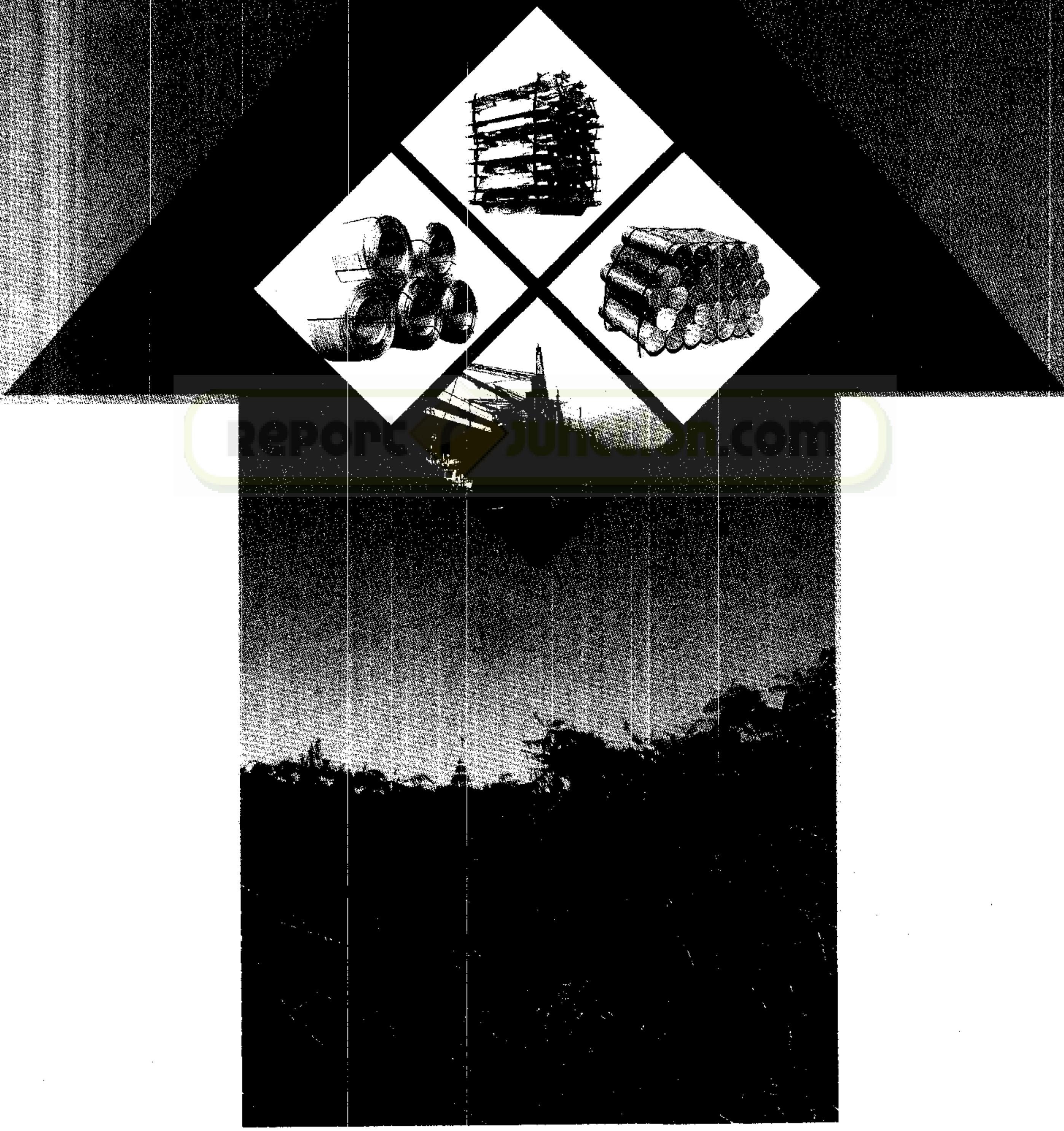
# 19th Annual Report 1999-2000



नालको NALCO

# Vision

To be a company of
global repute
in Aluminium Sector

# Mission

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

# National Aluminium Company Limited

### BOARD OF DIRECTORS

Shri P. Parvathisem
Dr. (Smt.) Aruna Bagchee
Dr. Sutanu Behuria
Shri C. Venkataramana
Shri S.B. Nayak
Shri K.N. Misra
Shri S.K. Banerjee
Shri P. Mohapatra
Shri S.N. Malik
Shri P.G. Kakodkar

