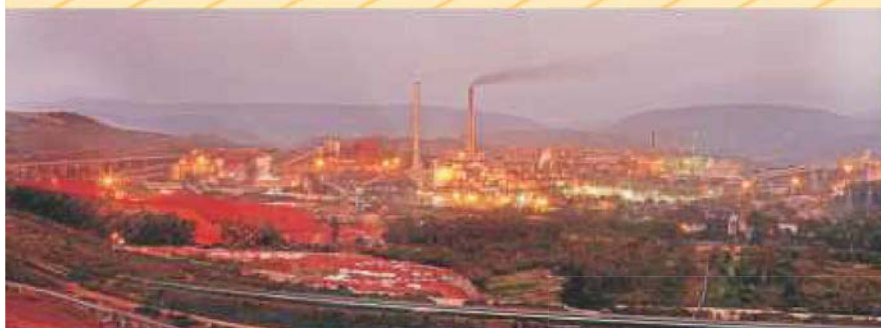
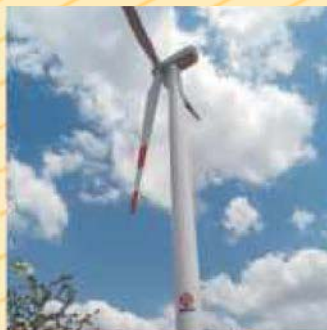
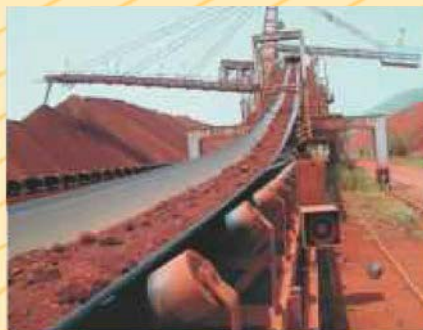


ANNUAL REPORT 2012-2013

WE REST
OUR
SUCCESS
ON THE
LAP OF
NATURE



नालको  **NALCO**
National Aluminium Company Limited
A NAVRATNA COMPANY
www.nalcoindia.com

Vision

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



THE YEAR AT A GLANCE

Particulars	Unit	2012-13
Physical		
Bauxite	MT	5,419,391
Alumina Hydrate	MT	1,802,000
Aluminium	MT	403,384
Power (Net)	MU	6,076
Wind Power	MU	14
Financial		
Export Turnover	₹ in Crore	3,410
Gross Sales	₹ in Crore	7,247
Profit Before Tax	₹ in Crore	905
Profit After Tax	₹ in Crore	593
Earning Per Share	₹	2.30
Book Value Per Share	₹	46.30
Dividend	₹ Per Share	1.25

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Registered Office & Corporate Office:

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

32nd Annual General Meeting

Friday, 27th September, 2013 at 11:00 A.M.
at NALCO Bhawan, P/1, Nayapalli,
Bhubaneswar - 751 061.

BOARD OF DIRECTORS



Shri Ansuman Das

Shri Ansuman Das is the Chairman-cum-Managing Director of the Company.

Born on 29.04.1955, Shri Das graduated in Mechanical Engineering from National Institute of Technology (Formerly Regional Engineering College), Rourkela in the year 1976. He holds a MBA degree from the University of Hull, United Kingdom. Shri Das started his professional career as a Management Trainee with Hindustan Aeronautics Ltd. and has also done a Post Graduation course in Aeronautical production from Indian Institute of Technology (IIT), Chennai.

Shri Das joined NALCO in the year 1982 in its formative days. He has served in several capacities in NALCO in its Technical Services Department, as Technical Officer to Chairman-cum-Managing Director. Corporate Planning and Commercial functions. With his close association with commissioning activities of NALCO during its formative days, he has rich experience of project implementation. He was instrumental in formation of various marketing policies and strategies both for overseas and domestic sales. NALCO has achieved several milestones and accolades through the efforts put in by Shri Das and his team. Shri Das headed the Materials Department as its Executive Director for a brief period before taking over as Director (Commercial) of NALCO in October, 2009. He was also holding the additional charge of Director (Human Resources) of NALCO for a brief period during 2012.

