| (d) | Shri G H Amin | (up to 27.12.2014) |
| (e) | Shri Qaiser Shamim | |
| (f) | Shri Sanjiv Batra | |

48.2 Related Party Transactions:

a) During the year the company has not made any transaction with the JVs (Previous year Nil)

b) Remuneration to Key Managerial Personnel

(₹ in Crore)

Sl. No.	Particulars	Current Year	Last Year
1	Salaries	2.16	1.99
2	Contribution to Provident Fund	0.18	0.15
3	Medical Benefits	0.03	0.02
4	Other Benefits	0.04	0.03
	Total	2.41	2.19

c) Loans / advances due from Key Managerial Personnel:

Sl. No.	Particulars	Current Year	Last Year
1	Outstanding at the end of the year	0.10	0.10
2	Maximum amount due at any time during the year	0.20	0.16

5 YEARS PERFORMANCE AT A GLANCE - PHYSICAL

Sl	Particulars	Units	2014-15	2013-14	2012-13	2011-12	2010-11
1	Production:						
	Bauxite	MT	57,39,120	62,92,677	54,19,391	50,02,626	48,23,908
	Alumina Hydrate	MT	18,51,000	19,25,000	18,02,000	16,87,000	15,56,000
	Aluminium	MT	3,27,070	3,16,492	4,03,384	4,13,089	4,43,597
	Power (net)	MU	5,131	4,989	6,076	6,200	6,608
	Wind Power	MU	175	144	14	-	-
2	Export Sales:						
	Alumina	MT	11,84,595	13,09,473	9,44,117	7,92,552	6,39,855
	Aluminium	MT	60,752	1,01,243	1,44,161	98,399	98,200
3	Domestic Sales:						
	Alumina ,Hydrate and Other Chemicals	MT	40,048	33,288	40,605	50,253	45,916
	Aluminium	MT	2,65,328	2,18,420	2,58,941	3,17,517	3,40,752
	Power (Net)	MU	28	27	26	16	56
	Wind Power	MU	175	144	14	-	-

5 YEARS PERFORMANCE AT A GLANCE - FINANCIAL (₹ in crore)

Sl	Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
A	Income Statement :					
1	Exports	3,307	3,719	3,410	2,569	2,065
2	Domestic Sales	4,464	3,305	3,837	4,358	4,305
3	Gross Sales (1+2)	7,771	7,024	7,247	6,927	6,370
4	Less : Excise Duty	509	375	438	427	411
5	Net Sales (3 - 4)	7,262	6,649	6,809	6,500	5,959
6	Other Income :					
7	Operating	121	132	107	112	98
8	Non-operating	673	558	511	542	353
9	Operating expenses	5,677	5,847	6,010	5,467	4,464
10	Operating Profit (5+7-9)	1,706	934	906	1,145	1,593
11	Exceptional Expenditure	(148)	49	-	22	-
12	Earning before interest, dep. & taxes (EBIDT)(10+8 -11)	2,527	1,443	1,417	1,665	1,946
13	Interest & Financing charges	-	-	7	1	-
14	Earning before dep. & taxes (EBDT) (12-13)	2,527	1,443	1,410	1,664	1,946
15	Depreciation and Amortisation	414	525	505	467	422
16	Profit before Tax (PBT) (14-15)	2,113	918	905	1,198	1,524
17	Provision for Tax	791	276	312	348	455
18	Net Profit (PAT) (16 - 17)	1,322	642	593	850	1,069
B	Balance Sheet :					
19	Equity Capital	1,289	1,289	1,289	1,289	1,289
20	Reserves & Surplus	11,508	10,834	10,644	10,426	9,876
21	Networth (19+20)	12,797	12,122	11,933	11,715	11,165
22	Loans	-	-	-	-	15
23	Net Fixed Assets	6,645	6,792	6,629	6,612	5,494
24	Working Capital	5,501	3,949	3,411	4,193	3,304
25	Capital Employed (23+24)	12,146	10,741	10,040	10,805	8,798
C	Ratios :					
26	Operating Profit Margin (OPM) (%) (10 / 5*100)	23.50	14.05	13.31	17.62	26.73
27	Net Profit Margin (%) (18 / 5 *100)	18.21	9.65	8.71	13.07	17.94
28	Return on Capital Employed (ROCE) (%) (18/25*100)	10.89	5.98	5.91	7.86	12.15
29	Return on Networth (RONW)(%) (18/21*100)	10.33	5.29	4.97	7.25	9.57
D	Others :					
30	Book value per share of ₹ 5 each (in ₹)	49.65	47.04	46.30	45.46	43.32
31	Earnings per share (in ₹)	5.13	2.49	2.30	3.30	4.15
32	Dividend (₹ Per Share)	1.75	1.50	1.25	1.00	2.50

