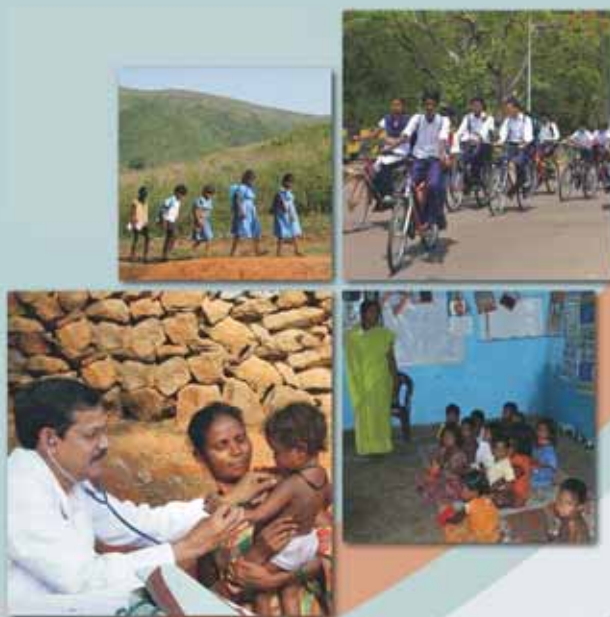


30th Annual Report 2010-2011

*Caring Deeds
Shining Performance*





Vision

To be a reputed global
Company in the
Metals and Energy sectors

National Aluminium Company Limited

(A Government of India Enterprise)
Regd. Office : NALCO Bhawan, Plot No. P/1,
Nayapalli, Bhubaneswar – 751 061 (Odisha)

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Company will be held on Thursday, the 29th September, 2011 at 11.00 A.M. at NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar - 751 061 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, audited Balance Sheet as on 31st March, 2011 and the Profit & Loss Account for the year ended 31st March, 2011 together with the reports of the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri B.L. Bagra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Joy Varghese, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

5. **To appoint Shri Ved Kumar Jain as Director, whose period of office is liable to be determined by rotation.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution with or without modification(s) :
"RESOLVED THAT Shri Ved Kumar Jain be and is hereby appointed as a Director of the Company, whose period of office is liable to be determined for retirement by rotation in terms of Order No.2(2)/2010-Met.I dtd.21st March, 2011 of Government of India or any amendments thereto."

6. **To appoint Shri P.C. Sharma as Director, whose period of office is liable to be determined by rotation.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution with or without modification(s) :
"RESOLVED THAT Shri P.C. Sharma be and is hereby appointed as a Director of the Company, whose period of office is liable to be determined for retirement by rotation in terms of Order No.2(2)/2010-Met.I dtd. 21st March, 2011 of Government of India or any amendments thereto."

By order of the Board



(K. N. RAVINDRA)
COMPANY SECRETARY

Place : Bhubaneswar
Date : 25.08.2011

Notes:

- (a) Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of item Nos. 5 and 6 set out above are annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
- (c) The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 20th September, 2011 to Thursday, the 22nd September, 2011 (both days inclusive).
- (d) If dividend on shares as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made within 30 days of its declaration to those shareholders, whose names appear :
 - i) as Beneficial Owners as at the end of the business on 19th September, 2011 as per the beneficial owners position to be provided by NSDL and CDSL in respect of the shares held in the 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 19th September, 2011.
- (e) Details of Directors seeking re-appointment/appointment as new directors in this Annual General Meeting are attached separately to the Notice.
- (f) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend and debenture interest, which remain unpaid or unclaimed for a period of seven years will be transferred by the Company to the **Investor Education and Protection Fund** established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The details of unpaid or unclaimed dividend and interest on 14.5% NCDs are available in the Company's website. Members/Debenture holders who have not so far encashed their Dividend Warrants/Debenture Interest Warrants are requested to make a claim by writing and sending the original Dividend Warrants/Debenture Interest Warrants to the Company.

No claims shall lie against the Fund or the Company in respect of individual amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

Unpaid or unclaimed dividend and debenture interest as on 30.06.2011 is given below:

| UNPAID/UNCLAIMED DIVIDEND | | | |
|---|--|---|--|
| Financial Year | Date of Declaration of Dividend | Last date for claiming unpaid/unclaimed dividend | Unclaimed/ Unpaid amount (₹) |
| 2003-04 | 28.09.2004 | 27.09.2011 | 6,61,460.00 |
| 2004-05 (Interim) | 21.01.2005 | 20.01.2012 | 4,32,180.00 |
| 2004-05 (Final) | 30.09.2005 | 29.09.2012 | 4,52,751.00 |
| 2005-06 (Interim) | 12.01.2006 | 11.01.2013 | 3,97,380.00 |
| 2005-06 (Final) | 28.09.2006 | 27.09.2013 | 7,22,853.00 |
| 2006-07(1st Interim) | 22.01.2007 | 21.01.2014 | 7,06,730.00 |
| 2006-07(2nd Interim) | 09.03.2007 | 08.03.2014 | 3,96,745.00 |
| 2006-07 (Final) | 21.09.2007 | 20.09.2014 | 5,07,467.00 |
| 2007-08 (Interim) | 29.01.2008 | 28.01.2015 | 8,52,830.00 |
| 2007-08 (Final) | 20.09.2008 | 19.09.2015 | 3,00,735.00 |
| 2008-09 (Interim) | 28.01.2009 | 27.01.2016 | 7,11,681.00 |
| 2008-09 (Final) | 19.09.2009 | 18.09.2016 | 3,30,606.00 |
| 2009-10(Interim) | 19.03.2010 | 18.03.2017 | 4,15,476.00 |
| 2009-10(Final) | 30.09.2010 | 29.09.2017 | 3,23,699.00 |
| 2010-11(Interim) | 31.01.2011 | 30.01.2018 | 6,42,180.00 |
| UNPAID/UNCLAIMED DEBENTURE INTEREST | | | |
| Period | Due date of payment | Last date for claiming unpaid/Unclaimed interest | unclaimed interest /Unpaid amount (₹) |
| 11 th Half-Year (26.03.2004 to 25.09.2004) | 25.09.2004 | 24.09.2011 | 88,108.00 |
| 12 th Half-Year (26.09.2004 to 25.03.2005) (as well as 1/3 rd redemption amount) | 25.03.2005 | 24.03.2012 | 10,07,087.00 |

- (g) Members holding shares in physical form are requested to notify immediately, change in their address in block letters with PIN CODE and/or change in their Bank particulars, if any, to the Registered Office of the Company, quoting their Folio Number. Members holding shares in electronic form are requested to notify their change of address and/or bank particulars to their respective Depository Participants (DPs) only.
- (h) As per the provisions of the Companies Act, 1956, facility for making nominations is available to shareholders in respect of the shares held by them. In case, shares are held in electronic form, registration of nomination has to be done with the respective Depository Participants (DPs) only without referring the matter to the Company. Nomination Forms (Form 2B) if needed, can be obtained from the Registered Office of the Company. This form can also be downloaded from the Company's website www.nalcoindia.com.
- (i) The Company provides the facility of centralised ECS (Credit Clearing) to the shareholders, holding shares both in electronic and physical forms in 81 designated centres as on date. A blank ECS Mandate form is attached herewith 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 ECS.
- (j) 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 and the Company will not entertain any direct request from such 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/ECS 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.
- (k) Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id i.e. investorservice@nalcoindia.co.in for quick and prompt redressal of their grievances.

- (l) 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 the PAN details to their Depository Participants (DP) with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- (m) Shareholders who hold shares in physical form in multiple folios in identical names or joint holdings in the same order of names are requested to send the share certificates to the Company for consolidation into single folio.
- (n) In terms of 'Green Initiative in the Corporate Governance' of the ministry of Corporate Affairs vide circular no. 17/2011 dated 21.04.2011, shareholders holding shares in physical form are requested to furnish their e-mail address in the attached format for sending future notices / documents through their e-mails. Changes therein, may be informed to the Company immediately. Shareholders holding shares in electronic form are requested to update their e-mail address with their respective DPs without referring the matter to the Company.

ANNEXURE TO NOTICE

Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 5 :

Shri Ved Kumar Jain was inducted to the Board as an Additional Director of the Company w.e.f. 21.03.2011. In terms of Section 260 of the Companies Act, 1956, Shri Jain holds office up to the date of the ensuing 30th Annual General Meeting.

Shri Ved Kumar Jain, FCA is a fellow member of the Institute of Chartered Accountants of India (ICAI) with more than three decades of standing in the profession. He served as the President of the Institute of Chartered Accountants of India. Presently, he is holding directorship in Maytas Infra Ltd., IL&FS Engineering and Construction Company Ltd., PTC India Ltd and VJ Corporate Advisors (P) Ltd.

Shri Jain does not hold any shares in the Company.

The Company has received a notice in writing along with the prescribed deposit from a member of the Company under Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri Jain as Director of the Company, whose period of office is liable to be determined by rotation. President of India has approved appointment of Shri Jain as Director of the Company following the laid down procedure for selection.

Your directors feel that Shri Jain's association with the Board will be in the interest of the Company. It is considered desirable that the Company should continue to avail his services as a director and recommend this resolution for approval of the shareholders.

None of your directors except Shri Jain, whose appointment is proposed herein, is interested in the proposed resolution.

Item No. 6 :

Shri Prafulla Chandra Sharma, IAS (Retd.) was inducted to the Board as an Additional Director of the Company w.e.f. 21.03.2011. In terms of Section 260 of the Companies Act, 1956, Shri Sharma holds office up to the date of the ensuing 30th Annual General Meeting.

Shri Sharma is the retired Chief Secretary, Government of Assam. He joined Indian Administrative Service (IAS) in 1975. He is also a Director in Garden Reach Shipbuilders and Engineers Ltd.

Shri Sharma does not hold any shares in the Company.

The Company has received a notice in writing along with the prescribed deposit from a member of the Company under Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri Sharma as Director of the Company, whose period of office is liable to be determined by rotation. President of India has approved appointment of Shri Sharma as Director of the Company following the laid down procedure for selection.

Your directors feel that Shri Sharma's association with the Board will be in the interest of the Company. It is considered desirable that the Company should continue to avail his services as a director and recommend this resolution for approval of the shareholders.

None of your directors except Shri Sharma, whose appointment is proposed herein, is interested in the proposed resolution.

By order of the Board



(K. N. RAVINDRA)
COMPANY SECRETARY

Place : Bhubaneswar
Date : 25.08.2011

Details of Directors seeking re-appointment / appointment in the 30th Annual General Meeting on 29th September, 2011 (In terms of Clause - 49 of the Listing Agreement)

| DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT (ORDINARY BUSINESS IN THE NOTICE) | |
|---|--|
| 1. Shri B.L. Bagra Father's Name Date of Birth Date of Appointment Expertise in specific functional areas Qualifications List of outside Directorships held Member of Committees of the Board Member of Committees in other companies | Shri Hanuman Prasad Sharma 21.11.1954 28.02.2007 Varied experience in Financial Management in different Companies M.Com., F.C.A 1. Bharat Goldmines Ltd. 2. Industrial Promotion and Investment Corpn. of Orissa Ltd. Nil Audit Committee- Industrial Promotion and Investment Corpn. of Orissa Ltd. |
| 2. Shri Joy Varghese Father's Name Date of Birth Date of Appointment Expertise in specific functional areas Qualifications List of outside Directorships held Member of Committees of the Board Member of Committees in other companies | Late Shri C. Varghese 17.08.1952 01.10.2007 Wide ranging experience in Human Resources Management. M.S.W & M.B.A Nil Nil Nil |
| DETAILS OF DIRECTORS SEEKING APPOINTMENT (SPECIAL BUSINESS IN THE NOTICE) | |
| 3. Shri Ved Kumar Jain Father's Name Date of Birth Date of Appointment Expertise in specific functional areas Qualifications List of outside Directorships held Member of Committees of the Board Member of Committees in other companies | Shri Padam Sain Jain 15.12.1953 21.03.2011 Varied experience in financial management B.Sc., FCA 1. Maytas Properties Ltd. 2. ICAI Accounting Research Foundation 3. IL&FS Engineering & Construction Company Ltd. 4. PTC India Ltd. 5. VJ Corporate Advisors (P) Ltd. Chairman- Audit Committee 1. Chairman-Audit Committee- IL&FS Engineering & Construction Company Ltd. 2. Chairman-Audit Committee- Maytas Properties Ltd. |
| 4. Shri Prafulla Chandra Sharma Father's Name Date of Birth Date of Appointment Expertise in specific functional areas Qualifications List of outside Directorships held Member of Committees of the Board Member of Committees in other companies | Late Shri Durga Nath Sharma 31.03.1950 21.03.2011 Retired IAS officer (Former Chief Secretary, Government of Assam) having varied experience in administration. IAS Garden Reach Shipbuilders and Engineers Ltd. Member- Audit Committee Member-Audit Committee- Garden Reach Shipbuilders and Engineers Ltd. |

- * 1. Audit Committee in NALCO has been assigned with the job of looking into the redressal of Shareholders/Investors' Grievances.
2. Chairmanship/membership of the Audit Committee and the Shareholders' Grievance Committee have only been considered as per Clause 49 of the Listing Agreement.

National Aluminium Company Limited

(A Government of India Enterprise)

Regd. Office : NALCO Bhawan, P/1, Nayapalli, Bhubaneswar – 751 061 (Odisha)

ATTENDANCE SLIP

30th Annual General Meeting – 29th September, 2011 at 11.00 A.M.

Regd. Folio No..... Client Id/Ben. A/c..... DP Id No. of shares held.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company and hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company at NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar – 751 061, on Thursday, the 29th September, 2011.

Member's/Proxy's name in Block letters

Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

T E A R H E R E

National Aluminium Company Limited

(A Government of India Enterprise)

Regd. Office : NALCO Bhawan, P/1, Nayapalli, Bhubaneswar – 751 061 (Odisha)

Regd. Folio No..... Client Id/Ben. A/c..... DP Id No. of shares held.....

FORM OF PROXY

I/We of in the district of being a member/members of the above named company hereby appoint of in the district of or failing him/her of in the district of as my/our proxy to vote for me/us on my/our behalf at the THIRTIETH ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 29th September, 2011 at 11.00 A.M. and at any adjournment thereof.

Signed this day of 2011

Signature



Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Dear Member,

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. The Circulars provide that a company will be in compliance with the provisions of Sections 53 and 219 of the Companies Act, 1956, in case documents like notices, annual report and all other communications are sent in electronic mode to its members.

In view of the above, we propose to send the documents like the notices, annual report and all other communications, in electronic form, to your e-mail ID registered with the Company. We, therefore, request all the members to be part of this Green initiative. Members who are holding shares in electronic form may update their e-mail id with their respective DPs. Members who are holding shares in physical forms may fill up the attached 'E-communication Registration Form' and send it back to the Company.

Please note that all the documents sent to the members in the electronic form will also be uploaded in the website of the Company www.nalcoindia.com. As a member of the company you are always entitled to receive all such communications, free of cost, on a request made to the Company in this behalf.

Yours faithfully
For National Aluminium Company Limited



(K N Ravindra)
Company Secretary



National Aluminium Company Limited

(A Government of India Enterprise)

Regd. Office : NALCO Bhawan, P/1, Nayapalli, Bhubaneswar – 751 061 (Odisha)

E-COMMUNICATION REGISTRATION FORM

National Aluminium Company Limited
NALCO Bhawan,
P/1, Nayapalli
Bhubaneswar-751061

Dear Sirs,

RE: Green Initiative in Corporate Governance

I/We, agree to receive all communication from National Aluminium Company Limited in electronic mode. Please register my E-mail ID in your records for sending communication through e-mail.

Registered Folio No.

PAN

Name of the 1st Registered Holder

Name of the Joint Holder(s)

E-mail ID

Date:

Signature of the 1st Registered holder

Important Note:

- Investors can also forward the scanned copy of this Registration Form to investorservice@nalcoindia.co.in
- On registration, all the communication from the Company will be sent to the E-mail ID registered with the Company.
- The members are requested to keep the company informed as and when there is any change in the E-mail ID. Else, the communication will be sent only to the E-mail ID registered with the Company. The 'E-communication Registration Form' can also be downloaded from the Company's website www.nalcoindia.com

THE YEAR AT A GLANCE

| PARTICULARS | UNIT | 2010-11 | 2009-10 |
|----------------------|-------------|------------------|-----------|
| PHYSICAL | | | |
| Bauxite | MT | 48,23,908 | 48,78,888 |
| Alumina Hydrate | MT | 15,56,000 | 15,91,500 |
| Aluminium | MT | 4,43,597 | 4,31,488 |
| Power (net) | MU | 6,608 | 6,293 |
| FINANCIAL | | | |
| Export Turnover | ₹ in crore | 2,065 | 2,209 |
| Gross Sales | ₹ in crore | 6,370 | 5,311 |
| Profit Before Tax | ₹ in crore | 1,525 | 1,155 |
| Profit After Tax | ₹ in crore | 1,069 | 814 |
| Earning Per Share | ₹ | 4.15 | 3.16* |
| Book Value per Share | ₹ | 43.32 | 40.34* |
| Dividend | ₹ per Share | 2.50 | 2.50 |

*Figures recalculated considering split & bonus.

REGISTERED OFFICE & CORPORATE OFFICE

NALCO Bhawan
P/1, Nayapalli
Bhubaneswar - 751 061, Odisha
Tel. : 2301989-99
Fax : 0674-2300470 / 2300580 / 2300677 / 2300740
Website : www.nalcoindia.com

30th Annual General Meeting
Thursday, the 29th September, 2011 at 11.00 A.M.
at NALCO Bhawan, P/1, Nayapalli,
Bhubaneswar - 751 061.

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BOARD OF DIRECTORS



Shri B. L. Bagra

Born on 21.11.1954, Shri Bajrang Lal Bagra is a post graduate in commerce and a fellow member of ICAI. He joined NALCO as Director (Finance) on 28.02.2007. Before joining NALCO, he was Director (Finance) of RITES, Railways PSU for over six years. Shri Bagra's experience spans over three decades of working in Transport, Mining, Power and Seeds Sectors. He was CFO of Botswana Railways (BR) for five years before being elevated to Director's position in RITES. He was key member of change management team, which turned around BR through comprehensive restructuring including financial and organizational restructure and staff rationalization. He has experience of international business and is credited with developing privatization and concession division in RITES where the Company was successful in putting up joint ventures and bagging concessions of Railway systems in Colombia, Mozambique and Tanzania. Before joining RITES he worked with Manganeese Ore (India) Limited for 7 years, Rajasthan Electricity Board and Seeds Corporation for two years each.

Shri Joy Varghese

Born on 17.08.1952, Shri Joy Varghese holds M.S.W. and MBA degrees. He joined NALCO as Director (Personnel & Administration) on 01.10.2007. Before joining NALCO, he was General Manager (Pers.&Admn.) in Kudremukh Iron Ore Co. Ltd., Asia's largest Iron ore mining and pelletisation complex. He has wide ranging experience of 30 years in Human Resources Management, Public Relations & Administration. He was also a guest faculty in HRM field in many colleges and business schools in and around Bangalore before joining NALCO.



Shri A. K. Sharma

Born on 06.09.1951, Shri A. K. Sharma completed his BE (Mech.) Hons. from NIT, Allahabad and started his career with BALCO. Later, he joined NALCO in 1982. Shri Sharma has thirty years' of experience in Aluminium Industry and has expertise in aluminium smelting. While working at NALCO, he has contributed significantly towards indigenous development of technology, systems and methods for improving critical process requirements of aluminium industry. He was appointed as Director (Production) on 01.05.2009. He holds 1200 shares of the Company in his name.

Shri Prasant Kumar Padhi

Born on 06.01.1952, Shri P. K. Padhi graduated in Mechanical Engineering from NIT, Rourkela in 1974. He obtained his masters degree from IIT, Kharagpur and MBA from the University of Leeds, UK. He worked with Hindustan Aeronautics Ltd. and later joined National Aluminium Company Ltd. (NALCO) in 1983. His experience at NALCO has been diverse. He headed the Industrial engineering department and was appointed to the key post of Technical Secretary to the Chairman-cum-Managing Director. He has held various positions in marketing department where he has significant contributions in formulating Company's marketing strategies and policies. His leadership has steered the Company's alumina and aluminium business through highly competitive domestic and international markets. He was Executive Director (materials) overseeing the Company's Material Management functions. He was appointed as Director (Projects & Technical) on 3rd September, 2009 and is executing ₹ 4,400 crores Expansion project. He holds 400 shares of the Company in his name.



BOARD OF DIRECTORS

Shri Ansuman Das

Born on 29.04.1955, Shri Ansuman Das did his B. Tech in mechanical engineering from NIT, Rourkela in the year 1976. He holds a MBA degree from University of Hull, UK. Shri Das started his career as a management trainee with Hindustan Aeronautic Ltd. and joined NALCO in 1982. He has contributed 27 years of service in various capacities in NALCO before joining as Director (Commercial) on 28.10.2009. He has been instrumental in devising various strategies for domestic sales /export of alumina, metal and launching of rolled products, specialty alumina products etc. He holds 400 shares of the Company in his name.



Shri S. K. Srivastava

Born on 24.10.1954, Shri S. K. Srivastava is a post graduate in Political Science. He joined Indian Administrative Service in 1978. He brings with him more than 30 years of rich experience in various positions in Central Government and State Government. At present Shri Srivastava is holding the position of Additional Secretary in Ministry of Mines, Government of India. He was appointed as a Director on the Board of NALCO w.e.f. 30.08.2010.

Shri Sundeep Kumar Nayak

Born on 22.07.1963, Shri S. K. Nayak is a post graduate in applied Geology. He joined Indian Administrative Service in 1988. He brings with him more than 20 years of rich experience in various positions in Central Government and State Government. At present Shri Nayak is holding the position of Joint Secretary in Ministry of Mines, Government of India. He was appointed as a Director on the Board of NALCO w.e.f. 07.01.2010. He is also a director of Mineral Exploration Corporation Ltd.



Shri Ved Kumar Jain

Born on 15.12.1953, Shri Ved Kumar Jain did his bachelor degree in science in 1973 from Punjab university. He is a fellow member of the Institute of Chartered Accountants of India(ICAI). He was elected to the central council in 2004 and thereafter in 2007 and became President of ICAI in 2008. He has more than three decades of experience in finance and taxation. He is also holding directorship in many other Companies viz. Maytas Properties Ltd, PTC India Ltd, IL&FS Engineering and Construction Company Ltd., VJ Corporate Advisors(P) Ltd. and ICAI Accounting Research. He was inducted as an independent director on NALCO Board w.e.f. 21.03.2011.

Shri P.C. Sharma

Born on 31.03.1950, Shri P.C. Sharma did M.Sc. in Chemistry from Guwahati University in 1972. Got into Indian Administrative Service(IAS) in the year 1975 in Assam-Meghalaya cadre. He discharged his duties in various departments viz. Rural development, Agriculture, Industries, Tourism, Transport etc. in the state and Central Government. He took over charge as Chief Secretary of Assam in 2006 and superannuated in 2010. Played a significant role in controlling militancy in the state and played a pivotal role in bringing double digit growth in the state during this period. He was inducted as an independent director on NALCO Board w.e.f. 21.03.2011.



EXECUTIVE DIRECTORS



Shri P. K. Mohanty, IAS
Chief Vigilance Officer



Shri P. K. Parida
ED (Marketing) & ED (Material)



Shri B. N. Swain
ED (H & A)



Shri P. K. Mohapatra
ED (P&T)



Shri K. S. Sreedhara
ED (Production)



Shri K. N. Ravindra
Company Secretary



Shri B. N. Mohanty
ED (M&R)



Shri P. R. Choudhury
ED (S&P)



Shri K. C. Samal
ED (Finance) I/c.



Directors' Report

Dear Members,

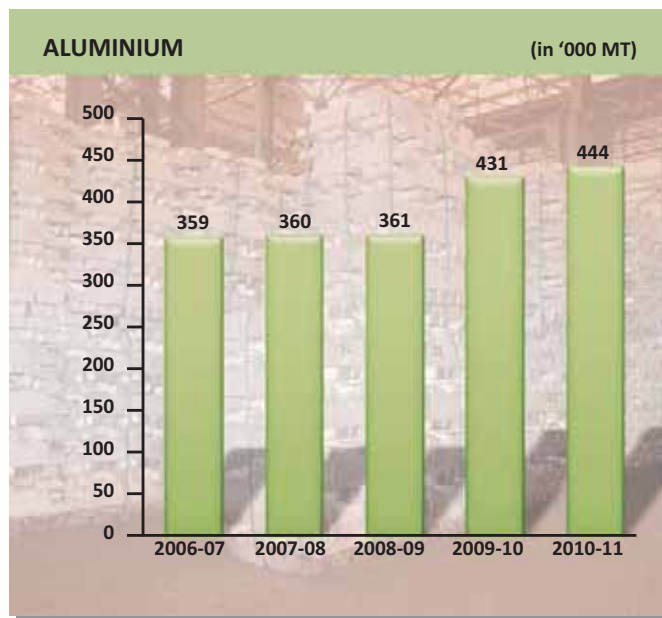
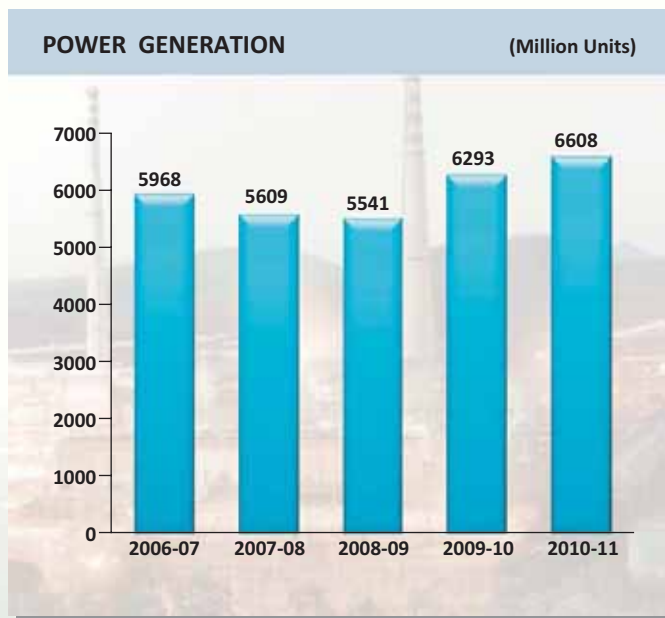
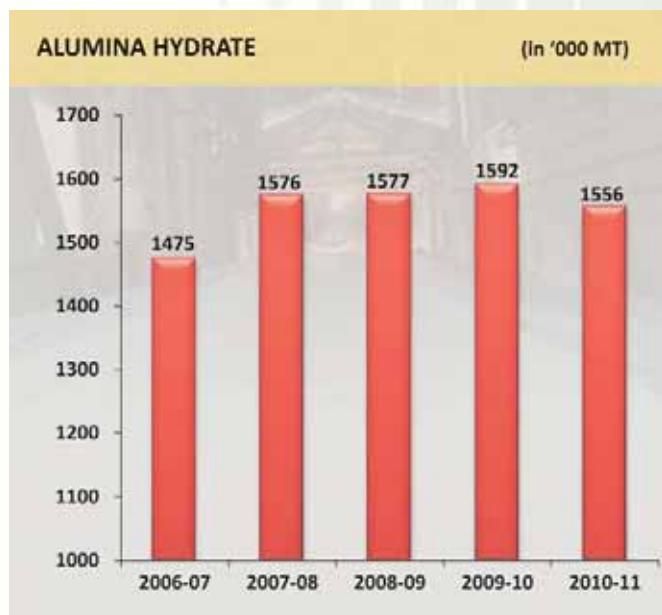
Your Directors have the pleasure in presenting the 30th Annual Report of your Company together with the audited Statement of Accounts and Auditors' Report thereon for the financial year 2010-11.

Performance Highlights

Production

You will be pleased to know that, during the year, the Aluminium Smelter and Captive Power Plant of your Company recorded the highest-ever production since inception. The level of capacity utilization at Mines (100.5%), Refinery (98.8%), Smelter (96.4%) and CPP (91.7%) respectively was achieved

PRODUCTION



National Aluminium Company Limited

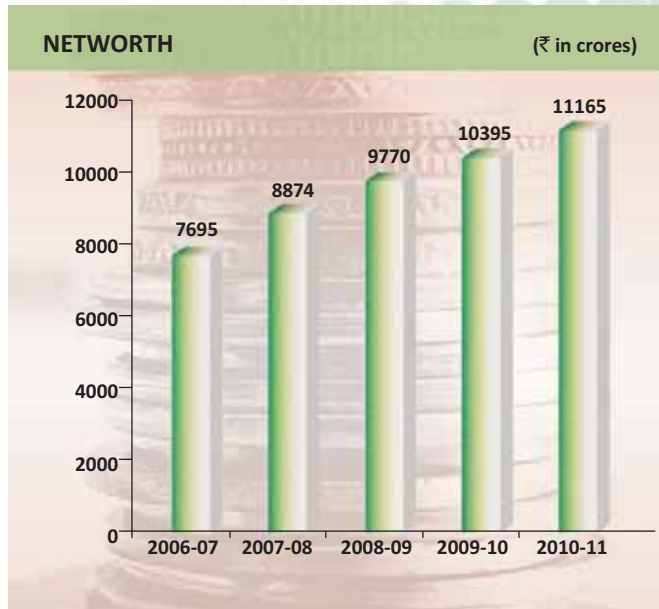
at a satisfactory level for the year under review, as can be seen from the following:

| Product | Unit | Capacity | 2010-11 | 2009-10 |
|-------------------|------------|----------|---------|---------|
| Bauxite | MT in lakh | 48.00 | 48.24 | 48.79 |
| Alumina Hydrate | MT in lakh | 15.75 | 15.56 | 15.92 |
| Aluminium | MT in lakh | 4.60 | 4.44 | 4.31 |
| Electricity (Net) | MU | 1,200 MW | 6,608 | 6,293 |

Drop in Alumina Hydrate production, during the year, was due to shut down of plant for pending maintenance jobs and attending hook-up jobs under expansion project . Bauxite transportation was in line with the demand of Alumina Refinery.

Sales

You will be pleased to know that your Company achieved the highest-ever domestic metal sale of 340,752 MT which was

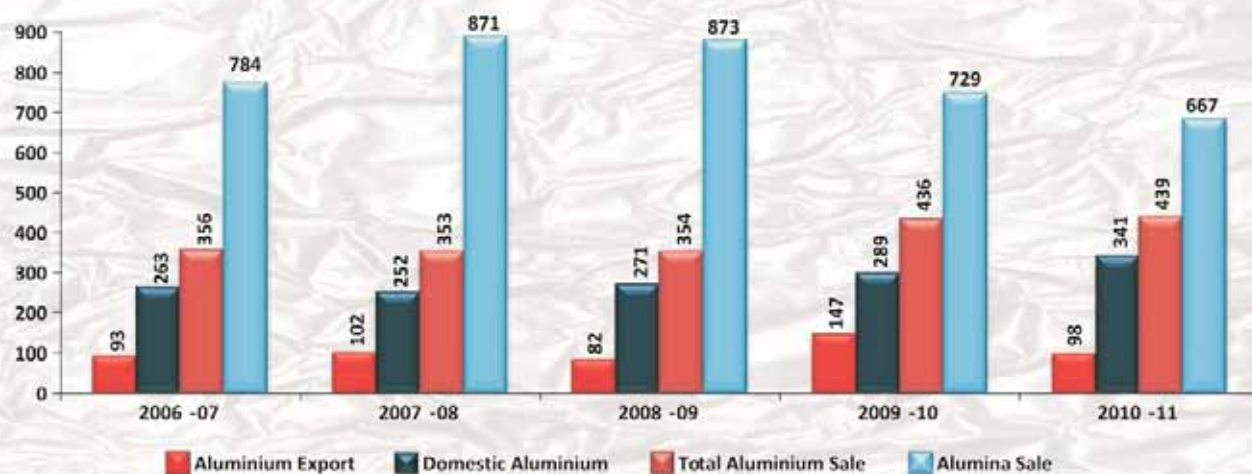


Precipitation tanks at Refinery

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SALES PERFORMANCE

(In '000 MT)



FINANCIAL PERFORMANCE

(In ₹ Crore)



National Aluminium Company Limited

17.9% higher than the last year, surpassing the previous record of 289,032 MT achieved in 2009-10. Total metal sale of your Company during the year under report was 438,952 MT, which is the highest-ever surpassing the previous best of 435,979 MT achieved during the previous year. This has been possible due to rise in demand for aluminium and improvement in Company's share in the domestic market. Besides, your Company also widened its international customer base for metal by adding new overseas clients during the year.

In the value-added segment, the Company sold 20,126 MT of Rolled Products, which was the highest ever surpassing the previous highest sale of 15,092 MT achieved in 2009-10. During the year, your Company exported 4,614 MT of billets, after a gap of almost a decade.

Higher production and sale of rolled products and billets resulted in increased share of value-added products in your Company's operations.

The Alumina/Hydrate sale of 681,917 MT during the year under report was 8.4% less than the previous year's sale of 744,069

MT, due to higher consumption in Smelter Plant for producing more aluminium metal, thereby resulting in less availability of alumina for sale compared to last year.

The domestic sale of Alumina and Special Grade Alumina at 16,411 MT and 7,635 MT respectively was the highest-ever recorded. In addition, domestic sale of total Chemicals (Alumina/Hydrate/Special Grade Alumina/Special Grade Hydrate/Zeolite) of 45,916 MT achieved during the year was the highest-ever surpassing the previous highest of 44,420 MT achieved in 2009-10.