### EXECUTIVE DIRECTORS

Dr. R.C. Mohanty
Shri P.L. Sahu
Maj. A. Chowdhury
Shri S.K. Misra
Shri M.S. Parija
Shri N.K. Jain

### 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. : 301988-99
Fax : 0674-300470/300580/300677/300740

### AUDITORS

Tej Raj & Pal
Chartered Accountants
1, Kalpana Square
Bhubaneswar - 751 014.



### Contents

# The Year at a glance - 1999-2000

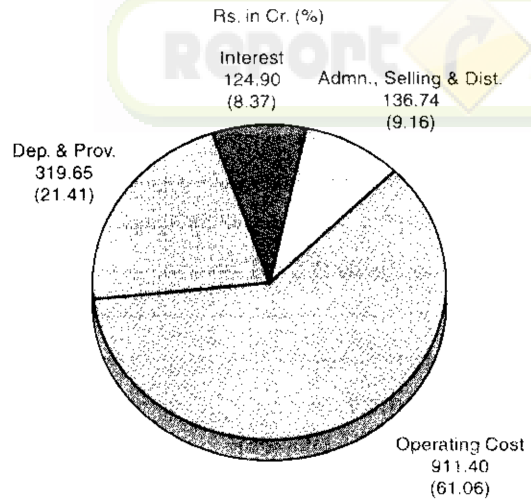
**PHYSICAL**

| | Units | 1999-2000 | 1998-99 |
|---|---|---|---|
| Bauxite mining | MT | **28,22,464** | 28,06,288 |
| Alumina production | MT | **8,86,000** | 8,94,500 |
| Aluminium production | MT | **2,12,663** | 1,46,206 |
| Power | MU | **3,985** | 3,588 |

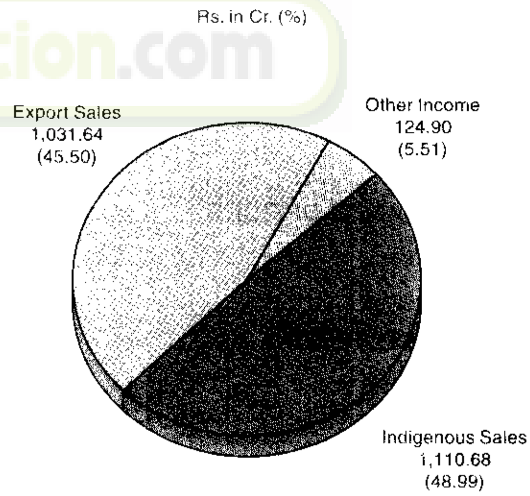
**FINANCIAL**

| | 1999-2000 | 1998-99 |
|---|---|---|
| Export Turnover (Rs. in crore) | **1,031.64** | 632.17 |
| Sales Turnover (Rs. in crore) | **2,142.32** | 1,506.65 |
| Profit Before Tax (Rs. in crore) | **681.00** | 337.22 |
| Profit After Tax (Rs. in crore) | **511.13** | 248.25 |
| Earning Per Share (in Rs.) | **7.94** | 3.85 |
| Book Value Per Share (in Rs.) | **49.67** | 44.01 |

