

*18<sup>th</sup>  
Annual  
Report  
1998-99*

EVER FORWARD

**National Aluminium Company Limited**

IN PURSUIT OF EXCELLENCE



*To achieve growth in business with  
global competitive edge providing  
satisfaction to the customers,  
employees, shareholders and  
community at large.*



*To be a company of  
global repute  
in Aluminium Sector*



# National Aluminium Company Limited

**BOARD OF DIRECTORS**

Shri P.K. Mohanty  
 Shri A. H. Jung  
 Dr.(Smt.) Aruna Bagchee  
 Shri C. Venkataramana  
 Shri S. B. Nayak  
 Shri K. N. Misra  
 Shri P. Mohapatra  
 Shri S. N. Malik  
 Shri P. G. Kakodkar

**EXECUTIVE DIRECTORS**

Dr. R. C. Mohanty  
 Shri P. L. Sahu  
 Shri N. V. Badi  
 Maj. A. Chowdhury  
 Shri S. K. Mishra  
 Shri M. S. Parija  
 Shri S. K. Banerjee

**CHIEF VIGILANCE OFFICER**

Shri S. K. Mishra

**COMPANY SECRETARY**

Shri K. N. Ravindra

**BANKERS**

State Bank of India

**REGISTERED & CORPORATE OFFICE**

NALCO BHAWAN,  
 Plot No.-P/1, Nayapalli,  
 Bhubaneswar - 751 013 (Orissa)  
 Tel. : 442301-08  
 Fax: 0674 - 442580/442640/442740/442677

**AUDITORS**

Brahmayya & Co.  
 Chartered Accountants  
 26-13-37, Sanyasi Raju Road,  
 Gandhi Nagar  
 Vijayawada - 520 003.

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## The Year at a glance - 1998-99

### PHYSICAL

	Units	1998-99	1997-98
Bauxite mining	MT	28,06,288	26,61,557
Alumina production	MT	8,94,500	8,83,300
Aluminium production	MT	1,46,206	2,00,162
Power	MU	3,588	3,902

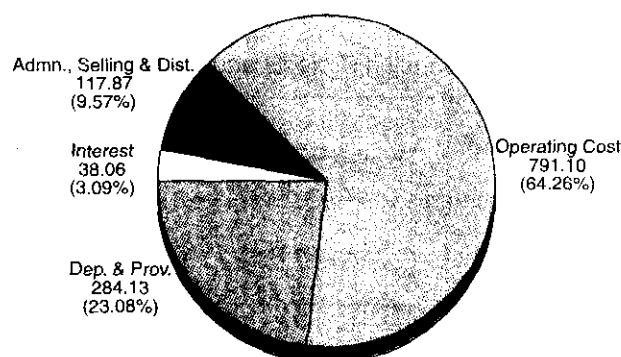
### FINANCIAL

	1998-99	1997-98
Sales Turnover (Rs. in crore)	1506.65	1853.54
Other Income (Rs. in crore)	179.78	101.92
Profit Before Tax (Rs. in crore)	337.22	625.43
Profit After Tax (Rs. in crore)	248.25	546.97
Export Turnover (Rs. in crore)	632.17	679.48
Earning Per Share (in Rs.)	3.85*	4.24
Book Value Per Share (in Rs.)	44.01*	26.21

\* on reduced capital base

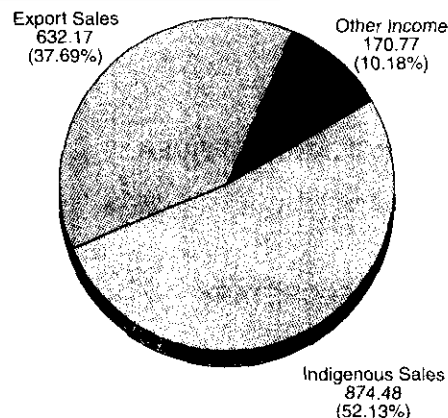
### Break-up of Total Cost

Rs. in Cr. (%)