Finance

You will be pleased to know that your Company has earned a net profit (after tax) of ₹1,069 crore for the year, as compared to ₹814 crore for the previous year, recording an increase of 31%. Sales revenue during the year at ₹5,959 crore was 18% higher as compared to the previous year. The operating cost was higher by ₹399 crore, an increase of 10% over the previous year, due to increase in prices of coal, fuel oil and provisioning for wage revision. The profit before tax for the year was higher because of higher sales realization as compared to the previous



Foundation Day lecture by Hon'ble Finance Minister Shri Pranab Mukherjee

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production and sale of metal. The results would have been still better, but for the adverse impact of exchange rate of rupee on sales, which made a dent of ₹159 crore during the year. The depreciation was higher by ₹103 crore due to commissioning of one more captive power unit during the year and provision for impairment.

The summarized financial results as compared to previous year are furnished below:

| | (₹ in crore) | |
|------------------------------------|----------------|--------------|
| | 31.03.2011 | 31.03.2010 |
| Net Sales | 5,959 | 5,055 |
| Other Income | 459 | 493 |
| Total Income | 6,418 | 5,548 |
| Expenses/Operating Cost | 4,471 | 4,072 |
| Gross Margin | 1,947 | 1,476 |
| Less: Interest & Depreciation | 422 | 321 |
| Profit Before Tax (PBT) | 1,525 | 1,155 |
| Provision for Taxes | 456 | 341 |
| Profit After Tax (PAT) | 1,069 | 814 |
| Appropriation: | | |
| a) General Reserve | 770 | 630 |
| b) Dividend including Dividend Tax | 300 | 188 |
| Basic and Diluted EPS – | | |
| Not annualised (in ₹) | 4.15 | 3.16 |

Split / Sub-division of Shares and Issue of Bonus Shares

Your Directors are happy to inform you that your Company has successfully implemented (a) Splitting / Sub-division of face value of equity share of ₹10 each fully paid-up into 2 (two) equity shares of ₹5 each fully paid-up and (b) issue of Bonus shares to the existing shareholders of the Company in the proportion of 1(one) Bonus share for every 1(one) existing fully paid-up equity share held (post Split / Sub-division) as approved by the shareholders in the Extra-ordinary General Meeting held on 05.03.2011.

Dividend and Appropriations

You will be happy to know that the Board of Directors of your Company have recommended payment of final dividend @ ₹0.50 per share on the revised/post-split and bonus issue equity share capital of ₹1288.62 crore which is 10% on the face value of each equity share of ₹5, in addition to interim dividend of ₹2.00 per share already paid on 01.03.2011 on pre-revised/pre-split and bonus issue equity share capital of ₹644.31 crore, which was 20% on the face value of each equity share of ₹10. The final dividend so recommended will be paid after approval in the ensuing 30th Annual General Meeting. A higher amount of ₹300 crore has been appropriated towards dividend and dividend tax for the year 2010-11 as against ₹188 crore for the previous year 2009-10.

Your Directors propose to transfer ₹770 crore to General Reserve Account from the profits of the year under report as against ₹630 crore transferred in the previous year.



Handing over the Bonus Share Certificate to the Hon'ble Minister of Mines

Presidential Directives

Your Company continued to make efforts for recruitment/promotion of SC/ST candidates in line with the Presidential Directives. The provisions of the Persons with Disabilities Act, 1995 were complied with during the year under review.

As on 31/03/2011, out of total 7,714 employees (including Trainees) on your Company's rolls, there were 1,246 (16.15%) SCs, 1,394 (18.07%) STs, 522(6.77%) OBCs and 77(1.00%) Persons with Disabilities. The total number of lady employees in your Company stood at 354 as on that date. Every third employee in your Company either belongs to SC or ST category.

Industrial Relations

Your Company continued to maintain healthy human relationships and the industrial relations situation remained cordial. HR interventions like participative management across various levels in the organization, openness and transparency in dealing with employees in general and Unions in particular have helped in sustaining harmonious work environment. The recognized Unions have played constructive role as partners in the growth of production, productivity and all-round performance of your Company. The collective bargaining process with the Recognized Unions on the issue of wage revision of non-executive employees remained very constructive and joint efforts are being made to further boost the morale of your Company's employees through an early wage settlement.

Visit of Parliamentary Committees

Parliamentary Committee on Rajbhasha (3rd Sub-Committee) visited and inspected your Company's Western Regional Office at Mumbai on 24.09.2010. Standing Committee on Labour



Handing over the Interim Dividend Cheque to the Hon'ble Minister of Mines

visited S&P Complex, Angul on 22.12.2010. Parliamentary Standing Committee on Industry visited and interacted with Directors and Senior Officials of your Company on 29.06.2011.

Awards & Recognitions

Your Company received the following awards during the year, which stands ample testimony for the good work being done by your Company in various fields.

1. EEPC (All India) Star Performer Award for Outstanding Contribution to Engineering Exports in Large Enterprise Group.
2. 2010 IIM- non-ferrous best performance award in category of large integrated production organisation.
3. 1st Prize in aluminium sector at the National Energy Conservation Awards – 2010, instituted by the Ministry of Power, Govt. of India.
4. DPE Best Listed CPSE Award for its excellent performance in significant value addition to its shareholders.
5. CSR Award for Best Practices under the 'Global HR Excellence' category at the World HR Congress.
6. 1st prize for Reclamation and Rehabilitation award under the aegis of IBM, Bhubaneswar Region was bagged by Nalco's Panchpatmali Bauxite Mines.
7. EEPC (Eastern Region)'s Gold Trophy, as Top Exporter in the Large Enterprise Category.

Ongoing Expansion Projects

You will be pleased to know that all the segments of the 2nd Phase Expansion have been commissioned. The facilities commissioned as part of 2nd Phase Expansion at the Alumina Refinery are under stabilization.

The present capacity of the various project segments of your Company and the capacity after completion of ongoing 2nd phase expansion are given below:

| Project Segment | Capacity Prior to Expansion | Capacity after 2nd Phase Expansion | Status |
|-------------------------|-----------------------------|------------------------------------|---------------------------------------|
| (a) Bauxite Mine | 4.8 Mln. TPY | 6.3 Mln. TPY | Expansion works completed |
| (b) Alumina Refinery | 1.575 Mln. TPY | 2.1 Mln. TPY | Commissioned in June/July 2011 |
| (c) Aluminium Smelter | 0.345 Mln. TPY | 0.46 Mln. TPY | Commissioned in December 2009 |
| (d) Captive Power Plant | 960 MW | 1,200 MW | Full capacity achieved in August 2010 |



New Stacker at Bauxite Handling Area in Refinery



Upgradation Project: 4th Stream of Alumina Refinery

The upgradation of 4th Stream of Alumina Refinery from 0.525 Mln. TPY to 0.70 Mln. TPY and that of Bauxite Mines from 6.3 Mln. TPY to 6.825 Mln. TPY, at an estimated project cost of ₹409 crore, is scheduled to be commissioned by June 2012. Cumulatively 56.4% of overall physical progress has been achieved.

Extension of Mining Lease

You will be pleased to know that with vigorous efforts, your Company could successfully comply with various requirements for getting the Panchpatmali Bauxite Mining Lease (South Block) extended for further period of 20 years i.e. upto 19.07.2029.

Wind Energy

You will be pleased to know that as a part of diversification plans, your Company is setting up a ₹274 crore Wind Power Project in Andhra Pradesh with a capacity of 50.4 MW. Under the project, 24 wind turbine generators, each of 2.1 MW capacity are being set up.

Utkal – E Coal Block

You will be pleased to know that Union Coal Ministry has granted its prior approval for mining lease of Utkal-E Coal Block in Angul. It has estimated reserves of around 70 million tonnes and shall cater to the requirement of 9th to 12th Unit of CPP. The project is estimated to cost ₹280 crore. The project cost may undergo a change due to revision in cost of rehabilitation and re-settlement colony and cost of acquisition of private land based on recommendation of RPDAC, Angul. The coal block is likely to become operational by June, 2012.

Upgradation of Smelter Potline

The upgradation of Smelter Potline from 180 KA to 220 KA at an estimated investment of ₹1500 crore for both Smelter and Captive Power Plant is under implementation. On completion of the project, expected during 2017, the capacity of the Smelter Plant would go up by 1 lakh MT per year.

MoU Performance

Your Company is likely to be rated 'Very Good' under Memorandum of Understanding (MoU), signed by the Company with the Government of India for the Financial Year 2010-11



Rolled Product Unit

based on achievement of financial results and other parameters laid down by the Department of Public Enterprises (DPE), Govt. of India for evaluation of your Company.

Implementation of Official Language Policy

Your Company continued its efforts to further propagate use of Hindi in the Company. In that direction, activities undertaken during the year are as follows:

- Hindi Day and Hindi Week were observed at Corporate Office, Bhubaneswar from 14.09.2010 to 20.09.2010. Likewise, Hindi Week was celebrated both at S&P Complex, Angul and M&R Complex, Damanjodi.
- Many competitions were organised amongst Hindi speaking and Non-Hindi speaking employees during Hindi Week.
- Three Hindi Workshops were organised during the year for the employees who have acquired working knowledge in Hindi after passing Praveen and Pragya examinations.
- Correspondences in Hindi were also made as per the norms of the Official Language Implementation Policy of Govt. of India.
- 'The Parichaya', quarterly newsletter of your Company was also published in Hindi regularly, besides in English and Odia.



New Calcination Plant installed at Refinery

Your Company organised Hindi Salahakar Samiti meeting of Ministry of Mines, Govt. of India at Gangtok from 8th to 10th September, 2010. Members of Parliament and other officials nominated by the Ministry of Mines participated in this meeting. Deputy Director (Implementation), Eastern Region, Kolkata inspected your Company's Eastern Regional Office at Kolkata on 28.12.2010.

Two meetings of Town Official Language Implementation Committee, Angul were held in June and December, 2010. Similarly, quarterly Official Language Implementation Committee meetings were held in Corporate as well as site offices of your Company.

Vigilance

The vigilance set-up of the Company has three wings: Mines & Refinery Complex, Damanjodi, Smelter & Power Complex, Angul and Corporate Office, Bhubaneswar headed by Chief Vigilance Officer. Due importance was given to preventive vigilance. The Purchase and Contract Manuals of your Company are being continuously revised, duly incorporating CVC guidelines and other systemic improvement/suggestions. To improve transparency, your Company has implemented ERP and IT in the form of e-tendering, e-payments etc. For creating awareness amongst the employees, Vigilance Awareness Period-2010 was observed from 25th October to 1st November 2010 in all the units of your Company. Six training programmes on vigilance awareness were conducted at different units of the organization for sensitizing employees on the evil effects of corruption.

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

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the



Pilot Project on Carbon Sequestration

Report of Board of Directors) Rules, 1988 are given in the **Annexure-I** to this report.

Particulars of Employees

During the year under review, no employee of your Company was in receipt of remuneration of ₹5 lakh per month or ₹60 lakh per annum prescribed under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Listing in Stock Exchanges & Payment of Listing Fees

Your Company's equity shares of face value of ₹10 each continued to be listed on Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Limited (NSE) till 16.03.2011. Consequent upon split/sub-division of face value of each equity share of ₹10 into 2 equity shares of



Expansion of Captive Wagon Fleet

₹ 5 each and issue of 1:1 bonus shares of ₹ 5 each as on the Record Date 16.03.2011, 128,86,19,256 bonus shares of ₹5 each were also listed and trading permission was given by both BSE and NSE w.e.f. 25.03.2011. The listing fees for listing of both pre-bonus and post-bonus equity shares have been paid to these Stock Exchanges.

Payment of Annual Custodial Fees to Depositories

Your Company has established direct electronic connectivity with the Depositories, NSDL and CDSL, for providing the facility of holding the Company's shares in electronic mode. Annual custodial fees for the year 2010-11 have been paid to both the Depositories.



Shri P. S. Veeraraghavan, Director, ISRO on Technology Day Celebration

Directors' Responsibility Statement

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, Directors of your Company hereby confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the directors have prepared the annual accounts on a going concern basis.

Corporate Governance

A report on Corporate Governance is placed at **Annexure-II** to this report. As in previous years, as part of good Corporate Governance practice, Secretarial Audit was voluntarily carried out by your Company for the year 2010-11 and the report of the Secretarial Auditors is placed at **Annexure-III** to this report.

Management Discussion & Analysis Report

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

C & AG Comments

Comments of the Comptroller and Auditor General of India (C & AG) on the Accounts of your Company for the year ended March 31, 2011 are enclosed.

Public Deposits

Your Company has not accepted or renewed any public deposits during the year 2010-11.

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सर्वे सुखिनः सन्तु



Baseline survey



Need assessment



Healthcare camp

NALCO FOUNDATION

CSR INITIATIVES



Livelihood training



Community mobilization



One who sinks a well in a place where there is scarcity of water, he lives in heaven for as many years as there are drops of water in it.

- Matshyapurana



Camp for physically-challenged

National Aluminium Company Limited

Auditors

The following auditing firms were continued/appointed to be the auditors of your Company for the financial year 2010-11:

- a) Statutory Auditors : M/s P.A. & Associates and
M/s C.K. Prusty & Associates
- b) Cost Auditors : M/s S. C. Mohanty & Associates

Directors

Following were the changes that took place in the Board of Directors of your Company since the last report:

Appointment:

- Shri B L Bagra, Director(Finance) assumed the additional charge of the post of CMD of your Company in addition to his present assignment of Director (Finance) w.e.f.

27.02.2011, consequent upon placement of Shri A K Srivastava, CMD under suspension.

- Shri S K Srivastava, IAS, Addl. Secretary, Ministry of Mines, Govt. of India was appointed as Government Nominee Director with effect from 30.08.2010.
- Shri Ved Kumar Jain was appointed as an Independent Director with effect from 21.03.2011.
- Shri P C Sharma, former Chief Secretary, Govt. of Assam was appointed as an Independent Director with effect from 21.03.2011.

Cessation:

- The tenure of 3 Independent Directors viz. Dr. A Sahay, Shri S S Sohoni and Shri K S Raju ended on 26.09.2010 on completion of their term of appointment.



Best CPSE Award



PSU Award

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- The tenure of 5 Independent Directors viz. Shri S B Mishra, Shri N R Mohanty, Dr. Jyoti Mukhopadhyaya, Shri R K Sharma and Maj.Gen.(Retd.) Samay Ram ended on 23.04.2011 on completion of their term of appointment.

Your Directors wish to place on record their appreciation for the valuable services rendered by Dr. A Sahay, Shri S S Sohoni, Shri K S Raju, Shri S B Mishra, Shri N R Mohanty, Dr. Jyoti Mukhopadhyaya, Shri R K Sharma and Maj. Gen. (Retd.) Samay Ram during their tenure on the Board of your Company.

Acknowledgement

Your Directors gratefully acknowledge the support, co-operation, and guidance received from various Ministries of the Government of India, particularly Ministries of Mines, Coal and Environment & Forest. Your Directors also express their sincere thanks to the Government of Odisha, Indian Railways, Mahanadi Coalfields and other Government agencies.

Your Directors also place on record their appreciation for the shareholders, various Banks and Financial Institutions for the confidence reposed by them in your Company. Your Directors also place on record their appreciation for the continued co-

operation and support received from various customers in India and abroad, vendors, solicitors and business associates during the year and look forward to continuance of this mutually supportive relationship in future as well. Your Directors also acknowledge the constructive suggestions received from the Government and the Statutory and Cost Auditors from time to time.

Your Directors also wish to place on record their appreciation for the hard work and dedicated contribution made by the employees of your Company at all levels to ensure that the Company continues to grow and excel year after year.


For and on behalf of
Board of Directors



(B.L.Bagra)

Chairman-cum-
Managing Director I/c.

Place: Bhubaneswar
Date: 25th August, 2011



Greenery on ash filling and land reclamation at Damanjodi

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

A. CONSERVATION OF ENERGY

Various energy conservation measures that have been adopted for optimal utilization of energy resources in different units of the Company during the year 2010-11 are as under:

Bauxite Mines

- ☐ Replacement of inefficient separately excited brush type DC motor & corresponding DC variable speed drive of Apron feeder 2 Stream 1 of Primary Crusher & Conveying System with energy efficient and technically advanced AC induction motors & Variable frequency drive.
- ☐ Use of energy efficient T5 tube light fixtures and CFL lamps instead of T8/T12 tube lights and incandescent bulbs made mandatory in all the new construction in all the office & plant buildings. So far covered 20% of the plant buildings in 2010-11.

Alumina Refinery

- ☐ Rain Water from roof of settler, washer, 06, 07 & 08 building have been diverted to storm water drain thus reducing steam consumption with potential of saving 2000 ton/year coal.
- ☐ Replacement of earlier 7 stage BFP with energy efficient 6 stage BFP Boiler 4. Reduction in current 15 amps, thus KW consumption of 145 KW.
- ☐ Regeneration of activated alumina bed in three air driers by using heat of compression from existing compressors. This has resulted in electric energy saving by about 60KW.
- ☐ Installation of Isolation valves across the old PRDS: This has restricted the unnecessary steam passing and resulting increase in Power generation by about 2.5MW .
- ☐ One cooling water pump is running in place of two pumps for each pair of evaporation batteries, thus saving 300KW electric power.

Smelter Plant

Reduction of fuel oil consumption in holding furnaces of Cast House achieved by Pre-cast launders of non-wetting type with low thermal expansion, improved launder covering and improved firing system.

- ☐ Annual saving of electrical energy / HFO (in kWh/ kL) is 954 kL.
- ☐ Financial benefits per year is ₹ 238.5 Lakhs @ ₹ 25,000 per unit(KL).

Reduction of specific consumption of the HFO in Rolling Plant achieved by reduction in oil pressure, switching off of second blower, automatic operation of dampers, digital roof temperature display and setting oil temperature at burner tip at 100°C.

- ☐ Annual saving of electrical energy / HFO (in kWh/ kL) is 1415 kL.
- ☐ Financial benefits per year is ₹ 353.75 Lakhs @ ₹25,000 per unit(KL).

Reduction of specific DC energy consumption in hot metal production achieved by reduction in stem beam drop, optimizing metal inventory, regulating FTP fume suction, proper anode setting, control of bath drop with ALPSYS advanced regulation system, reducing anodic problems and optimal alumina control.

- ☐ Annual saving of electrical energy / HFO (in kWh/ kL) is 1,31,29,934 kWh.
- ☐ Financial benefits per year is ₹ 322.99 Lakhs @ ₹ 2.46 per unit.

Reduction of DC power in Pot start up by new pre-heating procedure achieved by pre-heating of pots, timing of bath pouring and improved covering.

- ☐ Annual saving of electrical energy / HFO (in kWh/ kL) is 23,84,640 kWh.
- ☐ Financial benefits per year is ₹ 58.66 Lakhs @ ₹ 2.46 per unit.

Captive Power Plant

- ☐ Installation of Energy saving blades in cooling towers: During the year hollow FRP blades have been installed in unit#7 and 8. The energy saving per annum is 13 lakh KWh.
- ☐ **Installation of energy efficient lighting products:** About 200 T-5 fluorescent fittings and 500 electronic ballasts have been installed resulting in a saving of 23725 KWh of electricity per annum.
- ☐ **Installation of Energy meters for monitoring and control of area-wise consumption:** The energy consumption data inventory for all the important areas have been built up for one year. Analysis has been started for working out targets of specific consumption for effective control.
- ☐ **The discharge water of 100T VAM (two nos.) has been diverted to respective Condensate storage tanks** resulting in saving of DM water to tune of 700 tons per annum .
- ☐ **Trevi test for safety valve floating:** During the year 06 units were taken under shut-down for overhauling. In all these units Trevi test method was used for testing the boiler safety valves. This resulted in saving of 100 KL(approx) fuel oil .

During the year total savings due to different EC projects is as below:

- Coal : 1.00 lakh tonnes
- Fuel Oil : 1000KL
- Electricity : 10 MU
- In terms of Money , the total savings works out to ₹15 Crore.

National Aluminium Company Limited

FORM – A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption:

| | | Captive Power Plant | | Alumina Refinery | |
|----|--|-------------------------|--------------------------|-------------------------|--------------------------|
| | | Current year 2010-11 | Previous year 2009-10 | Current year 2010-11 | Previous Year 2009-10 |
| 1. | Electricity | | | | |
| | (a) Purchased from GRIDCO | | | | |
| | Unit (Million KWH) | 121.695 | 184.455 | 51.776 | 117.275 |
| | Total amount (₹ In lakh) | 6,519.61 | 8,217.38 | 2,770.02 | 5,181.42 |
| | Rate/Unit (₹/KWH) | 5.35 | 4.45 | 5.35 | 4.42 |
| | (b) Own Generation | | | | |
| | i) Through Diesel Generator | NA | NA | NA | NA |
| | Unit | | | | |
| | Unit per Ltr. of diesel oil | | | | |
| | Cost/Unit | | | | |
| | ii) Through Steam Turbine/ Generator | | | | |
| | Units (Gross)/Million KWH | 7,435.56 | 6,849.28 | 349.412 | 335.527 |
| | Units per litre of fuel oil/gas | 325.84 | 387.67 | — | — |
| | Cost/Units (₹/KWH) | 2.31 | 1.89 | — | — |
| 2. | Coal (Specify quality & where used) | | | | |
| | (Quality F&G) Million KWH | | | | |
| | Quantity (Tonnes) | 5,916,465 | 4,857,511 | 1,113,939 | 972,011 |
| | Total cost (₹ in lakh) | 82,076.17 | 49,500.72 | 17,447.51 | 17,914.67 |
| | Average rate (₹/Tonne) | 1,387.25 | 1,019.06 | 1,566.29 | 1,843.05 |

| | | Captive Power Plant | | Alumina Refinery | | Smelter Plant | |
|----|-----------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| | | Current Year 2010-11 | Previous year 2009-10 | Current Year 2010-11 | Previous year 2009-10 | Current Year 2010-11 | Previous year 2009-10 |
| 3. | Furnace Oil | | | | | | |
| | Quantity (KL) | 22,820 | 17,668 | 131,786 | 130,648 | 33,203 | 32,559 |
| | Total Amount (₹ in lakh) | 7,138.67 | 4,717.32 | 35,127.63 | 30,033.36 | 8,852.65 | 7,489.19 |
| | Average rate (₹/Tonne) | 31,283 | 26,700 | 26,655 | 22,988 | 26,662 | 23,002 |
| 4. | Others/Internal generation | NA | NA | NA | NA | NA | NA |
| | Quantity | | | | | | |
| | Total Cost | | | | | | |
| | Rate/Unit | | | | | | |

B. Consumption per unit of production

| Products (with details) | | Unit | Standards (if any) | Current year (2010-11) | Previous year (2009-10) |
|-------------------------|------------------------------|-----------|-----------------------|---------------------------|----------------------------|
| 1. | Alumina | | | | |
| | (a) Power | (Kwh/MT) | 335 | 340 | 335 |
| | (b) Fuel oil for clacination | (Kg/MT) | 78 | 76.40 | 76.93 |
| | (c) Coal for steam | (Kg/MT) | 620 | 711 | 610 |
| | (d) Oil for steam | (Kg/MT) | 4.00 | 9.04 | 5.27 |
| 2. | Aluminium | | | | |
| | (a) A.C. Power | (Kwh/MT) | 14,850 | 14,636 | 14,664 |
| | (b) Fuel Oil | (Ltr./MT) | 93 | 75 | 76 |
| | (c) Others | | | | |
| | i) CP Coke | (Kg/MT) | 383 | 384 | 378 |
| | ii) CT Pitch | (Kg/MT) | 99 | 89 | 89 |

B. Technology Absorption

FORM-B

PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT ACTIVITIES (R&D)

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

(A) In-house R&D Activities

Alumina Plant

- Studies to establish the effect of fine seed addition on granulometry and to develop it as a tool to control granulometry.
- Filtration tests of aluminate liquor solids using Millipore in place of G3 crucible.
- Studies to establish Solubility of CaO from different sources of Lime.
- Studies to establish impact of over flocculation in settler Overflow.
- Commercialization of high temperature resin developed in-house.
- Impurity Identification and salt removal studies starting with V₂O₅
- Installation of heating bundles in pre desilication tank.
- Preparation of Low Alpha Special alumina for ceramic use.
- Split feeding of feed liquor to precipitators.
- Study on the impacts of installation of 6th Inter stage cooler on liquor productivity and production.
- Development of Alternate sources of flocculants

Smelter Plant

- Plant scale trial carried out with improved quality of c.p.coke. Improvement in anode quality & pot performance parameters is observed.
- Plant scale trial was carried out to test the operation of mechanized system used for addition of oxidation inhibitor in carbon plant. Improvement in oxidation behaviour observed.
- Plant scale trial was carried out to utilize rejected ramming mass with expired shelf life in manufacture of anodes.
- Characterization of baked anodes for process monitoring.
- Three pots have been lined with indigenously developed tepid ramming mass.
- Plant scale trial with HFO additives was carried and improvement in specific fuel oil consumption was observed
- Metallographic studies of cast products and inclusion analysis of molten aluminium metal for product quality improvement are being continuously carried out.
- Fuel oil savings by use of magnetic resonators is being tried in cast house furnace.
- Composite side blocks are being used in 10 pots for trial observation.
- Simulation model for billet casting was developed for optimization of the process.
- Pots started with alternate supply of cathode blocks, reprocessed rejected paste, partially damaged cathode blocks & indigenously developed ramming paste are being monitored for their performances.
- Slot cutting machine for anodes commissioned in carbon plant.
- Bench scale studies carried out on impact of varying quantity of butts & spent pot lining (SPL) carbon on anode quality.

(B) Collaborative R&D Activities

- Preparation and certification of reference material for selected ores in collaboration with JNARDDC, Nagpur.
- Plasma smelting of Red mud for production of Pig /Cast iron and Alumina rich slag in collaboration with IMMT, BBSR.

- Infra Red Thermography studies and Estimation of Scaling Height in Precipitators at Refinery - collaborative project with JNARDDC, Nagpur.
- Pilot scale optimization of extraction of alumina from PLK(partially lateratic khondalite), collaborative project with MESIS, Russia completed.
- Dev. of high speed extrusion alloys for Indian Industries in collaboration with JNARDDC, Nagpur.
- Characterisation of various casting & Rolling Defects of Strip Cast Aluminium Alloys at NALCO RPU in collaboration with JNARDDC, Nagpur completed.
- A patented process developed for production of construction bricks and artificial ceramic stone chips from red mud has been successfully completed on pilot scale. From the outcome of the project, it has been seen that the process would be economically viable. Accordingly, a demonstration-cum-pilot plant for production of bricks is being planned in collaboration with JNARDDC, Nagpur.
- A process for preparation of ferric alum from low grade aluminium dross has been developed in collaboration with JNARDDC, Nagpur.
- Development of glaze tiles and foam based light weight aggregates from Red Mud in collaboration with JNARDDC, Nagpur.
- Process for manufacturing ceramic tiles from Fly ash in collaboration with IIT, Kharagpur.
- Destruction of cyanide from SPL and recovery of valuables in collaboration with JNARDDC, Nagpur.

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

- Use of fine seed helps to maintain desired level of Seed surface area, thus control product quality (in terms of Granulometry and soda incorporation) at the same time improving the Liquor productivity and hence production.
- Aluminate liquor filtration studies helps to take corrective action whenever solids are high so that product CaO is not increased on this account.
- Establish the effect of various sources of lime with regard to its quality.
- Tests using flocculants show improvement in filtration rate with over flocculation. A plant scale trial shall be taken up to establish the same.
- Use of the high temperature resin will result in huge savings in makeup water consumption in Boilers and energy consumption.
- Impurity control and segregation of salt as value added byproduct and also reduction in lime consumed for causticisation.
- Elimination of sodic condensate dilution in process liquor, thus saving in steam and hence energy required for evaporation by installing heating bundles.
- Low Soda, High Alpha Special Alumina is a value added product that could be produced and marketed.
- Split feeding helps to control soda in the product by reducing occluded soda.
- Addition of one more interstage cooler in precipitation circuit will result in improvement in liquor productivity by about 0.5 to 0.7 Kg/m³. Shall be implemented if cost economics permits.
- Alternate flocculent resulted in saving the Cost of flocculants (around 30% less).
- Implementation of higher grain to sand ratio in GAP₂ has resulted in improvement of anode density by .005– .01 gm/cc.
- Usage of reprocessed rejected paste has helped in a saving of approximately ₹ 41 lakh for 15 pots lined with this material.
- Trials with indigenously developed ramming paste will help in development of indigenous vendors. The cost advantage of indigenous paste is ₹ 20000/T compared to imported supply apart from maintaining just enough stocks to avoid expiry of shelf life.
- Studies conducted in anode bench scale plant and regular characterizations of anodes have helped in process and anode quality improvements.
- Inclusion analysis and metallographic studies have helped to improve product quality
- 5 pots have been lined with reprocessed ramming paste whose life had expired . Cost savings is approx ₹ 13 lakh.
- 10 pots have been lined using 10 sets of SiC & semigraphite composite side block to improve side lining failure.
- Expected benefit by improvement of oxidation behaviour of anodes would be approx. ₹ 3 crore/annum.
- An innovative R&D process titled “Extraction of alumina from bauxite by sintering process” has been commercialized to outside agency. For the first time R&D process developed in- house has been commercialized.

- Process for preparation of ferric alum from low grade aluminium dross is being considered for commercialization.
- Process for production of construction bricks and artificial ceramic stone chips from red mud is being considered for commercialization.

3. Future Plan of Action and New Projects:

- Setting up of a world class Research & Technology Centre at Bhubaneswar with the following Vision and Mission:

Vision

“To set up world class, state of the art research and development facilities to enable NALCO to achieve excellence and sustainability in process, product and technology in the field of Bauxites, Alumina, Aluminum, Power and allied areas including downstream products”.

Mission

“To develop and strengthen technology expertise pertaining to Bauxite, Alumina and Aluminium process in the next five years, which will enable NALCO to be self sustained in the field of Bauxite mining, Alumina Refining and Aluminium Smelting technology”.

In order to succeed in the primary mission and balance the need for technical expertise to support present operations with development of technology to assure future competitiveness, a number of tasks that the Centre will need to accomplish progressively as a part of its mission plan have been undertaken during the year 2010-11. Various activities pertaining to detailed engineering such as, implementation, construction activities, documentation and equipment finalization etc. are in progress and a Road Map is under preparation with help of experts which would be implemented after obtaining necessary approval of competent authority.

- Pilot scale production of construction bricks from Red mud and Alum from low grade dross for commercialization.
- Commercialisation of few R&D processes.
- Utilisation of Fly ash in Tiles manufacturing.
- Implementation of Bayer process Simulation package for better process control and reduction in Cost of production
- Use of CAIS as filter aid in Kelly filtration to improve filtration.
- Reaction kinetics study of Digestion/ Desilication for optimizing the process parameters.
- Reaction kinetics study of precipitation for improving productivity with minimal impurity occlusion.
- Industrial implementation of Medium pressure digestion for better extraction of alumina and productivity.
- Industrial implementation of atmospheric double digestion for reducing raw material consumptions.
- Use of high Chrome grinding media and liner in Ball Mills for improved availability of mills and higher grinding capacity.
- Plant level trials by blending of different types of cokes.
- Trial with Indigenous Tepid ramming paste in pots
- Measures to reduce Melt loss in cast house furnaces
- Large scale trials with magnetic resonator for fuel oil saving
- Trial with non-wetting castable lining of tapping laddles
- Reduction of iron content in anodes
- Plant scale trial with spent potlining carbon material in anode matrix
- Plant scale trial for production of high purity metal.
- Improvement in bath chemistry in pots
- Electrical & Thermal measurements of pots along with M/S JNARDDC
- PFC measurement along with M/S JNARDDC

Patenting and Commercialisation:

Thrust has been laid on patenting of process know-how developed in the company either through in-house or collaborative R&D efforts. So far 21 patents have been sent for filings which include 2 nos. of patents filed in the current financial year. Board level technology committee meetings are being held once in a quarter to review the R&D activities of the company including technological up-gradation and innovative modification carried out in different units and benefits derived thereon for further improvements and the process and productivity.