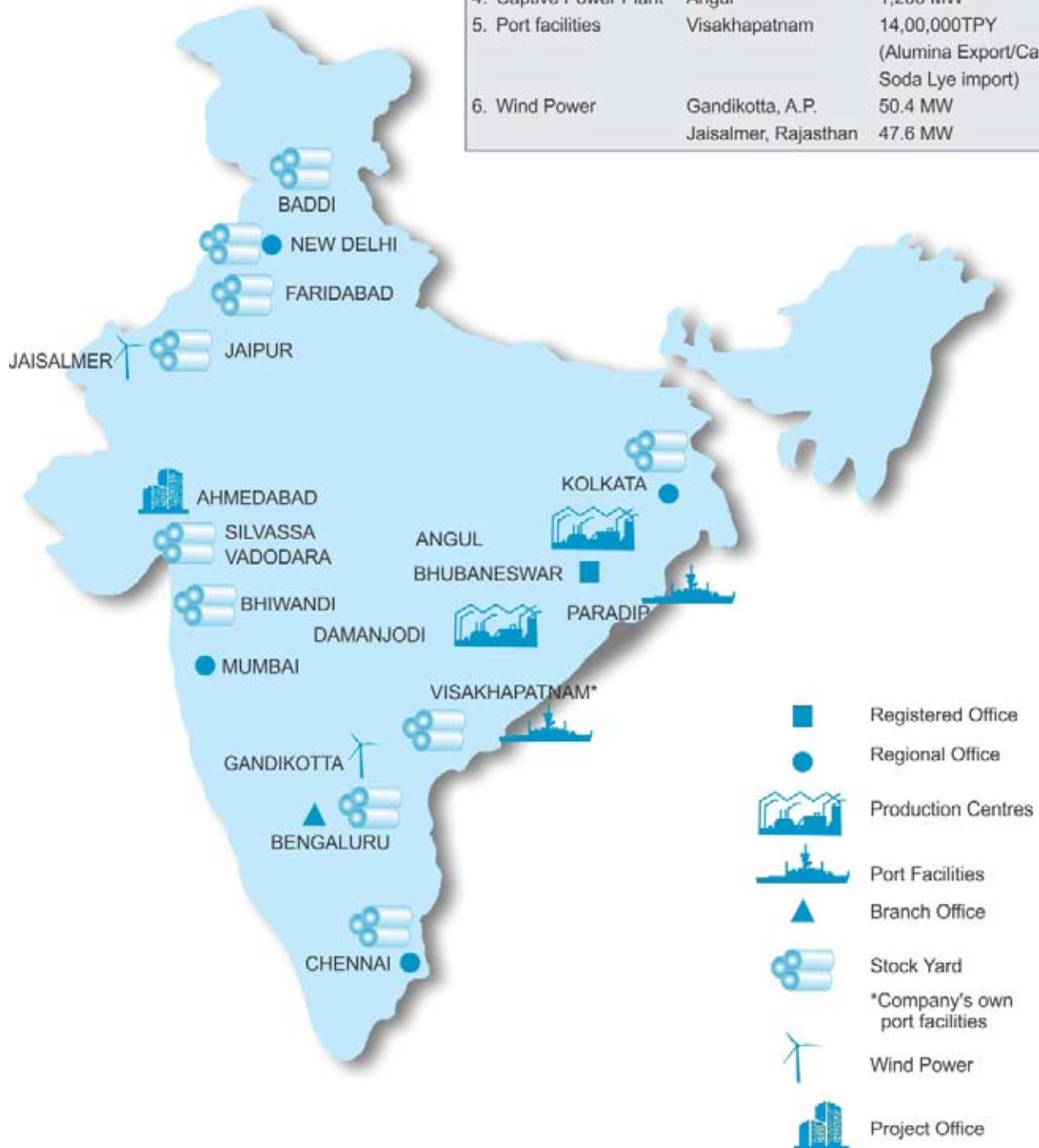
Reconciliation of Published Quarterly (Reviewed) Financial Results and Annual (Audited) Financial Results for the year 2014-2015

(₹ in crore except sl. no. 12 and 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	1763.80	2088.31	2010.86	1907.65	7770.62	7770.62	-
	Less: Excise Duty	112.51	132.97	134.05	129.19	508.72	508.72	-
	Net Sales	1651.29	1955.34	1876.81	1778.46	7261.90	7261.90	-
2	Other Income	219.11	208.79	180.80	184.85	793.55	793.55	-
3	Total Expenditure Excl. Depreciation	1403.55	1521.22	1378.79	1373.23	5676.79	5676.79	-
4	Interest & Financing Charges	-	-	-	-	-	0.00	-
5	Depreciation & Provision	95.51	103.76	116.50	97.89	413.66	413.66	-
6	Profit Before Tax & Exceptional Items	371.34	539.15	562.32	492.19	1965.00	1965.00	(0.00)
7	Exceptional Items	-	-	-	-148.42	-148.42	-148.42	-
8	Profit Before Tax	371.34	539.15	562.32	640.61	2113.42	2113.42	-
9	Provision for Tax	100.35	197.63	207.85	285.74	791.57	791.57	-
10	Net Profit (PAT)	270.99	341.52	354.47	354.87	1321.85	1321.85	-
11	Paid up Equity Share Capital	1288.62	1288.62	1288.62	1288.62	1288.62	1288.62	-
12	Earning per Share (₹) (Not annualised)	1.05	1.33	1.38	1.38	5.13	5.13	0.00
13	Aggregate of non-promotor Shareholding:							
	Number of Shares	49,14,55,890	49,14,55,890	49,14,55,890	49,14,55,890	49,14,55,890	49,14,55,890	
	Percentage of Shareholding	19.07	19.07	19.07	19.07	19.07	19.07	

NALCO'S VARIOUS PRODUCTION UNITS, THEIR LOCATION & INSTALLED CAPACITIES

1. Bauxite Mines	Panchpatmali	68,25,000 TPY
2. Alumina Refinery	Damanjodi	22,75,000 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 (Odisha)
Phone : 0674-2301988 to 2301999
Fax : 0674-2300550/2300470/
• 2300521/2300640

UNITS

1. Mines & Refinery

Mines & Refinery Complex
Damanjodi - 763 008
Dist. : Koraput (Odisha)
Phone : 06853-254515/254550/254251
Fax : 06853-254361/254214

2. Captive Power Plant

Dist. : Angul (Odisha)
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 - 400 030
Phone : 022-24939288/89
Fax : 022-24950500
E-mail : bbsinghababu@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 066a, 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), Silvassa-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, Ponnammanmedu Post,
Madhavaram, Chennai - 600 010, Tamil Nadu
Phone : 044-25530310/320/327/433

10. Vadodara

C/o. NSIC Limited
Godown No. 1C/2, Central Warehousing
Corporation, Near Ranoli Flyover, Karachiya,
Vadodara, Gujarat-391350
Phone: 0265-2240101

11. New Delhi

C/o, Balmer Lawrie & Co. Ltd.
Apollo Fiege Integrated Logistics Pvt. Ltd.,
Khasra No. 93, Village: Bamnoli,
P.O.: Dhulsiras, New Delhi-110077
Phone: 011-65356735



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 self-attested photocopy of a blank cheque, a certificate from the Bank as under may be furnished.