## Break-up of Total Cost

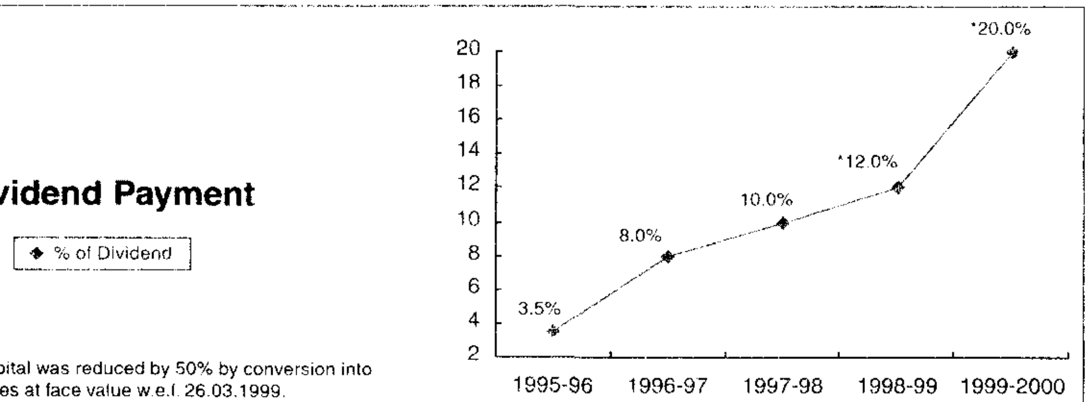



## Break-up of Earnings






## Dividend Payment




*Paid up equity Capital was reduced by 50% by conversion into debentures at face value w.e.f. 26.03.1999.

# 10 years performance at a glance - Physical

| Sl. No. | Particulars | Units | 1999-2000 | 1998-99 | 1997-98 | 1996-97 | 1995-96 | 1994-95 | 1993-94 | 1992-93 | 1991-92 | 1990-91 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | **Production :** | | | | | | | | | | | |
| | Bauxite | MT | **2,822,464** | 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 |
| | Alumina | MT | **886,000** | 894,500 | 883,300 | 840,062 | 807,130 | 770,000 | 753,021 | 803,500 | 672,200 | 652,485 |
| | Aluminium | MT | **212,663** | 146,206 | 200,162 | 203,823 | 192,288 | 178,072 | 194,332 | 191,069 | 192,022 | 151,300 |
| | Power (net) | MU | **3,985** | 3,588 | 3,902 | 4,187 | 4,147 | 3,979 | 3,741 | 3,690 | 3,531 | 2,654 |
| 2. | **Export Sales :** | | | | | | | | | | | |
| | Alumina/Hydrate | MT | **479,620** | 610,940 | 479,801 | 465,139 | 415,209 | 407,405 | 371,286 | 429,428 | 378,446 | 335,401 |
| | Aluminium | MT | **95,185** | 39,865 | 55,475 | 60,357 | 49,128 | 65,307 | 60,037 | 85,771 | 61,117 | 27,877 |
| 3. | **Domestic Sales :** | | | | | | | | | | | |
| | Alumina/Hydrate | MT | **8,027** | 6,151 | 5,119 | 6,898 | 6,292 | 4,608 | 428 | 764 | 3,380 | 7,549 |
| | Aluminium | MT | **120,171** | 98,573 | 140,660 | 145,521 | 143,092 | 136,356 | 135,490 | 104,390 | 108,302 | 128,813 |
| | Power | MU | **595** | 920 | 658 | 903 | 1,093 | 1,161 | 782 | 731 | 548 | 251 |

# 10 years performance at a glance - Financial

(Rs. in crore)