4. Expenditure on R&D

(₹ in lakhs)

| | 2010-11 | 2009-10 |
|--|---------|---------|
| (a) Total R&D Expenditure | 119.43 | 266.79 |
| (b) Total R&D Expenditure as % of total turnover | 0.02 | 0.05 |

5. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

(a) M&R Complex , Damanjodi:

| Sl No. | Details of modification | Benefits thereof |
|--------|--|---|
| 1 | Fine seed addition as external seed | Reduced soda impurity and marginal increase in production |
| 2 | Split feeding in precipitators | Reduced soda impurity |
| 3 | High rate settling technology | Lower reversion loss of alumina , soda loss and heat losses, Reduced foot print area and Capex |
| 4 | Use of CAIS as filter aid | Improved specific filtration rate |
| 5 | Advanced vertical Diaster filters in place of Kelly filters | Enhanced flow rate and reduced CAPEX |
| 6 | Two stage PHE eliminating water cooling stage in existing 3 stage PHE Scheme for automatic skew correction in New Reclaimer PLC (Modicon) logic modification was carried out in Alumina handling area | Higher heat recovery. Increased Reclaimer availability significantly reduced the dust level during loading from Silo II |

(b) Smelter Plant, Angul:

| Sl. No | Details of Modification | Benefits thereof |
|--------|--|---|
| 1 | PLC revamping in Wire Rod Mill-1 of Cast House-A with GE Fenuc's PAC System RX3i Hot Back UP CPU PLC System with Remote I/O and distributed HMI configuration. | <ul style="list-style-type: none"> Zero Break down in PLC System Seamless integration among Caster, Mill and Coiler parameters MMI with on screen display of parameters gives ease of operation and control functions HMI (Human-Machine interface) based PLC enables logging of process O/P Easier fault finding thru advanced functions i.e. Trending, alarm log and history retrieval |
| 2 | The analog A.C.Servo drive of cut to length machine was replaced by a latest SIMOTION digital A.C. servo drive incorporating self diagnostics features and position control of the axis. | <ul style="list-style-type: none"> Increase in the machine speed from 20 m/min to 40 m/min doubling productivity of the machine. Indigenous source for spares & services. |
| 3 | Imported motor was replaced by Indeginous motor for Fume Exhaust system of the Cold Rolling Mill . | <ul style="list-style-type: none"> Net cost saving of ₹ 6.5 lakhs compared with an imported motor. We are able to start the motor with a single run command whereas earlier it used to take two successive commands to start & run. |

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DETAILS OF TECHNOLOGY IMPORTED /UPGRADED DURING LAST 5 YEARS:

a) M&R Complex , Damanjodi:

| Technology Imported | Year of import | Has technology been fully absorbed | If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action |
|---|-------------------|------------------------------------|--|
| Potentiometer analysis of Bayer liquor for soda and dissolved alumina in place of titration based analysis. | 2008-09 | Yes | |
| Seed grain size control through addition of micro fined hydrate. | 2008-09 | Yes | |
| Ion Chromatograph for analysis of Fluoride, Oxalate etc. | 2008-09 | Yes | |
| AutoAnalyser for particle size analysis | 2010-11 | — | Under evaluation |
| Thermography studies to locate hot spots in furnaces and electrical Switchyard equipments | 2009-10 & 2010-11 | — | Estimations done were under a collaborative project with JNARDDC. Thermography camera under procurement for carrying out thermography a standard practice. |

b) Smelter Plant, Angul:

| Technology Imported/Upgraded | Year of import | Has technology been fully absorbed | If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action |
|--|----------------|------------------------------------|---|
| Installation of online HF monitors in FTP 3 &4 <ul style="list-style-type: none"> Instantaneous reading Graphical output available To meet statutory requirements | 2010 | Yes | |
| Maxicast billet casting replaced by Air slip casting for — 7" & 8" billets installed and commissioned by LOMA in 2010 | 2010 | Yes | |
| Additional 600 MT capacity (300MT x 2) with four unloading station, Storage & Transfer System of liquid pitch to GAP-1 and GAP-2 completed . The complete system has been developed in-house. | 2010 | Yes | |
| Installation of Fume treatment Centre in Anode Baking Furnace-2 | 2010 | Yes | |

C. Foreign Exchange Earnings and Outgo(On Cash Basis)

The foreign exchange earnings of your Company for the FY 2010-11 is ₹ 2,109.19 crore as against ₹ 2,075.04 crore in the previous year.

The foreign exchange outgo of your Company for the same period is ₹ 423.32 crore as against ₹ 443.23 crore in the previous year 2009-10.

REPORT ON CORPORATE GOVERNANCE

PHILOSOPHY

Corporate governance is a term that broadly refers to the rules, processes or laws by which businesses are operated, regulated and controlled in a very transparent and committed way. Corporate Governance is an integral part of doing business in a systematic manner to meet the ethical, legal and business expectations. It is the set of systems and practices that aim at maximizing the shareholder value in an organization while ensuring fairness to all stakeholders.

In NALCO, the thrust is always to attain maximum level of satisfaction of its stakeholders and expectations of the society. It's strong fundamentals, human values and work culture gives momentum to the organization on sustainable basis. It thrives to foster a system to integrate the tools of good corporate governance viz. strong professional Board, Audit Committee, Auditors and management. It emphasizes in setting higher standards and scaling new heights with its available resources.

2.0 BOARD OF DIRECTORS

Composition

A strong and professional Board with optimum combination of Executive and Non-Executive (Independent) Directors brings in healthy practice of deliberation on every issue and systematizing the decision making process.

The Company had an optimum composition of 6 full-time, 2 part-time official and 8 part-time non-official (independent) directors on its Board till 27.09.2010. 3 directors retired on this date and the posts remained vacant till 21.03.2011. On 21.03.2011, Government appointed 2 independent directors on the Board. However, there was still one post vacant on the Board as on 31st March and hence it was not in full compliance with the requirements stated in Clause 49 of the Listing Agreement.

All Directors furnish statement individually about the committee positions they occupy in other Companies and notify any changes in it. None of the Directors on the Board is member of more than 10 Committees or is acting as Chairman of more than 5 Committees.

Directors' Profile

A brief resume of all the Directors, nature of their expertise in specific functional areas and names of Companies in which they hold directorships, chairmanship/membership of Board Committees and their shareholding in the Company are given below:

Shri A. K. Srivastava

Shri A. K. Srivastava did his B. Tech. in Mechanical Engineering and M. Tech. in Industrial Engineering. He has a MBA degree to his credit. He has 30 years of experience in Public Sector Enterprises in various fields of engineering and management. He spent major part of the career of over 20 years in NTPC. He has worked with IPCL for over 5 years. He was heading Cement Corporation of India Ltd as Chairman-cum-Managing Director for about 5 years before joining NALCO as Chairman-cum-Managing Director. Presently he is under suspension.

Shri B. L. Bagra

Born on 21.11.1954, Shri Bajrang Lal Bagra is a Post Graduate in Commerce and a fellow member of ICAI. He joined NALCO as Director (Finance) on 28.02.2007. Before joining NALCO, he was Director (Finance) of RITES, Railways PSU for over six years. Shri Bagra's experience spans over three decades of working in Transport, Mining, Power and Seeds Sectors. He was CFO of Botswana Railways (BR) for five years before being elevated to Director's position in RITES. He was key member of change management team, which turned around BR through comprehensive restructuring including financial and organizational restructure and staff rationalization. He has experience of international business and credited with developing privatization and concession division in RITES when the Company was successful in putting up joint ventures and bagging concessions of Railway system in Colombia, Mozambique and Tanzania. Before joining RITES he worked with Manganeese Ore (India) Limited for 7 years. Rajasthan Electricity Board and Seeds Corporation for two years each.

Shri Joy Varghese

Born on 17.08.1952, Shri Joy Varghese holds M.S.W. and MBA degrees. He joined NALCO as Director (Personnel & Administration) on 01.10.2007. Before joining NALCO, he was General Manager (Pers.&Admn.) in Kudremukh Iron Ore Co. Ltd., Asia's largest Iron ore mining and pelletisation complex. He has wide ranging experience of 30 years in Human Resources Management, Public Relations & Administration. He was also a guest faculty in HRM field in many colleges and business schools in and around Bangalore before joining NALCO.

Shri A. K. Sharma

Born on 06.09.1951, Shri A. K. Sharma completed his BE (Mech.) Hons. from NIT, Allahabad and started his career with BALCO. Later, he joined NALCO in 1982. Shri Sharma has thirty years' of experience in Aluminium Industry and has expertise in aluminium smelting. While working at NALCO, he has contributed significantly towards indigenous development of technology, system and method for improving critical process requirements of aluminium industry.

He holds 1200 shares of the Company in his name.

Shri Prasant Kumar Padhi

Born on 06.01.1952, Shri P. K. Padhi graduated in Mechanical Engineering from NIT, Rourkela in 1974. He obtained his masters degree from IIT, Kharagpur and MBA from the University of Leeds, UK. He worked with Hindustan Aeronautics Ltd. and later joined National Aluminium Company Ltd. (NALCO) in 1983. His experience at NALCO has been diverse. He headed the Industrial engineering department and was appointed to the key post of Technical Secretary to the Chairman-cum-Managing Director. He has held various positions in marketing department where he has significant contributions in formulating Company's marketing strategies and policies. His leadership has steered the Company's alumina and aluminium business through highly competitive domestic and international markets. He was Executive Director (materials) overseeing the Company's Material Management functions. He was appointed as Director (Projects & Technical) on 3rd September, 2009 and is executing ₹ 4,400 crores Expansion project.

He holds 400 shares of the Company in his name.

Shri Ansuman Das

Born on 29.04.1955, Shri Ansuman Das did his B. Tech in mechanical engineering from NIT, Rourkela in the year 1976. He holds a MBA degree from University of Hull, UK. Shri Das started his career as a management trainee with Hindustan Aeronautic Ltd. and joined NALCO in 1982. He has contributed 27 years of service in various capacities in NALCO before joining as Director (Commercial) on 28.10.2009. He has been instrumental in devising various strategies for domestic sales /export of alumina, metal and launching of rolled products, specialty alumina products etc.

He holds 400 shares of the Company in his name.

Shri S. K. Srivastava

Born on 24.10.1954, Shri S. K. Srivastava is a post graduate in Political Science. He joined Indian Administrative Service in 1978. He brings with him more than 30 years of rich experience in various positions in Central Government and State Government. At present Shri Srivastava is holding the position of Additional Secretary in Ministry of Mines, Government of India.

Shri Sundeep Kumar Nayak

Born on 22.07.1963, Shri S. K. Nayak is a post graduate in applied Geology. He joined Indian Administrative Service in 1988. He brings with him more than 20 years of rich experience in various positions in Central Government and State Government. At present Shri Nayak is holding the position of Joint Secretary in Ministry of Mines, Government of India. He is also a Director of Mineral Exploration Corporation Limited.

Shri Sudhansu Bhusan Mishra

Born on 15.07.1941, Shri Mishra joined Indian Administrative service in 1965. He held various senior positions in Orissa Government including post of Chief Secretary and Member, Board of Revenue with varied experience in industrial development, industrial management, financial management, general administration etc. He ceased to be a director of the Company w.e.f. 24.04.2011.

Shri Nalini Ranjan Mohanty

Born on 08.11.1944, Shri N.R. Mohanty is a mechanical engineer, hard core technocrat. He retired as Chairman of Hindustan Aeronautics Ltd. after three decades of eventual career. He was President of 'Aeronautical Society of India' and Chairman of 'Society of Defence Technologies'. His contribution as member of Dr. Kelkar Committee constituted by Govt. of India for participation of private industries in defence production was significant. He received National award "Padma Shri" in 2004 for outstanding contribution in field of Aviation. He ceased to be a director of the Company w.e.f. 24.04.2011.

Dr. Jyoti Mukhopadhyay

Born on 12.08.1952, Dr. Mukhopadhyay has vast experience in the field of material characterization, metal forming as well as mechanical metallurgy of aluminium and its alloys. Presently he is working as Director, Jawaharlal Nehru Aluminium Research Development and Design Centre (JNARDDC), Nagpur. He is holding additional charge of Director for National Institute of Miners' Health, Nagpur. Dr. Mukhopadhyay has received many national and international awards for his significant contribution to the industry. He ceased to be a director of the Company w.e.f. 24.04.2011.

Shri Raj Kumar Sharma

Born on 02.06.1939, Shri Sharma has done his master degree in Economics from Delhi University. He is associated with Federation of Indian Mineral Industries (FIMI) for almost four decades. He has at least 50 papers to his credit covering various aspects of mining industries. He is actively associated with various State Governments in framing their State Mineral Policies. He ceased to be a director of the Company w.e.f. 24.04.2011.

Maj. Gen. (Retd.) Samay Ram

Born on 02.08.1939, Major General (Retd.) Samay Ram served in Indian army in various capacities. He also served as Defence Advisor at the embassy of India in Kabul. He is one of the most experienced officers in counter insurgency operations. He is recipient of many gallantry awards viz UYSM, AVSM, VSM for distinguished services. He ceased to be a director of the Company w.e.f. 24.04.2011.

Shri Ved Kumar Jain

Born on 15.12.1953, Shri Ved Kumar Jain did his bachelor degree in science in 1973 from Punjab university. He is a fellow member of the Institute of Chartered Accountants of India(ICAI). He was elected to the central council in 2004 and thereafter in 2007 and became President of ICAI in 2008. He has more than three decades of experience in finance and taxation. He is also holding directorship in many other Companies viz. Maytas Properties Ltd, PTC India Ltd, IL&FS Engineering and Construction Company Ltd., VJ Corporate Advisors(P) Ltd. and ICAI Accounting Research. He was inducted as an independent director on NALCO Board w.e.f. 21.03.2011.

Shri P.C. Sharma

Born on 31.03.1950, Shri P.C. Sharma did M.Sc. in Chemistry from Guwahati University in 1972. Got into Indian Administrative Service(IAS) in the year 1975 in Assam-Meghalaya cadre. He discharged his duties in various departments viz. Rural development, Agriculture, Industries, Tourism, Transport etc. in the state and Central Government. He took over charge as Chief Secretary of Assam in 2006 and superannuated in 2010. Played a significant role in controlling militancy in the state and played a pivotal role in bringing double digit growth in the state during this period. He was inducted as an independent director on NALCO Board w.e.f. 21.03.2011.

BOARD MEETINGS, PROCEDURES AND ATTENDANCE

A. Institutionalised decision making process

- (i) Board of Directors is the apex body for overseeing the overall functioning of the Company. The Chairman-cum-Managing Director is assisted by the whole time directors in overseeing the operations in the functional areas of the Company.
- (ii) The Board have constituted the following Committees depending upon the business needs:
 - a. Audit Committee (Also looks after investor grievances)
 - b. Human Resource Committee
 - c. Remuneration Committee
 - d. Technology Committee
 - e. Share Transfer Committee
 - f. Investment Committee
 - g. Committee of Directors for consideration of unaudited results
 - h. Committee of Directors for sales
 - i. Committee of Directors for procurements
- (iii) All units/departments are equipped to plan their work schedule well in advance, particularly matters that require approval/decision of the Board/empowered Committees of the Board. Once Board/Committee meeting date is finalized, these matters are communicated to Company Secretary Department for including in the agenda of Board/Committee meeting. Agenda items of confidential nature are placed on the table in covered envelopes. In exceptional circumstances, supplementary items on the agenda are placed on the table before the Board/Committee.
- (iv) The Board meetings are convened depending upon business needs by giving proper notice. Sometimes, meetings with shorter notice are convened to meet urgent needs or in case of exigencies, resolutions are also passed by circulation.
- (v) Board meetings are usually held at the Company's registered office at Bhubaneswar.
- (vi) Members of the Board have complete access to all information and are free to call any senior official during the meeting for additional information/clarification on any agenda item.
- (vii) The Board is given presentation covering Production, Marketing, Finance, Business developments, Growth plans, Collaboration/Joint venture operations , business opportunities, strategy and risk management practice from time to time.

(viii) The information placed before the Board include:

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

B. Recording minutes of proceedings of Board and Committee meetings

The Company Secretary records the minutes of the proceedings of each Board/Committee meeting. Draft Board minutes are circulated amongst all functional Directors of the Board for their comments. Comments, if any, received from the directors are incorporated in the minutes which are finally approved by the Chairman of the Board. The final minutes are entered in the Minute Book within 30 days from conclusion of the meeting. The minutes are confirmed in the next meeting of Board of Directors. Any amendments suggested at the time of confirmation are given appropriate effect.

Similarly, draft minutes of any Committee meeting are circulated among the members of the Committee for their comments. Comments, if any, received from the members are incorporated in the minutes which are finally approved by the Chairman of the Committee.

C. Post Meeting follow-up mechanism

The Guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process on the decisions taken by the Board and Committees thereof. The Company Secretary promptly intimates the Action Points arising out of deliberation during the meeting to the concerned department heads and to the functional Directors. The concerned department head provides information to the Company Secretary with approval of the respective functional Directors on the action taken, which are placed in the succeeding meeting for perusal of the Board/Committee.

D. Compliance

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

BOARD MEETINGS

Eight Board meetings took place during the year. The minimum and maximum time gap between any two Board meetings was 6 days and 82 days respectively. Details of Board meeting dates are as follows:

| No. of Board Meeting & Date | Board Strength | No. of Directors Present |
|-----------------------------|----------------|--------------------------|
| 242/14.05.2010 | 16 | 14 |
| 243/06.08.2010 | 15 | 14 |
| 244/13-14.08.2010 | 15 | 14 |
| 245/18.09.2010 | 16 | 16 |
| 246/ 20.11.2010 | 13 | 11 |
| 247/17.01.2011 | 13 | 09 |
| 248/31.01.2011 | 13 | 13 |
| 249/26.03.2011 | 14 | 11 |

National Aluminium Company Limited

Directors' attendance at the Board Meetings, at the last Annual General Meeting, number of directorships in other companies and membership in other committees etc. during the year are as follows:

a. Whole time Directors

| Name & Designation | Director Identification Number (DIN) | Board Meetings | | Attendance at AGM held on 30.09.2010 | No. of other directorships | Membership in the Committees of other Companies* | |
|--|--------------------------------------|------------------------|----------|--------------------------------------|----------------------------|--|---------------|
| | | Held during the tenure | Attended | | | Member-ship | Chairman-ship |
| Shri A.K. Srivastava, Chairman-cum-Managing Director (1) | 00302121 | 7 | 7 | Yes | Nil | Nil | Nil |
| Shri B.L. Bagra, Director (Finance) (2) | 00090596 | 8 | 8 | Yes | 2 | 1 | Nil |
| Shri Joy Varghese, Director (Pers. & Admn.) | 01955109 | 8 | 7 | Yes | Nil | Nil | Nil |
| Shri A.K. Sharma, Director(Production) | 02600938 | 8 | 8 | Yes | Nil | Nil | Nil |
| Shri P.K. Padhi, Director (P&T) | 02780916 | 8 | 8 | Yes | Nil | Nil | Nil |
| Shri Ansuman Das, Director (Commercial) | 02845138 | 8 | 8 | Yes | Nil | Nil | Nil |

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

| | | | | | | | |
|-------------------------------|----------|---|---|----|-----|-----|-----|
| Shri S. Vijay Kumar, IAS (3) | 02230985 | 1 | 1 | NA | Nil | Nil | Nil |
| Shri S.K. Nayak, IAS | 02140600 | 8 | 6 | No | 1 | Nil | 1 |
| Shri S.K. Srivastava, IAS (4) | 03321160 | 5 | 4 | No | Nil | Nil | Nil |

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

| | | | | | | | |
|---|----------|---|---|-----|-----|-----|-----|
| Shri S.S. Sohoni, IAS (Retd.) (5) | 01877231 | 4 | 4 | NA | Nil | Nil | Nil |
| Dr. A. Sahay (5) | 01115233 | 4 | 4 | NA | Nil | Nil | Nil |
| Shri K.S. Raju (5) | 01863178 | 4 | 4 | NA | Nil | Nil | Nil |
| Shri S.B. Mishra, IAS (Retd.) | 00030975 | 8 | 4 | Yes | 3 | 1 | 2 |
| Shri N.R. Mohanty | 00237732 | 8 | 7 | No | 5 | Nil | 1 |
| Dr. Jyoti Mukhopadhyay | 02224647 | 8 | 7 | Yes | Nil | Nil | Nil |
| Shri R.K. Sharma | 00164387 | 8 | 6 | No | Nil | Nil | Nil |
| Maj. Gen.(Retd.) Samay Ram, UYSM,AVSM,VSM | 00663816 | 8 | 8 | Yes | Nil | Nil | Nil |
| Shri Ved Kumar Jain (6) | 00485623 | 1 | - | NA | 4 | 1 | 2 |
| Shri P.C. Sharma, IAS(Retd.) (6) | 00513921 | 1 | 1 | NA | 1 | 1 | Nil |

* As per clause 49 of the Listing Agreement, Membership/Chairmanship in only the Audit Committee and Shareholders' Grievance Committee has been considered.

(1) Under suspension w.e.f 26.02.2011. (2) Holding additional charge of Chairman-cum-Managing Director w.e.f. 27.02.2011. (3) Ceased to be director w.e.f. 01.08.2010 (4) Appointed on 30.08.2010. (5) Ceased to be directors w.e.f. 27.09.2010 (6) Appointed on 21.03.2011.

Stock Option details

The shareholders have approved to insert an Article providing for ESOP Scheme for the full time directors and employees in their EGM held on 05.03.2011. Detailed scheme is being finalized in terms of guidelines from the Government. No stock option was issued to Directors/employees during the year.

Training to Board members

On appointment, the Board members are provided with relevant documents/brouchers, Annual Reports of the Company to be familiarized with Company's vision, ethics, Corporate Governance practice and business operation. Periodical presentations are made to the Board on business development, strategic planning, joint ventures etc. Besides, the directors are nominated to attend training programmes conducted by DPE/SCOPE on Corporate Governance, role and responsibilities of independent directors on the Board, model code of business ethics and conduct.

3.0 Board Committees

The Board has constituted many functional committees depending on the business needs and legal requirements. Procedures followed by the Company for convening and conducting Board meeting is also followed for the committee meetings. Minutes of the Committee meetings are placed before the subsequent Board meeting for perusal/information.

3.1 Audit Committee

Audit Committee comprises of three independent directors viz. Shri N.R. Mohanty - Chairman, Maj. Gen.(Retd.) Samay Ram and Shri S.B. Mishra and one non-executive non-independent director namely Shri Sundeep Kumar Nayak, IAS. The composition of the Audit Committee meets the requirement of Section 292 A of the Companies Act, 1956, Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance for CPSEs.

Director (Finance), Statutory Auditors, Chief of Internal Audit and Cost Auditors are permanent invitees to the meetings. Functional directors, Operational heads are invited to the meetings on need basis.

All Audit Committee members possess financial/accounting knowledge.

Shri K.N. Ravindra, Company Secretary is the Secretary to the Audit Committee.

The Role of the Audit Committee inter-alia includes:

- (i) 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.
- (ii) Recommending to the Board, the fixation of audit fees for Statutory Auditors.
- (iii) Recommendation of fee to statutory auditors for any other services rendered by the statutory auditors.
- (iv) Reviewing with the management the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - 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 management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- (v) Reviewing with the management the quarterly financial statements before submission to the Board for approval.
- (vi) Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems.
- (vii) Reviewing the adequacy of internal audit function 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.
- (viii) Discussion with internal auditors on any significant findings and follow up thereon.
- (ix) 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.
- (x) To review the following information –
 - a) Management discussion and analysis of financial condition and results of operation.
 - b) Statement of related party transaction, if any, submitted by management.
 - c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors.

- d) Internal audit reports relating to internal control weaknesses.
- e) The appointment and removal of the chief internal auditor.
- f) Certification/declaration of financial statement by the Chief Executive Officer/CFO.
- (xi) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.
- (xii) Carrying out any other function as is mentioned in the terms of references of the Audit Committee.

Powers of the Audit Committee

- (i) To investigate any activity within its terms of reference.
- (ii) To seek information on and from any employee.
- (iii) To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
- (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (v) To protect whistle blowers.

Tenure of Chairman, Audit Committee expired on 27.09.2010 whereas the last Annual General meeting was held on 30.09.2010. Hence, there was no audit committee chairman as on date of Annual General Meeting. Two other members of the Audit Committee were present in the last Annual General Meeting. One of them had attended the Audit Committee meeting in which the Committee scrutinized the accounts and recommended to Board for approval.

Audit Committee meetings and attendance

The Audit Committee met 10 times during the year.

Attendance

| Name | Held during the tenure | Attended |
|-------------------------------------|------------------------|----------|
| Shri S. S. Sohoni (upto 27.09.2010) | 4 | 4 |
| Shri. S.K. Nayak, IAS | 10 | 10 |
| Dr. A. Sahay (upto 27.09.2010) | 4 | 4 |
| Shri K. S. Raju (upto 27.09.2010) | 4 | 4 |
| Shri N.R. Mohanty (1) | 10 | 10 |
| Maj. Gen.(Retd.) Samay Ram | 10 | 10 |
| Shri S. B. Mishra | 10 | 5 |

(1) Elected as Chairman, Audit Committee w.e.f. 30.10.2010.

Shareholders' Grievance Committee

Audit Committee is assigned with the additional function of looking after the redressal of complaints/grievances of the shareholders/investors and focuses on strengthening of investor relation.

The Shareholders' Grievance Committee focuses on redressal of shareholders'/investors' complaints/grievances pertaining to share transfers/transmissions, non-receipt of dividend/Annual Reports, issue of duplicate certificates, rematerialization/dematerialization of shares, change in address / bank particulars etc. Shri K. N. Ravindra, Company Secretary is the compliance officer.

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

The break up of total complaints received, resolved and outstanding as on 31.03.2011 is as follows:

| Particulars | Complaints/grievances received from | | |
|--|-------------------------------------|-----------------|------|
| | Individuals & Institutions | Stock Exchanges | SEBI |
| No. of cases received during the year 2010-11 | 57 | 02 | 04 |
| No. of cases attended and redressed to the satisfaction of the shareholders/investors. | 57 | 02 | 04 |
| No. of pending cases remained unresolved/un-redressed. | Nil | Nil | Nil |

3.2 Human Resources (HR) Committee

HR Committee comprises of 4 independent directors and 3 full-time directors. The Committee is headed by an independent Director. The Committee met 4 times during the year.

Terms of reference of HR Committee include recommendation to the Board on 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 scale of pay of the non-executives and any changes therein, organization chart including manpower planning and any other references made by the Board from time to time.

Attendance

| Name | Held during the tenure | Attended |
|----------------------------|------------------------|----------|
| Shri N.R. Mohanty | 4 | 4 |
| Maj. Gen.(Retd.) Samay Ram | 4 | 4 |
| Dr. Jyoti Mukhopadhyay | 4 | 4 |
| Shri S.B. Mishra | 4 | 1 |
| Shri B.L. Bagra | 4 | 4 |
| Shri Joy Varghese | 4 | 4 |
| Shri A.K. Sharma | 4 | 4 |

Remuneration Committee

Remuneration Committee was constituted by the Board on 18.09.2010 in line with the requirements under the DPE guidelines. Terms of reference of Remuneration Committee includes decision on annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limits.

The Remuneration committee comprises of 4 independent directors namely Shri N.R. Mohanty, Shri S.B. Mishra, Dr.J. Mukhopadhyay and Maj. Gen.(Retd.) Samay Ram.

During the period, the remuneration committee met once on 28.12.2010 where all members were present.

Remuneration Policy and details of remuneration

(a) Whole time Directors

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 orders from the Government of India, whichever event occurs first.

| Name | Relationship with other Directors | Business relationship with the Company, if any | Remuneration for the year 2010-11# | | Total (₹) |
|--------------------------|-----------------------------------|--|--|---------------------|-----------|
| | | | All elements of remuneration package, i.e. salary, PF contribution, pension, gratuity etc. (₹) | Other benefits (₹)* | |
| Shri A.K. Srivastava (1) | Nil | Chairman-cum-Managing Director | 21,41,354 | 1,09,434 | 22,50,788 |
| Shri B.L. Bagra | Nil | Director (Fin.) & CMD I/c. | 26,44,935 | 7,12,251 | 33,57,186 |
| Shri Joy Varghese | Nil | Director (P&A) | 22,85,083 | 8,75,131 | 31,60,214 |
| Shri A.K. Sharma | Nil | Director (Prodn.) | 23,81,097 | 8,42,792 | 32,23,889 |
| Shri P.K. Padhi | Nil | Director(P&T) | 25,02,135 | 6,84,552 | 31,86,687 |
| Shri Ansuman Das | Nil | Director (Comm.) | 25,26,943 | 6,65,955 | 31,92,898 |

(1) under suspension w.e.f. 26.02.2011.

Figures are based on revised scales.

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

(b) Part-time Non-official (independent) directors

The independent Directors are paid sitting fees of ₹10,000/- for attending each meeting of Board/ Committees thereof. Details of sitting fees paid to the independent Directors for the year are given below:

| Name | Sitting Fees (₹) | | Total (₹) |
|---|------------------|--------------------|-----------|
| | Board Meetings | Committee Meetings | |
| Dr. A Sahay * | 50,000 | 50,000 | 1,00,000 |
| Shri S. S. Sohoni * | 50,000 | 40,000 | 90,000 |
| Shri K. S. Raju * | 50,000 | 50,000 | 1,00,000 |
| Shri S.B. Mishra | 40,000 | 1,00,000 | 1,40,000 |
| Shri N.R. Mohanty | 80,000 | 1,60,000 | 2,40,000 |
| Dr. Jyoti Mukhopadhyay | 80,000 | 90,000 | 1,70,000 |
| Shri R.K. Sharma | 70,000 | 30,000 | 1,00,000 |
| Maj. Gen.(Retd.) Samay Ram, UYSM, AVSM, VSM | 90,000 | 1,50,000 | 2,40,000 |
| Shri Ved Kumar Jain # | — | — | — |
| Shri P.C. Sharma # | 10,000 | — | 10,000 |

* Ceased to be director w.e.f. 27.09.2010.

Appointed as director w.e.f. 21.03.2011

(c) Part-time official directors

As per DPE guidelines, the number of nominee directors appointed by the Government on the Board of CPSEs shall be restricted to a maximum of two. Accordingly, there were two part-time official directors on the Board of the Company as on 31.03.2011. As per the clarifications given by SEBI, such nominee directors shall not be considered as independent directors. No remuneration was paid to the part-time official directors.

Government Nominee Directors who are appointed by the President of India are from Ministry of Mines, the administrative ministry. They retire from the Board on ceasing to be officials of Ministry of Mines.

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

There is no provision for payment of severance fees.

3.3 Technology Committee

The Technology Committee met four times during the year to discuss various technology related issues viz. setting up NALCO Research & Training Centre (NRTC), finalization of scope of Continued Technical Assistance(CTA) with M/s. Rio Tinto Alcan/Aluminium Pechiney, review of specific consumption norms pertaining to Smelter, Refinery etc.

The Technology Committee consists of two independent directors and two whole time directors. One of the independent Directors is Chairman of the Committee.

3.4 Share Transfer Committee

The Board has authorized the Company Secretary to approve requests for all transfer/transmission and dematerialization of shares. However, all cases pertaining to issue of new share certificates in case of torn/mutilated/defaced/lost/rematerialisation are placed before the Share Transfer Committee. All whole-time directors except Chairman-cum-Managing Director are members of the Committee. 34 such approvals were given during the year ended 31st March, 2011 out of which approval through share transfer committee was 4 times.

3.5 Committee of Directors for Sales

Chairman-cum-Managing Director and all full-time directors are members of the Committee. CMD may co-opt any other officer not below the rank of General Manager as member of the Committee.

The terms of reference of Committee of Directors for Sales includes decision on all short term contracts of sale both for alumina and aluminium i.e. the contracts for a period of one year or less irrespective of the value of contract in the cases where the value exceeds the powers delegated to CMD.

The committee met 17 times during the year.

3.6 Committee of Directors for Procurements

Chairman-cum-Managing Director and all functional directors of the Company constitute the Committee.

The terms of reference of the committee of Directors for procurement includes:

- i) approval of contracts/items/packages/tenders both domestic and overseas with financial limit upto ₹50 crore in each case, in respect of all capital expenditure which have been included in the capital budget, duly approved by the Board , and
- ii) for procurement of all raw materials which are beyond the powers delegated to CMD.

The committee met 17 times during the year.

3.7 Investment Committee

Being a PSU, DPE guidelines are followed for investment of surplus funds. The terms of reference of Investment Committee include formulation of procedural guidelines for investment of surplus funds subject to overall guidelines issued by DPE in this regard.

The Company has adopted more stringent criteria and ceiling compared to the guidelines laid down in DPE guidelines for investment of surplus funds. The decision for investment has been delegated to the Investment Committee constituted for this purpose. The Committee consists of CMD, Director(Finance), Director(Commercial) and one more full-time director.

The Committee makes investment in the following:

- a) Term deposits with scheduled commercial banks and
- b) Debt schemes of public sector MFs.

The Committee met 23 times during the year.

3.8 Committee of Directors for consideration of unaudited financial results

The Committee of Directors for consideration of unaudited financial results was constituted in terms of Clause 41 (II) of the Listing Agreement, to consider and take on record, the quarterly financial results after the same are considered by the Audit Committee. The quarterly financial results approved by the Committee are placed before the Board in next Board meeting.

The Committee consists of 3 whole time Directors, 1 Part-time Official Director and 2 Independent Directors one of whom is the Chairman, Audit Committee. CMD is Chairman of the Committee.

The Committee met once during the year.

4.0 Statutory Auditors

Being a Government Company, Statutory Auditors are appointed by the Comptroller and Auditor General of India (C&AG). Statutory auditors are appointed on annual basis, generally for four years. M/s. P A & Associates, Bhubaneswar and M/s. C.K. Prusty & Associates, Bhubaneswar were appointed as joint Statutory Auditors of the Company for the financial year 2010-11.

The fees paid/payable to the joint statutory auditors for the year 2010-11 was ₹ 14 lakhs towards statutory audit fees, ₹ 2.75 lakhs plus applicable tax for every quarterly Limited Review Report, ₹ 2.25 lakhs plus applicable tax towards fee for Tax audit and ₹ 0.5 lakhs plus applicable tax towards fee for certification on Corporate Governance.

5.0 General Meetings of Shareholders

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

Annual General Meeting

| Year | Date | Time | Location |
|-----------|------------|------------|---------------------------|
| 2007-2008 | 20.09.2008 | 11.00 A.M. | NALCO Bhawan, Bhubaneswar |
| 2008-2009 | 19.09.2009 | 11.00 A.M. | NALCO Bhawan, Bhubaneswar |
| 2009-2010 | 30.09.2010 | 11.00 A.M. | NALCO Bhawan, Bhubaneswar |

Extraordinary General Meeting

| | | | |
|--|------------|------------|---------------------------|
| | 05.03.2011 | 11.00 A.M. | NALCO Bhawan, Bhubaneswar |
|--|------------|------------|---------------------------|

No special resolution was passed through postal ballot.

6.0 Disclosures

Material Contracts/Related Party Transactions

The Company has not entered into any material financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms, etc. in which they are either directly or through their relatives interested as Directors and/or Partners. The Company has obtained declarations from all concerned in this regard, which were noted by the Board.