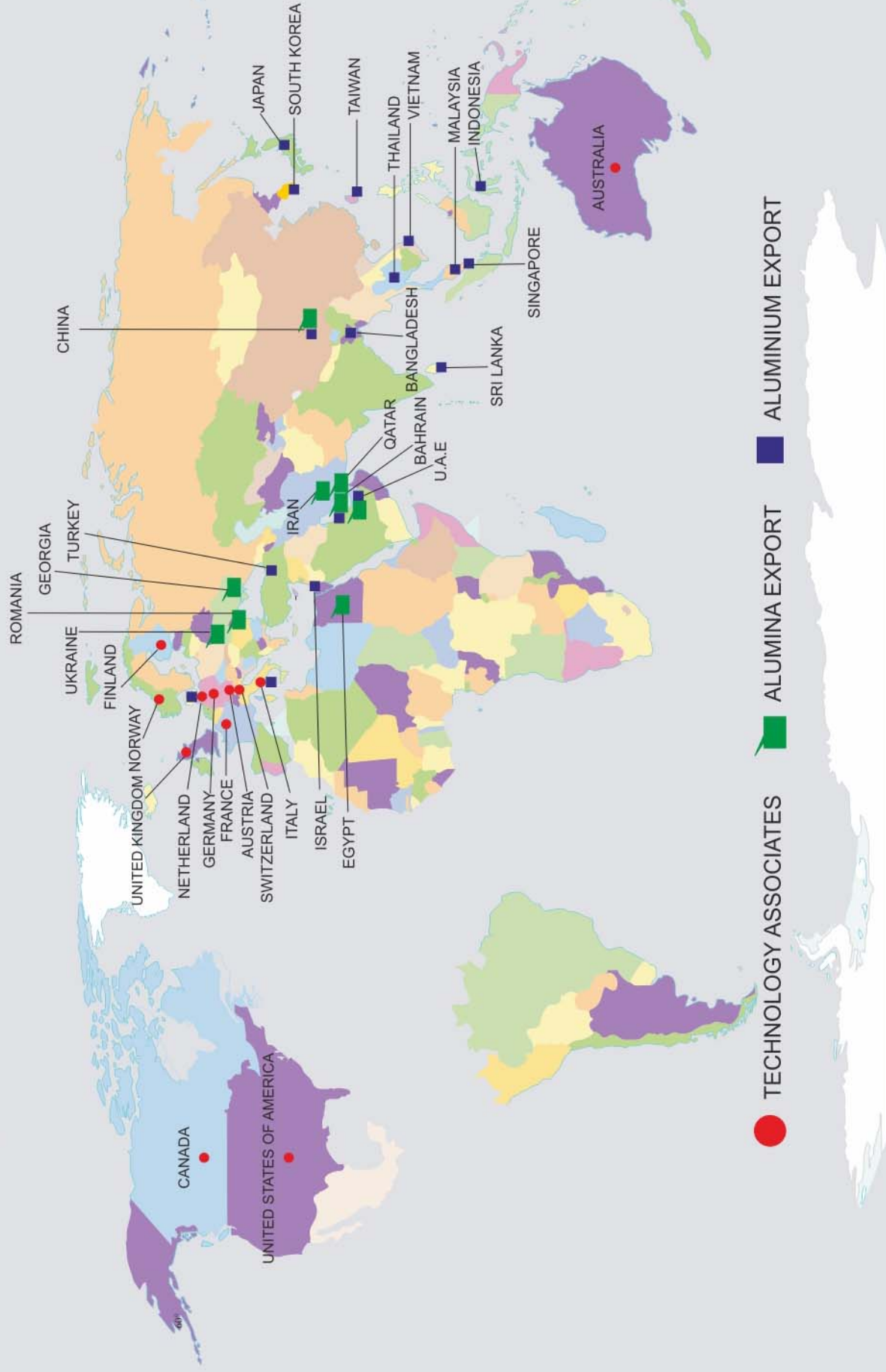
Certified that the particulars furnished above are correct as per our records.

Bank's Stamp:

Date:

Signature of the Authorized Official from the Bank

Global Reach



EMPATHETIC CSR



नालको  **NALCO**

National Aluminium Company Limited

A Navratna PSU under Ministry of Mines
(Government of India)

www.nalcoindia.com

CIN - L27203OR1981GOI000920



National Aluminium Company Limited

(A Government of India Enterprise)

CIN: L27203OR1981GOI000920

Regd. Office : NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar – 751 013 (Odisha)

Tel. : 0674-2301988-999, Fax: 0674-2300677, E-mail: investorservice@nalcoindia.co.in, Website: www.nalcoindia.com

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Company will be held on Saturday, the 26th September, 2015 at 11.00 A.M. at NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar - 751 013 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri N.R. Mohanty (DIN:05181575), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.C. Padhy (DIN:02594088), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **To appoint Dr. N. K. Singh (DIN: 03361541) as Director of the Company.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification.

"RESOLVED THAT Dr. N. K. Singh, (DIN: 03361541), who was appointed as an additional director in terms of Order No. 2(1)/2004-Met-I, dtd. 12.11.2014 of Govt. of India and who holds the office up to the date of this Annual General Meeting and in respect of whom, the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. **To appoint Shri V. Balasubramanyam (DIN: 06965313) as Director (Production) of the Company.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification.

"RESOLVED THAT pursuant to Sections 196, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, approval of the members of the Company be and is hereby accorded for the appointment of Shri V. Balasubramanyam, as Director (Production) of the Company whose office shall be liable to retire by rotation with effect from 1st January, 2015 in terms of Order No. 2(7)/2013-Met-I dt.31.10.2014 of the Ministry of Mines, Government of India in the pay scale of ₹75,000-1,00,000 for a period of five years or till the date of his superannuation or until further orders, whichever is the earliest."