| Sl. No. | Particulars | **1999-2000** | 1998-99 | 1997-98 | 1996-97 | 1995-96 | 1994-95 | 1993-94 | 1992-93 | 1991-92 | 1990-91 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A. | **Income Statement:** | | | | | | | | | | |
| | 1. Exports | **1,031.64** | 632.17 | 679.48 | 637.86 | 577.58 | 485.64 | 411.72 | 538.34 | 385.77 | 277.78 |
| | 2. Domestic Sales | **1,110.68** | 874.48 | 1,174.06 | 1,131.00 | 1,166.40 | 989.32 | 784.24 | 630.77 | 588.26 | 606.26 |
| | 3. Gross Sales (1+2) | **2,142.32** | 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 |
| | 4. Less : Excise Duty | **155.00** | 109.04 | 148.11 | 140.20 | 141.73 | 146.71 | 145.11 | 131.71 | 124.75 | 131.21 |
| | 5. Net Sales (3-4) | **1,987.32** | 1,397.61 | 1,705.43 | 1,628.66 | 1,602.25 | 1,328.25 | 1,050.85 | 1,037.40 | 849.28 | 752.83 |
| | 6. Other Income : | | | | | | | | | | |
| | 7. Operating | **93.62** | 82.20 | 10.24 | 14.68 | 4.58 | 7.01 | 10.81 | 10.73 | 26.15 | 20.10 |
| | 8. Non-operating | **31.28** | 88.57 | 90.93 | 45.63 | 55.45 | 67.44 | 48.61 | 46.40 | 59.82 | 49.15 |
| | 9. Operating expenses | **1,048.14** | 908.97 | 870.99 | 865.07 | 754.12 | 636.16 | 573.80 | 589.56 | 431.54 | 380.52 |
| | 10. Operating Profit (5+7-9) | **1,032.80** | 570.84 | 844.68 | 778.27 | 852.71 | 699.10 | 487.86 | 458.57 | 443.89 | 392.41 |
| | 11. Interest & Financing charges | **63.43** | 38.06 | 36.92 | 9.08 | 86.37 | 181.03 | 127.57 | 119.85 | 190.44 | 205.03 |
| | 12. Gross Profit (10+8-11) | **1,000.65** | 621.35 | 898.69 | 814.82 | 821.79 | 585.51 | 408.90 | 385.12 | 313.27 | 236.53 |
| | 13. Depreciation and Amortisation | **283.00** | 283.10 | 272.30 | 259.41 | 283.12 | 281.12 | 227.86 | 222.99 | 233.12 | 165.26 |
| | 14. Provisions | **36.65** | 1.03 | 0.96 | (0.50) | 3.39 | 4.22 | 24.32 | 27.25 | 21.01 | 14.96 |
| | 15. Profit before Tax (PBT)(12-13-14) | **681.00** | 337.22 | 625.43 | 555.91 | 535.28 | 300.17 | 156.72 | 134.88 | 59.14 | 56.31 |
| | 16. Provision for Tax | **169.47** | 88.97 | 78.46 | 64.15 | 0.02 | Nil | Nil | Nil | Nil | Nil |
| | 17. Net Profit (PAT) (15-16) | **511.53** | 248.25 | 546.97 | 491.76 | 535.26 | 300.17 | 156.72 | 134.88 | 59.14 | 56.31 |
| | 18. Extraordinary Income | **Nil** | Nil | Nil | Nil | 79.29 | Nil | Nil | Nil | Nil | Nil |
| | 19. Net Profit after Extraordinary Income (17+18) | **511.53** | 248.25 | 546.97 | 491.76 | 614.55 | 300.17 | 156.72 | 134.88 | 59.14 | 56.31 |
| B. | **Balance Sheet :** | | | | | | | | | | |
| | 20. Equity Capital | **644.31** | 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 |
| | 21. Reserves & Surplus | **2,556.19** | 2,191.17 | 2,088.50 | 1,681.91 | 1,300.67 | 717.05 | 475.42 | 281.33 | 157.51 | 127.05 |
| | 22. Networth (20+21) | **3,200.50** | 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 |
| | 23. Loans Outstanding | **663.54** | 643.58 | 594.10 | 580.00 | 1,024.91 | 1,774.28 | 2,321.54 | 2,630.57 | 2,652.06 | 1,835.49 |
| | 24. Net Fixed Assets | **2,251.99** | 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 |
| | 25. Net Current Assets | **517.99** | 635.01 | 1,192.65 | 689.53 | 582.34 | 566.45 | 772.49 | 788.64 | 612.26 | 512.63 |
| | 26. Capital Employed (24+25) | **2,769.98** | 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 |
| C. | **Ratios :** | | | | | | | | | | |
| | 27. Operating Profit Margin (OPM) (%) (10/5*100) | **51.97** | 40.84 | 49.53 | 47.79 | 53.22 | 52.63 | 46.43 | 44.20 | 52.27 | 52.12 |
| | 28. Net Profit Margin (%) (17/5*100) | **25.74** | 17.76 | 32.07 | 30.19 | 33.41 | 22.60 | 14.91 | 13.00 | 6.96 | 7.48 |
| | 29. Return on Capital Employed (ROCE) (%) (17/26*100) | **18.47** | 8.24 | 14.63 | 14.38 | 14.89 | 8.21 | 4.14 | 3.42 | 1.52 | 1.81 |
| | 30. Return on Networth (RONW) (%) (17/22*100) | **15.98** | 8.76 | 16.20 | 16.55 | 20.67 | 14.97 | 8.88 | 8.59 | 4.09 | 3.98 |
| | 31. Debt Equity (%) (23/22*100) | **20.73** | 22.70 | 17.59 | 19.53 | 39.58 | 88.46 | 131.60 | 167.56 | 183.39 | 129.66 |
| D. | **Others :** | | | | | | | | | | |
| | 32. Book value per share of Rs. 10 each (in Rs.) | **49.67** | 44.01 | 26.21 | 23.05 | 20.09 | 15.56 | 13.69 | 12.18 | 11.22 | 10.99 |
| | 33. Earnings per share (in Rs.) | **7.94** | 3.85 | 4.24 | 3.82 | 4.15 | 2.33 | 1.22 | 1.05 | 0.46 | 0.44 |
| | 34. Dividend declared (%) | **20.00** | 12.00 | 10.00 | 8.00 | 3.50 | 3.00 | 2.00 | 2.00 | 1.20 | Nil |