Compliance

During the year, there is non compliance on composition of Board of Directors as required under Clause 49 of the Listing Agreement w.e.f. 27.09.2010. Since appointment of directors is made by the President of India in PSUs, the matter has been referred to the administrative ministry for immediate necessary action for appointment of requisite number of independent directors on the Board.

Except this issue, there is no instance of non compliance by the Company on any matter related to capital market or any other statute and no penalties or strictures were imposed on the Company during the last three years.

Code of Conduct

The Company's Board of Directors and senior management are committed to follow guidelines and policies evolved by the Central Government with respect to the structure, composition, selection, appointment and service conditions of Board of Directors and senior management. All executives are accountable for their performance in conformity with established norms of conduct.

The Board has adopted the model code of conduct and ethics for Board members and senior management, prescribed by DPE. The code is intended to serve as a basis for ethical decision making in the conduct of professional work. The code of business conduct is circulated to all the members of the Board and senior management at the beginning of the financial year and compliance of the same is affirmed by them annually.

Copy of the code of conduct is also posted at Company's website: www.nalcoindia.com.

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

"I hereby confirm that the Company has obtained from the members of the Board and senior management (Key Executives), affirmation that they have complied with the Code of Conduct for Directors and senior management in respect of the financial year 2010-11."

B.L. Bagra
Director (Finance) & CMD I/c.

CEO/CFO certification

In terms of Clause 49 of the Listing Agreement, the certification by the CEO and the CFO on the financial statement of the Company and internal controls relating to financial reporting has been submitted to the Board.

Non-Mandatory Requirements

The Company has not adopted any non-mandatory provisions specified in Annexure ID of Clause 49 of the Listing Agreement.

Accounting Standards

The financial statements are prepared with applicable mandatory Accounting Standards and relevant presentational requirements of Institute of Chartered Accountants of India and provisions of the Companies Act, 1956. Where different treatment from prescribed Accounting Standard is followed, the fact is disclosed in the financial statement.

Risk Management

Audit Committee reviews the Risk assessment and mitigation reports on quarterly basis. More details on the subject are given under "Management Discussion and Analysis Report".

Whistle Blower Policy

The Company being a CPSE, the CVC guidelines are applicable which provide adequate safeguards to the employees. However, in line with the DPE guidelines, the Board has recently approved a Whistle Blower Policy and Fraud Prevention Policy for employees to report to the management about unethical behaviour, actual or suspected fraud and violation of guidelines on conduct or ethical policy. The policies have also been posted in the Company's website.

7.0 Corporate Ethics

Code of Conduct for Prevention of Insider Trading

All Directors, Key Executives and designated employees are prohibited to deal in shares of the Company during the closure of trading window and other specified period In accordance with the Securities and Exchange Board of India (Insider Trading) Regulations, 1992. The Board has approved a comprehensive 'Code of Conduct for Prevention of Insider Trading'. Permission of Compliance officer is required for dealing in shares beyond specified limit. All Directors, Key Executives and designated employees are required to disclose related information periodically as defined in the code. Company Secretary is the Compliance officer under this code.

8.0 Means of Communication

Quarterly/annual financial results

Un-audited as well as audited financial results are communicated to Stock Exchanges as soon as these are taken on record by the Board. The same are published in leading English and vernacular newspapers in India. The results are also promptly uploaded in Corporate Filing & Dissemination System (CFDS) portal, a common platform jointly developed and managed by NSE & BSE. They are also displayed in Company's web site: www.nalcoindia.com.

News releases, presentations

Official news releases, presentations made to media and to Institutional investors/analysts are displayed at Company's website. Such presentations are also sent to the Stock Exchanges in which Company's shares are listed.

Website

The Company's website: www.nalcoindia.com contains separate dedicated section 'Investors' page' where shareholders information is available. Company's Annual Report, shareholding pattern, Quarterly financial results are available on the website in downloadable form.

Annual Report

Annual Report containing Directors' Report, Management Discussion and Analysis Report, Corporate Governance Report, Auditors' Report, Audited Accounts, Consolidated Financial statements and other important shareholders information is circulated to the members and others entitled thereto. It is also hosted in the Company's website.

Chairman's Address

Chairman's speech in printed form is distributed to all the shareholders at the Annual General meeting and in Extra-ordinary General Meeting. It is also uploaded in the investors' page in the Company's website.

Reminder to shareholders/debenture holders

The Company sends reminder notice to all shareholders/debenture holders who have not claimed their dividend/interest. The details of unpaid/unclaimed dividend/interest account wise is also available in the Company's website for information of the shareholders/debenture holders.

9.0 Shareholders' information

Annual General Meeting

Date: 29th September, 2011

Time: 11.00 A.M.

Venue: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751 061

Financial Calendar for 2011-12:

Events

Unaudited Financial results for the first quarter ending 30th June, 2011

Unaudited Financial results for the second quarter ending 30th September, 2011

Unaudited Financial results for the third quarter ending 31st December, 2011

Audited Financial results for the year ending 31st March, 2012

Annual General Meeting for the year ending March 31, 2012

Tentative Date

12th August, 2011

By 14th November, 2011

By 14th February, 2012

By 31st May, 2012

By 29th September, 2012

Book Closure Dates

Book Closure/Record Date

8th February, 2011

16th March, 2011

20th September, 2011 to 22nd September, 2011

Purpose

Interim Dividend @ ₹ 2.00 per share for 2010-11

Split/sub-division of shares and bonus issue

Final Dividend @ ₹0.50 per share for 2010-11

National Aluminium Company Limited

Dividend payment

Details of dividend paid during the last five years are as follows:

| YEAR | | Dividend/share (₹) | Total Dividend paid (₹) In crore) | Date of Payment |
|---------|-------------|-----------------------|--------------------------------------|-----------------|
| 2006-07 | 1st Interim | 3.50 | 225.51 | 19.02.2007 |
| | 2nd Interim | 1.50 | 96.65 | 30.03.2007 |
| | Final | 2.50 | 161.08 | 08.10.2007 |
| 2007-08 | Interim | 4.50 | 289.94 | 25.02.2008 |
| | Final | 1.50 | 96.65 | 15.10.2008 |
| 2008-09 | Interim | 3.50 | 225.51 | 25.02.2009 |
| | Final | 1.50 | 96.65 | 14.10.2009 |
| 2009-10 | Interim | 1.50 | 96.65 | 30.03.2010 |
| | Final | 1.00 | 64.43 | 29.10.2010 |
| 2010-11 | Interim | 2.00 | 128.86 | 01.03.2011 |

Split and Bonus Issue

The share price of the Company was trading at a price which was relatively higher than the average share price of Companies on Stock Exchanges. To adjust the level of price in line with the Stock Exchange, stock split was effected in March, 2011. Due to split, face value of the share was reduced from ₹ 10 to ₹ 5. The number of shares in the holdings of all shareholders doubled while shareholding pattern remained same.

Simultaneously with stock split, all shareholders were rewarded with one additional share as bonus for each share held by them by capitalizing the reserves. The bonus shares doubled the shares outstanding and improved the liquidity of the share.

Subsequent to the split and bonus issue, the total paid-up equity capital has become ₹ 1288.62 crores comprising of 2577238512 equity shares of ₹ 5 each. The President of India holds 224,59,98,540 equity shares of ₹ 5 each fully paid up comprising 87.15% of the paid up capital. The balance 33,12,39,972 shares of ₹ 5 each fully paid-up, comprising 12.85% of the total paid-up capital are held by the public.

Transfer of unpaid/unclaimed interest/dividend to IEPF

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

a. Transfer of unpaid/unclaimed interest on 14.5% NCDs

| Period | Nature of Payment | Amount(₹) | Date of Transfer |
|--------------------------|--|-------------|------------------|
| 26.09.2002 to 25.03.2003 | 8 th half yearly interest and 1 st installment of redemption amount | 8,37,629 | 12.04.2010 |
| 26.03.2003 to 25.09.2003 | 9 th half yearly interest | 1,49,026 | 08.10.2010 |
| 26.09.2003 to 25.03.2004 | 10 th half yearly interest and 2 nd installment of redemption amount | 8,45,831 | 31.03.2011 |

b. Transfer of unpaid/unclaimed Dividend

| Financial Year | Nature of Payment | Amount(₹) | Date of Transfer |
|----------------|-------------------|-------------|------------------|
| 2002-03 | Dividend | 9,21,744 | 08.10.2010 |

Listing on Stock Exchanges

NALCO shares are presently listed in following Stock Exchanges:

National Stock Exchange of India Ltd.

Scrip code: NATIONALUM

Traded from : 28.04.1999

Bombay Stock Exchange Ltd.

Scrip code: 532234

Traded from : 19.10.1992

ISIN CODE : INE 139A01034 *

* Activated on 17.03.2011. Before to that, the ISIN was INE139A01026.

30th Annual Report 2010-11

Listing fees for the year 2010-11 has been paid to both the Stock Exchanges.

Market Price Data

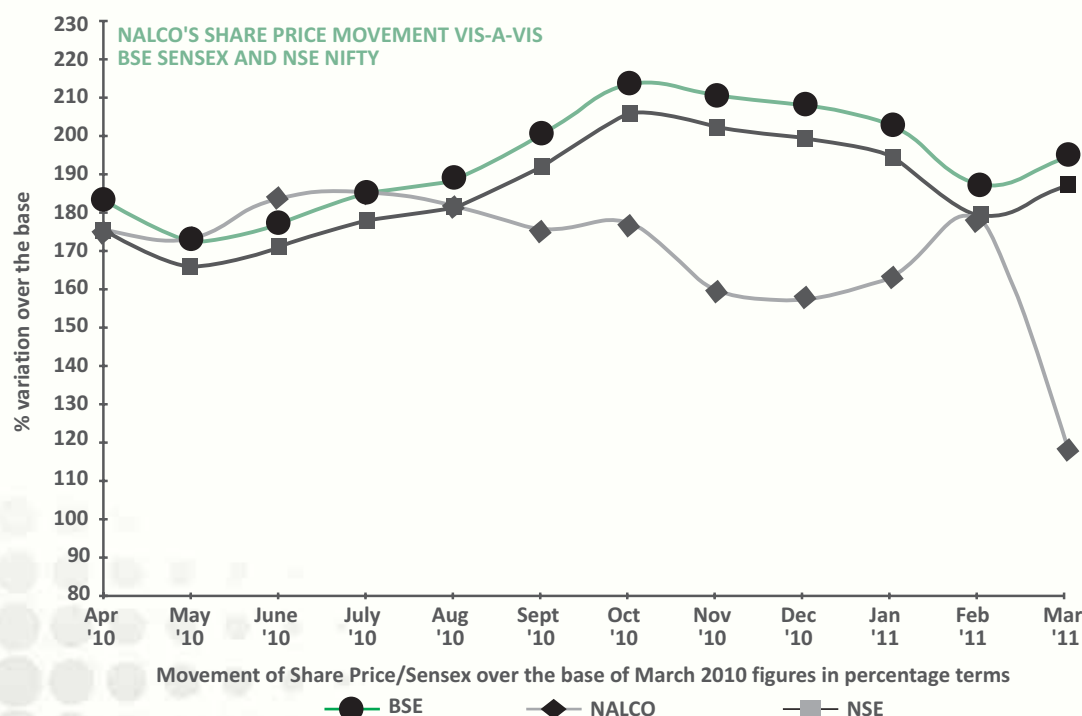
(Amount in ₹)

| MONTH | SHARE PRICE (BSE) | | | | SHARE PRICE (NSE) | | |
|---------------|-------------------|--------|---------------------|--|-------------------|--------|---------------------|
| | H | L | Avg. Daily Turnover | | H | L | Avg. Daily Turnover |
| April, 2010 | 421.50 | 390.05 | 56,722 | | 421.00 | 393.30 | 2,09,770 |
| May | 419.60 | 385.25 | 23,258 | | 418.00 | 387.35 | 96,195 |
| June | 445.50 | 405.00 | 22,246 | | 446.50 | 410.00 | 86,810 |
| July | 444.00 | 412.00 | 12,318 | | 443.90 | 411.30 | 77,380 |
| August | 447.90 | 394.40 | 77,706 | | 447.20 | 393.35 | 2,44,923 |
| September | 416.60 | 398.00 | 20,059 | | 416.45 | 397.80 | 89,208 |
| October | 428.20 | 393.10 | 20,597 | | 428.90 | 393.55 | 1,06,990 |
| November | 415.00 | 334.00 | 11,746 | | 417.00 | 331.05 | 51,340 |
| December | 395.00 | 349.00 | 9,404 | | 396.60 | 344.15 | 45,945 |
| January, 2011 | 402.90 | 360.00 | 10,510 | | 403.80 | 360.25 | 52,800 |
| February | 444.00 | 372.35 | 37,194 | | 449.80 | 385.00 | 1,36,475 |
| March | 481.50 | 95.10* | 1,46,495 | | 481.90 | 95.05* | 5,20,567 |

H=Highest & L=Lowest

Source: Web-sites of BSE & NSE

* Share price have been lowered by the market to reflect the allocation of the split and bonus issue.



National Aluminium Company Limited

Equity Shares in Suspense Account

As per clause 5A(I) of the Listing Agreement, the Company reports the following details in respect of equity shares lying in suspense account which were issued as bonus shares :

| | Number of shareholders | Number of equity shares |
|---|------------------------|-------------------------|
| Aggregate no. of shareholders and the outstanding shares in the suspense account lying at the beginning of Financial year | Nil | Nil |
| Aggregate no. of shareholders and outstanding shares transferred to suspense account during the year | 4 | 610 |
| No. of shareholders who approached the Company for transfer of shares from suspense account during the year | Nil | Nil |
| No. of shareholders to whom shares were transferred from the suspense account during the year | Nil | Nil |
| Aggregate no. of shareholders and the outstanding shares in the suspense account lying as at the end of Financial year* | 4 | 610 |

*All 610 shares have been credited to the respective 4 beneficial owners accounts recently through corporate action in NSDL and CDSL.

Registrar and Transfer Agents

All kinds of investors' related services, both for physical and electronic segments are provided from its in-house Share Registry at the following address. Complaints/Grievances are resolved within 2-3 days time on an average.

National Aluminium Company Ltd.

Share Registry

NALCO Bhawan,
Plot No. P/1, Nayapalli,
Bhubaneswar – 751 061 (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) dmrao@nalcoindia.co.in; iii) nkmohanty@nalcoindia.co.in; iv) bharatsahu@nalcoindia.co.in

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

The total number of transfer deeds processed and shares transferred during the last three years are as under:

| Years | No. of Transfer Request Received | No. of shares transferred |
|---------|----------------------------------|---------------------------|
| 2010-11 | 180 | 20,260 |
| 2009-10 | 102 | 8,110 |
| 2008-09 | 59 | 4,261 |

Shareholding pattern as on 31.03.2011#

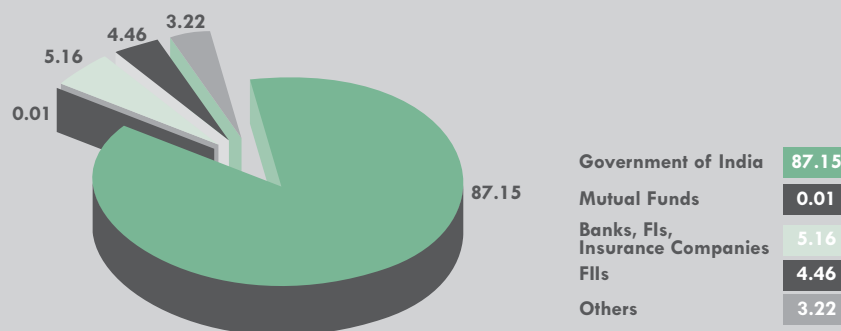
| Sl. No. | Category | No. of Shareholders | No. of shares | Percentage of shareholding |
|---------|---------------------------------|---------------------|------------------------|----------------------------|
| 1. | Promoters (Government of India) | 7* | 224,59,98,540 | 87.15 |
| 2. | Mutual Funds | 16 | 96,600 | 0.01 |
| 3. | Banks/ Financial Institutions | 11 | 2,82,73,288 | 1.10 |
| 4. | Insurance Companies | 12 | 10,45,91,337 | 4.06 |
| 5. | FII's | 89 | 11,49,68,210 | 4.46 |
| 6. | Bodies Corporate | 940 | 6,30,01,403 | 2.44 |
| 7. | Indian Public | 41,094 | 1,79,52,727 | 0.69 |
| 8. | Others | 1,384 | 23,55,797 | 0.09 |
| | TOTAL | 43,553 | 257,72,37,902 @ | 100.00 |

Share figures are after effecting split and bonus issue.

* President of India along with 6 nominees.

@ 610 bonus shares are kept under abeyance due to corporate action rejection by NSDL (1 account- 60 shares) and CDSL (3 accounts- 550 shares) on 22.03.2011 presumably due to closure of demat accounts of 4 beneficiaries. Hence, grand total of shares should be 257,72,38,512. i.e. (257,72,37,902+610).

30th Annual Report 2010-11



Distribution schedule of shareholding

| Number of shares | No. of Shareholders | Total shares held | %of share capital |
|------------------|---------------------|-------------------|-------------------|
| 1-200 | 26,735 | 26,38,647 | 0.10 |
| 201-500 | 9,816 | 37,52,491 | 0.15 |
| 501-1000 | 3,659 | 28,91,367 | 0.11 |
| 1001-50000 | 3,258 | 119,50,776 | 0.47 |
| 50001-100000 | 31 | 21,53,134 | 0.08 |
| 100001 and above | 58 | 255,38,52,097 | 99.09 |

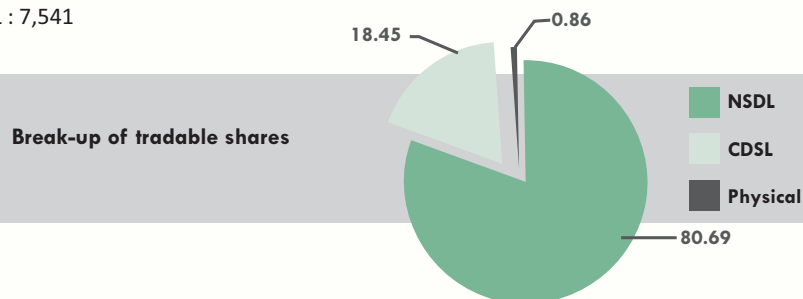
Dematerialisation/Rematerialisation of Listed Shares & Liquidity

99.18% of the Company's total tradeable share capital stands dematerialized as on 31st March, 2011 as compared to 99.14 % as on 31st March, 2010. The holdings of President of India, promoter of the Company is in physical mode and not available for trading.

NALCO shares are compulsorily traded in compulsory demat form in NSE and BSE. Demat requests are confirmed to the respective Depositories (NSDL/CDSL) within 8-10 days of receipt of Demat Request Forms (DRFs) along with original share certificates from the DPs.

During the financial year, total no. of 35,243 shares has been dematerialized under both the Depositories as detailed below:

NSDL : 27,702; CDSL : 7,541



During the year, the Company has received and confirmed only one rematerialisation request for 50 shares and the physical share certificate was dispatched to the shareholder in time.

10.0 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.

11.0 Plant locations of the Company

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

Captive Power Plant
Angul - 759 122
(Odisha)

Address for correspondence
Registered Office :
NALCO Bhawan
Plot No. P/1, Nayapalli
Bhubaneswar – 751 061
Odisha

Smelter Plant
Nalco Nagar
Angul - 759 145
(Odisha)

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

AUDITORS' CERTIFICATE

To
The Members
National Aluminium Company Limited,
Bhubaneswar

We have examined the compliance of conditions of Corporate Governance by NATIONAL ALUMINIUM COMPANY LIMITED, for the year ended on 31st March, 2011 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 representations 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 :

1. *The Board of Directors comprised of the requisite number of Non –Executive Directors, only up to 27.09.2010.*
2. *The Board of Directors comprised of the requisite number of Independent Directors, only up to 27.09.2010.*
3. *The last Annual General Meeting held on 30th September, 2010 was not attended by the Chairman, Audit Committee of the Company, since the tenure of Chairman, Audit Committee as Director of the Company expired on 27.09.2010.*

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 P.A. & Associates
Chartered Accountants
FRN 313085E

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

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

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

Place : Bhubaneswar

Date : The 23rd day of August, 2011

SECRETARIAL AUDIT REPORT

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

We have examined all registers, secretarial records and documents of National Aluminium Company Limited for the financial year ended 31st March, 2011 according to the provisions of :-

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

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

1. Maintenance of Statutory Records :

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

2. Filing of Statutory Returns:

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

3. Composition of the Board

Clause 49 of listing agreement requires that if the Chairman of the Company is executive Chairman then not less than half of the Board of Directors should comprise of independent directors. The Company had sixteen directors on its Board till 27.09.2010 with a composition of 6 full-time, 2 part-time official and 8 part-time non-official (independent) directors. Three independent directors retired on this date and the posts remained vacant till 21.03.2011. Two independent directors were appointed by the Government on 21.03.2011. However, 1 post out of 8 posts of independent directors was lying vacant till 31.03.2011. Thus as on 31.03.2011, as against requisite number of 8 independent directors in terms of clause 49 of the Listing Agreement, there were 7 independent directors.

4. Board Meetings:

During the financial year eight Board Meetings were held with proper quorum being present. Provisions of the Companies Act, 1956 were complied with, in respect of service of notice of Board Meetings, recording of all proceeding of the meetings including circular resolutions in the Minutes Book.

5. In-House Share Registry:

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

6. Share Transfer Committee:

The Share Transfer Committee, formed under Clause VI C of Clause 49 of listing agreement considers and approves issue of new share certificates in case of torn/mutilated/defaced/lost/rematerialisation of shares in addition to transfer/transmission of shares. For quick disposal of requests, Company Secretary has been authorized by the Board to consider the transfer/transmission of shares. During the year ended 31st March, 2011 share transfer/transmission including issue of new share certificates arising out of torn/mutilated/defaced/lost/rematerialisation were approved 4 times through Share Transfer Committee and Company Secretary approved only transfer/transmission of shares 30 times.

7. Redressal of Investors Grievances:

All complaints/grievances relating to share transfers, transmissions, demat/ remat of shares, issue of duplicate share certificates, payment of dividend etc. were not only attended but also resolved within 2-3 days time of their receipt. Details of these complaints/ grievance, share transfers, electronic holding of shares (both NSDL and CDSL) were put up in every Audit Committee Meeting (Audit Committee is also entrusted with the job of looking into redressal of investors grievances).

National Aluminium Company Limited

8. Split of Shares and issue of Bonus Shares

The Company effected a stock split from face value of equity shares of ₹ 10 each into two equity shares of ₹ 5/- each with approval of shareholders in the Extraordinary General Meeting held on 5th March, 2011. Further, the Company issued bonus shares to the existing shareholders of the Company in the proportion of 1(one) bonus share for every 1(one) existing fully paid-up equity share held by each of the member of the Company. The Company has complied with the provisions of the Companies Act, 1956, SEBI guidelines on issue of bonus shares and provisions of the listing agreement to give effect to the above split and bonus issue of shares.

9. Daily Reconciliation of Listed and Paid up Capital:

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

10. Dematerialisation /Rematerialisation:

The dematerialization/rematerialization requests received from the Depositories (NSDL/CDSL) are attended immediately. The requests are confirmed within a week's time of receiving the physical documents as against 15 days from the date of receipt stipulated by the Depositories and 21 days from the date of uploading the individual requests stipulated by SEBI. The Company has duly complied with the provisions of Depositories Act, 1996 and the rules and regulations there under with regard to dematerialisation/rematerialisation of securities.

11. Payment of Corporate Cash Benefits to the Shareholders:

The provisions of the Companies Act, 1956 are duly complied with regard to payment of dividend in time to share holders after declaration and wherever necessary rights to dividends were kept in abeyances, pending registration of transfer of shares/ pending final settlement of suits. The Company has paid an interim dividend of ₹ 2 per share on the face value of ₹ 10 per share on 01.03.2011 and has recommended a final dividend of ₹ 0.50 per share on the face value of ₹ 5 per share.

12. Transfer to Investor Education and Protection Fund:

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

A. Transfer of unpaid/unclaimed Interest on 14.5% NCDs

| Period | Amount(₹) | Date of Transfer |
|--------------------------|------------|------------------|
| 26.09.2002 to 25.03.2003 | 8,37,629/- | 12/04/2010 |
| 26.03.2003 to 25.09.2003 | 1,49,026/- | 08/10/2010 |
| 26.09.2003 to 25.03.2004 | 8,45,831/- | 31.03.2011 |

B. Transfer of unpaid/unclaimed Dividend

| Financial year | Amount(Rs.) | Date of Transfer |
|--|-------------|------------------|
| 2002-2003 (Date of declaration 29.09.2003) | 9,21,744/- | 08/10/2010 |

13. Corporate Governance, Business code of conduct and ethics

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

14. Insider Trading Regulations:

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

15. Legal Notice:

During the year under review, the company has not received any legal notice from any Statutory Authorities like SEBI, Stock Exchanges and Registrar of Companies.

16. Public Deposits:

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

M/s. Sunita Mohanty & Associates
(Company Secretaries)

CS Jyotirmoy Mishra, Partner
(C.P.No-6022)

Place : Bhubaneswar
Date : 22.07.2011

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The global Alumina & Aluminium industry in 2010 was affected by diverse multi-faceted economic, political, structural and fundamental factors that had a bearing on the price of Aluminium and the mechanism of price determination in Alumina.

Economic conditions and the markets for most of the commodities improved considerably in comparison to the pre-global recession levels in 2009, primarily driven by strong demand from China and other developing countries, low interest rates, quantitative easing in OECD economies and continued supply constraints and disruptions. The world GDP slowly crawled to 2008 levels on the back of enormous economic stimulus and analysts have predicted robust growth for 2011 and 2012 that is expected to support higher average prices with elevated risks.

Alumina & Chemicals

During the year 2010, the global consumption of Alumina was 82.197 million MT against the global production of 81.682 million MT, thereby showing a deficit of 0.515 million MT. The world Alumina production and consumption grew by approx. 10.6% and 11.6% respectively during 2010 as compared to 2009. The Chinese alumina production registered an increase of about 24.6% over 2009 production.

In 2010, spot price of alumina averaged around US\$345 per tonne, approximately 39 per cent higher than the average prices in 2009. This reflected strong demand for alumina, stemming from growth in aluminium production. The alumina market remained in reasonable deficit in 2010, caused by drought-induced curtailment in the Bauxilum refinery output in Venezuela. The worst period of uncertainty was over by June 2010. Alumina refining capacity remained well ahead of production in 2010, yielding a utilization rate of 83%.

During 2010, a number of large alumina producers announced their intention to sell output on the spot market, based on certain fundamental linked indexes by Metal Bulletin, CMAAX, Platts etc. rather than the traditional contracts linked to the aluminium price. This trend is expected to persist over the medium term and analysts forecast a decline in the number of contract-based sales. However, buyers are likely to resist the overall change because it means higher prices, regardless of the final mechanism. This has led analysts to opine that the efforts to de-link alumina from aluminium prices will be seen as negative by purchasers because of the natural hedge inherent in aluminium-linked contracts.

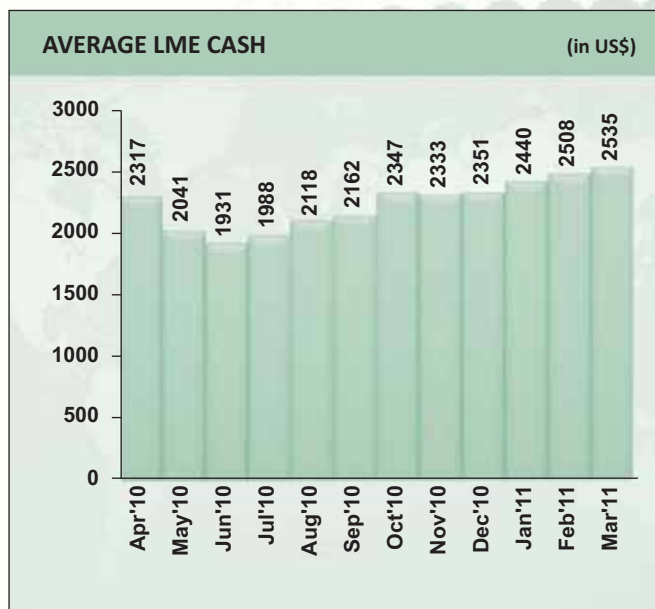
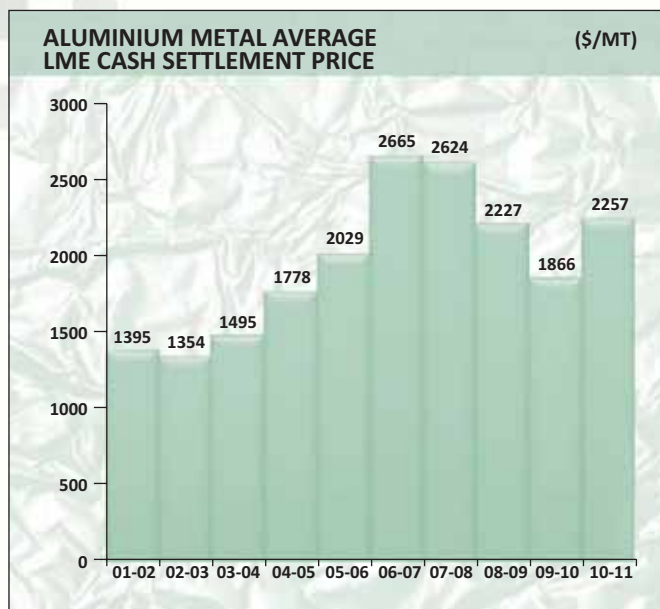
Aluminium

During the year 2010, the world consumption of primary Aluminium was 41.011 million MT against world supply of 41.998 million MT, showing a surplus of 0.987 million MT. The world supply grew by approximately 10.3% while the consumption grew by 16.4% respectively during 2010 as compared to 2009. In China, consumption was estimated to have risen by 17.3% and production by 19.6% during 2009.

The aluminium market recorded large price swings during the first half of 2010, with costs providing some support at around \$2,000/tonne on the downside and strong resistance experienced at around \$2,500/tonne, capping unidirectional price rallies. Prices have been on a gentler upward path since the middle of 2010 with better demand in OECD countries boosting market sentiment. China's annualized production rate reached in excess of 17 million tonnes of primary aluminium in June, about 7 million tonnes above the levels seen at the start of 2009 and 3 million tonnes higher than the pre-crisis peak. However, with curtailments already announced in key production bases such as Henan, Shenzhen, Gizhou etc. output levels stabilized over the remainder of 2010. The supply curtailments had no noticeable impact on China's aluminium imports, but encouraged some destocking within China with the State Reserves Bureau (SRB) selling back into the market some of the stocks from the so called "strategic reserves" that it had accumulated during the financial crisis.

Despite this stronger demand, the market continued to be characterized by a large inventory overhang (both on-warrant at LME Warehouses and off-warrant at Producers stockyards), with limited movements during the year. However, it has been a generic nature of the industry as around 70 to 80 per cent of the stock remained tied up in financing deals. Whilst returns on these deals have diminished, stock holders have continued to roll-over their positions or move stocks into new deals with more attractive warehousing costs. This, in-turn, created an artificial tightening condition in the physical market, through the year, that eventually evidenced a continued rise in most regional market premiums.

National Aluminium Company Limited



2. STRENGTH AND WEAKNESS

Strength

As reported last year, skilled and committed manpower, good quality bauxite reserves, efficient technology, various well planned and ideally located infrastructure facilities, efficient operations, manufacture of good quality alumina and aluminium products at competitive cost, excellent customer service and commitment to good Corporate Governance practices in all facets of operations are some of the key strengths of your Company and your Directors are committed to bank upon these strengths for the sustained growth of your Company.

Weakness

Shortage of coal, limited product range, fluctuations in the LME prices as well as in exchange rates are some of the weakness that continue to affect the profitability of your Company.

3. OPPORTUNITIES AND THREATS

Opportunities

The industry has the potential for high growth in the coming years on the back of sustained demand for alumina and aluminium in the global and domestic markets. The energy crisis in several areas could result in production cuts, giving a competitive edge to energy self-sufficient producers and those in low-cost bracket.

The proposed Indonesia project when realized, apart from offering the Company an opportunity to become a 'Global Company', is expected to enable your Company to produce aluminum at a more competitive price.

Considering the demand-supply scenario in energy in India, the steps taken by your Company to venture into power generation will help the Company to strengthen its performance in the days ahead. Since the country is focusing on nuclear power generation to partly meet its future energy needs, your Company's plan to set up the Nuclear Power Plants offers good prospects.

Threats

In the current global business environment the threat perceptions include competition from scrap imports, substitute materials particularly plastics, 5% tariff differential between virgin and aluminium scrap imports, increasing competition from across the borders, poaching of manpower by competitors for their greenfield projects and increasing raw material costs.

The Company has deferred its field activities for mines and refinery project in Andhra Pradesh due to extremist threat perceptions. This has delayed development of the project. The extremists threat around the present mine and refinery locations have reduced considerably, but have not died down completely.