"RESOLVED FURTHER THAT the detailed terms and conditions of Shri V. Balasubramanyam, as Director (Production) shall be as detailed in office Order No. 2(7)/2013-Met-I(pt I)dt.19.05.2015 of Ministry of Mines as modified by the Government of India from time to time."

7. **Appointment of Shri Tapan Kumar Chand (DIN: 01710900), as Chairman-cum-Managing Director of the Company.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification.

"RESOLVED THAT pursuant to Sections 196, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, approval of the members of the Company be and is hereby accorded for the appointment of Shri Tapan Kumar Chand, as Chairman-cum-Managing Director (CMD) of the Company with effect from July 27, 2015 in terms of Order F No. 2(2)/2014-Met-I dt. 22.07.2015 of the Ministry of Mines, Government of India in the pay scale of ₹ 80,000-1,25,000 for a period of five years from the date of his assumption of charge of the post till the date of his superannuation i.e. 30.11.2019 or until further orders whichever is the earliest."

"RESOLVED FURTHER THAT the detailed terms and conditions of Shri T.K. Chand as CMD shall be as may be determined by the Government of India from time to time."

8. **To fix remuneration of Statutory Auditors.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 142 of the Companies Act, 2013, the Board of Directors of the Company be and are hereby authorized to fix a suitable remuneration for the Statutory Auditors of the Company from time to time as may be mutually agreed upon between the Board of Directors and the Statutory Auditors of the Company on their appointment by the Comptroller & Auditor General of India (C&AG)."

9. **To ratify the remuneration of Cost Auditors for the financial year 2015-16.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification.

"RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and rules made there under, the decision of the Board approving remuneration of ₹ 2,50,000/- plus service tax at applicable rates plus out of pocket expenses fixed for M/s. Tanmaya S Pradhan & Co., Cost Accountants, appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year 2015-16 be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board

(K. N. RAVINDRA)

ED-COMPANY SECRETARY

Place: Bhubaneswar

Date: 24th August, 2015

Notes:

- (a) The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 22nd September, 2015 to Saturday, the 26th September, 2015 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the Meeting.
- (b) The dividend on equity shares, if declared at the Meeting, will be credited / dispatched within 30 days of its declaration to those members whose names appear:
 - i. as beneficial owners as at the end of the business hours on 21st September, 2015 as per the beneficial owners position to be provided by NSDL and CDSL in respect of the shares held in electronic form; and
 - ii. as members in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company on or before 21st September, 2015.
- (c) **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**
- (d) **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
- (e) **A blank proxy form is attached to this notice.**

Inspection of Proxies

- (i) Requisitions, if any, for inspection of Proxies should be received in writing from a Member entitled to vote on any Resolution at least three days before the commencement of the Meeting.
- (ii) Proxies will be made available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.
- (f) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (g) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
- (h) Details of Directors seeking re-appointment/appointment as new Directors in this Annual General Meeting are attached separately to the Notice.
- (i) The Company has transferred the unpaid/unclaimed dividends up to financial year 2006-07 and interim dividend for the financial year 2007-08, declared from time to time on due dates to the Investor Education and Protection Fund (the IEPF), established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 27, 2014 (date of last Annual General Meeting) on the website of the Company (www.nalcoindia.com), as also on the website of the Ministry of Corporate Affairs.
- (j) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company.
- (k) As per the provisions of the Companies Act, 2013, facility for making nominations is available to shareholders in respect of the shares held by them. Shareholders who are holding shares in physical mode in sole name, are advised to avail of the nomination facility by submitting the prescribed Form SH-13 for initial registration of nomination and Form SH-14 for cancellation and variation of nomination. The Forms may be downloaded from the Company's website www.nalcoindia.com. However, if shares are held in demat mode, nomination has to be registered with the respective Depository Participants (DPs) without referring the matter to the Company.
- (l) The Company provides the facility of centralized NECS (Credit Clearing) to the shareholders holding shares both in electronic and physical forms, electronically through RBI which have implemented Core Banking Solutions (CBS). This extends to all over the country. A blank NECS Mandate form is attached for use by the shareholders. This form can also be downloaded from the Company's website www.nalcoindia.com. The mandate given by the shareholder would be used for all future payments unless amended/withdrawn.
Shareholders holding shares in electronic form may please note that the Company will use 9 digit MICR Code along with Bank particulars, as provided by their respective Depositories, for the purpose of payment of dividend through NECS.
- (m) Members holding shares in electronic form may please note that their bank details as provided by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories. The Company will not entertain any direct request from members for change/deletion of such bank details. However, if there is any change in their Bank particulars and/or change in address after the date of providing beneficial owners position by the Depositories but before the date of dispatch of dividend warrant/demand draft/NECS credit, the Company may consider such requests provided that such requests are received through their respective Depository Participants, duly certified by them. Further, instructions, if any, already given to the Company by them in respect of shares held in physical form will not be automatically applicable to the dividend payable on shares held in electronic form. Members may therefore give fresh instructions regarding particulars of their bank accounts and address in which they wish to receive dividend, to their respective Depository Participants only.
- (n) Shareholders may write to the Company or send e-mail to investorservice@nalcoindia.co.in furnishing the particulars of the dividend not received and quoting the folio number /DPID and Client ID particulars (in case of dematerialised shares). On expiry of the validity period, if the dividend warrant is still shown as unpaid in the records of the Company, the Company will request the concerned shareholder to execute an indemnity bond before issuing a Demand Draft in lieu thereof.
- (o) No dividend warrant will be issued against shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless the procedure for releasing the same has been completed.
- (p) Shareholders/Investors are advised to send their queries/complaints to the dedicated e-mail Id i.e. investorservice@nalcoindia.co.in for quick and prompt redressal of their grievances.
SEBI has introduced a centralized web based system called SEBI Complaints Redress System (SCORES) for online movement of complaints to concerned Companies and for online view of the action taken by the Companies on the complaints. Members may also use this system introduced by SEBI for lodging their complaints/grievances.
- (q) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN details to their respective Depository Participants (DP). Members holding shares in physical form can submit their PAN details to the Company.
Any person desirous of transferring shares in his name in physical mode must enclose copy of PAN along with other share transfer related documents. Any transfer request without PAN copy will be rejected.
- (r) Shareholders who have not registered their e-mail addresses so far are advised to register their e-mail address for receiving communications viz. Notice, Annual Report, Dividend payment intimation etc. Shareholders holding shares in electronic form are requested to update their e-mail address with their respective DPs.
- (s) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.