With his three decades long professional association with the Aluminium Industry, Shri Das is very well known both nationally and internationally for his contribution to the industry. Shri Das has travelled widely across the globe attending and presenting papers in various National & International Conferences. He presently holds various key positions in different Industry Associations like the Aluminium Association of India (AAI), Confederation of Indian Industry (CII) and EEPC India (Formerly Engineering Export Promotion Council). Presently Shri Das also holds the additional charge of Director (Finance) & Director(Commercial) of the Company.

Shri S.S. Mahapatra

Shri S.S. Mahapatra is the Director (Production) of the Company w.e.f. 01.10.2011.

Born on 20.12.1954, Shri S.S. Mahapatra did his B.Sc. (Engg.) in Mechanical engineering from UCE, Burla and post graduate diploma in material management from IIMM, Bangalore. He also holds law degree from Utkal University. Shri Mahapatra started his career with M/s. Pressels Pvt. Ltd. and subsequently joined NALCO in 1982. He has 33 years of varied experience from boiler manufacturing industries to aluminium industries.

Shri Mahapatra has contributed significantly towards technology up-gradation, indigenous developments, proactive and predictive maintenance systems, turnaround in casting and rolling facilities. He has a commendable involvement in quality, environment and occupational health management. Recertification of OHSAS 18001 & ISO 14001 in all four units completed in this financial year. Under his leadership, the critical and lifeline project "Ash disposal to mines void through lean slurry" of captive power plant has made a remarkable progress. Company has immensely benefited from his indefatigable efforts in stabilizing 2nd phase expansion of alumina refinery unit.

Shri Mahapatra is fellow of Institution of Engineers (India), life member of Indian Institute of Metals and life member of Indian Institute of Welding. He has been elected as member to the prestigious Standing Committee of Non-Ferrous Minerals & Industries of Federation of Indian Mineral Industries (FIMI). He is also member of Board of Governors of National Institute of Foundry & Forge Technology (NIFFT), an autonomous body of Govt. of India under Ministry of HRD.



Shri N. R. Mohanty

Shri N.R. Mohanty is the Director (P&T) of the Company w.e.f. 01.02.2012.

Born on 13.01.1957, Shri Mohanty graduated in B.Sc. Engg.(Hons) in Mechanical Engineering from NIT, Rourkela in 1980 and was adjudged as the "BEST GRADUATE" of Sambalpur University. Joined NALCO in December, 1986 after working in L&T and BALCO and held various positions like GM(O&M) and GM(Smelter) etc. before becoming Director (P&T). While working in Business Development Dept. of NALCO, he immensely contributed in preparation of new vision and mission plan of NALCO. During his tenure in Smelter, NALCO smelter achieved 100% capacity utilization and bagged 2nd prize in Aluminium sector for National Energy Conservation Awards, 2011. He has also successfully steered NALCO to set its first footprint outside the state of Odisha by foraying into the "Green Energy"

with the commissioning of its 1st Wind Power Project of 50.4 MW at Gandikota, Andhra Pradesh and commencement of the erection activities of its 2nd Wind Power Project of 47.6 MW at Jaisalmer, Rajasthan. Several other projects such as Alumina Refinery in Gujarat, 5th Stream in Alumina Refinery at Damanjodi, Smelter & Power Plant in Sundergarh Dist. Odisha, Caustic Soda Plant with GACL, Aluminium Conductor Plant in JV with PGCIL etc. are being actively pursued under his guidance. He is a life member of Indian Institute of Metals, Fellow member of Institute of Engineers and member of Indian Institute of Welding.



BOARD OF DIRECTORS



Shri S.C. Padhy

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

Born on 3rd June, 1956, Shri Padhy is a post graduate in Labour and Social Welfare from Berhampur University, Odisha. He started his career in 1979 with TATA mines and got rich experience in the management of human resources through his exposure in TATA mines, NTPC and SJVNL. Implementation of 'Performance Related Pay (PRP)' based on the tenet of balance score card at SJVNL and 'Rationalisation of Manpower' including effective utilisation of excess manpower through retaining and redeployment are two notable contributions to his credit. Shri Padhy also holds the post of Regional Vice President, NIPM Central Zone as well as Chairman, Mahanadi Chapter of NIPM. He has been awarded with best HR Leadership Award-2012 by Asia Pacific HRD Congress in September, 2012.