30th Annual Report 2010-11

4. SEGMENT-WISE PERFORMANCE

Your Company achieved net profit of ₹ 1,069 crore on a total income of ₹6,418 crore for the year 2010-11. The detailed segment wise information is furnished below:

| | Chemicals (Alumina) | | Aluminium | | Power | | Unallocable# | | Total |
|-------------------------------|------------------------|-------|-----------|-------|----------|-------|--------------|-------|----------|
| | ₹ in cr. | Share | ₹ in cr. | Share | ₹ in cr. | Share | ₹ in cr. | Share | ₹ in cr. |
| Net Sales & Operating Revenue | 2,069 | 24% | 4,828 | 56% | 1,766 | 20% | — | — | 5,959* |
| PBIT | 450 | 30% | 593 | 39% | 322 | 21% | 160 | 10% | 1,525 |
| Capital Employed | 1,492 | 13% | 2,882 | 24% | 1,321 | 11% | 6,177 | 52% | 11,872 |
| ROCE (%) | | 30% | | 21% | | 24% | | | 13% |
| PBIT Margins (%) | | 22% | | 12% | | 18% | | | 26% |

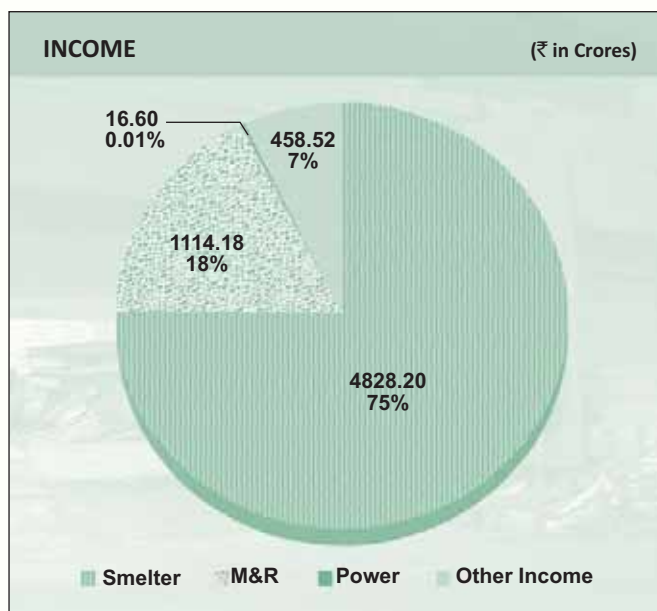
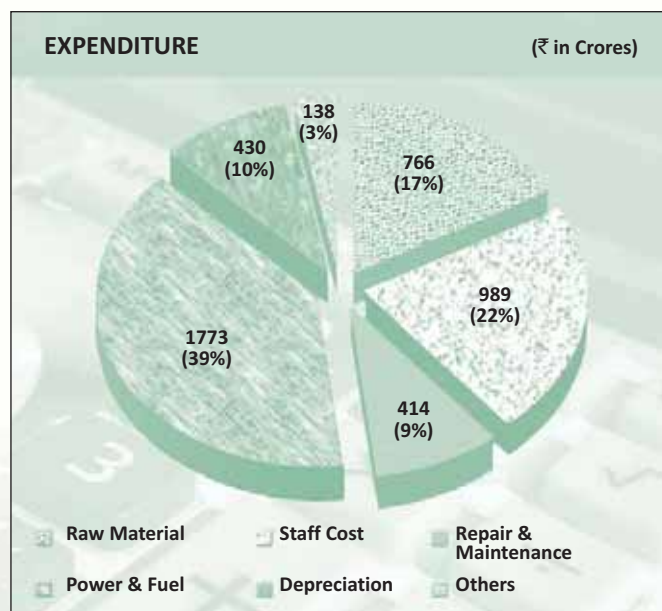
#Includes cash balance and capital works in progress.

*Internal transfers have been eliminated.

The analysis of each element is as under:

a) Segment Revenue (Income)

Income from chemical, metal and power segments have gone up by 7%, 18% and 21% respectively for the year 2010-11, as compared to the previous year. The revenue of chemical and metal segments increased because of higher sales realization. The revenue of power segment for the year improved because of higher inter segment (transfer) price of ₹2.67 per unit as against ₹2.39 per unit for the previous year.



b) Segment Results (Profit/Loss)

The profit from chemical segment has gone down by ₹64.26 crore (13%) for FY 2010-11 as compared to previous year, mainly because of impairment provision made for special grade alumina plant at Refinery Complex by ₹41.31 crore and lower transfer price to metal segment (₹11,279 vs ₹11,774 crore).

The profit from power segment has gone down by ₹48.65 crore for the year 2010-11 mainly because of higher operating cost due to increase in coal and fuel prices.

The profit from metal has gone up substantially for the year because of improved sales realization. The average sales realization of metal from export market increased from US\$ 1946 per MT to US\$ 2335 per MT for the year. A lower transfer price from chemical segment also contributed to higher profit.

c) Segment Capital Employed

Capital employed of power segment increased by ₹440 crore for the FY 2010-11 mainly as a result of capitalization of 10th unit of Captive Power Plant. Un-allocated common assets went up by ₹321 crore for the year because of accumulation of cash profits. Chemical segment capital employed increased marginally by ₹60 crore and metal segment's capital employed remained almost constant.

5. OUTLOOK

Domestic Market Outlook

The domestic aluminium supply will continue to witness more metal from the expanded capacities of the producers. The domestic demand is expected to continue its strong showing, on the back of a robust industrial growth. It is anticipated that the market will grow at about 8%. Industry analysts forecast, aluminium industry in India would be oversupplied, considering that major aluminium projects would begin commercial production leading to about 2 million tonnes of exportable surplus by 2013. Industry experts report that rise of car sales in India is expected to keep demand for the metal considerably high while other metals like copper, lead and zinc would face demand crisis and increased supplies.

International Outlook

Aluminium

Demand for aluminum in 2011 would be affected by monetary policy tightening by China thereby affecting growth in manufacturing and industrial activities. Industry experts have anticipated 2011 to be a year of uncertainty and volatile prices. Analysts opine that aluminum prices this year could come under pressure as production of the metal in China the world's top aluminum market is expected to grow at a whopping 24 per cent to around 20 million tonnes. Analysts project the aluminium price to continue to react to macro-economic news averaging around US\$2300/tonne - US\$2600/tonne during 2011, as positive sentiment borrowed from other commodity markets such as copper and energy is likely to be outweighed by increasing global surpluses.

Automotive production, the backbone of aluminium consumption growth in 2010, is forecasted to stagnate in the mature economies and with the construction sector unlikely to begin growing again before the end of the year opportunities for growth in aluminium consumption are slim. Even with China battling negative real interest rates, which could be good news for aluminium in the short term as consumers choose to spend rather than save, on a long run, it may reverse to give rise to high inflation. Despite this, the emerging markets of China, Brazil and India would remain the driving forces behind aluminium growth in 2011 and further out.

Alumina

In 2011, alumina spot prices are forecast to increase by 12 per cent to average around USD 390 a tonne. World consumption of alumina is forecast to rise, supported by the construction of new smelters in China, India and the Middle East. The alumina market is expected to remain roughly in balance in 2012, with spot prices in the range USD 350-370/tonne, subject to changes in the LME aluminium price and the success of the Index-based pricing.

6. RISK & CONCERNS

The fluctuations in US Dollar/Euro, rising oil and coal prices, power shortages and weak growth in traditionally strong economies, debt contagion, rise in interest rates, drop in credit rating of certain developed economies and its effect on the global economy in general are causes for concern.

In addition, delay in establishment of greenfield smelter in India is a major concern in achieving the goals set out by your Company in its Corporate Plan.

Risk Management

Your Directors believe that managing risk is critical for the growth and sustenance of your Company. As such, efforts are on to constantly monitor and assess the internal as well as external risk factors associated with the day to day business operations and financial management of the Company and thereby effectively mitigating all possible risks associated therewith.

Towards this direction, the Board approved “Integrated Approach for Enterprise Risk Management” policy is under implementation in all process units as well as in operational areas of your Company.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has well established internal control systems, commensurate with the nature and size of its operations. Internal audit functions of your Company have been entrusted to three reputed and well experienced external Chartered Accountants’ firms. The internal audit reports submitted by the auditors are discussed at functional directors’ level in the first instance and then submitted to the Audit Committee for its review, analysis and advice to further strengthen the internal control systems covering all material controls, financial controls, compliance controls and risk management systems. Action taken reports on the observations of Audit Committee on internal audit reports are regularly submitted to the Audit Committee and also placed before the Board for information.

8. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Details on financial performance with respect to operational performance of your Company are given in the Directors’ Report. The net profit during the year has increased by 31% over the previous year. The sales realization both from export as well as domestic market have gone up as compared to the previous year mainly due to recovery from global meltdown. The average sales realization of Aluminium and Alumina has increased by 17% and 29% respectively over the previous year.

The operating cost of the Company has increased by 10% over the previous year mainly due to increase in input prices especially coal and fuel oil apart from increase in employee cost due to provision made for pay revision.

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

Human Resources

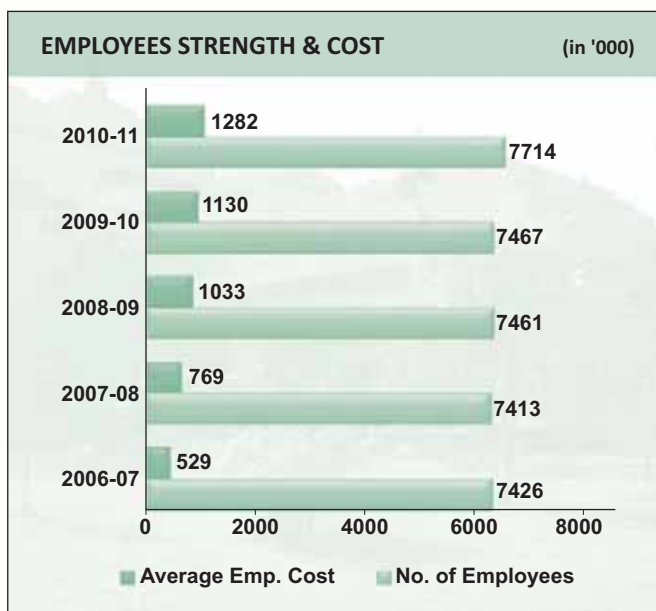
Manpower strength of the Company as on 31.03.2011 was 7,714 as against 7,467 last year. The detailed breakup is given below:

| Position* | As on 31.03.2011 | As on 31.03.2010 |
|---------------------------|---------------------|---------------------|
| A. Executives | 1,884 | 1,829 |
| B. Supervisory | 839 | 855 |
| C. Skilled/Highly Skilled | 3,977 | 3,727 |
| D. Unskilled/Semi-Skilled | 1,014 | 1,056 |
| Total | 7,714 | 7,467 |

* Including GETs/MTs/SOTs/JOTs

Training & Development

Human Resources Development is the key for success of any organization. Keeping this in mind and to meet the set physical targets, functional and developmental training needs were identified from multiple sources such as: (a) the competency related needs, (b) needs arising from organizational requirements and (c) departmental / sectional imperatives. Emphasis was given on specific position related training needs and there was an attempt to customize programmes to the extent possible. Training effectiveness evaluation was also carried out in line with the requirement of quality management systems to measure the benefits derived.



National Aluminium Company Limited

The training statistics for the year 2010–11 is given below:

| Employee Category | Number of Persons Trained | Training Mandays |
|-------------------|---------------------------|------------------|
| Executives | 2,539 | 8,114 |
| Non-Executives | 5,840 | 15,360 |
| Total | 8,379 | 23,474 |

10. CORPORATE PLAN AND BUSINESS DEVELOPMENT

Corporate Plan

The Company has adopted the new Corporate Plan and Vision 2020 since 2009-10. Pursuing the Vision Statement of becoming a “Reputed Global Company in the Metals And Energy Sectors”, your Company initiated actions, encompassing the whole gamut of business activities, for achieving the objectives set out in the Corporate Plan.

Apart from strengthening the ‘Business as-Usual’, the major thrust of your Company would be on diversification both sectoral and geographical and capacity addition.

Business Development

In consonance with Corporate Plan & Vision 2020, your Company continued its efforts for expansion and diversification of its activities. The progress made so far on various initiatives are as follows:

- Your Company is actively pursuing to set up a smelter and power project in Indonesia at a suitable location, primarily because of availability of good quality coal at economic price. Two coal mining firms have been identified for possible long term arrangement to source coal for the proposed project.
- Your Company has identified a suitable alternate location in Odisha for the smelter and power project, after the first identified location near Jharsuguda was not favoured by the Govt. of Odisha. Considering the uncertainty on the location in Odisha project, your Company is also exploring for a suitable location elsewhere in India, as a fallback alternative.
- Due to unfavourable ground conditions in the area surrounding the bauxite mines in Gudem and KR Konda blocks in Andhra Pradesh, your Company has deferred the field activities for the proposed mines and refinery project for the time being.
- Your Company has identified Kakrapar Atomic Power Station (KAPS)-3 & 4 project for development, jointly with Nuclear Power Corporation of India Ltd. (NPCIL). The Board of Directors of your Company have approved investment of ₹894 crore as initial 26% equity for the JV with NPCIL, subsequently to be enhanced to ₹1,685 crore, i.e. 49% equity with approval from GOI.
- Your Company has placed an order to set up a 50.4 MW wind power plant at Gandikota, Dist Kadapa in Andhra Pradesh at an investment of ₹274 crore. The plant is expected to be commissioned by February 2012. Establishment of the wind power plant will partially meet the Company's obligation to source power from renewable source of energy as mandated by National Action Plan for Climate Change (NAPCC).
- “Angul Aluminium Park”, a Joint Venture Company between your Company and Orissa Industrial Infrastructure Development Corporation (IDCO) has taken off with the Company having 49.5% equity to set up an Aluminium Park at Angul. The activity of acquisition of land is in process.

11. COMPUTERIZATION ACTIVITIES INCLUDING ENTERPRISE RESOURCE PLANNING (ERP)

Since inception, your Company has taken the approach of leveraging on Information and Communication Technology (ICT) to strengthen and boost its business processes, so as to deliver its strategic business objectives to increase sales, maximise operational efficiency, reduce operational risks and improve productivity.

Your Company's ERP Project N'vision for implementing SAP started from July 2008, made all the modules to go live during the year. It covers Materials & Contracts (MM) with Supplier Relationship Management (SRM), Sales & Distribution (SD), Production Planning (PP) with Supply Chain Management (SCM) module Advanced Planning & Optimization (APO), Quality, Finance & Controlling (FICO) and Human Resource Management (HR) modules. Additional modules of SAP such as Business Intelligence (BI) and Document Management System (DMS) have also been implemented, and Employee Self Service (ESS) is planned in the future. All major functions in Your Company have migrated into SAP environment across all its offices.

This provides a strong centralised information base, integrating all functions and business processes of the Company and a knowledge base to assist the management with appropriate tools for monitoring all processes and to be pro-active in their decision making. Further down the line, Knowledge Management will be implemented for organised storage and access of information and experience, using the Data Warehouse of ERP along with all non-SAP based data and information in the organisation, to enable easy access to information and knowledge to authorised users.

New technologies like server virtualisation for enterprise services, link load balancing for internet links etc, have been implemented. There are plans to use RFID technology for file tracking, and biometric technology for attendance and access control. Video conferencing,

currently used at elementary level, is being enhanced for wider coverage, so as to make video conferencing an effective tool in day-to-day working.

In the area of e-governance, e-tendering for export sales has been implemented with security measures like Server Secure Socket Layer (SSSL) certificate and end user PKI Digital certificate, during the year. With the go-live of SAP application, additional processes like materials procurement, service tenders, and recruitment processes shall follow the e-way. Towards this objective, a consultant has been appointed to recommend a roadmap and action plan for e-tendering in the Materials and Services procurement area.

A state of the art Data Centre with 24x7 conditioned power supply, usual safety measures and monitoring systems has been set up at the Corporate Office. In addition, steps have been initiated for setting up a Disaster Recovery site of the data centre, to implement business continuity plan for the IT based processes.

Your Company has strengthened its data pipelines both to the Internet and to the Works Locations with fault tolerant high bandwidth links to ensure un-interrupted data connectivity. This also enabled tele-presence activities between Corporate Office and Works locations. Your Company is in the process of replacing existing Local Area Networks (LAN) at all the Works sites and Corporate Office with high bandwidth and fault tolerant state of the art networks to support data as well as broadband applications.

12. TOTAL QUALITY MANAGEMENT

You will be pleased to know that all the manufacturing units of your Company i.e. Mines, Alumina Refinery, Smelter Plant, Captive Power Plant including Port Facilities are maintaining the latest Quality Management System standard ISO 9001 : 2008. Recertification audits of Captive Power Plant and Mines were successfully completed during the financial year, while other units successfully underwent Surveillance Audits.

A fresh batch of Lead Assessors were developed by training through external agency at your Company's HRD Centre of Excellence (HCE) at Bhubaneswar. A special training to equip a new batch of executives with "Facilitation Skill for Quality Circles" was also conducted at HCE.

Your Company continued its thrust on encouraging formation of new Quality Circles in the organisation. Seventeen Quality Circles from different units of your Company were selected through Chapter level competitions of QCFI for participating in the National Convention of Quality Circles held at Visakhapatnam in December 2010. Out of these 6 Quality Circles qualified for the highest level of award at the National Convention. The Quality Circle from Smelter Plant was selected and participated in International Convention of Quality Circle at Hyderabad in October 2010.

For the 15th year in succession, your Company organised the All-Odisha Quality Circle Convention in April 2010. This annual convention is a flagship event in the quality movement of the State. 30 Quality Circles/ TPM Circles from different organisations in the State participated in the Convention.

13. SAFETY & HEALTH

The performance of your Company in Safety & Health management has been satisfactory during the year 2010-11. Your Company has been giving utmost priority to the preservation of safe working conditions and healthy environment around all its operating units right from the design stage and during the activities for the 1st phase & 2nd phase expansion projects. Major initiatives taken during the year are:

- Surveillance Audit for Occupational Health and Safety Assessment Series (OHSAS-18001:2001) have been conducted successfully at all units.
- External Safety Audits at all the units have been completed successfully by M/s. Directorate General, Factories Advise and Labour Institutes (DGFASLI), Ministry of Labour & Employment, Govt. of India, Mumbai.
- Regular periodic health check-up of all employees under Periodic Medical Examination (PME) Scheme, has been done.

14. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENT, FOREIGN EXCHANGE CONSERVATION

Environmental Protection & Conservation

Your Company has always paid due importance to a clean and green environment. In this line, your Company is implementing different environment-oriented projects under Clean Development Mechanism (CDM), conforming to the norms of Kyoto Protocol at different units, wherein better technology would be used to further reduce greenhouse gases.

It is heartening to inform you that your Company, as the first PSU in India, is implementing a pilot-cum-demonstration project on Carbon Sequestration in its Captive Power Plant at Angul, which will reduce Carbon emission by managing and storing Carbon Dioxide (CO₂) or other forms of Carbon.

Besides, your Company is taking up various actions and adopting modern technologies to arrest pollution and attain zero-discharge of effluents in its plants like fume treatment plant in carbon shop, retrofitting of electrostatic precipitators in power plant etc. Your Company has taken up massive plantation drives at its units and has so far planted more than 60 lakh trees.

Following improvements and achievements have been made during the year 2010-2011 towards environmental protection and conservation:

- During the year all the units have operated with valid "Consent to operate", under Water (PCP) Act, 1974 and Air (PCP) Act, 1981, issued by Orissa State Pollution Control Board.

- All the units operated with a valid authorization for handling hazardous waste under Hazardous Waste (Management, Handling and Trans boundary Movement) Rule 1989 as amended in 2008.
- Both the townships at M&R and S&P complexes have valid authorisation for operation from OSPCB under Municipal solid waste handling.
- Both the Hospitals at M&R and S&P complexes have valid authorisation from OSPCB under Bio-medical Waste Handling.
- Recertification Audit and Surveillance audit for ISO-14001:2004 have been successfully completed at all the units.
- Installation of Hazardous Waste incinerator (capacity -100 kg per hr of solid waste and 200 litre/hr liquid waste) has been installed at Smelter unit.
- Commissioning of hazardous waste land fill of 40000 MT capacity has been completed at Smelter unit.
- Installation of 0.75 MLD capacity STP for CISF Colony completed at Smelter unit.
- CPP unit has taken up a CDM (Clean Development Mechanism) project to reduce carbon emission. The project is “Heat recovery from CBD (Continuous Blow Down) & re-utilising in the De-aerators of the boiler”.
- A water harvesting pond has been constructed at lowest point for collection of rain water and other surface runoff water at CPP.
- CPP has taken up a pilot project on carbon sequestering by algae. This is a latest technology for absorbing CO₂ directly from flue gas and the same would be utilized for growth of algae which can be further utilized as bio-diesel, a high protein food for cattle or can be used as a fuel to the boilers.
- In total 7,58,504 MT i.e 34.68% of ash from CPP and 31.72% of ash from Refinery had been utilised in Ash Pond dyke raising, project civil work, low lying land filling, ash brick and block making, horticultural activities etc.
- Environment Clearance from MoEF for expansion capacity for 2.275 MMTPY of Refinery and for 3.15 MMTPY of Bauxite mining from (South Block) of Panchpatmali Bauxite Mine have been received.
- During the year 1,80,000 saplings at Mines & Refinery Complex and 35,360 saplings at S&P Complex have been planted.

Technological Conservation

Your Company adopted the then latest technology AP-18 of Aluminium Pechiney, France, following technical collaboration with the global leader in Alumina Refining and Smelting. The Technical Collaboration Agreement was signed with Aluminium Pechiney (AP) in 1981 and was subsequently extended from time to time to avail the Continued Technical Assistance (CTA) of AP and implementation of Phase-I and Phase-II expansion projects of your Company.

Renewable Energy Development

As a part of diversification plans, your Company has been endeavouring to foray into energy sector. For quite a long time, your Company has been considering to initiate moves for harnessing the unconventional energy source. The directors of your Company have decided to start a ₹274 crore Wind Power Project in Andhra Pradesh with a capacity of 50.4 MW. Your Company is investing in this project as part of its green initiative towards promoting sustainable development using renewable energy sources.

Besides, your Company has signed an MoU with Nuclear Power Corporation of India Ltd. (NPCIL) to set up a nuclear power plant in Gujarat.

Foreign Exchange Conservation (On Cash Basis)

Forex earnings of your Company for the FY 2010-11 is ₹ 2,109.19 crore and the Forex outgo of your Company for the same period is ₹423.32 crore.

15. ANCILLARY DEVELOPMENT

Your Company continues to make seamless efforts to encourage SSI units by placing orders on them for various items during the year 2010-2011.

During the year under review, three SSI units were registered with your Company with ancillary status for supply of Raw Materials like liquid Coal Tar Pitch & CP Coke.

Your Company participated in National Level Vender Development Programme & Industrial Exhibition (Expo-Odisha-2011) organized by MSME Development Institute – Govt. of India at Cuttack and received award for best display in Public Sector criteria. Your Company also participated in National Vendor Development Programme (Buyers-Sellers Meet) & Seminar-cum-Exhibition (MSME International Trade Fair-2011) from 5th to 11th March 2011 at IDCO Exhibition Ground in Bhubaneswar and received Special PSU Award.

16. CORPORATE SOCIAL RESPONSIBILITY

You may be aware your Company was allocating 0.5% of its net profit of the year for periphery development activities of the succeeding year upto 2002-03. Thereafter, the amount was doubled to 1%. The funds so allocated were distributed for the periphery development activities as under:

- 40% for Damanjodi sector, where the Mines & Refinery are located;
- 40% for Angul sector, where the Smelter & Power Plant are located; and
- 20% for other areas.

Both at Damanjodi and Angul, the respective Rehabilitation & Periphery Development Advisory Committee (RPDAC), headed by concerned RDC, with local MLA, MP, Collector and others as Members, have been deciding all policy and project matters.

Going a step further, your Company decided in 2010 to set up a standalone Foundation for its CSR activities called “NALCO Foundation” by allocating an additional one per cent (making it 2%) of Company’s net profit every year. Your Company allocated ₹16.28 crore for the year 2010-11.

CSR Activities by Nalco Foundation

The Nalco Foundation was registered on 28th July 2010 under the Indian Trusts Act, 1882. The Foundation is based on the CSR guidelines issued by the Department of Public Enterprises, Govt. of India for Central Public Sector Enterprises (CPSEs). Accordingly the Foundation has adopted project-based approach, ensuring community participation, accountability, sustainability and measurable results. Five Project Managers – all pass-outs from the Institute of Rural Management, Anand (IRMA) – were recruited by the Foundation for CSR projects.

Needs assessment and baseline surveys were conducted in five villages in Pottangi. In Angul, four villages adjacent to Utkal-E Coal Block Project were identified for CSR projects.

To start with, ten entry-level projects have been finalized in these villages, which shall be implemented in 2011-12 fiscal.

CSR Activities under Periphery Development Programme

(a) Damanjodi Sector

- An Industrial Training Institute (ITI) is being set up through Public-Private Participation (PPP) mode in Damanjodi with an objective to provide training facility to the local students of periphery villages. Hon’ble Chief Minister of Odisha laid the foundation-stone for the proposed ITI on 12.08.2010. Initially, an amount of ₹1.16 crore has been set aside from the Company’s periphery development fund for the purpose.
- The services of mobile healthcare unit with a team of doctors and para-medical staff with free medicines continued. During the year, 477 camps were organized in which 25,003 patients were treated.
- An amount of ₹20 lakh was contributed to organise ‘PARAB’, a 3-day Tribal Festival of Koraput district, being organized by the District Administration every year.
- A Grievance Cell for the land losers and people of periphery villages continued to function like previous years.

(b) Angul Sector

- During the year, 48 projects were completed under the direct supervision of your Company at a cost of ₹177.60 lakh and 45 projects through Govt. agencies at a cost of ₹127.39 lakh.
- Mobile healthcare services, consisting of two teams of doctors, pharmacists and attendants with free medicines continued at 38 identified venues in 27 peripheral villages. During the year, 660 such camps were organized in which 33,501 patients were treated.
- Going a step ahead, during the year 2010-11, a third such mobile healthcare unit was started catering to the health needs of villagers in the areas of Utkal-E Coal Block Project of your Company.
- 16 veterinary camps were organized in the four identified villages viz. Chouridiha, Bonda, Tulasipal & Languliabeda, in which 3913 animals were treated free of cost.
- Science exhibition, literary competitions and rural sports were organized among the students of 20 Peripheral High Schools as in previous years.
- Financial assistance was provided to different peripheral schools to purchase educational kits, furniture and books and for organizing cultural functions like previous years.
- During summer, drinking water was provided through water tankers to 22 badly-affected water scarce villages.

(c) Corporate Office

- As the nodal agency, your Company sponsored a 2-day workshop organized by Department of Public Enterprises, Govt. of India on CSR at Puri on 9th & 10th July 2010. Various PSUs across the country including NALCO, ONGC, NTPC, GAIL, MMTC, NMDC, PGCIL etc. participated in the workshop.
- Contributed ₹50 lakh to Chief Minister’s Relief Fund (Odisha).
- Paid ₹22.31 lakh to Odisha Forest Development Corporation for avenue plantation in Bhubaneswar city.
- Provided one jeep and dug 5 bore-wells at Biju Patnaik Open Air Ashram for the jail-inmates at Jamujhari in Khurda district.

17. SPORTS

Like previous years, in 2010-11 too, your Company was proactive in promoting sports. During the year, your Company sponsored Nalco Cup State Hockey Championship, Nalco Cup State Basketball Championship, Nalco Cup State Open Tennis Tournament, Nalco Invitation Golf Tournament of Eastern Zone. Your Company contributed to the Director, Sports and Youth Services, Govt. of Odisha in the event of Queens Baton Relay for Commonwealth Games and also distributed T-shirts and caps to Relay participants at Baripada, Balasore, Bhadrak, Jajpur and Cuttack. Athlete Ms. Anuradha Biswal of your Company participated in the Commonwealth Games, Delhi-2010.

National Aluminium Company Limited

Your Company organised Inter-Unit Badminton Tournament in November 2010 and Volleyball Tournament in January 2011. Five teams from Smelter plant, CPP, Alumina Refinery, Mines and Corporate Office participated in these tournaments. Teams from your Company also participated in Gati Krushna Memorial Football League at Bhubaneswar, in Nalco Cup Hockey Tournament at Barabati Stadium, Cuttack, in All India Public Sector Volleyball Tournament held at Dehradun and in All India Public Sector Badminton Tournament held at Siliguri.

On the occasion of Utkal Divas celebrations on 1st April 2010, your Company felicitated Ms. Sasmita Mallik, a woman football player and Ms. Ranjita Mohanta, athlete. Financial assistance was given to Shri Purna Chandra Bidika, weightlifter, Shri Ganesh Chandra Jena, Mt. Everest Expedition participant and Shri Debashis Das, International Master of Chess. Your Company also extended financial support for some small tournaments held at different parts of the State during the financial year to promote games and sports. Women Football Team of Odisha, in which Ms. Sradhanjali Samantaray of your Company also played, won the Gold medal in National Games-2010 held in Jamshedpur.

18. IMPLEMENTATION OF SOCIAL ACCOUNTABILITY STANDARD

Your Company continues to believe and practice transparency & accountability in business practices and supply chain to ensure basic human rights in the work place. Keeping this in mind, your Company had implemented the requirements of SA 8000 Standard (Social Accountability Management System, which measures the performance of an organization in eight key areas viz. Child Labour, Forced & Compulsory Labour, Health & Safety, Freedom of Association & Collective Bargaining, Discrimination, Disciplinary Practices, Working Hours and Remuneration), in all its units during last year.

Periodical surveillance audit by the certification body carried during 2010-11 ensures continued compliance to the standard and continued improvements achieved by your Company.

Implementation of SA 8000:2008 Standard will definitely go a long way in building the brand image of your Company and it will also serve as a measure of implementation of Corporate Social Responsibility (CSR).

19. IMPLEMENTATION OF THE RTI ACT, 2005

Your Company is committed to implement the provisions of the Right to Information Act, 2005 as well as the directives of the Ministry of Mines, Govt. of India and the Central Information Commission (CIC) received from time to time.

Your Company regularly reviewed and updated the proactive disclosures published under Section 4(1)(b) of the RTI Act in the Right to Information segment of your Company's website "www.nalcoindia.com". Your Company also published the suggested information in CIC format in the Right to Information segment of the website in compliance with the directive issued by the Central Information Commission under Section 19(8)(a) of the RTI Act.

As part of the aforesaid CIC directive, your Company also appointed Shri K. S. Sreedhara, Executive Director (Production) as the Transparency Officer for the Company w.e.f. 14.12.2010 and the details of Transparency Officer were updated in the CIC website "www.cic.gov.in" under the Master Updation Category.

Your Company timely uploaded the quarterly data on the information requests and appeals received by your Company in the CIC website on quarterly basis during the year 2010-11.

The status of information requests received by your Company and appeals made under the RTI Act during the year 2010-11 is given below:

| Information Requests/Appeals | Opening Balance as as on 01.04.2010 | Received during the year 2010-11 | No. of requests transferred to other Public Authorities | No. of requests/ appeals rejected under various provisions of the Act | No. of requests/ appeals accepted and information provided during 2010-11 | No. of requests/ appeals pending for disposal as on 31.03.2011 |
|--|-------------------------------------|----------------------------------|---|---|---|--|
| Information requests received by PIO | 18 | 278 | Nil | 29 | 234 | 33* |
| 1 st Appeal before Appellate Authority of the Company | Nil | 49 | Nil | 05 | 44 | Nil |
| 2 nd Appeal before CIC, New Delhi | 3 | 2 | N.A. | N.A. | 4** | 1** |

* All pending cases as on 31.03.2011 have been subsequently disposed off.

** 3 cases were decided in favour of the Company, 1 case in favour of the Appellant and the other 1 case has been closed at Commission's end since the requisite information has already been provided to the appellant.

AUDITORS' REPORT

To THE MEMBERS

NATIONAL ALUMINIUM COMPANY LIMITED,

1. We have audited the attached Balance Sheet of NATIONAL ALUMINIUM COMPANY LIMITED, as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4 A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3c) of the Companies Act, 1956.
 - e. In terms of Government of India, Ministry of Finance, Department of Company Affairs, Notification No.GSR 829 (E) dated 21st October,2003, Government Companies are exempt from the applicability of provisions of Section 274 (1) (g) of the Companies Act,1956,
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes on accounts appearing in Schedule Y and Schedule Z respectively give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - ii. in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date and
 - iii. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

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

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

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

Place : New Delhi
Date : 30th May,2011

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

1. (a) The company has maintained records showing full particulars including quantitative details and situation of fixed assets.
(b) The company has a programme of conducting physical verification of non-movable assets at an interval of three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. All the movable assets were physically verified during the year. As informed to us, no material discrepancies were noticed on such verification wherever reconciliations have been carried out and the same has been adjusted in the books.
(c) In our opinion and according to the information and explanations, the Company has not disposed off substantial part of fixed assets during the year.
2. (a) In respect of its inventories as explained to us, all inventories except stocks relating to expansion project, stocks lying with third parties and stocks in-transit, have been physically verified by the management at reasonable intervals during the year.
(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical stock and book records relating to shortages have been dealt with in the books of account, while excesses have been ignored.
3. (a) According to information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Consequently, clauses (iii)(a) to (g) of paragraph 4 of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal control system.
5. According to information and explanations given to us, the Company has not entered into any contracts or arrangements which require to be recorded in register maintained under section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public during the year.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act., 1956 in respect of manufacturing activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate and complete.
9. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and Electricity Duty with the appropriate authority.