- (t) Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- (u) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given below. The Company will also send communication to the members, separately through e-mail, which inter-alia would contain details about User ID and password along with a copy of this Notice.
- (v) The Annual Report is being sent separately by post.
- (w) The route map for the venue of the meeting is given at the end.

Voting through electronic means:

In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer remote e-voting facility to its Members to exercise their right in respect of the businesses to be transacted at the 34th Annual General Meeting ("AGM") by casting vote using an electronic voting system from a place other than the venue of the AGM ("remote e-voting").

The facility for voting through ballot paper shall also be made available at the meeting and those members who have not cast their vote through remote e-voting shall be able to exercise their right at the meeting.

Provided, the members who have cast their vote by remote e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their vote again. If a member casts vote by both modes, then voting done through remote e-voting shall prevail and the Ballot form shall be treated as invalid. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Authorised Agency to provide remote e-voting facilities. The detailed process, instructions and manner for availing remote e-voting facility is provided herein below:

- A. The E-voting period begins on 23rd September, 2015 at 9 a.m. and ends on 25th September, 2015 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- B. **In case of members receiving Notice through e-mail:**
 1. If you are holding shares in Demat form and have logged on to www.evotingindia.com and have cast your vote earlier through E-voting for any Company earlier, then in such case the existing Login Id and Password can be used. If Demat Account holder has forgotten the password then enter the user id and captcha code and click on forgot password and enter the details as prompted by the system.
 2. The shareholders should log on to the e-voting website www.evotingindia.com.
 3. Click on "Shareholders" tab to cast your votes.
 4. a. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password can be used.
 - b. If you are a first time user, follow the steps given below and fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
USER ID	For NSDL: 8 character DP ID Followed by 8 digit Client ID For CDSL: 16 digits beneficiary ID Enter the captcha code as displayed and click on login.	Folio number registered with the Company & enter the captcha code as displayed and click on login.
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (in Capital) (Applicable for both Demat shareholders as well as physical shareholders).	
Any one of the following two:		
DOB#	Enter the Date of Birth as recorded in your Demat account or in the company records for the said Demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter the Client Id Number/Folio Number in the Dividend Bank details field, as mentioned above.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letter of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

CDSL users can enter any one of the details viz. dividend bank details or date of birth, in order to login; NSDL users mandatorily have to mention their bank account number in order to login. In case bank details are not recorded with the depository, please enter the Client ID Number as at the end of the business hours on 19th September, 2015 in the Dividend Bank details field.

5. After entering these details appropriately, click on "SUBMIT" tab.
6. Members holding shares in physical form will then reach directly to the Company selection screen. Kindly note that this password can also be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
The new password has to be minimum eight characters consisting of at least one upper case [A-Z], one lower case [a-z], one numeric value [0-9] and a special character [!@#\$%^&*]. It is applicable for demat holders only.
7. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
8. Click on the relevant EVSN of NATIONAL ALUMINIUM COMPANY LIMITED on which you choose to vote.
9. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired.
The option YES implies that you Assent to the Resolution. The option NO implies that you Dissent to the Resolution.
10. Click on the "Resolutions File Link" if you wish to view the entire Resolution.
11. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
12. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

13. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
14. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- C. Please follow all steps from Sr. No. [1.] to Sr. No. [11.] hereinabove to cast vote, in case of members receiving the physical copy of Notice of Annual General Meeting [for members whose e-mail IDs are not registered with the Company / Depository Participant [s] or requesting physical copy].
- D. For Institutional Shareholders:
 1. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 3. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 4. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 5. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- E. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 19th September, 2015, are requested to refer the notes and instructions to the E-Voting included in the notice which is uploaded on the website of CDSL and of the Company and can cast their votes accordingly. In case, you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/ Password" option available on <https://www.evotingindia.com>.
- F. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company. The facility of E-voting would be provided once for every folio/ client id, irrespective of the number of joint holders. For any grievances connected with voting by electronic means, shareholders may contact Shri N K Mohanty, Addl. Company Secretary, E-mail Id : nkmohanty@nalcindia.co.in.
- G. CS Saroj Kumar Ray, Practicing Company Secretary (FCS: 5098, CP: 3770) and Partner of M/s. Saroj Ray & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- H. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- I. The result of the e-voting along with the scrutinizer's report will be placed on Company's website, www.nalcindia.com and also on the website of CDSL. The result shall also be immediately forwarded to the BSE and NSE.
- J. The scrutinizer's decision on the validity of e-voting will be final.
- K. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO NOTICE

Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No. 5 :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Dr. N K Singh as an Additional Director of the Company with effect from 12th November, 2014. In terms of the provisions of Section 161(1) of the Act, Dr. N K Singh would hold office up to the date of this Annual General Meeting. He has attended all the three Board meetings convened during his tenure in the year 2014-15.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. N K Singh for the office of Director of the Company.

Dr. Singh is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Born on 01.01.1962, Dr. N K. Singh belongs to 1987 batch of Indian Forest Service (IFS) from Gujarat Cadre. He is currently working as Joint Secretary in the Ministry of Mines, Government of India, New Delhi. Dr. Singh is B.Tech in Mining Engineering from Indian School of Mines, Dhanbad. He accomplished his Ph.D on the topic "Estimation of Gross Domestic Product of Forestry sector in the State of Gujarat." He had the opportunity to serve at the level of Director dealing with Environment and Forestry sector in the Planning Commission, Government of India. He has also served at the Director level dealing with Integrated Watershed Development Programme (IWDP) in the Department of Land Resources, Ministry of Rural Development, Government of India. He had a significant stint, serving as Managing Director, Gujarat Agro Industries Corporation Limited for the development of agri-infrastructure and food processing sector in the State.