Note : Paid-up Equity Capital was reduced by 50% by conversion into Debentures at face value w.e.f. 26.03.1999.

# Reconciliation of Published Quarterly (Unaudited) Financial Results and Annual (Audited) Financial Results for the Year 1999-2000

(Rs. in crore)

| Sl. No. | Particulars | 1st Quarter (Unaudited) | 2nd Quarter (Unaudited) | 3rd Quarter (Unaudited) | 4th Quarter (Unaudited) | Total of four quarters (Unaudited) | Variation | Full Year (Audited) |
|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | | | 7 |
| 1. | Sales Turnover | 427.86 | 524.29 | 503.08 | 687.12 | 2,142.35 | (0.03) | 2,142.32 |
| 2. | Other Income | 27.90 | 27.89 | 30.39 | 41.69 | 127.87 | 0.32 | 128.19 |
| 3. | Total Expenditure | 258.60 | 318.73 | 268.43 | 356.18 | 1,201.94 | 4.49 | 1,206.43 |
| 4. | Interest and Financing charges | 24.47 | 22.19 | (7.63) | 24.38 | 63.41 | 0.02 | 63.43 |
| 5. | Gross Profit after interest (but before Depreciation & Taxation) | 172.69 | 211.26 | 272.67 | 348.25 | 1,004.87 | (4.22) | 1,000.65 |
| 6. | Depreciation & Amortisation of DRE | 70.20 | 70.19 | 70.51 | 110.62 | 321.52 | (1.87) | 319.65 |
| 7. | Profit before taxation (PBT) | 102.49 | 141.07 | 202.16 | 237.63 | 683.35 | (2.35) | 681.00 |
| 8. | Provision for Taxation | 28.78 | 36.71 | 44.40 | 61.36 | 171.25 | (1.78) | 169.47 |
| 9. | Net Profit (PAT) | 73.71 | 104.36 | 157.76 | 176.27 | 512.10 | (0.57) | 511.53 |
| 10. | Paid up Equity Share Capital | 644.31 | 644.31 | 644.31 | 644.31 | 644.31 | | 644.31 |
| 11. | Reserves excluding Revaluation Reserves | | | | | 2,596.02* | | 2,556.19 |
| 12. | Earnings per share (Rs.) | | | | | 7.95 | | 7.94 |
| 13. | Book value per share (Rs.) | | | | | 50.29* | | 49.67 |