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

30th Annual Report 2010-11

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

| Statute | Nature of Dues | Amount disputed Rs.in Crore | Amount deposited Rs.in Crore | Forum where disputes are pending |
|-------------------------|----------------|---|--|--|
| Sales Tax | Sales Tax | 141.11 309.46 5.04 <u>455.61</u> | 17.02 73.76 4.21 <u>94.99</u> | Commissionrate Tribunal High Court |
| Entry Tax | Entry Tax | 36.14 30.48 8.46 <u>75.08</u> | 13.47 21.55 4.1 <u>39.13</u> | Commissionrate Tribunal High Court |
| Central Excise Act,1944 | Excise Duty | 63.31 36.42 <u>99.73</u> | 2.54 0.59 <u>3.13</u> | Commissionrate Tribunal |
| Customs Act,1962 | Customs Duty | 0.06 <u>0.06</u> | 0.06 <u>0.06</u> | Commissionrate |
| Income Tax Act,1961 | Income Tax | 193.68 82.82 <u>276.50</u> | 201.83 82.33 <u>284.16</u> | Commissionrate Tribunal |
| | | 906.98 | 421.47 | |

10. The Company does not have accumulated losses at the end of the financial year .The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund/nidhi/mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. Based on our examination of the records and the information and explanations given to us, the Company has not raised any term loan during the year under audit.
17. According to the information and explanations and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment of the company.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. Based on our examination of the records and the information and explanations given to us, the Company has not issued debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

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

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

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

Place : New Delhi
Date : 30th May, 2011

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956
ON THE ACCOUNTS OF NATIONAL ALUMINIUM COMPANY LIMITED, BHUBANESWAR
FOR THE YEAR ENDED 31 MARCH 2011.**

The preparation of financial statements of National Aluminium Company Limited, Bhubaneswar for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 30.05.2011.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section(3)(b) of the Companies Act, 1956 of the financial statements of National Aluminium Company Limited, Bhubaneswar for the year ended 31 March 2011. This supplementary audit has been carried out independently and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

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

(Nandana Munshi)

Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I, Kolkata

Place : Kolkata

Date : 17 June 2011

30th Annual Report 2010-11

BALANCE SHEET as at March 31, 2011

(₹ in crore)

| | Schedule No. | As at March 31, 2011 | As at March 31, 2010 |
|---|--------------|-------------------------|-------------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Fund | | | |
| Share Capital | A | 1,288.62 | 644.31 |
| Reserves and Surplus | B | 9,875.99 | 9,751.27 |
| Loan Funds | | | |
| Secured Loan | C | 14.88 | 8.61 |
| Deferred Tax Liability (Net) | D | 693.46 | 660.59 |
| TOTAL | | 11,872.95 | 11,064.78 |
| APPLICATION OF FUNDS | | | |
| Fixed Asset | | | |
| Gross Block | E | 12,076.15 | 11,017.96 |
| Less: Depreciation | | 6,582.62 | 6,181.65 |
| Net Block | | 5,493.53 | 4,836.31 |
| Capital Work-in-Progress | F | 1,743.53 | 2,243.40 |
| | | 7,237.06 | 7,079.71 |
| Investments | G | 1,331.67 | 986.75 |
| Current Assets, Loans and Advances | | | |
| Inventories | | 1,058.47 | 944.92 |
| Sundry Debtors | | 112.40 | 181.78 |
| Cash and Bank Balances | | 3,795.23 | 3,152.35 |
| Other Current Assets | | 163.84 | 145.00 |
| Loans and Advances | | 915.23 | 785.59 |
| | | 6,045.17 | 5,209.64 |
| Less: Current Liabilities & Provisions | | | |
| Current Liabilities | I | 2,354.46 | 1,841.34 |
| Provisions | J | 386.49 | 369.98 |
| | | 2,740.95 | 2,211.32 |
| Net Current Assets | | 3,304.22 | 2,998.32 |
| TOTAL | | 11,872.95 | 11,064.78 |
| Significant Accounting Policies | Y | | |
| Notes on Accounts | Z | | |

Schedules A to Z annexed hereto form part of the Accounts

In terms of our report of even date attached.

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

(CA. S.S. Poddar)
Partner (M.No.: 51113)

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

(CA.C.K.Prusty)
Partner(M.No. : 57318)

For and on behalf of Board of Directors

(CS. K.N. Ravindra)
Company
Secretary

(A.K.Sharma)
Director
(Production)

(CA.B.L.Bagra)
Director (Finance) and
Chairman-Cum-Managing Director I/c

Place : New Delhi
Dated : 30th May,2011

National Aluminium Company Limited

PROFIT AND LOSS ACCOUNT for the year ended March 31,2011

(₹ in crore)

| | Schedule No. | Year ended March 31, 2011 | Year ended March 31, 2010 |
|---|--------------|------------------------------|------------------------------|
| INCOME: | | | |
| Sales | K | 6,369.88 | 5,311.40 |
| Less: Excise Duty | | 410.90 | 255.74 |
| Net sales | | 5,958.98 | 5,055.66 |
| Finished goods internally consumed/capitalised | | 5.57 | 24.20 |
| Other income | L | 452.95 | 468.75 |
| TOTAL | | 6,417.50 | 5,548.61 |
| EXPENDITURE: | | | |
| Decretion /(Accretion) to stock of finished / intermediary products / work-in-process | M | 9.91 | 21.63 |
| Raw Materials | N | 766.12 | 782.30 |
| Power & Fuel | O | 1,772.64 | 1,601.14 |
| Repairs & Maintenance | P | 414.70 | 296.37 |
| Other Manufacturing Expenses | Q | 177.61 | 210.78 |
| Employees' Remuneration & Benefits | R | 989.02 | 843.60 |
| Administrative Expenses | S | 121.09 | 115.29 |
| Other Expenses | T | 138.07 | 127.55 |
| Selling and Distribution Expenses | U | 72.17 | 89.04 |
| Interest and Financing Charges | V | 0.05 | 2.28 |
| Provisions | W | 0.34 | (3.91) |
| Depreciation & Impairments | | 430.06 | 319.39 |
| TOTAL | | 4,891.78 | 4,405.46 |
| PROFIT FOR THE YEAR | | 1,525.72 | 1,143.15 |
| Add/(Less) : Prior Period Adjustments (Net) | X | (1.02) | 11.71 |
| PROFIT BEFORE TAX | | 1,524.70 | 1,154.86 |
| Less : Provision for taxation | | | |
| Current | | 422.61 | 315.31 |
| Deferred | | 32.87 | 39.25 |
| Earlier years | | (0.08) | (13.92) |
| | | 455.40 | 340.64 |
| PROFIT AFTER TAX | | 1,069.30 | 814.22 |
| Balance brought forward from previous year | | 6.60 | 10.79 |
| Transfer from Capital Reserve | | 0.05 | 0.04 |
| Amount available for appropriation | | 1,075.95 | 825.05 |
| APPROPRIATIONS: | | | |
| Interim dividend | | 128.86 | 96.65 |
| Proposed final dividend | | 128.86 | 64.43 |
| Tax on dividend | | 42.56 | 27.38 |
| Transfer to General Reserve | | 770.00 | 630.00 |
| | | 1,070.28 | 818.45 |
| Balance carried to Balance Sheet | | 5.67 | 6.60 |
| EARNINGS PER SHARE | | | |
| (Face value Rs.5/- each)(Previous year Rs. 10/- each) | | | |
| Profit after Tax | | 1,069.30 | 814.22 |
| Average number of equity shares (No) | | 2,577,238,512 | 644,309,628 |
| Basic & Diluted earnings per share (Rs.) | | 4.15 | 3.16 |
| Significant Accounting Policies | Y | | |
| Notes on Accounts | Z | | |
| Schedules A to Z annexed hereto form part of the Accounts | | | |

In terms of our report of even date attached.

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

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

(CA. S.S. Poddar)
Partner (M.No.: 51113)

(CA.C.K.Prusty)
Partner(M.No. : 57318)

For and on behalf of Board of Directors

(CS. K.N. Ravindra)
Company Secretary

(A.K.Sharma)
Director
(Production)

(CA.B.L.Bagra)
Director (Finance) and
Chairman-Cum-Managing Director I/c

Place : New Delhi
Dated : 30th May,2011

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SCHEDULES FORMING PART OF THE BALANCE SHEET

| | As at March 31, 2011 | As at March 31, 2010 |
|---|-------------------------|-------------------------|
| (₹ in crore) | | |
| Schedule A | | |
| SHARE CAPITAL | | |
| Authorised: | | |
| 600,00,00,000 Equity Shares of ₹ 5/- each | <u>3,000.00</u> | <u>1,300.00</u> |
| (Previous year 130,00,00,000 Equity Shares of ₹ 10/- each.) | | |
| Issued, Subscribed and Paid up: | | |
| 257,72,38,512 Equity Shares of ₹ 5/- each fully paid up. | <u>1,288.62</u> | <u>644.31</u> |
| (Out of these, Government of India holds 224,59,98,540 shares) | | |
| Out of the above 128,86,19,256 equity shares allotted as fully paid by way of bonus shares by capitalisation of General Reserve | | |
| (Previous year 64,43,09,628 Equity Shares of ₹ 10/- each fully paid up. | | |
| Out of these, Government of India holds 56,14,99,635 shares.) | | |
| Schedule B | | |
| RESERVES & SURPLUS | | |
| Capital Reserve: | | |
| Grants-in-aid received from Government of India : | | |
| As per last Balance Sheet | 0.46 | 0.50 |
| Less: Transferred to Profit & Loss Account | <u>(0.04)</u> | <u>(0.04)</u> |
| | 0.42 | 0.46 |
| General Reserve: | | |
| As per Last Balance Sheet | 9,744.21 | 9,114.21 |
| Add : Transferred from Profit & Loss Account | 770.00 | 630.00 |
| Less : Capitalised for Bonus Issue | <u>644.31</u> | <u>—</u> |
| | 9,869.90 | 9,744.21 |
| Balance in Profit & Loss Account | <u>5.67</u> | <u>6.60</u> |
| TOTAL | <u>9,875.99</u> | <u>9,751.27</u> |
| Schedule C | | |
| LOAN FUNDS | | |
| Secured loan : | | |
| Cash Credit (Working Capital Facility) : | | |
| Secured by hypothecation of raw materials , finished goods, intermediary products, stores and book debts. | <u>14.88</u> | <u>8.61</u> |
| Schedule D | | |
| DEFERRED TAX LIABILITY (Net) | | |
| Deferred tax liability: | | |
| Depreciation on Fixed Assets | 861.62 | 784.37 |
| Less : Deferred tax assets : | | |
| Taxes, duties etc. | 106.49 | 88.59 |
| Provision for doubtful debts, claims, etc. | 61.63 | 35.08 |
| Employee separation/retirement and others | <u>0.04</u> | <u>0.11</u> |
| TOTAL | <u>168.16</u> | <u>123.78</u> |
| | <u>693.46</u> | <u>660.59</u> |

National Aluminium Company Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule E FIXED ASSETS

| Particulars of Assets | Gross Block | | | Depreciation | | Net Block | | | |
|--|-------------------|---------------------------|-------------------------|-------------------|-----------------|-------------------|--------------------|--------------------|----------|
| | As on 1.4.2010 | Additions/ Adjustments | Deductions 31.3.2011 | As on 1.4.2010 | For the Year | Upto 31.3.2011 | As on 31.3.2011 | As on 31.3.2010 | |
| A. PLANT, MINES AND OTHERS | | | | | | | | | |
| Freehold land including development costs | 62.04 | (0.83) | 61.21 | — | — | — | 61.21 | 62.04 | |
| Leasehold land including development costs | 29.46 | 80.38 | 109.84 | 11.62 | (4.14) | 7.48 | 102.36 | 17.85 | |
| Buildings | 512.15 | 52.81 | 564.96 | 230.62 | 19.34 | 249.96 | 315.00 | 281.53 | |
| Roads, bridges and culverts | 63.08 | 8.44 | 71.52 | 15.98 | 0.98 | 16.96 | 54.56 | 47.10 | |
| Railway sidings | 70.71 | 0.00 | 70.71 | 57.71 | 1.09 | 58.80 | 11.91 | 13.00 | |
| Water supply, drainage and sewerage | 123.56 | 0.20 | 123.76 | 53.10 | 4.05 | 57.15 | 66.61 | 70.47 | |
| Power supply, distribution and lighting | 630.54 | 1.46 | 632.00 | 278.31 | 24.59 | 302.90 | 329.10 | 352.23 | |
| Plant and machinery | 9,035.62 | 898.27 | 9,914.06 | 5,334.59 | 318.22 | (18.83) | 5,633.98 | 3,701.03 | |
| Office equipments | 38.00 | 1.35 | 38.93 | 21.98 | 3.14 | (0.41) | 24.71 | 16.04 | |
| Furniture and fittings | 20.76 | 0.81 | 21.47 | 15.02 | 0.72 | (0.20) | 15.54 | 5.74 | |
| Vehicles | 38.53 | 1.53 | 38.84 | 24.05 | 2.46 | (1.14) | 25.37 | 14.48 | |
| Miscellaneous equipments | 77.39 | 5.08 | 82.32 | 33.20 | 3.31 | (0.11) | 36.40 | 44.19 | |
| Sub-Total | 10,701.85 | 1,049.50 | 11,729.62 | 6,076.16 | 373.76 | (20.69) | 6,429.25 | 5,300.37 | 4,625.69 |
| B. SOCIAL FACILITIES | | | | | | | | | |
| Freehold land including development costs | 6.40 | — | 6.40 | — | — | — | 6.40 | 6.40 | |
| Leasehold land including development costs | 0.63 | — | 0.63 | 0.34 | 0.01 | 0.35 | 0.28 | 0.28 | |
| Buildings | 220.11 | 22.91 | 243.02 | 51.14 | 3.77 | 54.91 | 188.11 | 168.97 | |
| Roads, bridges and culverts | 24.31 | — | 24.30 | 6.70 | 0.47 | 7.17 | 17.13 | 17.61 | |
| Water supply, drainage and sewerage | 27.58 | 0.63 | 28.21 | 12.38 | 0.61 | 12.99 | 15.22 | 15.20 | |
| Power supply, distribution and lighting | 18.00 | 0.97 | 18.97 | 11.67 | 0.57 | 12.24 | 6.73 | 6.32 | |
| Office equipments | 0.13 | 0.03 | 0.15 | 0.09 | 0.01 | (0.01) | 0.06 | 0.04 | |
| Furniture and fittings | 2.69 | 0.38 | 2.97 | 2.34 | 0.07 | (0.09) | 2.32 | 0.36 | |
| Vehicles | 2.23 | 0.12 | 2.35 | 0.83 | 0.21 | 1.04 | 1.31 | 1.40 | |
| Miscellaneous equipments | 9.85 | 0.26 | 10.05 | 5.36 | 0.45 | (0.03) | 4.27 | 4.49 | |
| Sub-Total | 311.94 | 25.30 | 337.05 | 90.86 | 6.17 | (0.13) | 240.16 | 221.08 | |
| C. INTANGIBLE ASSETS | | | | | | | | | |
| | 4.17 | 5.31 | 9.48 | 3.17 | 1.47 | — | 4.64 | 1.00 | |
| D. IMPAIRMENT PROVISION | | | | | | | | | |
| Building | 0.00 | — | — | 2.62 | 4.76 | 7.38 | (7.38) | (2.62) | |
| Plant and machinery | 0.00 | — | — | 8.85 | 35.61 | — | (44.46) | (8.85) | |
| Sub-Total | 0.00 | — | — | 11.46 | 40.37 | — | (51.84) | (11.46) | |
| Total for current year | 11,017.96 | 1,080.11 | 12,076.15 | 6,181.65 | 421.77 | (20.82) | 6,582.62 | 5,493.53 | 4,836.31 |
| Total for previous year | 9,899.84 | 1,119.49 | 11,017.96 | 5,868.30 | 319.42 | (6.08) | 6,181.65 | 4,836.31 | 4,031.54 |

Notes: (Sums ₹ in crore)

- Depreciation for the year includes ₹ 0.05 transferred to expenditure during construction period, pending capitalisation to Fixed assets (Previous year ₹ 0.05) and ₹ 8.34 written back as prior period adjustment (Previous year ₹ 0.01).
- Gross Block includes the following capital expenditure represented by assets not owned by the company.
 - Buildings - ₹ 2.24 (Previous year ₹ 2.24)
 - Roads, bridges and culverts - ₹ 4.08 (Previous year ₹ 4.08)
 - Water supply, drainage and sewerage - ₹ 1.29 (Previous year ₹ 1.29)
 - Leasehold land including development costs under plant, mines and others includes gross block ₹104.68 and corresponding cumulative depreciation ₹ 5.91 as on 31.03.2011.

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SCHEDULES FORMING PART OF THE BALANCE SHEET

| | (₹ in crore) | |
|---|----------------------------|-------------------------|
| | As at March 31, 2011 | As at March 31, 2010 |
| Schedule F | | |
| CAPITAL WORK - IN - PROGRESS | | |
| Construction and other work - in - progress at cost | 1,386.60 | 1,745.35 |
| Advances to contractors and suppliers for capital goods (Unsecured, considered good) | 37.58 | 33.75 |
| Stock of construction materials (at cost)(Including materials with contractors ₹ 0.09 Crore, Previous year ₹ 0.32 Crore) | 66.04 | 202.33 |
| Construction materials and Plant & Machinery - in - Transit (at cost) | 34.45 | 51.79 |
| Expenditure during construction pending allocation (Schedule F.1) | 218.86 | 210.18 |
| TOTAL | 1,743.53 | 2,243.40 |
| Schedule F.1 | | |
| EXPENDITURE DURING CONSTRUCTION | | |
| (Pending allocation) | | |
| Opening Balance | 210.18 | 177.48 |
| Expenditure/Adjustments during the year : | | |
| Preproject Expenses | — | 0.01 |
| Technical Consultancy | 33.12 | 42.58 |
| Startup & Commissioning | 34.28 | 74.96 |
| Other expenses | 15.26 | 32.81 |
| Excise Duty | — | 0.78 |
| Selling & Distribution Expenses | — | 0.25 |
| Depreciation | 0.05 | 0.05 |
| | 82.71 | 151.44 |
| Less: Income/Adjustments during the year : | | |
| Income out of trial operation | 12.07 | 72.42 |
| Export Incentive | — | 0.23 |
| Other Income | 0.16 | 0.00 |
| Stock of Products from trial | — | 0.00 |
| | 12.23 | 72.65 |
| Net Expenditure during the year | 70.48 | 78.79 |
| Total Expenditure | 280.66 | 256.27 |
| Less Adjustment to EDC | — | 0.20 |
| Less: Amount allocated to Fixed assets | 61.80 | 45.89 |
| Balance carried forward | 218.86 | 210.18 |
| Schedule G | | |
| INVESTMENT (At Cost) | | |
| | Face value per unit (₹) | No.s in '000 |
| Non-Trade Un Quoted : | | |
| Equity Shares in Bhubaneswar Stock Exchange Ltd | 1.00 | 289 |
| Equity Shares in Excel Services Ltd | 10.00 | 1.46 |
| Equity shares in Aluminium Park Pvt.Ltd | | — |
| Long Term Debt Fund (Fixed Maturity Growth Plan) | | |
| SBI DF Series - 9 - 13 Months | 10.00 | — |
| SBI SDFS 370 Days Series - 5 | 10.00 | 40,000 |
| SBI SDFS 370 Days Series - 6 | 10.00 | 25,000 |
| SBI SDFS 370 Days Series - 7 | 10.00 | 25,000 |
| SBI SDFS 370 Days Series - 9 | 10.00 | 50,000 |
| SBI SDFS 370 Days Series - 10 | 10.00 | 50,000 |
| SBI SDFS 370 Days Series - 11 | 10.00 | 50,000 |
| SBI SDFS 18 Months Series - 5 | 10.00 | 10,000 |
| SBI SDFS 15 Months Series - V | 10.00 | 50,000 |
| SBI SDFS 13 Months Series - 11 | 10.00 | 25,000 |
| IDBI FMP Series - 1 - (367 Days) | 10.00 | 15,000 |
| IDBI FMP Series - 1B - (367 Days) | 10.00 | 10,000 |
| IDBI FMP Series - 1C - (367 Days) | 10.00 | 25,000 |
| IDBI FMP Series - 1D - (367 Days) | 10.00 | 30,000 |

National Aluminium Company Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

| | | (₹ in crore) | |
|---|----------------------------|-------------------------|-------------------------|
| | | As at March 31, 2011 | As at March 31, 2010 |
| Schedule G (contd.) | | | |
| INVESTMENT (At Cost) | Face value per unit (₹) | No.s in '000 | No.s in '000 |
| UTI MF YFMP 10/10 (396 Days) | 10.00 | 25,000 | 25.00 |
| UTI MF YFMP 12/10 (396 Days) | 10.00 | 20,000 | 20.00 |
| UTI MF YFMP 01/11 (396 Days) | 10.00 | 50,000 | 50.00 |
| UTI MF YFMP 03/11 (396 Days) | 10.00 | 30,000 | 30.00 |
| UTI FTIF Series -IX-Plan-I- (367 Days) | 10.00 | 100,000 | 100.00 |
| UTI FMP YFMP (03/10) | 10.00 | 50,000 | 50.00 |
| UTI FMP YFMP (08/10) | 10.00 | 40,000 | 40.00 |
| UTI FMP YFMP (09/10) | 10.00 | 20,000 | 20.00 |
| UTI FTIF-Series -VII-Plan -I | 10.00 | 20,000 | 20.00 |
| UTI FTIF-Series -VII-Plan -II | 10.00 | 35,000 | 35.00 |
| UTI FTIF-Series -VII-III | 10.00 | 25,000 | 25.00 |
| UTI FTIF-Series -VIII-Plan -I | 10.00 | 25,000 | 25.00 |
| UTI FTIF-Series -VIII-II | 10.00 | 25,000 | 25.00 |
| UTI FTIF-Series -VIII-IV | 10.00 | 25,000 | 25.00 |
| UTI FTIF Series - V - II - 20 Months | 10.00 | — | 20,000 |
| UTI FMF Yearly Series Fund | 10.00 | — | 10,000 |
| Canara Robeco FMP -14-Series - 6 | 10.00 | 5,000 | 5.00 |
| Canara Robeco FMP -13-Series - 6 | 10.00 | 25,000 | 25.00 |
| Canara Robeco FMP -13-Series - 6B | 10.00 | 50,000 | 50.00 |
| UTI FIIF-Annual investment plan Series-I-I.G. | 12.061 | — | 8,291 |
| UTI FMF Yearly SeriesYFMP-09/09-I.G. | 10.00 | — | 75,000 |
| UTI FTIF Series VII,Plan-1-I.G. | 10.00 | — | 20,000 |
| UTI FTIF Series VII,Plan-11-I.G. | 10.00 | — | 35,000 |
| SBI Debt Fund Series-Series -V | 10.00 | — | 50,000 |
| UTI FMP YFMP-03/10-I.G. | 10.00 | — | 50,000 |
| Current Investments | | | |
| UTI-FIIF-Int Plan-Series-III | 10.0082 | 41,414 | 41.45 |
| UTI-FIIF-Series II-Int Plan-IV | 10.0074 | 52,176 | 52.22 |
| UTI FIIF Series -II-QIP-V | 10.0079 | 51,941 | 51.98 |
| Canara Robeco Quarterly Interval Plan | 10.00 | 30,000 | 30.00 |
| SBI SDFS 90 days Series - 38 | 10.00 | 30,000 | 30.00 |
| SBI SDFS 90 days Series - 41 | 10.00 | 100,000 | 100.00 |
| SBI SDFS 180 days Series - 14 | 10.00 | 50,000 | 50.00 |
| UTI-FIIF-Series II-Qtrly Int Plan-V | 10.00 | — | 50,000 |
| LIC MF Interval Fund-QtrlyPlan-Series-2 | 10.00 | — | 50,000 |
| UTI FIIF Qtrly Int Plan-Series -III | 10.00 | — | 20,000 |
| SBI Magnum Insta Cash | 16.7503 | — | 1 |
| LIC MF Liquid Fund - Dividend Plan | 10.9801 | — | 396,722 |
| | | 1,331.67 | 986.75 |
| | | (₹ in crore) | |
| | | As at March 31, 2011 | As at March 31, 2010 |
| Schedule H | | | |
| CURRENT ASSETS, LOANS & ADVANCES | | | |
| Current Assets | | | |
| Inventories | | | |
| (As certified by the Management and valued as per Accounting Policy No.1.5) | | | |
| Raw materials (Including in transit ₹ 27.58 Crore, Previous year ₹ 8.86 Crore) | | 92.16 | 64.57 |
| Coal and fuel oil (Including In Transit ₹ 15.76 Crore Previous year ₹ 7.11 Crore) | | 95.88 | 88.64 |
| Stores & spares (Including in transit ₹ 42.14 Crore, Previous year ₹ 20.63 Crore) | | 426.52 | 422.90 |
| Scrap and unserviceable materials awaiting disposal | | 8.87 | 17.81 |
| Stock of Finished/Intermediary Products /Work-In-Process | | | |
| Finished Goods | | 214.72 | 142.06 |
| Intermediary Products | | 78.82 | 62.62 |
| Work-In-Process | | 141.50 | 146.32 |
| | | 435.04 | 351.00 |
| | | 1,058.47 | 944.92 |

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SCHEDULES FORMING PART OF THE BALANCE SHEET

| | As at March 31, 2011 | | As at March 31, 2010 | | (₹ in crore) |
|--|-------------------------|----------|-------------------------|--------|--------------|
| Schedule H (Contd...) | | | | | |
| CURRENT ASSETS, LOANS & ADVANCES | | | | | |
| Sundry Debtors | | | | | |
| (Unsecured) | | | | | |
| Debts over six months | | | | | |
| Considered good | 0.26 | | 0.12 | | |
| Considered doubtful | 39.01 | | 39.10 | | |
| | 39.27 | | 39.22 | | |
| Less: Provision for doubtful debts | 39.01 | | 39.10 | | |
| | 0.26 | | 0.12 | | |
| Other debts, Considered good | 112.14 | | 181.66 | | |
| | 112.40 | | | | 181.78 |
| Cash and Bank Balances | | | | | |
| Cash on hand including stamps | 0.17 | | 0.17 | | |
| Balance with Scheduled Banks: | | | | | |
| In Current Accounts | 2.47 | | 5.10 | | |
| In Unpaid Dividend Accounts | 0.85 | | 2.17 | | |
| In Unpaid Debenture Interest Accounts | 0.11 | | 0.31 | | |
| In Term Deposits * | 3,791.63 | | 3,144.60 | | |
| | 3,795.23 | | | | 3,152.35 |
| * Includes ₹ 368.58 crore (Previous year ₹ 295.50 crore) deposited as per direction of court against demand of Electricity duty. | | | | | |
| Other Current Assets | | | | | |
| Interest accrued : | | | | | |
| Bank deposits and others | 105.54 | | 70.76 | | |
| Loans to Employees | 38.94 | 144.48 | 37.93 | 108.69 | |
| Accrued Export Incentives | 20.18 | | 37.83 | | |
| Less: Provision for shortfall in realisation | 0.82 | 19.36 | 1.52 | 36.31 | |
| | | 163.84 | | | 145.00 |
| Sub-total | | 5,129.94 | | | 4,424.05 |
| Loans and Advances : | | | | | |
| (Unsecured, considered good unless otherwise stated) | | | | | |
| Loans | | | | | |
| Loans to employees | | | | | |
| (Secured ₹ 41.24 Crore, Previous Year ₹ 45.86 Crore) | | 47.88 | | | 52.82 |
| Advances recoverable in cash or in kind or for value to be received | | | | | |
| Stores on loan basis | | 0.03 | | | 0.33 |
| Advances to Employees | | 18.97 | | | 17.25 |
| Advance Income Tax Receivables | | 31.39 | | | — |
| Payments made towards disputed Taxes | | | | | |
| Income Tax receivable | 284.17 | | 222.75 | | |
| Customs and Excise Duty receivable | 181.91 | 466.08 | 135.45 | | 358.20 |
| Advances to Suppliers and others: | | | | | |
| Considered good | 138.77 | | 143.24 | | |
| Considered doubtful | 2.66 | | 2.67 | | |
| | 141.43 | | 145.91 | | |
| Less: Provision for doubtful recovery | 2.66 | | 2.67 | | |
| | | 138.77 | | | 143.24 |
| Prepaid Expenses | | 1.50 | | | 1.35 |

National Aluminium Company Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

(₹ in crore)

| | As at March 31, 2011 | As at March 31, 2010 |
|---|-------------------------|-------------------------|
| Schedule H (Contd...) | | |
| CURRENT ASSETS, LOANS & ADVANCES | | |
| Claims Recoverable : | | |
| Considered good | | |
| CENVAT credit claims | 75.78 | 107.07 |
| VAT credit claims | 13.09 | 12.84 |
| DEPB claims | 42.96 | 17.83 |
| Other claims | 11.05 | 12.56 |
| | <u>142.88</u> | <u>150.29</u> |
| Considered doubtful | 8.85 | 7.84 |
| | <u>151.73</u> | <u>158.13</u> |
| Less: Provision for doubtful recovery | <u>8.85</u> | <u>7.84</u> |
| | 142.88 | 150.29 |
| Deposits with Govt and other agencies: | | |
| Considered good | 67.73 | 62.11 |
| Considered doubtful | 1.93 | 1.93 |
| | <u>69.66</u> | <u>64.04</u> |
| Less: Provision for doubtful recovery | <u>1.93</u> | <u>1.93</u> |
| | 67.73 | 62.11 |
| Sub-total | <u>915.23</u> | <u>785.59</u> |
| TOTAL | <u>6,045.17</u> | <u>5,209.64</u> |
| CURRENT LIABILITIES & PROVISIONS | | |
| Schedule I | | |
| CURRENT LIABILITIES | | |
| Sundry creditors : | | |
| Due to Micro and small enterprises | 0.63 | 2.35 |
| On capital account | 183.66 | 92.92 |
| Others* | 1,878.13 | 1,493.23 |
| Security deposits | 292.04 | 252.84 |
| TOTAL | <u>2,354.46</u> | <u>1,841.34</u> |
| Schedule J | | |
| PROVISIONS | | |
| For taxation(net of advance payment) | — | 32.77 |
| For proposed dividend | 128.86 | 64.43 |
| For tax on dividend | 21.40 | 10.95 |
| For employee benefits | | |
| Gratuity | 13.04 | 92.87 |
| Leave encashment | 163.06 | 114.56 |
| Post retirement medical benefit | 7.88 | 6.02 |
| Retirement benefit | 11.20 | 10.74 |
| Leave travel benefit | 3.34 | 4.91 |
| NEFFAR scheme | 18.15 | 15.86 |
| Long Service reward | 19.56 | 16.89 |
| TOTAL | <u>236.23</u> | <u>261.83</u> |
| | <u>386.49</u> | <u>369.98</u> |

* Includes advance from customers ₹ 54.08 Crore (Previous Year ₹ 49.59 Crore) and Unpaid dividend of ₹ 0.85 Crore (Previous Year ₹ 2.17 Crore). Amount transferred to Investor Education and Protection Fund ₹ 0.28 Crore (Previous year ₹ 0.12 Crore).

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SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

| | (₹ in crore) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2011 | Year ended March 31, 2010 |
| Schedule K | | |
| SALES | | |
| Export : | | |
| Alumina | 1,020.55 | 870.29 |
| Aluminium | 1,043.37 | 1,332.84 |
| Rolled Products | 1.18 | 6.11 |
| | 2,065.10 | 2,209.24 |
| Domestic : | | |
| Alumina | 103.42 | 93.12 |
| Aluminium | 3,906.31 | 2,833.65 |
| Rolled Products | 278.45 | 171.01 |
| Electricity | 16.60 | 4.38 |
| | 4,304.78 | 3,102.16 |
| TOTAL | 6,369.88 | 5,311.40 |
| Schedule L | | |
| OTHER INCOME | | |
| Operating : | | |
| Export incentives | 90.94 | 94.65 |
| Exchange variation gain | 0.27 | — |
| | 91.21 | 94.65 |
| Non-Operating : | | |
| Interest on/from : * | | |
| Bank Deposits and others | 260.80 | 265.74 |
| Loans to Employees | 3.49 | 3.74 |
| Dividend on Investments | 20.57 | 20.87 |
| Profit on Sale of Long Term Investments | 26.17 | 63.57 |
| Profit on Sale of Current Investments | 18.00 | 0.02 |
| Profit on sale of fixed assets | 0.08 | 0.38 |
| Sale of general scrap, bath etc. (net of excise duty) and its accretion | 14.96 | 10.18 |
| Rent, electricity & water charges | 6.87 | 3.88 |
| Miscellaneous Income | 10.80 | 5.72 |
| | 361.74 | 374.10 |
| TOTAL | 452.95 | 468.75 |

* Tax deducted at source from interest income from deposits with banks and financial institutions ₹ 27.08 Crore (previous year ₹ 30.38 Crore).

National Aluminium Company Limited

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

(₹ in crore)

Schedule M

ACCRETION/DECRETION TO FINISHED/WORK-IN-PROCESS/INTERMEDIARY PRODUCTS

| | Opening Stock | Intl. consumption / Other Transactions | Closing Stock | Accretion / Decretion |
|--|---------------|--|---------------|-----------------------|
| Finished Products : | | | | |
| Bauxite | 16.91 | 0.85 | 25.25 | 7.49 |
| | <i>13.31</i> | <i>0.08</i> | <i>16.91</i> | <i>3.52</i> |
| Alumina* | 76.34 | 72.77 | 87.69 | (61.42) |
| | <i>46.40</i> | <i>6.72</i> | <i>76.34</i> | <i>23.22</i> |
| Aluminium | 43.34 | - | 82.54 | 39.20 |
| | <i>66.91</i> | <i>5.40</i> | <i>43.34</i> | <i>(28.97)</i> |
| Rolled Products | 5.46 | (0.13) | 19.24 | 13.91 |
| | <i>5.29</i> | <i>(2.30)</i> | <i>5.46</i> | <i>2.47</i> |
| Intermediary products: | | | | |
| Anodes & Butts | 51.36 | 0.61 | 70.82 | 18.85 |
| | <i>111.59</i> | <i>(22.78)</i> | <i>51.36</i> | <i>(37.45)</i> |
| Aluminium scraps | 0.83 | 0.25 | 0.24 | (0.84) |
| | <i>4.66</i> | <i>(1.65)</i> | <i>0.83</i> | <i>(2.18)</i> |
| Others | 10.43 | - | 7.76 | (2.67) |
| | <i>-</i> | <i>0.38</i> | <i>10.43</i> | <i>10.05</i> |
| Work-in-process | 146.32 | 8.14 | 141.50 | (12.96) |
| | <i>114.74</i> | <i>23.92</i> | <i>146.32</i> | <i>7.66</i> |
| Total of Stock & Accr/Decrn | 351.00 | 82.49 | 435.04 | 1.56 |
| | <i>362.90</i> | <i>9.77</i> | <i>351.00</i> | <i>(21.67)</i> |
| Add: Accretion to Excise Duty liability on closing stock | | | | (11.47) |
| | | | | <i>0.04</i> |
| Net accretion to stock | | | | (9.91) |
| | | | | <i>(21.63)</i> |

Note : Figures in italics represent those pertaining to previous year.