Dr. Singh is not entitled for any remuneration or sitting fee for attending the Board/Sub-Committee meetings.

Dr. Singh may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding, if any in respect of his appointment as a Director. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

Dr. Singh does not hold any share in the Company and is not related to any director or Key Managerial Personnel of the Company.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders.

Item No. 6 :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company had appointed Shri V. Balasubramanyam as an Additional Director of the Company with effect from 1st January, 2015. Shri V Balasubramanyam would hold office up to the date of this Annual General Meeting. He has attended the two Board meetings convened during his tenure in the year 2014-15. He is also one of the Key Managerial Personnel of the Company.

Further, in terms of Section 196 and 203 of the Companies Act, 2013, Shri V Balasubramanyam has been appointed as Director (Production) of the Company w.e.f. 01.01.2015 in terms of Order No. 2(7)/2013-Met-I dt. 31.10.2014 of Ministry of Mines, Government of India in the pay scale of ₹ 75,000/- ₹ 1,00,000/- for a period of five years or till the date of his superannuation or until further order, whichever is the earliest.

The detailed terms and conditions of Shri V. Balasubramanyam are as per office Order No. 2(7)/2013-Met-I(pt I) dt. 19.05.2015 which can be verified at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri V Balasubramanyam for the office of Director of the Company.

Shri Balasubramanyam is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Born on 01.12.1960, Shri V Balasubramanyam completed his B Tech in chemical engineering and joined NALCO as a Graduate Engineer Trainee (GET) in 1984. During his long service association of three decades with NALCO, Shri Balasubramanyam has contributed significantly from Technology adoption to absorption in the field of aluminium technology. With his vast professional experience, which nested from project execution to plant operation at both the production complexes of NALCO, Shri Balasubramanyam held very critical and crucial positions in the organization before taking over as Director (Production).

Shri Balasubramanyam may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding, if any in respect of his appointment as a Director. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the shareholders.

Shri Balasubramanyam is holding 5260 no. of equity shares in the Company and is not related to any director or Key Managerial Personnel of the Company.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the shareholders.

Item No. 7 :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Shri Tapan Kumar Chand as an Additional Director of the Company with effect from 27th July, 2015. Shri Tapan Kumar Chand would hold office up to the date of the ensuing Annual General Meeting. Since Shri Chand was not a member on the Board during 2014-15, he has not attended any Board meetings during the year. He is also one of the Key Managerial Personnel of the Company.

Further, in terms of Section 196 and 203 of the Companies Act, 2013, Shri Tapan Kumar Chand has been appointed as Chairman-cum-Managing Director of the Company w.e.f. 27.07.2015 in terms of Order F No.2(2)/2014-Met-I dt. 22.07.2015 of Ministry of Mines, Government of India in the pay scale of ₹80,000/- ₹1,25,000/- for a period of five years from date of assumption of office or till the date of his superannuation or until further orders, whichever is the earliest. Detailed terms and conditions will be determined by the Govt. of India from time to time.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Tapan Kumar Chand for the office of Director of the Company.

Shri Chand is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Born on 17th November, 1959, Shri T.K. Chand was an outstanding scholar and had topped Utkal University. He had undergone training in Advanced Management Programme in International Centre for Promotion of Enterprises (ICPE), in western Europe and in Queensland University of Technology, Australia. He was adjudged as an outstanding performer in certificate course conducted by SCOPE and DPE for Directors and CMDs.

Shri Chand is one of the senior most Director in the industry having more than 30 years of rich experience in mining and metal sector. He was Director in Central Coalfields Ltd. and the Director in Rashtriya Ispat Nigam Ltd. (Visakhapatnam Steel Plant) before joining NALCO as CMD. He brought a paradigm shift in the areas of CSR by introducing schemes like Girl Child Promotion, Model Village Development, Operation Jyothi etc. He had introduced a number of structural and functional changes in mining and metal sector, which have immensely contributed for the improvement of productivity and profitability of the companies. He is putting all out efforts to make NALCO not only pick up upward trend but also summons energy to scale new heights in coming years.

Shri Chand may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding, if any in respect of his appointment as a Director. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

Shri Chand does not hold any share in the Company and is not related to any director or Key Managerial Personnel of the Company..

The Board commends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the shareholders.

Item No. 8 :

As per Section 139(5) of the Companies Act, 2013, Statutory Auditors of a Government Company are appointed or re-appointed by the Comptroller and Auditor General of India (C&AG).

As per Section 142 of the Companies Act, 2013, the remuneration of the Statutory Auditors of a Company shall be fixed in its General Meeting or in such manner as may be determined therein.

Members in the 26th Annual General Meeting (AGM) held on 21st September, 2007 had authorized the Board of Directors of the Company to fix a suitable remuneration for the Statutory Auditors of the Company from time to time as may be mutually agreed upon between the Board of Directors and Statutory Auditors of the Company, on their appointment by the C&AG.

In the meantime new Companies Act, 2013 has come into force w.e.f. 01.04.2014. Hence, as a measure of abundant precaution, the matter is being brought once again to the AGM for authorization to the Board of Directors to fix remuneration for the Statutory Auditors from time to time, on their appointment by C&AG.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Item No. 9 :

The Board, on the recommendation of the Audit Committee, had approved the appointment of M/s. Tanmaya S Pradhan & Co., Cost Accountants as Cost Auditors and fixed a remuneration of ₹ 2,50,000/- plus service tax at applicable rates plus out of pocket expenses to conduct the audit of the cost records of the Company for the financial year 2015-16.