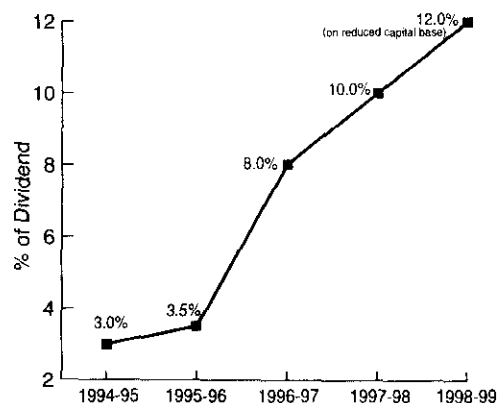
### Break-up of Earnings

Rs. in Cr. (%)



### Dividend Payment

■ % of Dividend



## 10 years performance at a glance - Physical

Sl.No.	Particulars	Units	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90
<b>1.</b>	<b>Production :</b>											
	Bauxite	MT	2,806,288	2,661,557	2,558,002	2,408,472	2,138,344	2,435,596	2,267,320	1,860,000	1,920,000	2,230,040
	Alumina	MT	894,500	883,300	840,062	807,130	770,000	753,021	803,500	672,200	652,485	739,000
	Aluminium	MT	146,206	200,162	203,823	192,288	178,072	194,332	191,069	192,022	151,330	135,018
	Power (net)	MU	3,588	3,902	4,187	4,147	3,979	3,741	3,690	3,531	2,654	2,533
<b>2.</b>	<b>Export Sales :</b>											
	Alumina/Hydrate	MT	610,940	479,801	465,139	415,209	407,405	371,286	429,428	378,446	335,401	448,616
	Aluminium	MT	39,865	55,475	60,357	49,128	65,307	60,037	85,771	61,117	27,877	27,391
<b>3.</b>	<b>Domestic Sales :</b>											
	Alumina	MT	282	348	3,515	4,870	4,608	428	764	3,380	7,549	24,734
	Aluminium	MT	98,573	140,660	145,521	143,092	136,356	135,490	104,390	108,302	128,813	98,843
	Power	MU	920	658	903	1,093	1,161	782	731	548	251	373