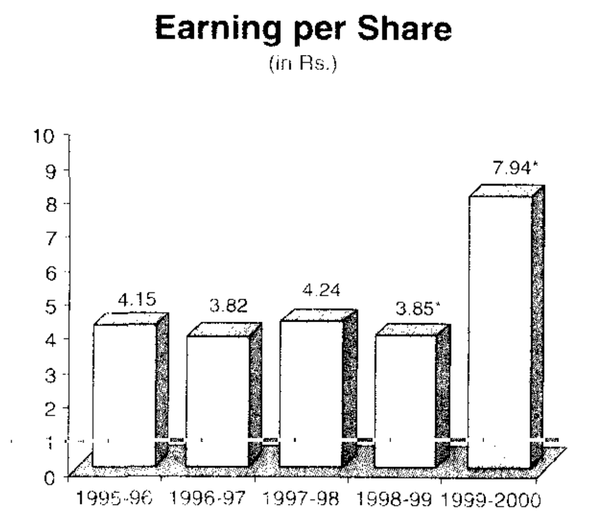
Note:
1. * Subject to adjustment of final dividend and tax thereon for 1999-2000. The interim dividend of 15% on paid-up capital and tax thereon have already been reflected in these figures.
2. Items have been regrouped as per format prescribed in the listing agreement with Stock Exchanges.

## Shareholding Pattern (As on 31.03.2000)

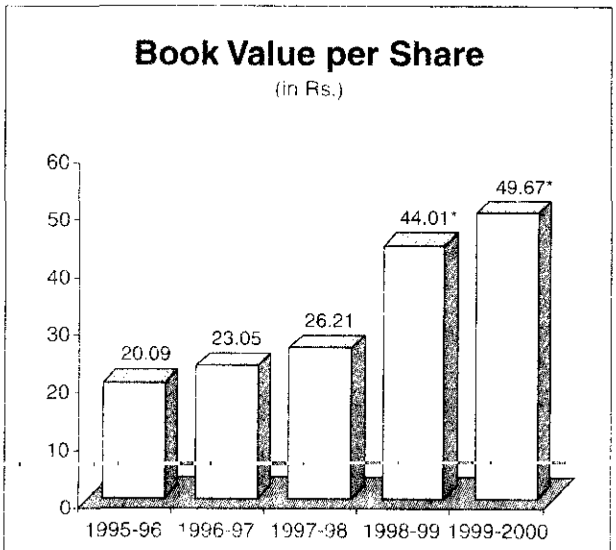
| Category | No. of Equity shares held | Number of shareholders | Amount (Rs. in crore) | % of Equity |
|---|---|---|---|---|
| President of India | 56,14,99,635 | 1 | 561.49 | 87.1475 |
| Foreign Institutional Investors (FIIs) | 1,04,78,961 | 50 | 10.48 | 1.6264 |
| Unit Trust of India | 3,90,19,415 | 1 | 39.02 | 6.0560 |
| Insurance Companies | 30,68,017 | 6 | 3.07 | 0.4761 |
| Mutual Funds | 1,26,96,734 | 62 | 12.70 | 1.9706 |
| Others | 1,75,46,866 | 30,174 | 17.55 | 2.7233 |
| Total | 64,43,09,628 | 30,294 | 644.31 | 100.0000 |