*Includes Zeolite, Alumina Hydrate, Calcined Alumina, Special Grade Hydrate & Special Grade Alumina.

Schedule N

RAW MATERIALS CONSUMED

(₹ in crore)

| | Year ended March 31, 2011 | | Year ended March 31, 2010 | |
|--------------------|---------------------------|--------------------|---------------------------|--------------------|
| | Quantity (MT) | Value (₹ in Crore) | Quantity (MT) | Value (₹ in Crore) |
| Caustic soda | 107,068 | 226.19 | 109,343 | 271.34 |
| C.P.Coke | 170,388 | 334.87 | 150,627 | 314.71 |
| C.T.Pitch | 41,189 | 106.33 | 35,725 | 89.08 |
| Aluminium fluoride | 8,275 | 46.91 | 7,979 | 50.82 |
| Lime | 46,799 | 23.11 | 54,118 | 28.36 |
| Others | | 28.71 | | 27.99 |
| TOTAL | | 766.12 | | 782.30 |

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SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

| | Year ended March 31, 2011 | (₹ in crore) Year ended March 31, 2010 |
|---|------------------------------|--|
| Schedule O | | |
| POWER & FUEL | | |
| Coal | 995.24 | 836.05 |
| Fuel oil | 524.62 | 443.28 |
| Duty on self generation | 154.47 | 140.71 |
| Power transmission charges | 3.31 | 1.75 |
| Power from trial operation | 2.11 | 45.36 |
| Purchased power | 92.89 | 133.99 |
| TOTAL | 1,772.64 | 1,601.14 |
| Schedule P | | |
| REPAIRS & MAINTENANCE | | |
| Buildings | 47.45 | 28.00 |
| Plant & Machinery | 351.86 | 251.11 |
| Others | 15.39 | 17.26 |
| TOTAL | 414.70 | 296.37 |
| Schedule Q | | |
| OTHER MANUFACTURING EXPENSES | | |
| Royalty & Cess | 59.10 | 46.41 |
| Freight inwards | — | 60.60 |
| Consumption of stores | 105.22 | 92.52 |
| Water charges | 13.19 | 2.56 |
| Technical assistance fee & expenses | 0.10 | 8.69 |
| TOTAL | 177.61 | 210.78 |
| Schedule R | | |
| EMPLOYEES' REMUNERATION AND BENEFITS | | |
| Salaries, wages, bonus & exgratia | 773.40 | 578.67 |
| Contribution to Provident & Pension funds | 69.18 | 70.52 |
| Staff welfare expenses | 78.69 | 67.96 |
| Provision for employee benefits | 67.75 | 126.45 |
| TOTAL | 989.02 | 843.60 |
| Schedule S | | |
| ADMINISTRATIVE EXPENSES | | |
| Rent | 1.23 | 1.16 |
| Rates and taxes | 1.72 | 1.24 |
| Insurance | 4.72 | 2.93 |
| Repairs and Maintenance : | | |
| Buildings | 0.47 | 0.57 |
| Others | 1.09 | 1.07 |
| Bank charges | 0.49 | 0.52 |
| Legal expenses | 1.06 | 1.04 |
| Printing, Stationery and EDP expenses | 4.47 | 5.58 |
| Communication expenses | 4.08 | 3.49 |
| Advertisement & publicity | 6.32 | 4.48 |
| Electricity and water charges | 2.63 | 2.91 |
| Travelling expenses | 13.31 | 10.48 |
| Directors Sitting Fees | 0.12 | 0.12 |
| Hire charges for machinery and vehicles | 8.38 | 6.67 |
| Management development and training | 5.41 | 2.57 |
| Consultancy charges | 3.25 | 4.25 |
| Security and fire fighting expenses | 48.35 | 48.49 |
| Exchange Variation Loss | — | 10.38 |
| Miscellaneous expenses | 13.99 | 7.34 |
| TOTAL | 121.09 | 115.29 |

National Aluminium Company Limited

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

| | Year ended March 31, 2011 | (₹ in crore) Year ended March 31, 2010 |
|---|------------------------------|--|
| Schedule T | | |
| OTHER EXPENSES | | |
| Research and development expenses | 1.19 | 2.67 |
| Plantation and horticulture | 4.25 | 3.62 |
| Environment and pollution control | 0.81 | 0.62 |
| Peripheral development, CSR expenses and provisions | 16.65 | 13.84 |
| Interest on disputed Govt. dues and others | 100.64 | 82.41 |
| Auditors' remuneration : | | |
| Audit fee | 0.14 | 0.11 |
| Audit expenses | 0.21 | 0.15 |
| Tax audit and other certification fee | 0.11 | 0.15 |
| Cost audit fee and expenses | 0.02 | 0.03 |
| Demurrage | 5.42 | 4.10 |
| Loss on sale of assets | 0.05 | 0.18 |
| Stores and spares written off | 8.57 | 19.54 |
| Claims, receivables, debts, shortages etc written off | 0.01 | 0.13 |
| TOTAL | 138.07 | 127.55 |
| Schedule U | | |
| SELLING AND DISTRIBUTION EXPENSES | | |
| Packing and forwarding | 0.01 | 4.37 |
| Freight outwards and handling | 62.85 | 74.67 |
| Commission to selling agents | 0.49 | 0.07 |
| Wharfage | 1.43 | 2.37 |
| Bank charges | 0.28 | 0.20 |
| Others | 7.11 | 7.58 |
| | 72.17 | 89.26 |
| Less Transferred to Capital Work-in-Progress | — | 0.22 |
| TOTAL | 72.17 | 89.04 |
| Schedule - V | | |
| INTEREST AND FINANCING CHARGES | | |
| Interest on short term loans | — | 0.24 |
| Interest on bill discounting & Others | 0.05 | 2.04 |
| TOTAL | 0.05 | 2.28 |
| Schedule W | | |
| PROVISIONS | | |
| Retired assets, CWIP and unserviceable materials | 0.14 | (4.04) |
| Doubtful Debts | (0.09) | 0.01 |
| Doubtful Other current assets | (0.70) | 0.17 |
| Doubtful advances | (0.01) | 0.01 |
| Doubtful claims | 1.00 | (0.06) |
| TOTAL | 0.34 | (3.91) |
| Schedule X | | |
| PRIOR PERIOD ADJUSTMENTS (NET) | | |
| Sales | — | 0.93 |
| Other Income | — | (0.02) |
| Raw Materials | — | 3.70 |
| Power and Fuel | 6.26 | 15.72 |
| Repairs and maintenance | 0.22 | (0.01) |
| Other manufacturing expenses | 4.48 | (0.09) |
| Employees' remuneration & benefits | (0.88) | (30.15) |
| Administrative and other expenses | (0.72) | (1.71) |
| Provisions | — | (0.09) |
| Depreciation | (8.34) | 0.01 |
| TOTAL | 1.02 | (11.71) |

Note : Figures in brackets represent credits.

Schedule-Y Significant Accounting Policies

1.1 BASIS OF ACCOUNTING:

- 1.1.1 The financial statements are prepared under historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles, accounting standards issued by the Institute of Chartered Accountants of India, and the relevant provisions of the Companies Act, 1956.

1.2 USE OF ESTIMATES:

- 1.2.1 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 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 same is determined.

1.3 FIXED ASSETS:

- 1.3.1 All fixed assets are stated at historical cost less depreciation. Cost includes all direct expenditure of acquisition, attributable borrowing cost and net of CENVAT/VAT credit, wherever applicable.
- 1.3.2 Expenditure on development of land including leasehold land is capitalized as part of cost of land. NPV and related payments made to Govt. authorities for bauxite mines are capitalized.
- 1.3.3 Fixed assets acquired out of financial grant from Government are shown at cost by crediting the grant-in-aid received to Capital Reserve. Equivalent amount of depreciation provided on such assets each year is transferred from Capital Reserve to Profit & Loss Account.
- 1.3.4 Insurance spares valuing more than ₹ 1 lakh per unit are capitalized with the related fixed assets.
- 1.3.5 Application Software package like ERP and application development tools like RDBMS are treated as intangible assets and amortized over a period of three years or the period of license whichever is earlier.
- 1.3.6 Fixed assets retired from active use and held for disposal are stated at net book value and considered as current asset till the time of its disposal.

1.4 INVESTMENTS:

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

1.5 INVENTORIES:

- 1.5.1 Whenever the sale price of finished goods is more than the cost of materials, and other supplies incorporated in it, in line with Accounting Standard - 2 (Para 24), raw materials, stores and spares are valued at moving weighted average price on real time basis net of CENVAT/ VAT credit wherever applicable. Shortage of coal up to 1% of receipt quantity is treated as normal loss and beyond 1% is treated as abnormal loss.
- 1.5.2 Work in process is valued at moving weighted average cost. Cost is ascertained at moving average price of material on real time basis, appropriate share of labour and related overheads.
- 1.5.3 Finished goods are valued at lower of cost and net realizable value. Cost is determined at moving average price of materials on real time basis, apportioned share of labour and related overheads.
- 1.5.4 Semi-finished goods and intermediary products are valued at moving average price determined on moving average based on monthly production confirmation except for anode butts and rejects which are valued at lower of past realized value or 45% of direct material cost.
- 1.5.5 Scraps of various nature internally generated is valued at estimated net realizable value and inventorised periodically.
- 1.5.6 Stores and spares, other than insurance spares held not issued for more than 5 years are valued at 5% of the cost.
- 1.5.7 Unabsorbed purchase overheads lying at the end of the year are charged to Profit & Loss Account at the year end.

1.6 PROVISIONS:

- 1.6.1 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.
- 1.6.2 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./Companies. In case of Govt. Dept./ Companies the same is made on case to case basis depending upon the merit of the case.

1.7 FOREIGN CURRENCY TRANSACTIONS :

- 1.7.1 Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at year-end exchange rates.
- 1.7.2 The difference in translation of monetary assets and liabilities and realised gains and losses in foreign exchange transactions are recognised in the profit and loss account. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and spot rate on the date of the transaction is recognised in the profit and loss account over the period of the contract.

- 1.7.3 In all import cases, Bill of Lading/ Bill of Entry is considered as the date of transaction based on which Foreign Exchange liability is created in the books. Date on which amount is debited by Bank is considered as the settlement date. The exchange variation between sums of liability and settlement is charged to Profit & Loss Account.
- 1.8 DEPRECIATION AND AMORTISATION:**
- 1.8.1 Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except in case of certain assets where depreciation at higher rates is provided based on their estimated remaining useful life, evaluated on the basis of technical estimate made annually in respect of the following assets.
Earth work portion of:
- Red mud pond at Alumina Refinery
 - Ash pond at Alumina Refinery
 - Ash ponds at Captive Power Plant
- 1.8.2 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.
- 1.8.3 Assets costing ₹ 5,000/- or less individually are depreciated fully in the year in which they are put to use.
- 1.8.4 Assets on land not owned by the Company are depreciated over a period of five years.
- 1.8.5 Cost of leasehold land including development expenses thereon is amortized over the period of lease. However, where lease agreement is yet to be signed, such expenses are amortized over a period of 20 years commencing from the year of commercial operation.
The NPV and related payments to Govt. authorities at the time of renewal of mining lease is amortized over a period of 20 years from the date of payment or due date of renewal which ever is earlier on the basis of probable use.
- 1.8.6 Classification of plant and machinery into continuous and non-continuous is made on the basis of technical opinion and depreciation provided accordingly.
- 1.9 IMPAIRMENT**
- 1.9.1 The Company reviews the carrying amount of its fixed assets, whenever circumstances indicate that the carrying amount of the asset may not be recoverable. The company then estimates the future estimated discounted future cash flows expected to result from the CGU. If the estimated discounted future cash flow expected to result from use of the asset is less than its carrying amount, the asset is deemed to be impaired. The impairment loss is measured as the difference between the carrying amount and recoverable amount.
- 1.10 PRIOR PERIOD INCOME/ EXPENDITURE & PRE-PAID EXPENSES:**
- 1.10.1 Income/ Expenditure relating to prior period and pre-paid expenses not exceeding ₹ 1 lakh in each case is treated as income/ expenditure for the current year.
- 1.11 RECOGNITION OF REVENUE:**
- 1.11.1 Sales include excise duty and are net of rebates and price concessions. Sales in the domestic market are recognised at the time of despatch of materials to the buyers. Export sales are recognized on issue of bill of lading.
- 1.11.2 Claims and interest receivables are accounted for in the Profit and Loss Account based on certainty of their realisation.
- 1.11.3 Export incentives in the form of duty credit on exports made during the year, under Duty Entitlement Pass Book (DEPB) scheme, are accounted for on accrual basis after providing for expected shortfall in realization based on last sale.
- 1.12 REPAIRS AND REPLACEMENTS :**
- 1.12.1 Pot relining expenses are charged to Profit & Loss Account as and when incurred.
- 1.13 EMPLOYEE BENEFITS :**
- 1.13.1 Contribution to Provident Fund and Pension Scheme, defined contribution schemes, are charged to Profit & Loss Account on the basis of actual liability.
- 1.13.2 Liabilities towards Gratuity, leave encashment, post retirement medical facilities, retirement benefits, leave travel benefits (for non executives only), family rehabilitation scheme and long service reward are provided for on the basis of actuarial valuation.
- 1.14 RESEARCH & DEVELOPMENT EXPENDITURE:**
- 1.14.1 Research expenditure is charged to Profit & Loss Account in the year in which incurred. Development expenditure except of capital nature is charged to Profit & Loss Account in the year incurred after setting off of incidental income, if any.
- 1.15 BORROWING COST :**
- 1.15.1 Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as expenses in the period in which these are incurred.
- 1.16 DEFERRED TAXATION:**
- 1.16.1 Deferred Tax expense or benefit is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. 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.
- 1.17 BUSINESS DEVELOPMENT EXPENSES:**
- 1.17.1 Expenses on account of new potential projects incurred till investment approval are charged to revenue. Expenditure incurred thereafter in case of successful projects are accounted for under Capital Work-in-Progress and capitalized subsequently.

Schedule –Z

Notes Forming Part of Accounts:

1. Balance Sheet:

1.1 Share capital:

As per approval in the Extra Ordinary General Meeting of the company held on 5th March 2011, the following changes in the share capital has taken place during the year:

- i) Increase in authorized share capital of the Company from ₹ 1,300 crore to ₹ 3,000 crore.
- ii) Splitting up of shares of the Company from the face value of ₹ 10/- each into two equity shares of ₹ 5/- each.
- iii) Issue of Bonus share to the existing share holders of the Company in the proportion of 1(one) Bonus Share for every 1 (one) existing fully paid up equity share held.
- iv) Provision in Articles of Association for offer of shares to the employees of the Company under employee stock option plan (ESOP).

With the above change, the authorized share capital of the Company is 6,00,00,00,000 equity share of ₹ 5/- each and paid up equity share capital after the bonus issue is ₹ 1288,61,92,560/- comprising of 257,72,38,512 equity share of ₹ 5/- each.

The Employee Stock Option Plan is yet to be finalized.

Consequent upon splitting of shares and issue of bonus shares, EPS for the year is ₹ 4.15 and the previous Financial Year figure is restated to ₹ 3.16 (earlier ₹ 12.64).

1.2 Land & Building:

- a) Freehold land includes land acquired through Government of Odisha, for which relevant title deeds have been executed except for land measuring ₹ 17.25 acres. Process of conversion of freehold land for Industrial use has been taken-up with Revenue Authority.
- b) Leasehold land includes 1256.84 acres of land in respect of which lease deed are yet to be executed. However, the Company has been permitted by the Government to carry on its operations on the said land.
- c) 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 process.

1.3 NPV and related payments.

The company has received demand of ₹ 196.46 crore towards NPV, being the present value of expenditure to be incurred by forest authorities in future on forest land leased to the company, and related payments at the time of renewal of lease. A sum of ₹ 104.68 crore has been paid on this account and is being amortized over a period of 20 years from the date of payment or due date of renewal which ever is earlier on the basis of probable use. A sum of ₹ 46.23 crore has been paid under protest against the part lease surrendered in terms of Para 29 of Mines Concession Rules 1960 under direction of Central Empowered Committee (constituted by Supreme Court of India) under deposits (current assets). The balance unpaid sum of ₹ 46.23 crore has been shown as contingent liability.

- 1.4 In order to compensate substantially land affected persons (SAPs) at Angul Sector in lieu of employment, the Company has offered a cash assistance package ranging from ₹ 2.50 lakhs to ₹ 15.00 lakhs per person depending upon the quantum of land, based on recommendation of Rehabilitation Advisory Committee (RAC), constituted by Government of Odisha for the said purpose. Compensation paid/payable to such SAPs as on 31.03.2011 is ₹ 7.69 crore.

- 1.5 58 nos of EPCG licences have been obtained between the period from 18.10.2006 to 21.12.2010 for 2nd phase of expansion on payment of concessional import duty. The value of concession availed by paying duty at lower rate amounts to ₹ 220.48 crore, on the stipulation that the export obligation to the extent of (i) 50% of the duty saved has to be fulfilled over a block period of 1st to 6th year and (ii) 50% of the duty saved over a period of 7th and 8th year, commencing from the date of issue of authorization.

Besides, there is specific export obligation against EPCG license obtained by Rolled Product Unit at angul established earlier as a 100% Export Oriented Unit (EOU) which was debonded w.e.f. 15.05.2007, as one time option to exit from 100% EOU Scheme to EPCG Scheme. The value of concession availed by paying duty at lower rate amounts to ₹ 27.83 crore, on the stipulation that the export obligation to the extent of (i) 50% of the duty saved has to be fulfilled over a block period of 1st to 6th year and (ii) 50% of the duty saved over a period of 7th and 8th year, commencing from the date of EPCG license.

It is expected that the export obligation over the block period of 1st to 6th year will be fully met out of increased export sales based on additional capacity from expansion plant and expected better market realization during 2011-12.

- 1.6 The Company has availed Bank Guarantees, Letters of Credit facilities, secured against stock and book debts from State Bank of India, HDFC Bank and ICICI Bank.

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1.7 Contingent Liabilities not provided for:

(₹ in crore)

| | As at 31 st March 2011 | As at 31 st March 2010 |
|--|--------------------------------------|--------------------------------------|
| a) Estimated amount of contracts to be executed on capital account (net of advances and L/Cs opened) | 806.16 | 905.73 |
| b) Letter of Credit Guarantees and counter guarantees | 153.94 | 238.78 |
| c) Claims against the Company not acknowledged as debts: | | |
| i) Sales Tax | 456.67 | 442.74 |
| ii) Excise Duty | 294.56 | 253.55 |
| iii) Customs Duty | 0.68 | 3.66 |
| iv) Claims of contractors, suppliers & others | 153.42 | 122.90 |
| v) Land acquisition and interest thereon | 46.50 | 78.00 |
| vi) Unrealized bank guarantees due to court injunctions | 0.57 | 2.55 |
| vii) Income Tax & Wealth Tax | 276.50 | 231.35 |
| viii) Entry Tax and Road Tax | 78.20 | 69.72 |
| ix) Employee State Insurance | 0.32 | 0.32 |
| x) Provident Fund Commissioner | 0.05 | 0.05 |
| xi) Water charges | — | 2.23 |
| xii) Royalty on bauxite and interest thereon | 15.48 | 15.48 |
| xiii) NPV and related expenses under mining lease | 59.82 | 144.00 |
| TOTAL | 1,382.77 | 1,366.55 |

1.8 Details of Investments Purchased and Sold During the year.

| Name of the Scheme | Face Value | Units | Amount (₹) |
|-------------------------------------|------------|--------------|-----------------|
| UTI FIIF Plan-III | 10.0019 | 24995250.90 | 25,00,00,000 |
| UTI FIIF Plan-VII | 10.0024 | 49988002.88 | 50,00,00,000 |
| UTI FIIF Plan-II | 10 | 70000000 | 70,00,00,000 |
| UTI FIIF Plan-I | 10 | 50000000 | 50,00,00,000 |
| SBI SDFS 34 | 10 | 10000000 | 10,00,00,000 |
| SBI SDFS 35 | 10 | 30000000 | 30,00,00,000 |
| SBI SDFS 36 | 10 | 100000000 | 100,00,00,000 |
| LIC MIP Series I | 10 | 15000000 | 15,00,00,000 |
| SBI Premium Liquid Fund | 10.325 | 49979250.79 | 50,14,16,833.60 |
| SBI Magnum Insta Cash Liquid | 16.7503 | 131805343.40 | 220,77,79,044 |
| SBI Magnum Insta Cash Liquid Floate | 10.0991 | 112925236.60 | 114,04,43,257 |
| SBI Ultra Short term Fund | 10.006 | 70508323.10 | 70,55,06,280.80 |
| Can Robeco Liquid Super Insta Cash | 10.055 | 96512411.82 | 97,04,32,300.90 |
| UTI Liquid Cash Plan | 1019.4457 | 8279971.71 | 844,09,81,585 |
| UTI Floating Rate Fund | 1000.7707 | 3064354.935 | 306,67,16,634 |
| LIC MF Liquid Fund | 10.9801 | 1496011987 | 1642,63,61,223 |

1.9 Investment in Joint Venture:

The company has entered in to a joint venture with IDCO (A Govt. of Odisha Undertaking) under the name and style "Angul Aluminium Park Pvt.Ltd." registered on 30.07.2010 under the Companies Act, 1956 in the share holding pattern between NALCO and IDCO in the ratio of 49.5% and 50.5% respectively. As on date the company has paid ₹ 0.99 crore towards equity contribution and ₹ 0.16 crore to meet the preliminary expenses of the Joint Venture. The payment towards equity contribution has been shown under the head 'investments'. The shares are yet to be allotted.

- 1.10 Dues paid/payable to Micro, Small and Medium 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.

(₹ in crore)

| | As at 31 st March 2011 | As at 31 st March 2010 |
|--|--------------------------------------|--------------------------------------|
| i) Principal amount due | 0.63 | 2.35 |
| 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 |

2. PROFIT AND LOSS ACCOUNT:

- 2.1 Depreciation was charged in respect of main Plant and Machinery and related Factory Buildings and Storage godowns etc., at the rate of 5 per cent up to 31st March 1994, based on estimated useful life of assets being 20 years without retention of 5 per cent residual value. The useful life of these assets has been revised to 18 years to bring it at par with the life of "Continuous process plant" as envisaged in Schedule XIV to Companies Act, 1956. Such change in life of assets has been considered from 1.4.93 i.e. from the year of introduction of "Continuous process plant" in Schedule XIV to Companies Act, 1956. Depreciation rates on all such assets have been recomputed based on guidelines issued under Circular No.14/93 dated, 20.12.93 by Department of Company Affairs, by allocating the unamortized value over the remaining life after retention of 5 per cent residual value except for assets already written off fully.
- 2.2 The NPV and related payments to Govt. authorities is amortized over a period of 20 years from the date of payment or due date of renewal which ever is earlier on the basis of probable use. Excess amount amortized up to last year ₹ 8.34 crore has been written back.
- 2.3 Due to change in operating procedure after ERP implementation, freight and Entry Tax paid on alumina is loaded to cost of materials and charged to P&L Account through material consumptions expenses (internal consumption of alumina). In the last year accounts as per legacy practice freight and Entry Tax paid on alumina amounting to ₹ 60.60 crore was accounted as a separate item (freight inwards) under the head other manufacturing expenses. Due to change in procedure, in the current year the corresponding value is zero.
- 2.4 Liability on account of pay revision of non-executives w.e.f. 1.1.2007 has been calculated provisionally. Considering the development in the process of wage negotiation till date (which is yet to be concluded), the total liability for non-executives, so accounted, works out to ₹ 395 crore as on 31.03.2011 (during the year additional amount provided ₹ 128 crore).
- 2.5 Electricity power required for execution of project activity for expansion at all units of the company has been met from captive power plant.
- 2.6 Liabilities in respect of employees benefit as per AS-15 (Revised 2005) has been provided on the basis of Actuarial valuation.

3. IMPAIRMENT PROVISION:

- 3.1 In case of SGA (Special Grade Alumina) plant under chemical segment, impairment loss of ₹ 41.31 crore, comprising of book value of plant and machinery and corresponding plant building has been recognized, as its recoverable amount from discounted future cash flow, has been assessed to be less than its carrying amount due to economic non-viability and increased input prices.

4. CSR (CORPORATE SOCIAL RESPONSIBILITY) EXPENSES:

- 4.1 Apart from peripheral development expenses contributed @ 1% of net profit, another 1% of net profit of the Company for the year 2009-10 amounting to ₹ 8.14 crore has been provided as CSR liability for the year 2010-11. Expenditure from the additional contribution will be regulated through a separate trust named as "NALCO FOUNDATION".

5. SIGNIFICANT ADDITIONS/MODIFICATIONS:

- 5.1 The company has adopted ERP system of business process since last year. A few supporting modules such as (i) Sales and Distribution (ii) Quality Management (iii) Human Resource Management, not implemented last year has been implemented in the current year. There is no significant change in accounting practices due to implementation of these modules as because all changes were taken care of during implementation of Finance (FI) and Materials Management (MM) module implemented last year.

6. RELATED PARTY DISCLOSURES:

6.1 As per AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the names of the related parties during the year are given below:-

i) Whole time Directors:

- a) Shri A.K. Srivastava
- b) Shri B.L. Bagra
- c) Shri Joy Varghese
- d) Shri A.K. Sharma
- e) Shri P.K. Padhi
- f) Shri Ansuman Das

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

- a) Shri Vijay Kumar (Ceased to be director from 01.08.2010)
- b) Shri S.K. Nayak, IAS
- c) Shri S.K. Srivastava, IAS (joined on 30.08.2010).

iii) Part time non-official Directors:

- a) Dr. A Sahay (Ceased to be director from 27.9.2010)
- b) Shri S.S. Sohoni, IAS (Retired) (Ceased to be director from 27.9.2010)
- c) Shri K.S. Raju (Ceased to be director from 27.9.2010)
- d) Shri S.B. Mishra, IAS (Retired)
- e) Shri N.R. Mohanty
- f) Dr. Jyoti Mukhopadhyay
- g) Shri R.K. Sharma
- h) Maj. Gen. (Retired) Samay Ram
- i) Shri P C Sharma (joined on 21.3.2011)
- j) Shri Ved Kumar Jain (joined on 21.3.2011)

Note: Only sitting fee is payable to part time non-official Directors.

6.2 Related party transactions:

Remuneration and loans to whole time directors are disclosed in Note No.1 of Additional information forming part of accounts.

7. SEGMENT REPORTING:

- 7.1 The Company has considered Chemicals, Aluminium and Electricity as the three 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.
- 7.2 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.
- 7.3 Inter-unit transfer of Calcined Alumina is considered at lower of average price from export sales during the period less freight and cost plus 15.50% return on investment on gross fixed assets. For electricity, lower of the average sale price to GRIDCO and cost plus 15.5% return on investment on gross fixed assets (as per CERC guidelines), has been considered for transfer pricing.
- 7.4 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.
- 7.5 Segment report of electricity does not include electricity co-generated at Refinery Division, as it is an integral part of steam generation plant.
8. Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable.

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ADDITIONAL INFORMATION

forming part of accounts for the year ended March 31, 2011

| | | (₹ in crore) | |
|--|--|-----------------|-----------------|
| | | Current Year | Previous year |
| 1. a) Whole-time Directors' Remuneration: | | | |
| Salaries | | 1.39 | 1.28 |
| Provision for pay revision liability | | 0.28 | 0.45 |
| Company's contribution to Provident Funds & Gratuity scheme | | 0.16 | 0.22 |
| Leave travel concession | | 0.02 | 0.00 |
| Medical benefits | | 0.02 | 0.03 |
| Other benefits | | 0.06 | 0.10 |
| TOTAL | | <u>1.93</u> | <u>2.08</u> |
| (In addition, each whole time director is allowed use of Company's car for private purposes up to 750 kms per month as per their terms of appointment) | | | |
| b) Loans and advances due from Directors: | | | |
| Outstanding as at end of the year | | 0.01 | 0.02 |
| Maximum amount due any time during the year | | 0.01 | 0.03 |
| 2. Expenditure incurred in Foreign Currency on cash basis: | | | |
| Technical assistance and consultancy | | 6.11 | 38.87 |
| Travelling expenses | | 0.24 | 0.14 |
| Other expenses | | 0.59 | 0.39 |
| TOTAL | | <u>6.94</u> | <u>39.40</u> |
| 3. Earnings in Foreign Currency on cash basis: | | | |
| Export of goods | | 2,108.66 | 2,074.12 |
| Other Income | | 0.53 | 0.92 |
| TOTAL | | <u>2,109.19</u> | <u>2,075.04</u> |
| 4. Value of Imports calculated on CIF basis: | | | |
| Raw materials | | 312.69 | 253.99 |
| Components, spare parts and construction materials | | 24.63 | 80.08 |
| Capital goods | | 79.06 | 69.76 |
| TOTAL | | <u>416.38</u> | <u>403.83</u> |
| 5. Value of Raw materials, stores , spares & components consumed during the year: | | | |

a) Raw materials:

Imported

Indigenous

TOTAL

b) Stores, spares and components:

Imported

Indigenous

TOTAL

| Current Year | | Previous Year | |
|---------------|---------------|---------------|---------------|
| Value | % | Value | % |
| 156.11 | 20.38 | 85.61 | 10.94 |
| 610.01 | 79.62 | 696.69 | 89.06 |
| <u>766.12</u> | <u>100.00</u> | <u>782.30</u> | <u>100.00</u> |
| 139.09 | 37.69 | 120.29 | 37.02 |
| 229.95 | 62.31 | 204.67 | 62.98 |
| <u>369.04</u> | <u>100.00</u> | <u>324.96</u> | <u>100.00</u> |

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ADDITIONAL INFORMATION

forming part of accounts for the year ended March 31, 2011 (contd.)

6. Licenced Capacity, Installed Capacity and Actual Production/Generation:

| Products | Installed Capacity | | Actual Production/Generation | |
|-----------------------------------|-------------------------|--------------------------|------------------------------|--------------------------|
| | Current year (In MT) | Previous year (In MT) | Current year (In MT) | Previous year (In MT) |
| Bauxite | 4,800,000 | 4,800,000 | 4,823,908 | 4,878,888 |
| Detergent Grade Zeolite | 10,000 | 10,000 | 3,328 | 3,187 |
| Alumina Hydrate | 1,575,000 | 1,575,000 | 1,556,000 | 1,591,500 |
| Calcined Alumina | 1,575,000 | 1,575,000 | 1,516,100 | 1,563,100 |
| Special Grade Alumina and hydrate | 20,600 | 20,600 | 14,491 | 15,859 |
| Aluminium Metal | 460,000 | 460,000 | 443,597 | 431,488 |
| Rolled Products | 45,000 | 45,000 | 21,352 | 15,277 |
| Electricity | 1,200MW | 1,080 MW | 6,608 (MU) | 6,293 (MU) |

Note:

1. Installed capacities are as per project report and licenced capacity is not given as licencing is not applicable.
2. Installed capacity of Electricity has increased by 120 MW on commissioning of 10th unit of Captive power Plant.
3. Current Year's Production of Power includes 6 MU (previous year 205 MU) from trial operations.

7. Stocks and Sales:

| Products | Opening Stock | | Sales | | Closing Stock | |
|-------------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
| | Quantity In MT | Value ₹ in crore | Quantity In MT | Value ₹ in crore | Quantity In MT | Value ₹ in crore |
| Bauxite | 541,483 | 16.91 | — | — | 645,912 | 25.25 |
| | 466,916 | 13.31 | — | — | 541,483 | 16.91 |
| Alumina* | 80,304 | 76.34 | 681,917 | 1,123.97 | 95,127 | 87.69 |
| | 53,613 | 46.40 | 746,974 | 963.41 | 80,304 | 76.34 |
| Aluminium Metal | 4,550 | 43.34 | 418,827 | 4,949.68 | 8,849 | 82.54 |
| | 9,089 | 66.91 | 419,055 | 4,166.49 | 4,550 | 43.34 |
| Rolled products | 714 | 5.46 | 20,126 | 279.63 | 1,820 | 19.24 |
| | 512 | 5.29 | 15,047 | 177.12 | 714 | 5.46 |
| Electricity (in MU net) | — | — | 56 | 16.60 | — | — |
| | — | — | 15 | 4.38 | — | — |

Note:

1. Figures in italics pertain to those of previous year.
2. Stock of Bauxite, Alumina and Strips are valued and disclosed as finished products.
*Includes Zeolite, Alumina Hydrate, Calcined Alumina, Special Grade Hydrate & Special Grade Alumina.