## 10 years performance at a glance - Financial

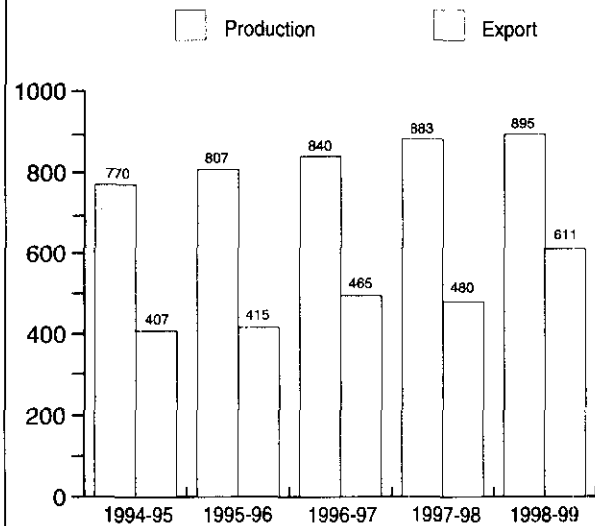
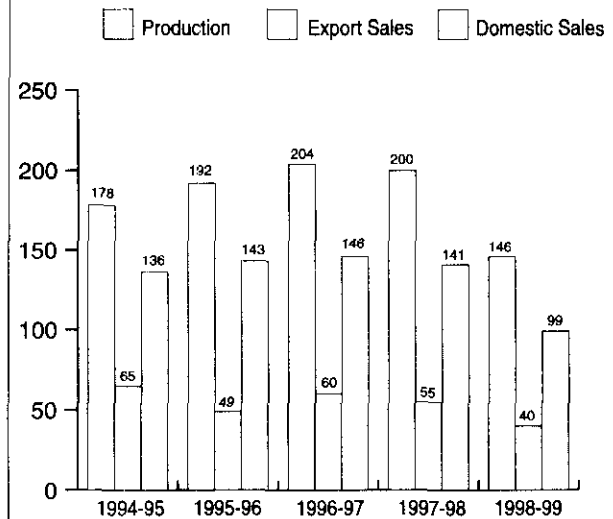
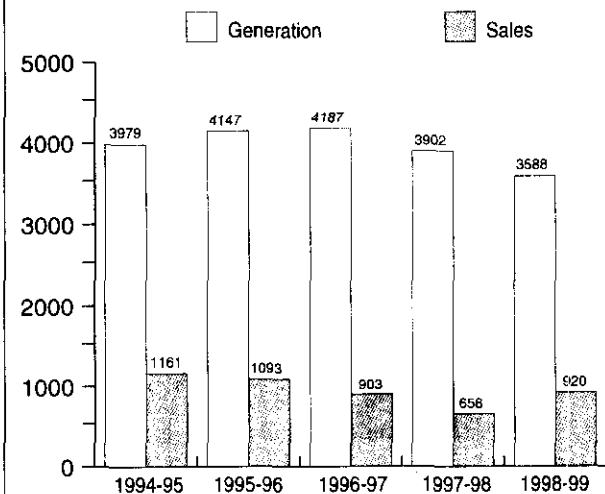
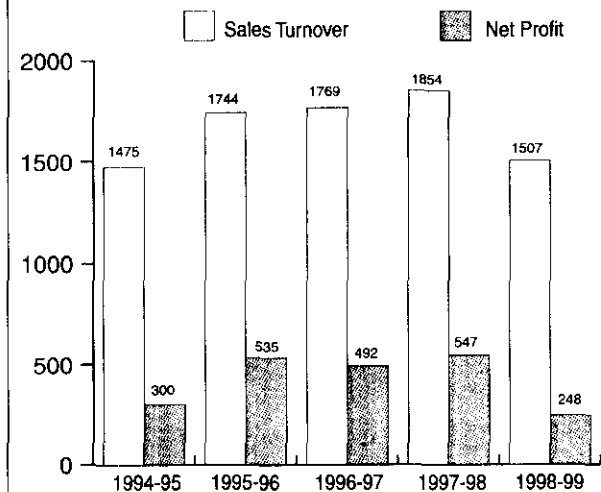
(Rs. in crore)											
Sl. No.	Particulars	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90
1.	<b>Income Statement:</b>										
	Gross Sales	1,506.65	1,853.54	1,768.86	1,743.98	1,474.96	1,195.96	1,169.11	974.03	884.04	846.01
	Export	632.17	679.48	637.86	577.58	485.64	411.72	538.34	385.77	277.78	416.01
	Domestic	874.48	1,174.06	1,131.00	1,166.40	989.32	784.24	630.77	588.26	606.26	430.00
	Earning before Interest, Tax & Depreciation (EBITD)	488.48	835.45	758.12	847.99	653.63	441.08	434.72	387.23	356.76	420.49
	Depreciation & Amortisation of DRE	286.04	274.32	265.79	285.78	258.36	223.29	219.52	232.73	164.31	141.31
	Interest & Financing charges	38.06	36.92	9.08	64.83	184.02	126.90	119.84	190.44	183.50	177.80
	Profit for the year	344.16	626.13	538.19	558.10	279.23	136.00	152.81	50.42	79.95	172.03
	Prior Period Adjustments (Net)	(6.94)	(0.70)	17.72	(22.82)	20.94	20.72	(17.93)	8.72	(8.00)	(15.16)
	Extraordinary Income	Nil	Nil	Nil	79.29	Nil	Nil	Nil	Nil	Nil	Nil
	Provision for Tax	88.97	78.46	64.15	0.02	Nil	Nil	Nil	Nil	Nil	Nil
	Net Profit/(Loss) (PAT)	248.25	546.97	491.76	614.55	300.17	156.72	134.88	59.14	71.95	156.87