## Debentureholding Pattern (As on 31.03.2000)

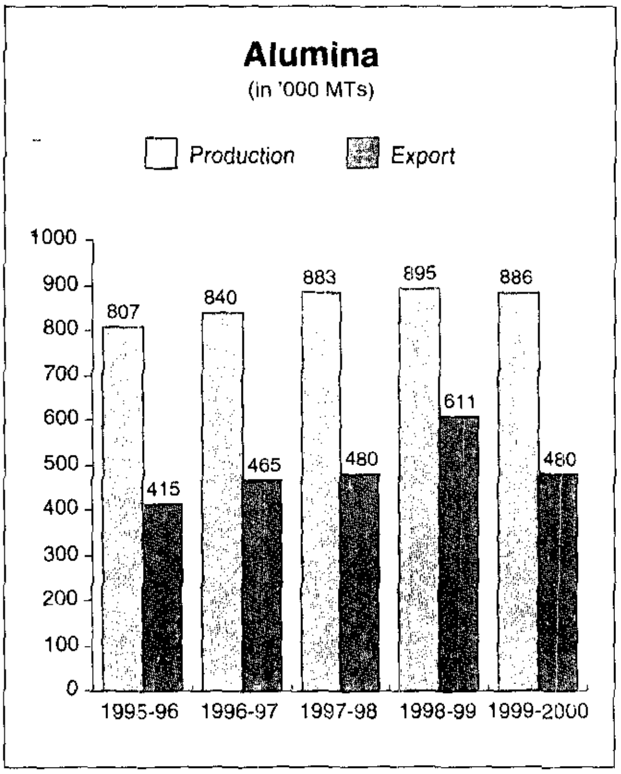
| Category | No. of debentures held | No. of debenture holders | Amount (Rs. in crore) | % of debenture |
|---|---|---|---|---|
| President of India | — | — | — | — |
| Foreign Institutional Investors (FIIs) | 11,022 | 32 | 1.10 | 0.171 |
| Unit Trust of India | 12,00,862 | 1 | 120.09 | 18.660 |
| Insurance Companies | 4,79,272 | 6 | 47.93 | 7.447 |
| Mutual Funds | 9,96,314 | 45 | 99.63 | 15.482 |
| Public & Private Limited Companies | 5,84,567 | 464 | 58.46 | 9.083 |
| Nationalised Banks | 20,60,495 | 16 | 206.05 | 32.018 |
| Others | 11,02,849 | 16,724 | 110.28 | 17.139 |
| Total | 64,35,381 | 17,288 | 643.54 | 100.00 |

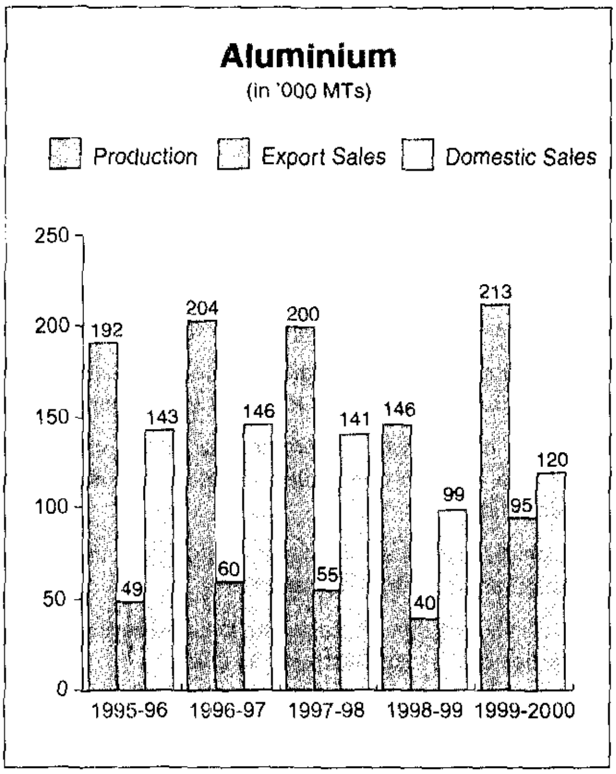


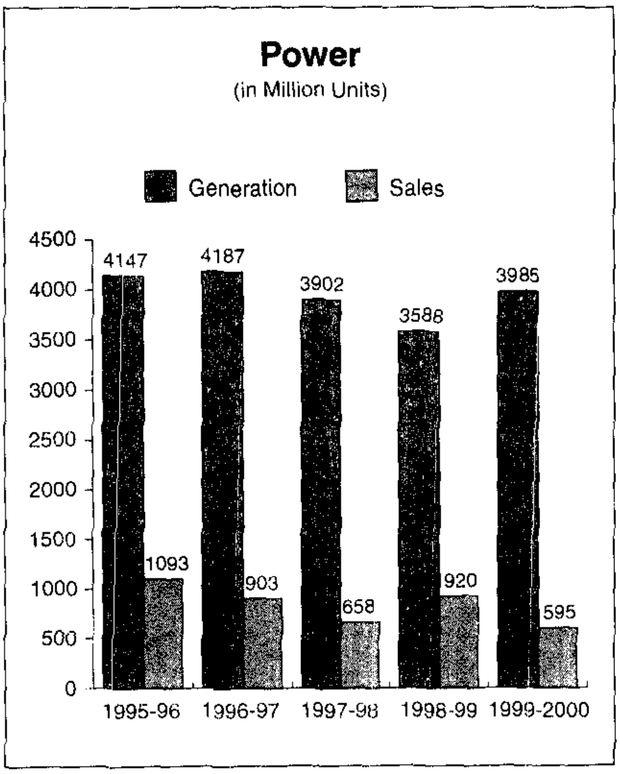

* on reduced capital base.