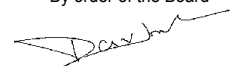
In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution ratifying the decision of the Board for fixation of remuneration to the Cost Auditors for the financial year 2015-16.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

By order of the Board



(K. N. RAVINDRA)
ED-COMPANY SECRETARY

Place : Bhubaneswar

Date : 24th August, 2015



Details of Directors seeking re-appointment/ appointment in the
34th Annual General Meeting on Saturday, the 26th September, 2015
(In terms of Clause - 49 of the Listing Agreement)

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT (ORDINARY BUSINESS IN THE NOTICE)

1.	Shri N R Mohanty	
	Father's Name	Late Kishori Charan Mohanty
	Date of Birth	13.01.1957
	Date of Appointment	01.02.2012
	Expertise in specific functional areas	Mechanical Engineer having wide range of experience in aluminium industry.
	Qualifications	B.Sc. Engg. (Hons.) Mechanical
	List of outside Directorships held	Nil
	Member of Committees of the Board	Audit Committee and Stakeholders Relationship Committee
	Member of Committees in other companies	Nil
	Number of Board meetings attended during the year	9
	Shareholding	5764
2.	Shri S C Padhy	
	Father's Name	Late Shri R.C. Padhy
	Date of Birth	03.06.1956
	Date of Appointment	20.12.2012
	Expertise in specific functional areas	Wide ranging experience in the human resources management.
	Qualifications	Post graduate in Labour and Social Welfare from Berhampur University, Odisha.
	List of outside Directorships held	Nil
	Member of Committees of the Board	Nil
	Member of Committees in other companies	Nil
	Number of Board meetings attended during the year	8
	Shareholding	1250
DETAILS OF DIRECTORS SEEKING APPOINTMENT (SPECIAL BUSINESS IN THE NOTICE)		
3.	Dr. N K Singh	
	Father's Name	Shri Bhikunt Prasad Singh
	Date of Birth	01.01.1962
	Date of Appointment	12.11.2014
	Expertise in specific functional areas	Indian Forest Service (IFS) officer having varied experience in administration and industries.
	Qualifications	B. Tech, M Sc., PhD
	List of outside Directorships held	Mineral Exploration Corporation Ltd.
	Member of Committees of the Board	Audit Committee and Stakeholders Relationship Committee
	Member of Committees in other companies	Member-Audit Committee-Mineral Exploration Corporation Ltd.
	Number of Board meetings attended during the year	3
	Shareholding	Nil
4.	Shri V. Balasubramanyam	
	Father's Name	Shri K P Venkatesan
	Date of Birth	01.12.1960
	Date of Appointment	01.01.2015
	Expertise in specific functional areas	Chemical engineer having wide range of experience in aluminium industry.
	Qualifications	B Tech in chemical engineering
	List of outside Directorships held	Nil
	Member of Committees of the Board	Audit Committee
	Member of Committees in other companies	Nil
	Number of Board meetings attended during the year	2
	Shareholding	5260
5.	Shri Tapan Kumar Chand	
	Father's Name	Shri Rajendra Kumar Chand
	Date of Birth	17.11.1959
	Date of Appointment	27.07.2015
	Expertise in specific functional areas	One of the senior most Director having three decades of experience in mines and mineral sector.
	Qualifications	Post Graduate Degree in History and Public Administration Bachelor's Degree in Law and Diploma in Social Welfare
	List of outside Directorships held	Nil
	Member of Committees of the Board	Nil
	Member of Committees in other companies	Nil
	Number of Board meetings attended during the year	Nil
	Shareholding	Nil

- Notes:**
- Chairmanship/membership of the Audit Committee and the Stakeholders Relationship Committee have only been considered as per Clause 49 of the Listing Agreement.
 - Shri N R Mohanty, Director (P&T) (item No.3 of the notice) and Shri S. C. Padhy, Director (HR)(item No.4 of the notice), Key Managerial Personnel (KMP) whose reappointments are proposed are in the pay scale of ₹ 75,000 – 1,00,000 and their detailed terms and conditions of appointment are as per the letter No. 2(3)/2010-Met.I(pt) dated 21.1.2013 and No.2(1)/2011-Met.I (pt.II) dated 21.5.2013 respectively. The details of remuneration drawn by all the Directors is given in the Corporate Governance Report and extract of Annual Return attached to the Directors' Report.
 - Detailed Information of the Directors / CMD proposed for appointment as special business at item nos. 5, 6, & 7 are given in the explanatory statement attached to the notice.



NATIONAL ALUMINIUM COMPANY LTD.

CIN: L27203OR1981GOI000920

Registered Office: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar - 751013

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

ATTENDANCE SLIP

DP ID.		Folio No/Client Id		No of Shares	
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NAME OF THE SHAREHOLDER :

NAME OF THE PROXY :

I hereby record my/our presence at the 34th ANNUAL GENERAL MEETING of the Company held on Saturday, the 26th September, 2015 at 11.00 a.m. at NALCO Bhawan, P/1, Nayapalli, Bhubaneswar - 751013.

(Only shareholders/proxies are allowed to attend the meeting)

Signature of the Shareholder/Proxy :



NATIONAL ALUMINIUM COMPANY LTD.

CIN: L27203OR1981GOI000920

Registered Office: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar - 751013

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	E-mail ID:
Registered address:	Folio No./Client ID:
	DP ID:

I/We being the member(s) of shares of National Aluminium Company Ltd., hereby appoint -

- 1) of having email id or failing him
- 2) of having email id or failing him
- 3) of having email id or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th ANNUAL GENERAL MEETING of the Company scheduled to be held on Saturday, the 26th September, 2015 at 11.00 a.m. at NALCO Bhawan, P/1, Nayapalli, Bhubaneswar - 751013 and at any adjournment there of in respect of such resolutions as are indicated below:

Resolution No.	Subject Matter of the Resolution	For	Against
ORDINARY RESOLUTION			
1.	Adoption of the audited financial statements of the Company for the financial year ended 31st March, 2015, the reports of the Directors and the Auditors thereon		
2.	Declaration of dividend on equity shares		
3.	Re-appointment of Shri N R Mohanty, who retires by rotation		
4.	Re-appointment of Shri S C Padhy, who retires by rotation		
SPECIAL RESOLUTION			
5.	Appointment of Dr. N K Singh as Director,		
6.	Appointment of Shri V Balasubramanyam as Director (Production)		
7.	Appointment of Shri Tapan Kumar Chand as CMD of the Company		
8.	To fix remuneration of Statutory Auditors		
9.	To ratify the remuneration of Cost Auditors for the financial year 2015-16		

Signed this day of 2015

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

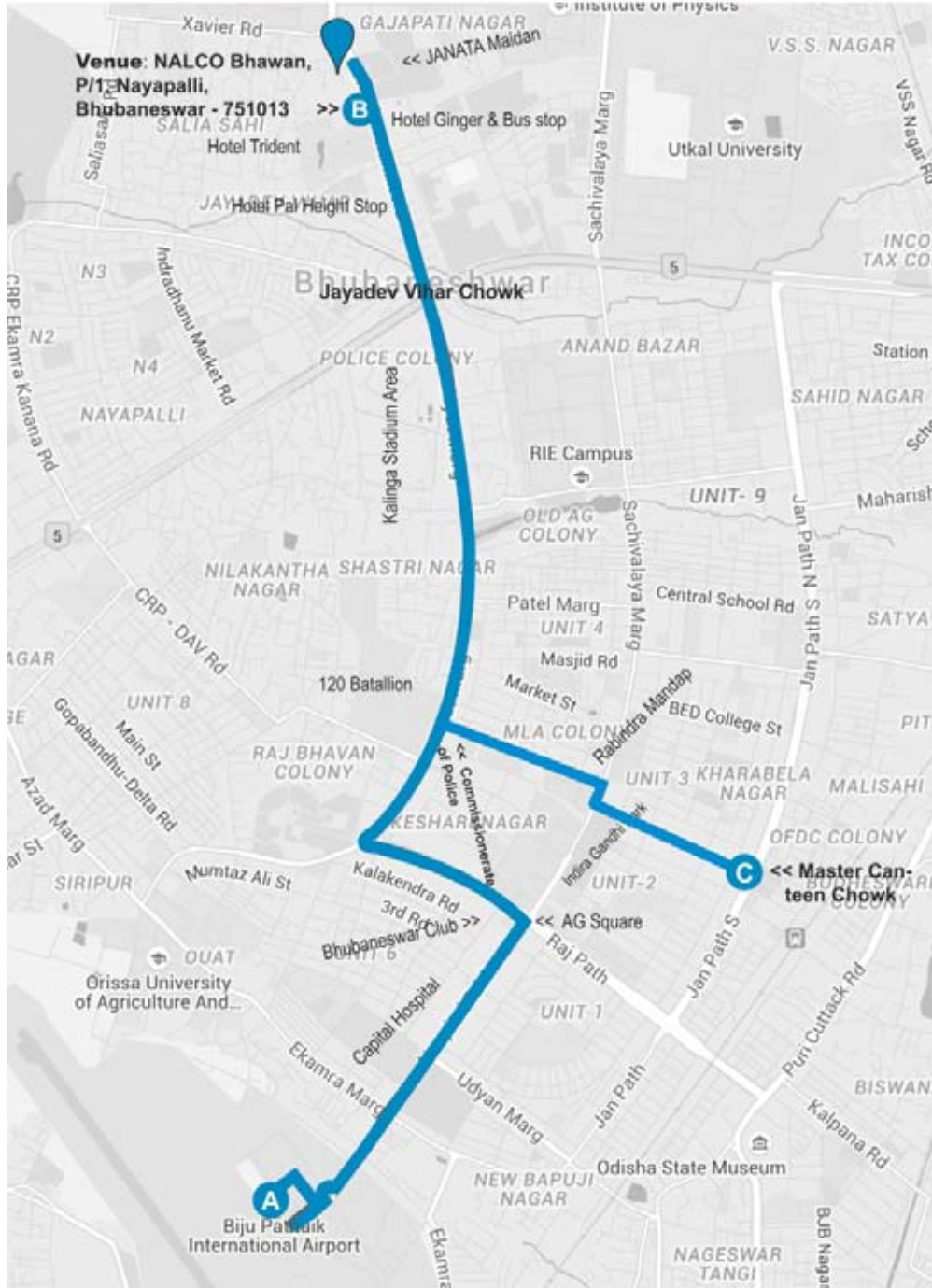
Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. Appointing a Proxy does not prevent a member from attending the meeting in person if he so wishes.

Affix
₹ 1
Revenue
Stamp

Signature of share holder
across Revenue Stamp

ROUTE MAP FOR THE VENUE OF THE MEETING
(A) AIRPORT (B) VENUE (C) MASTER CANTEN (RLY. STN.)



NATIONAL ALUMINIUM COMPANY LTD.

CIN: L27203OR1981GOI000920

Registered Office: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar - 751013

FORM A

Covering Letter of the annual audit to be filed with the Stock Exchange

1. Name of the Company : NATIONAL ALUMINIUM COMPANY LIMITED
2. Annual financial statements for the year ended : 31st March 2015
3. Type of Audit observation : Un-qualified
4. Frequency of observation : Not Applicable

N.R. Mohanty

(N R Mohanty)

Director (Project & Technical) and
Chairman-Cum-Managing Director

N.R. MOHANTY

Chairman-cum-Managing Director,
National Aluminium Co. Ltd.
NALCO Bhawan, P/1, Nayapalli
Bhubaneswar-751 013

K C Samal

(K C Samal)

Director (Finance)

K. C. SAMAL

Director (Finance)

Raj Kumar Agasti

(CA. Raj Kumar Agasti)

Partner (M.No. : 304920)
Agasti & Associates

Auditor



Bimal Kumar Chanduka

(CA. Bimal Kumar Chanduka)

Partner (M.No. : 053714)
ABP & Associates

Auditor



Qaiser Shamim

(Qaiser Shamim)

Chairman
Audit Committee

7.7.15