2.	<b>Balance Sheet:</b>										
	Equity Capital	644.31	1,288.62	1,288.62	1,288.62	1,288.62	1,288.62	1,288.62	1,288.62	1,288.62	1,288.62
	Reserves & Surplus	2,191.17	2,088.50	1,681.91	1,300.67	717.05	475.42	281.33	157.51	127.05	48.56
	Networth	2,835.48	3,377.12	2,970.53	2,589.29	2,005.67	1,764.04	1,569.95	1,446.13	1,415.67	1,337.18
	Loans outstanding	643.58	594.10	580.00	1,024.91	1,774.28	2,321.54	2,630.57	2,652.06	1,835.49	1,728.64
	Net Fixed Assets	2,379.45	2,545.35	2,730.55	2,948.20	3,091.58	3,011.31	3,149.83	3,286.58	2,594.73	2,476.91
	Net Current Assets	635.01	1,192.56	689.53	582.34	566.45	772.49	788.64	612.26	512.63	357.27
	Capital Employed	3,014.46	3,738.00	3,420.08	3,593.70	3,658.03	3,783.80	3,938.47	3,898.84	3,107.36	2,834.18
3.	<b>Ratios:</b>										
	Operating Margin (OPM) (%)	16.48	29.51	27.80	30.69	20.35	13.10	11.54	6.07	8.14	18.54
	Return on Capital Employed (ROCE) (%)	8.24	14.63	14.38	14.89	8.21	4.14	3.42	1.52	2.32	5.53
	Return on Networth (RONW) (%)	8.76	16.20	16.55	20.67	14.97	8.88	8.59	4.09	5.08	11.73
	Debt Equity (%)	22.70	17.59	19.53	39.58	88.46	131.60	167.56	183.39	129.66	129.28
4.	<b>Book value per share (in Rs.)</b>	44.01*	26.21	23.05	20.09	15.56	13.69	12.18	11.22	10.99	10.38
5.	<b>Earning per share (in Rs.)</b>	3.85*	4.24	3.82	4.15	2.33	1.22	1.05	0.46	0.56	1.22