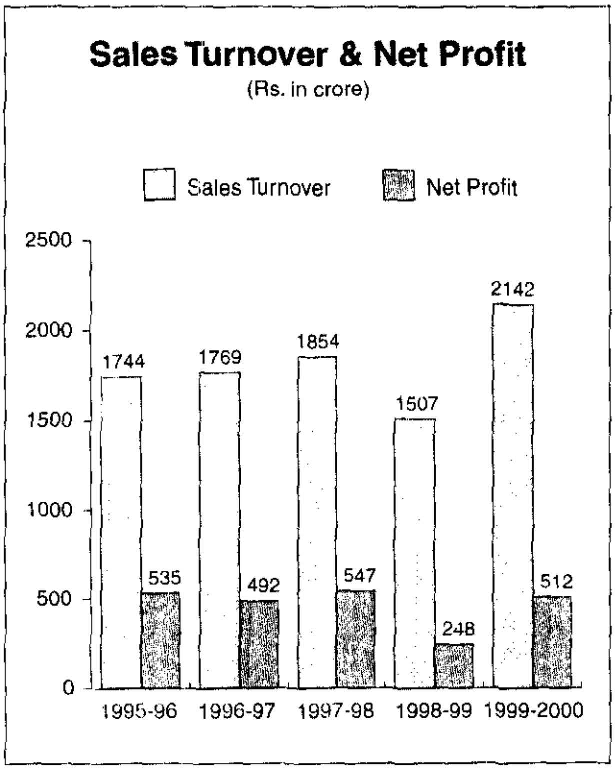



* on reduced capital base.


Alumina
(in '000 MTs)
Production
Export
1000
900
800
700
600
500
400
300
200
100
0
807
415
840
465
883
480
895
611
886
480
1995-96
1996-97
1997-98
1998-99
1999-2000


Aluminium
(in '000 MTs)
Production
Export Sales
Domestic Sales
250
200
150
100
50
0
192
49
143
204
60
146
200
55
141
146
40
99
213
95
120
1995-96
1996-97
1997-98
1998-99
1999-2000


Power
(in Million Units)
Generation
Sales
4500
4000
3500
3000
2500
2000
1500
1000
500
0
4147
1093
4187
903
3902
658
3588
920
3985
595
1995-96
1996-97
1997-98
1998-99
1999-2000


Sales Turnover & Net Profit
(Rs. in crore)
Sales Turnover
Net Profit
2500
2000
1500
1000
500
0
1744
535
1769
492
1854
547
1507
248
2142
512
1995-96
1996-97
1997-98
1998-99
1999-2000

# Environment Management

## CORPORATE ENVIRONMENT POLICY

In recognition of the interests of the society in securing sustainable industrial growth compatible with a wholesome environment, NALCO affirms that it assigns high importance to promotion and maintenance of a pollution free environment in all its activities.

**Objectives** :

- To use non-polluting and environment friendly technology
- To monitor regularly air, water, land, noise and other environmental parameters.
- To constantly improve upon the standards of pollution control and provide a leadership in environment management.
- To develop employees awareness on environmental responsibilities and encourage adherence to sound environmental practices.
- To work closely with government & local authorities to prevent or minimise adverse consequences of the industrial activities on the environment.
- To comply with all applicable laws governing environment protection through appropriate mechanisms.
- To actively participate in social, welfare and environmental development activities of the locality around its units.

**Commitment :**

We dedicate ourselves to ensure a green and wholesome environment in all areas of our operations for sustainable industrial growth and to set standards in environmental management.