8. Social Amenities:

(₹ in crore)

| Expenses | Township | Education | Medical | Social/Cultural | Canteen | Total |
|-----------------------|--------------|--------------|--------------|-----------------|-------------|---------------|
| Payments to employees | 8.72 | — | 25.54 | — | 3.30 | 37.56 |
| Welfare expenses | — | 24.11 | 23.50 | 1.93 | 4.59 | 54.13 |
| Materials consumed | 0.04 | 0.10 | 3.56 | 0.10 | — | 3.80 |
| Repairs & maintenance | 8.64 | — | — | — | — | 8.64 |
| Power, fuel & water | 7.69 | — | — | — | — | 7.69 |
| Depreciation | 5.59 | 0.18 | 0.16 | 0.22 | 0.02 | 6.17 |
| Total | 30.68 | 24.39 | 52.76 | 2.25 | 7.91 | 117.99 |
| Less: Recoveries | 6.32 | — | 0.13 | — | — | 6.45 |
| Net Expenditure | 24.36 | 24.39 | 52.63 | 2.25 | 7.91 | 111.54 |
| For previous year | 28.85 | 18.02 | 45.79 | 2.03 | 7.51 | 102.20 |

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forming part of accounts for the year ended March 31, 2011 (contd.)

9. Employee Benefit Obligations:

(₹ in crore)

| | Gratuity | Leave Encashment | Post Retirement Medical Benefit | Retirement Benefit | Leave Travel Benefit | NEFFAR Scheme | Long Service Reward |
|--|-----------------------|------------------|---------------------------------|--------------------|----------------------|---------------|---------------------|
| A. Amount Recognised in Balance Sheet: | | | | | | | |
| Present value of obligation | 250.26 | 163.06 | 7.88 | 11.20 | 3.34 | 18.15 | 19.56 |
| | <i>226.41</i> | <i>114.56</i> | <i>6.02</i> | <i>10.74</i> | <i>4.91</i> | <i>15.85</i> | <i>16.89</i> |
| Fair value of Plan Asset | 237.21 | — | — | — | — | — | — |
| | <i>133.55</i> | — | — | — | — | — | — |
| Funded Status[Excess/(Short)] | (13.05) | — | — | — | — | — | — |
| | <i>(92.86)</i> | — | — | — | — | — | — |
| Net Liability recognised | 13.05 | — | — | — | — | — | — |
| | <i>92.86</i> | — | — | — | — | — | — |
| B. Amount Recognised in Profit & Loss Account: | | | | | | | |
| Current Service cost | 17.27 | 40.02 | — | — | — | — | 0.96 |
| | <i>13.95</i> | <i>17.97</i> | — | <i>1.80</i> | — | — | <i>0.84</i> |
| Interest cost | 17.88 | 8.20 | 0.45 | 0.85 | 0.29 | — | 1.17 |
| | <i>9.84</i> | <i>6.85</i> | <i>0.24</i> | <i>0.81</i> | <i>0.27</i> | — | <i>1.06</i> |
| Expected Return on Plan Asset | 10.68 | — | — | — | — | — | — |
| | <i>5.87</i> | — | — | — | — | — | — |
| Net Actuarial (gain)/loss | (11.55) | 24.43 | 2.18 | (0.19) | 0.68 | 2.30 | 5.08 |
| | <i>74.48</i> | <i>13.95</i> | <i>2.91</i> | <i>(1.92)</i> | <i>3.38</i> | <i>9.13</i> | <i>2.91</i> |
| Expenses recognised | 12.92 | 72.65 | 2.63 | 0.66 | 0.97 | 2.30 | 7.21 |
| | <i>92.40</i> | <i>38.77</i> | <i>3.15</i> | <i>0.69</i> | <i>3.65</i> | <i>9.13</i> | <i>4.81</i> |
| C. Movement of Net Liability Recognised in Balance Sheet: | | | | | | | |
| Opening Net Liability | 92.87 | 114.56 | 6.02 | 10.74 | 4.91 | 15.85 | 16.89 |
| | <i>51.47</i> | <i>95.71</i> | <i>3.07</i> | <i>10.19</i> | <i>5.55</i> | <i>6.72</i> | <i>14.59</i> |
| Expenses recognised | 12.92 | 72.65 | 2.63 | 0.66 | 0.97 | 2.30 | 7.21 |
| | <i>92.40</i> | <i>38.77</i> | <i>3.15</i> | <i>0.69</i> | <i>3.65</i> | <i>9.13</i> | <i>4.82</i> |
| Benefits paid | 92.74 | 24.15 | 0.77 | 0.20 | 2.54 | — | 4.54 |
| | <i>51.00</i> | <i>19.92</i> | <i>0.20</i> | <i>0.14</i> | <i>4.29</i> | — | <i>2.52</i> |
| Contributions | — | — | — | — | — | — | — |
| | — | — | — | — | — | — | — |
| Closing Net Liability | 13.05 | 163.06 | 7.88 | 11.20 | 3.34 | 18.15 | 19.56 |
| | <i>92.87</i> | <i>114.56</i> | <i>6.02</i> | <i>10.74</i> | <i>4.91</i> | <i>15.85</i> | <i>16.89</i> |
| D. Actuarial Assumptions: | | | | | | | |
| Discount Rate | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| | <i>8.00</i> | <i>8.00</i> | <i>8.00</i> | <i>8.00</i> | <i>8.00</i> | <i>8.00</i> | <i>8.00</i> |
| Return on Plan Asset | 8.00 | — | — | — | — | — | — |
| | <i>8.00</i> | — | — | — | — | — | — |
| Salary Escalation | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| | <i>5.00</i> | <i>5.00</i> | <i>5.00</i> | <i>5.00</i> | <i>5.00</i> | <i>5.00</i> | <i>5.00</i> |
| Mortality Table | LICI 1994-1996 | | | | | | |
| | <i>LICI 1994-1996</i> | | | | | | |
| Superannuation Age | 60 Years | | | | | | |
| | <i>60 Years</i> | | | | | | |

Note : 1. Figures in italics pertain to previous year.

2. Gratuity is a Post Employment Funded Defined Employee Benefit Plan

3. Other Benefits are Un-Funded Defined Employee Benefit Plan

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Additional information

forming part of accounts for the year ended March 31, 2011 (contd.)

10 Balance Sheet Abstract and Company's General Profile :

i) Registration Details:

| | |
|--------------------|-----------------|
| Registration No | 1500920 |
| State Code | 15 |
| Balance Sheet Date | 31st March 2011 |

(₹ in crore)

ii) Capital raised during the year: (Bonus issue)

| Current Year | Previous Year |
|--------------|---------------|
| 644.31 | Nil |

iii) Position of mobilisation and deployment of Funds:

| | | |
|--------------------------|-----------|-----------|
| Total Liabilities | 11,872.95 | 11,064.78 |
| Total Assets | 11,872.95 | 11,064.78 |
| Sources of Funds: | | |
| Paid-up Capital | 1,288.62 | 644.31 |
| Reserves & Surplus | 9,875.99 | 9,751.27 |
| Secured Loans | 14.88 | 8.61 |
| Unsecured Loans | Nil | Nil |
| Deferred tax liabilities | 693.46 | 660.59 |
| Application of Funds: | | |
| Net Fixed Assets | 7,237.06 | 7,079.71 |
| Investments | 1,331.67 | 986.75 |
| Net Current Assets | 3,304.22 | 2,998.32 |
| Misc. Expenditure | Nil | Nil |
| Accumulated losses | Nil | Nil |

iv) Performance of the Company:

| | | |
|-------------------------------|----------|----------|
| Gross Turnover | 6,369.88 | 5,311.40 |
| Total Expenditure | 4,845.18 | 4,156.54 |
| Profit/Loss before Tax | 1,524.70 | 1,154.86 |
| Profit/Loss after Tax | 1,069.30 | 814.22 |
| Earning per Share (In Rupees) | 4.15 | 3.16 |
| Dividend rate (%) | 20.00 | 25.00 |

v) Generic Name of Principal products/services:

| | |
|---------------|--|
| Item Code no. | 335000000 and 76.06 |
| Product | Aluminium Ingots and cold rolled aluminium strips/coils/sheets |

30th Annual Report 2010-11

Schedule - Z

Additional information

forming part of accounts for the year ended March 31, 2011 (contd.)

11 Segmentwise Information

(₹ in crore)

| | Chemicals | | Aluminium | | Electricity | | Unallocated Common | | Total | |
|---|--------------|---------------|--------------|---------------|--------------|---------------|--------------------|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| BUSINESS SEGMENTS | | | | | | | | | | |
| A. Revenue | | | | | | | | | | |
| External sales | 1,114.18 | 956.01 | 4,828.20 | 4,095.27 | 16.60 | 3.45 | — | — | 5,958.98 | 5,054.73 |
| Inter-segment transfers | 954.32 | 988.68 | — | — | 1,749.00 | 1,451.48 | — | — | 2,703.32 | 2,440.16 |
| Total Revenue | 2,068.50 | 1,944.69 | 4,828.20 | 4,095.27 | 1,765.60 | 1,454.93 | — | — | 8,662.30 | 7,494.89 |
| Less: Elimination | | | | | | | | | (2,703.32) | (2,440.16) |
| Net Revenue | | | | | | | | | 5,958.98 | 5,054.73 |
| B. Result | | | | | | | | | | |
| Segment result | 449.62 | 513.88 | 592.70 | 52.97 | 322.43 | 371.08 | (169.03) | (134.73) | 1,195.72 | 803.20 |
| Interest expense | | | | | | | | | 0.05 | 2.28 |
| Interest income | | | | | | | | | 329.03 | 353.94 |
| Income taxes | | | | | | | | | 455.40 | 340.64 |
| Net Profit | | | | | | | | | 1,069.30 | 814.22 |
| C. Other Information | | | | | | | | | | |
| Segment assets | 1,959.17 | 1,791.52 | 3,491.26 | 3,379.74 | 2,440.64 | 1,818.22 | 6,661.21 | 6,278.02 | 14,552.28 | 13,267.50 |
| Segment liabilities | 467.31 | 359.75 | 608.89 | 484.68 | 1,119.23 | 936.54 | 483.90 | 421.75 | 2,679.33 | 2,202.72 |
| Capital expenditure | 197.98 | 161.26 | 307.55 | 450.98 | 627.97 | 567.03 | (665.99) | (629.30) | 467.51 | 549.97 |
| Depreciation | 144.17 | 95.94 | 174.49 | 160.23 | 107.44 | 61.38 | 3.96 | 1.84 | 430.06 | 319.39 |
| Non-cash expenses (other than depreciation) | 25.39 | 26.02 | 33.28 | 36.75 | 14.33 | 23.06 | 4.50 | 4.87 | 77.50 | 90.70 |

GEOGRAPHIC SEGMENTS

| | India | | Outside India | | Total | |
|-----------------------------|--------------|---------------|---------------|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| A. Revenue | | | | | | |
| External sales | 3,893.88 | 2,845.49 | 2,065.10 | 2,209.24 | 5,958.98 | 5,054.73 |
| B. Other Information | | | | | | |
| Segment assets | 14,477.79 | 13,133.16 | 74.49 | 134.34 | 14,552.28 | 13,267.50 |
| Capital expenditure | 467.51 | 549.97 | — | — | 467.51 | 549.97 |

In terms of our report of even date attached.

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

(CA. S.S. Poddar)
Partner (M.No.: 51113)

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

(CA. C.K.Prusty)
Partner (M.No. : 57318)

For and on behalf of Board of Directors

(CS. K.N. Ravindra)
Company
Secretary

(A.K.Sharma)
Director
(Production)

(CA.B.L.Bagra)
Director (Finance) and
Chairman-Cum-Managing Director I/c

Place : New Delhi
Dated : 30th May,2011

National Aluminium Company Limited

Schedule - Z

Additional information

forming part of accounts for the year ended March 31, 2011 (contd.)

12. Cash Flow Statement :

(₹ in crore)

| | Year ended March 31st, 2011 | Year ended March 31st, 2010 |
|---|--------------------------------|--------------------------------|
| A. Cash flow from Operating Activities : | | |
| Net Profit before tax and Extraordinary Income | 1,524.70 | 1,154.86 |
| Adjustments for : | | |
| Depreciation | 421.72 | 319.40 |
| Interest and Financing charges & Dividends | 0.05 | 2.28 |
| Provisions (Net) | 0.34 | 71.54 |
| Claims/Recoverables written off | 0.01 | 0.13 |
| Stores and spares written off | 8.57 | 19.54 |
| Dividend Income | (64.74) | (84.46) |
| Loss/(Profit) on sale of assets (net) | (0.04) | (0.20) |
| | <u>365.91</u> | <u>328.23</u> |
| Operating Profit before working capital changes | <u>1,890.61</u> | <u>1,483.09</u> |
| Adjustments for : | | |
| Inventories | (122.26) | (94.83) |
| Trade & other receivables | 13.50 | (241.88) |
| Trade payables | 396.79 | 317.20 |
| | <u>288.03</u> | <u>(19.51)</u> |
| Cash generated from Operations | <u>2,178.64</u> | <u>1,463.58</u> |
| Direct taxes paid | <u>(548.11)</u> | <u>(291.93)</u> |
| Cash flow before Extraordinary Items | <u>1,630.53</u> | <u>1,171.65</u> |
| Extraordinary Items | <u>—</u> | <u>—</u> |
| Net cash from operating activities | <u>1,630.53</u> | <u>1,171.65</u> |
| B. Cash Flow from Investing Activities: | | |
| Purchase of Fixed Assets & Investments | (833.22) | (677.60) |
| Dividend income from Mutual fund | 64.74 | 84.46 |
| Net cash used in investing activities | <u>(768.48)</u> | <u>(593.14)</u> |
| C. Cash Flow from Financing Activities: | | |
| Interest and Financing charges | (0.05) | (2.28) |
| Exchange Variation Gain | — | — |
| Proceeds from Short term Borrowings | 6.27 | 8.61 |
| Dividends including dividend tax paid | (225.39) | (301.53) |
| | <u>(219.17)</u> | <u>(295.20)</u> |
| D. Net changes in Cash & Cash equivalents (A+B+C) | <u>642.88</u> | <u>283.31</u> |
| E. Cash & Cash equivalents - Opening balance | <u>3,152.35</u> | <u>2,869.04</u> |
| F. Cash & Cash equivalents - Closing balance (D + E) | <u>3,795.23</u> | <u>3,152.35</u> |

Note:

- Cash and Bank Balances under Current Assets, Loans and advances at schedule H 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.
- Balances with bank includes ₹ 368.58 crore (previous year ₹ 295.50 crore) not available for use by the Company.
- During the year the company availed working capital loan facility (fund based) of ₹ 650 crore (Previous year ₹ 650 crore),sanctioned by bankers.
- Working Capital Loan facility is mortgaged by hypothecation of raw materials, stock-in-process, finished goods, consumables, stores and spares, book debts, receivables and other current assets of the company.The loan balance as on 31.03.2011 is ₹ 14.88 crore (previous year ₹ 8.61 crore)
- Figures in brackets are cash outflow/income, as the case may be.

In terms of our report of even date attached.

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

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

(CA. S.S. Poddar)
Partner (M.No.: 51113)

(CA.C.K.Prusty)
Partner(M.No. : 57318)

For and on behalf of Board of Directors

(CS. K.N. Ravindra)
Company
Secretary

(A.K.Sharma)
Director
(Production)

(CA.B.L.Bagra)
Director (Finance) and
Chairman-Cum-Managing Director I/c

Place : New Delhi
Dated : 30th May,2011

30th Annual Report 2010-11

5 YEARS PERFORMANCE AT A GLANCE - PHYSICAL

| Sl. No. | Particulars | Units | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|----------|------------------------|-------|------------------|-----------|-----------|-----------|-----------|
| 1 | Production: | | | | | | |
| | Bauxite | MT | 4,823,908 | 4,878,888 | 4,700,027 | 4,684,684 | 4,623,278 |
| | Alumina Hydrate | MT | 1,556,000 | 1,591,500 | 1,576,500 | 1,575,500 | 1,475,200 |
| | Aluminium | MT | 443,597 | 431,488 | 361,262 | 360,457 | 358,734 |
| | Power (net) | MU | 6,608 | 6,293 | 5,541 | 5,609 | 5,968 |
| 2 | Export Sales: | | | | | | |
| | Alumina | MT | 639,855 | 702,554 | 851,886 | 859,943 | 773,573 |
| | Aluminium | MT | 98,200 | 146,947 | 82,317 | 101,723 | 92,678 |
| 3 | Domestic Sales: | | | | | | |
| | Alumina / Hydrate | MT | 27,511 | 26,045 | 20,929 | 11,307 | 10,920 |
| | Aluminium | MT | 340,752 | 289,032 | 271,274 | 251,612 | 263,494 |
| | Power | MU | 56 | 15 | 81 | 129 | 421 |

5 YEARS PERFORMANCE AT A GLANCE - FINANCIAL

(₹ in crore)

| Sl. No. | Particulars | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
|----------|---|---------------|---------|---------|---------|---------|
| A | Income Statement : | | | | | |
| 1 | Exports | 2,065 | 2,209 | 2,085 | 2,134 | 2,586 |
| 2 | Domestic Sales | 4,305 | 3,101 | 3,446 | 3,340 | 3,929 |
| 3 | Gross Sales (1+2) | 6,370 | 5,311 | 5,531 | 5,474 | 6,515 |
| 4 | Less : Excise Duty | 411 | 256 | 423 | 485 | 575 |
| 5 | Net Sales (3 - 4) | 5,959 | 5,055 | 5,108 | 4,989 | 5,940 |
| 6 | Other Income : | | | | | |
| 7 | Operating | 97 | 119 | 123 | 146 | 103 |
| 8 | Non-operating | 362 | 374 | 400 | 441 | 311 |
| 9 | Operating expenses | 4,471 | 4,071 | 3,427 | 2,822 | 2,412 |
| 10 | Operating Profit (5+7-9) | 1,585 | 1,102 | 1,804 | 2,313 | 3,631 |
| 11 | Earning before interest, dep. & taxes (EBIDT)(10+8) | 1,947 | 1,476 | 2,204 | 2,754 | 3,942 |
| 12 | Interest & Financing charges | 0.05 | 2 | 4 | 2 | - |
| 13 | Earning before dep. & taxes (EBDT) (11-12) | 1,947 | 1,474 | 2,200 | 2,752 | 3,942 |
| 14 | Depreciation and Amortisation | 422 | 319 | 273 | 285 | 322 |
| 15 | Profit before Tax (PBT) (13-14) | 1,525 | 1,155 | 1,927 | 2,467 | 3,620 |
| 16 | Provision for Tax | 456 | 341 | 655 | 835 | 1,239 |
| 17 | Net Profit (PAT) (15 - 16) | 1,069 | 814 | 1,272 | 1,632 | 2,381 |
| B | Balance Sheet : | | | | | |
| 18 | Equity Capital | 1,289 | 644 | 644 | 644 | 644 |
| 19 | Reserves & Surplus | 9,876 | 9,751 | 9,126 | 8,230 | 7,051 |
| 20 | Networth (18+19) | 11,165 | 10,395 | 9,770 | 8,874 | 7,695 |
| 21 | Loans Outstanding | 15 | 9 | — | — | — |
| 22 | Net Fixed Assets | 5,494 | 4,836 | 4,032 | 3,531 | 3,711 |
| 23 | Net Current Assets | 3,304 | 2,998 | 2,596 | 3,500 | 3,755 |
| 24 | Capital Employed (22+23) | 8,798 | 7,834 | 6,628 | 7,031 | 7,466 |
| B | Ratios : | | | | | |
| 25 | Operating Profit Margin (OPM) (%) (10 / 5*100) | 26.60 | 21.80 | 35.32 | 46.36 | 61.12 |
| 26 | Net Profit Margin (%) (17 / 5 *100) | 17.96 | 16.11 | 24.90 | 32.71 | 40.09 |
| 27 | Return on Capital Employed (ROCE) (%) (17/24*100) | 12.16 | 10.39 | 19.19 | 23.21 | 31.89 |
| 28 | Return on Networth (RONW)(%) (17/20*100) | 9.58 | 7.83 | 13.02 | 18.39 | 30.95 |
| 29 | Debt Equity (21 / 20) | — | — | — | — | — |
| D | Others : | | | | | |
| 30 | Book value per share of ₹ 5 each(in ₹) | 43.32 | 40.34* | 37.91* | 34.43* | 29.86* |
| 31 | Earnings per share (in ₹) | 4.15 | 3.16* | 4.94* | 6.33* | 9.24* |
| 32 | Dividend (₹ per share) | 2.50 | 2.50 | 5.00 | 6.00 | 7.50 |

*Figures recalculated considering split and bonus.

Reconciliation of Published Quarterly(Unaudited) Financial Results and Annual (Audited) Financial Results for the year 2010-2011

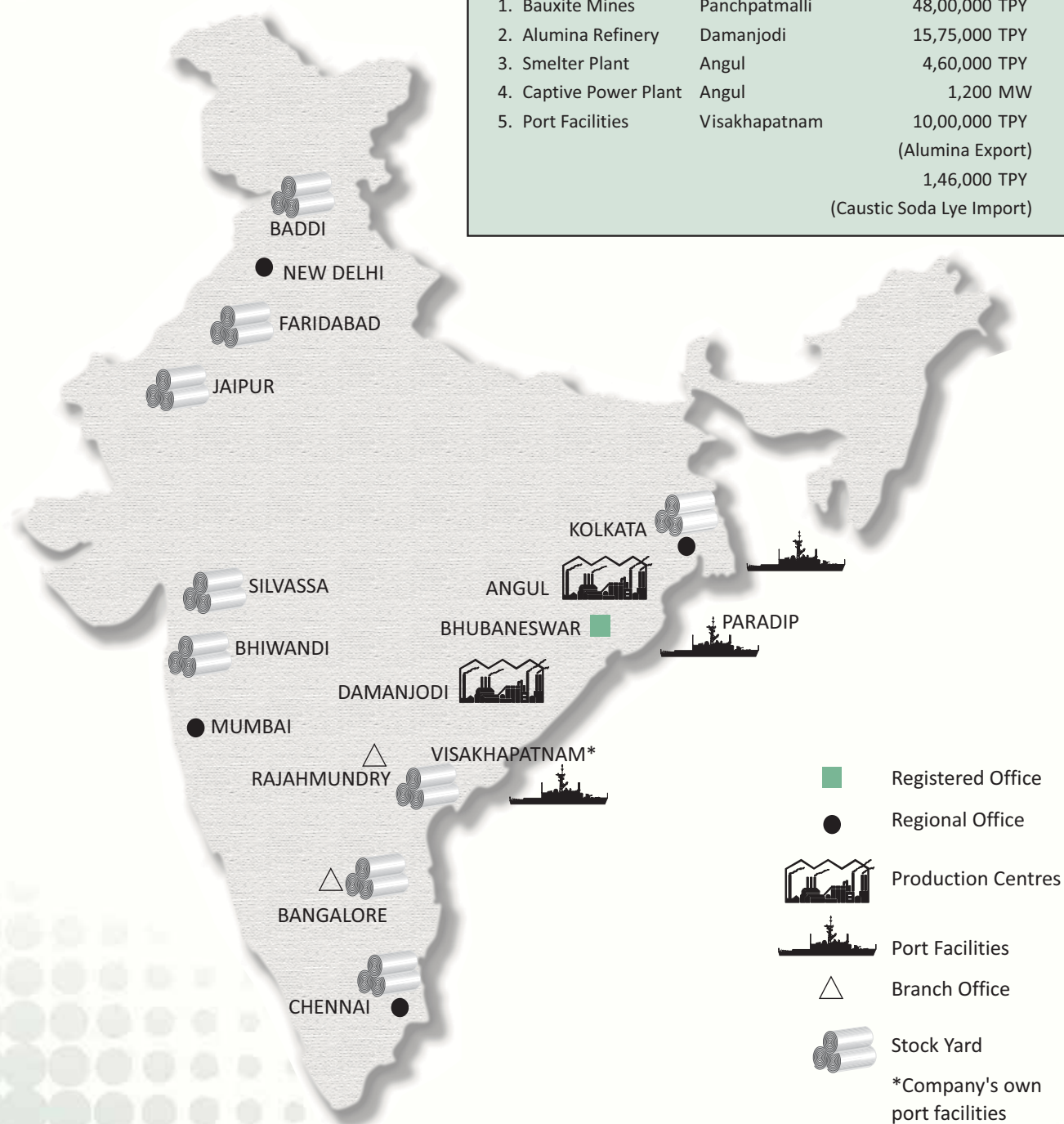
(₹ in crore except sl.no. 10 and 11)

| 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 | 1388.16 | 1548.75 | 1523.31 | 1909.66 | 6369.88 | 6369.88 | — |
| | Less:Excise Duty | 96.46 | 94.00 | 98.29 | 122.15 | 410.90 | 410.90 | — |
| | Net Sales | 1291.70 | 1454.75 | 1425.02 | 1787.51 | 5958.98 | 5958.98 | — |
| 2 | Other Income | 106.11 | 109.76 | 107.49 | 135.16 | 458.52 | 458.52 | — |
| 3 | Total Expenditure | 914.29 | 1131.43 | 1053.57 | 1371.74 | 4471.03 | 4471.03 | — |
| 4 | Interest & Financing Charges | -0.04 | 0.01 | 0.08 | — | 0.05 | 0.05 | — |
| 5 | Depreciation & Provision | 91.63 | 95.17 | 103.00 | 131.92 | 421.72 | 421.72 | — |
| 6 | Profit Before Taxation(PBT) | 391.93 | 337.90 | 375.86 | 419.01 | 1524.70 | 1524.70 | — |
| 7 | Provision for Taxation | 107.88 | 113.86 | 119.91 | 113.75 | 455.40 | 455.40 | — |
| 8 | Net Profit(PAT) | 284.05 | 224.04 | 255.95 | 305.26 | 1069.30 | 1069.30 | — |
| 9 | Paid up Equity Share Capital | 1288.62 | 1288.62 | 1288.62 | 1288.62 | 1288.62 | 1288.62 | — |
| 10 | Earning per Share (₹) (Not annualised) | 1.10 | 0.87 | 0.99 | 1.18 | 4.15 | 4.15 | — |
| 11 | Aggregate of non-promotor Shareholding: | | | | | | | |
| | Number of Shares | 331,239,972 | 331,239,972 | 331,239,972 | 331,239,972 | 331,239,972 | 331,239,972 | |
| | Percentage of Shareholding | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | 12.85 | |

Note: During 4th quarter,paid up equity share capital has been changed. For comparison purpose the figures have been changed in each reporting quarter.

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

| | | |
|------------------------|---------------|---------------------------|
| 1. Bauxite Mines | Panchpatmali | 48,00,000 TPY |
| 2. Alumina Refinery | Damanjodi | 15,75,000 TPY |
| 3. Smelter Plant | Angul | 4,60,000 TPY |
| 4. Captive Power Plant | Angul | 1,200 MW |
| 5. Port Facilities | Visakhapatnam | 10,00,000 TPY |
| | | (Alumina Export) |
| | | 1,46,000 TPY |
| | | (Caustic Soda Lye Import) |



OFFICES AND CUSTOMER CONTACT CENTRES

REGD. & CORPORATE OFFICE

NALCO Bhawan
Plot No. - P/1, Nayapalli
Bhubaneswar - 751 061 (Odisha)
Phone: 0674-2301988 to 2301999

UNITS

1. Mines & Refinery

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

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 (Odisha)
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 - 751 142
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: 033-22870115/22877363
Fax : 033-22810393/22878936
E-mail : ssaha@nalcoindia.co.in

2. Western Region

215, T.V. Industrial Estate
S.K. Ahire Marg, Worli,
Mumbai - 400 030
Phone: 022-24939288/89/24961711
Fax : 022-24950500
E-mail : bbsinghbabu@nalcoindia.co.in

3. Northern Region

Core - 4, 5th Floor, South Tower,
District Centre, Scope Minar,
Laxmi Nagar, Delhi - 110 092
Phone: 011-22010793-94, 22010801
Fax : 011-22010800/22010790/792
E-mail : asahaluwalia@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 : akmurthy@nalcoindia.co.in

BRANCH OFFICE

1. Bengaluru

3rd Floor, Reshma Complex,
50, M.G. Road, Bengaluru - 560 001
Phone: 080-25550390/25587298/
25587086
Fax : 080-25586151
E-mail : mktblr@sify.com

2. Rajahmundry

D. No. 80-17-18/1, 1st Floor,
J.N. Road, Rajahmundry - 533103
Telefax : 0883-2460024

STOCK YARDS

1. Bhiwandi

National Aluminium Company Limited
C/o. NSIC Limited,
Godown No. 42/57, Indian Corp. Compound
Mankoli Naka, Mumbai Nasik Road,
Bhiwandi
Phone: 02522-277283/9820844526

2. Kolkata

National Aluminium Company Limited
C/o. Balmer Lawrie & Company Limited
WH, 1-Sonapur Road,
Kolkata - 700 088
Phone: 033-24495298
(Ext. 340 & 324)

3. Bengaluru

National Aluminium Company Limited
C/o. Container Corporation of India Limited
Inland Container Depot.
Warehouse No. 3, Whitefield Road,
Benguluru - 560 066
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
Phone : 0141-2770226/2770817

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 : 0260-2632883/2641436

6. Faridabad

National Aluminium Company Limited
C/o. NSIC Limited
India Garage Equipment,
Plot No. 51, Sec-6
Faridabad, Haryana - 121 003
Phone: 0129-4102430/4044098

7. Visakhapatnam

National Aluminium Company Limited
NALCO Port Facilities
Port Area, Visakhapatnam - 530 035
Godown : Shalimar Enterprises Corporation
Andhra Pradesh
Phone: 0891-2721032

8. Baddi

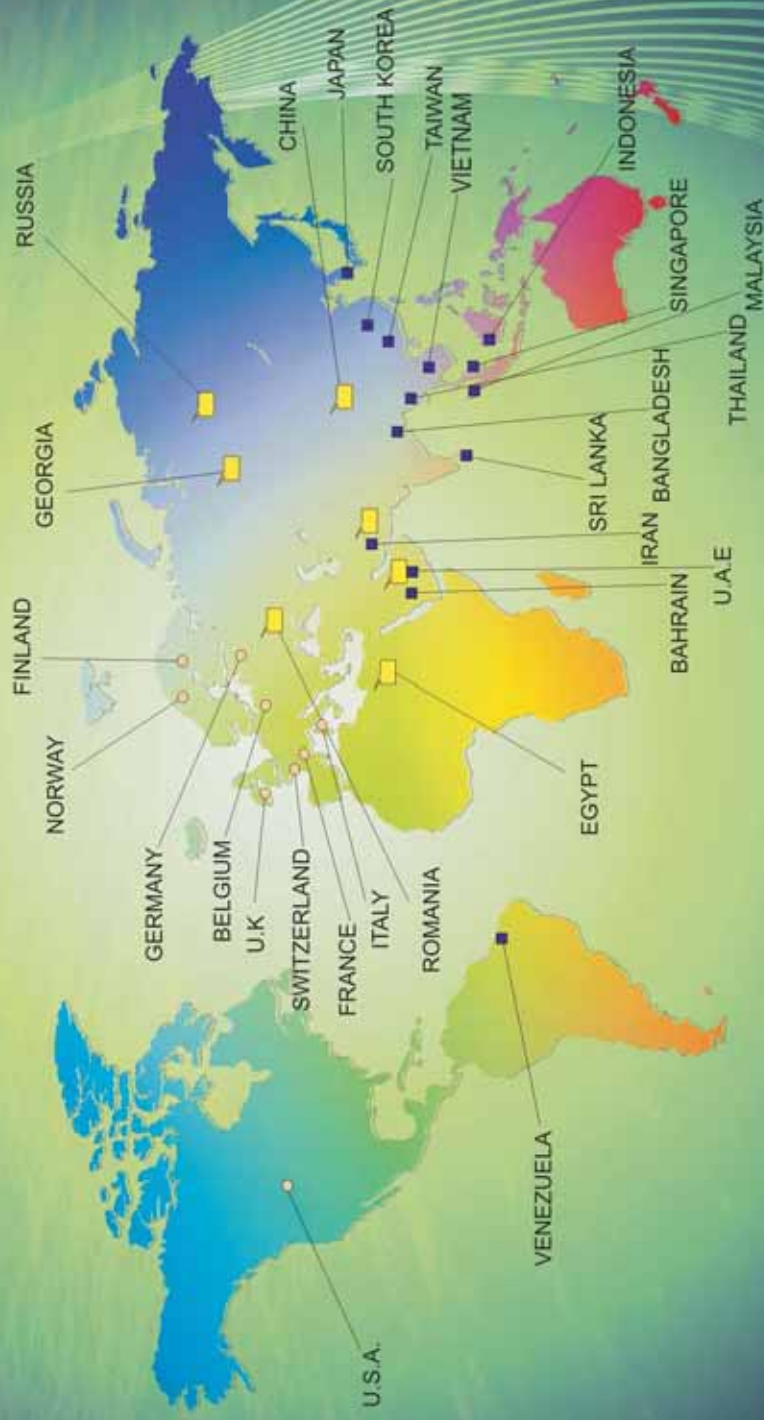
National Aluminium Company Limited
C/o. NSIC Limited
Opp. Surya Powder Company Limited
Village : Dharampur, Thana Road,
P.O. : Baddi, Tehsil : Nalagarh,
Dist. : Solan (HP)
Phone: 0179-5652114/5657114

9. Chennai

National Aluminium Company Limited
C/o. NSIC Limited, R.M. Depot.
NIC Technical Service Centre
Phase-I, B-24, Guindy Industrial Estate
Chennai - 600 032
Phone : 044-22252338

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Global Reach





नालको  **NALCO**

National Aluminium Company Limited

(A Government of India Enterprise)

www.nalcoindia.com

REGD. & CORPORATE OFFICE

Nalco Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar - 751 061, Orissa, India