\* on reduced capital base



**SANSKO MALCO**

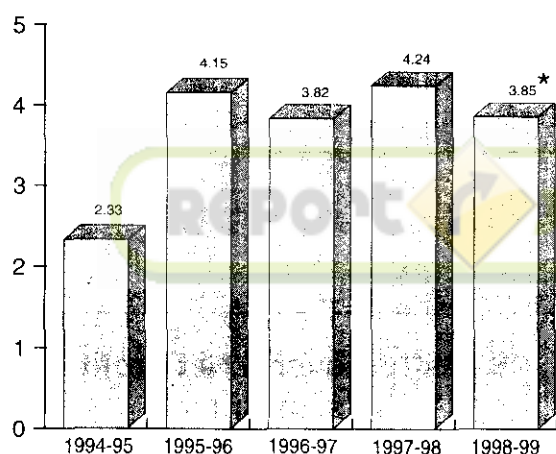
18th  
Annual Report

**Alumina (in '000 MTs)****Aluminium (in '000 MTs)**Report  junction.com**Power (in Million Units)****Sales Turnover & Net Profit  
(Rs. in Cr.)**

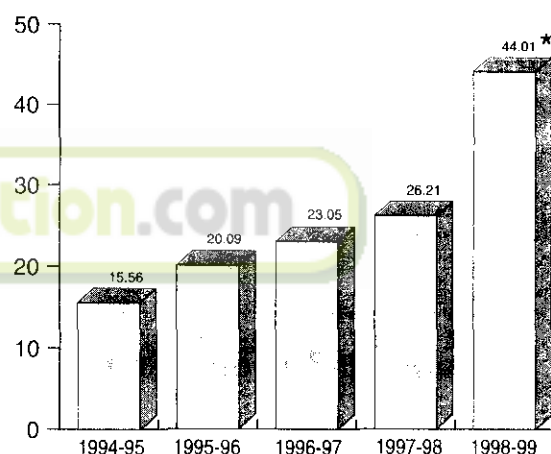


**Shareholding Pattern (As on 31.03.99)**

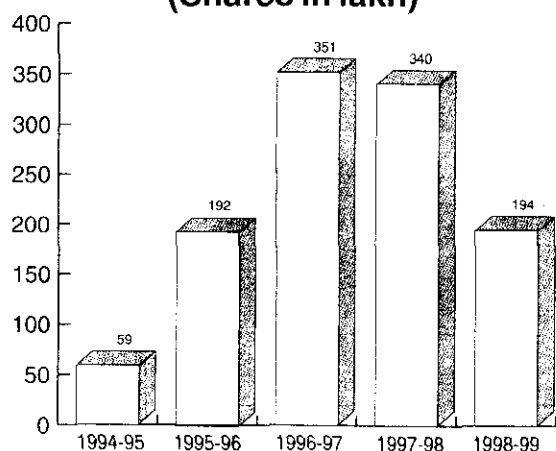
Category	No. of equity shares held	Number of Shareholders	Amount (in Cr.)	% of Equity
President of India	56,14,99,635	1	561.49	87.1475
Foreign Institutional Investors (FIIs)	126,43,550	40	12.64	1.9618
Unit Trust of India	504,97,650	1	50.49	7.8364
Insurance Companies	29,24,950	6	2.92	0.4532
Mutual Funds	67,98,300	23	6.79	1.0538
Others	99,45,543	25784	9.94	1.5427
		<b>25855</b>		

**Earning per Share (in Rs.)**


\*on reduced capital base.

**Book Value per Share (in Rs.)**


\*on reduced capital base.

**Share Transfers effected (Shares in lakh)**

**Shareholding Profile (As on 31.03.99)**




## Progress in Expansion Projects

### Expansion of Bauxite Mines & Alumina Refinery

The expansion projects of Mines and Refinery Complex at Damanjodi at a total Cost of Rs. 1664.60 crore at June'96 price level are under implementation. The progress of the projects is as under:-

- The work of site grading, piling, construction water and construction power are completed.
- Detailed Engineering activities is 71.20 % complete.

- Orders for most of the major items have been placed. The progress of ordering is 54.20% complete.
- All the contracts for Civil & Structural works have also been awarded. Most of the erection Tenders are also awarded. The progress of tendering is 81.90% complete.
- The erection activities for Package items are also in full swing at site.
- The Primary Crusher & Apron Feeder for Mines Expansion has reached the site during March'99.

The salient features of expansion are :

Unit	Existing capacity	Capacity after expansion	Project cost	Project completion*
Bauxite Mines	24,00,000 TPY	48,00,000 TPY	Rs. 120.59 Cr.	36 months
Alumina Refinery	8,00,000 TPY	15,75,000 TPY	Rs. 1544.01 Cr.	51 months
*from 18.12.96, the date of Government approval.				



Work on Digestion Tanks in progress

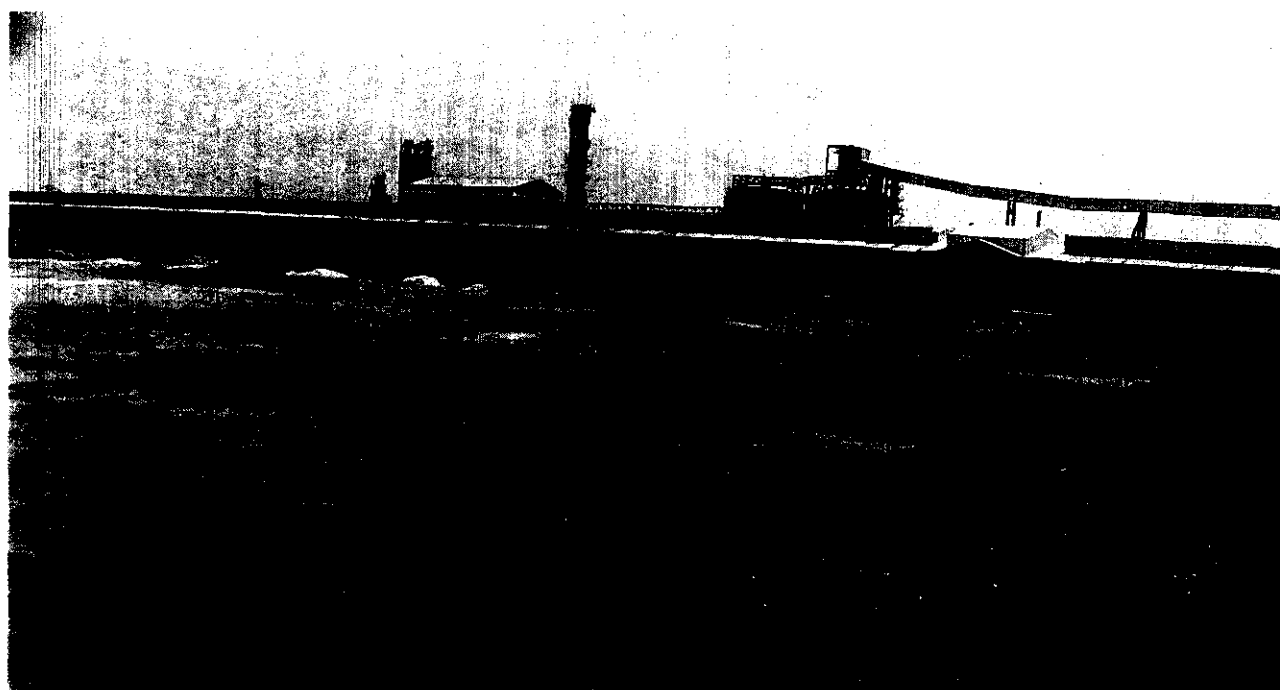
**Expansion of Aluminium Smelter & CPP**

- The proposal for expansion of Aluminium Smelter from 2,30,000 TPY to 3,45,000 TPY and Captive Power Plant from 6x120 MW to 7x120 MW was approved by the Government at a cost of Rs.2061.98 crore on 3rd February, 1998.
- M/s Engineers' India Ltd. were appointed as the Consultant for Detailed Engg., Project Management & Construction Management, in 30th March'98.
- Addendum to the Original Agreement dated 09.01.81 was signed on 27.04.98 with M/s. Aluminium Pechiney, France, for supply of Basic Engg. for certain improvements in Smelter.
- Secretariat for Industrial Approvals (SIA) has approved the above amendment vide their letter dated 16.07.98 and the Zero date for supply of Basic Engineering Documents has started on 13.08.98.
- M/s M.N.Dastur & Co., Chennai was appointed as the Consultant for expansion of Captive Power Plant.
- Lot - A documents were received from AP in December'98.
- Site Grading Work awarded in December'98.
- M/s. NIDC was appointed as Consultant for Expansion of Township at S&P complex for Expansion Project.
- M/s. EIL was appointed as consultant for carrying out Time and Cost Monitoring Services for S&P Expansion.
- NALCO-EIL team visited AP, France in February'99 to review and finalise the above documents.
- The second Lot of Basic Engg. documents received from AP in March'98.
- The tendering activities for S&P complex are under way. Tenders for major packages have been issued.
- Construction activities have started at Smelter Plant with Site Grading and Construction Power Tender.

The salient features of the Smelter and Captive Power Plant expansion are :

Unit	Existing capacity	Capacity after expansion	Project cost	Project completion*
Smelter	2,30,000 TPY	3,45,000 TPY	Rs. 1641.98 Cr.	51 months
CPP	6 X 120 MW	7 X 120 MW	Rs. 420.00 Cr.	51 months

\*from 03.02.98, the date of Government approval.



Site grading area in Smelter Expansion Project