Shri Padhy was Director (HR) of Mahanadi Coalfields Limited before joining NALCO. In MCL, his major contributions were in the field of HRD, R&R of project affected families, strict implementation of statutory and non-statutory welfare measures of contract labour.

Shri Durga Shanker Mishra

Shri D.S. Mishra is the Part-time Official Director of the Company.

Born on 04.12.1961, Shri Mishra is a B.Tech(Electrical Engg.) from IIT, Kanpur and MBA(International Business) from University of Western Sydney Macarthur, Australia. He has also done Post Graduate Diploma in Human Resource Management from All India Management Association (AIMA) and Post Graduate Diploma in Democratization, Governance and Public Policy from Institute of Social Studies, The Hague, The Netherlands. He joined Indian Administrative Service (IAS) in 1984. He has served in various assignments in the Union and State Governments. He served as Director (Personnel) and Joint Secretary (Foreigners) in the Ministry of Home Affairs and Chief Vigilance Officer, Airport Authority of India. His significant assignments in the State Government have been Principal Secretary to the Chief Minister, Principal Secretary, Urban Development, Tax & Registration and Civil Aviation department. He takes keen interest in good corporate governance in the Government.

At present Shri Mishra is Joint Secretary in Ministry of Mines, Govt. of India. He is also holding directorship in Hindustan Zinc Limited and Mineral Exploration Corporation Ltd. Shri Mishra was appointed as a Director on the board of NALCO from 26.02.2013 to 21.04.2013. He was again inducted to NALCO Board on 04.07.2013.



Shri Ved Kumar Jain

Shri V.J. Jain is an Independent Director of the Company w.e.f. 21.03.2011.

Born on 15.12.1953, Shri Jain is a rank holder in both CA Inter and CA Final examination. A Triple Bachelors Degree Holder, he completed his Bachelor of Science from Punjab University in 1973. After completing his Chartered Accountancy in 1976, he did his Bachelors of Arts in Economics in 1979. He also completed his Bachelors of Law in 1980. He was elected to the central council of ICAI 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. A prolific writer, having command in Hindi, English, French, Urdu and Punjabi, has authored many books on Direct Taxes. He is also holding directorship in many other Companies viz. Maytas Properties Ltd, PTC India Ltd, PTC India Financial Services Limited, IL&FS Engineering and Construction Company Ltd., VJ Corporate Advisors(P) Ltd., ICAI Accounting Research Foundation and Urban Improvement Company Private Limited. He is also proprietor of M/s. Ved Jain & Associates.

Shri P.C. Sharma

Shri P.C. Sharma is an Independent Director of the Company w.e.f. 21.03.2011.

Born on 31.03.1950, Shri Sharma did M.Sc. in Chemistry from Guwahati University in 1972. He joined Indian Administrative Service in 1975. 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. He 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 is also Director on the Board of Garden Reach Shipbuilders & Engineers Ltd. and Brahmaputra Chemicals & Polymers Ltd.



Shri G.P. Joshi

Shri G.P. Joshi is an Independent Director of the Company w.e.f. 15.09.2011.

Shri Joshi, born in 1955, has master's degree in Physics and Management of International Development Projects and PG Diploma in Financial Management. He joined the Indian Administrative Service in 1978 and took voluntary retirement in 2008. He has thirty years of experience in various positions in the Central and State Governments of Manipur and Gujarat. He serves as a director on the Boards of Hindustan Copper Limited, Saraf Foods Limited and Peaches & Plums Resorts Pvt. Limited.

BOARD OF DIRECTORS



Shri S. S. Khurana

Shri S.S. Khurana is an Independent Director of the Company w.e.f. 15.09.2011.

Shri Khurana (an alumnus of IIT/Roorkee) former Chairman of Railway Board and ex-officio Principal Secretary to Government of India has a blend of 38 years of strong Administrative, Corporate, Management and Technical Experience in various key positions of Indian Railways. Apart from the Apex level position of Chairman Railway Board in the Ministry of Railways, he held the other important and crucial positions of Member Staff, Railway Board and ex-officio Secretary to Government of India, General Manager of the Zonal Railways of East Coast Railway and the Eastern Railway, Divisional Railway Manager of the ADRA division of South Eastern Railway. Apart from this, he discharged the onerous tasks of Chairman of the two important PSUs of the Ministry of Railways e.g. IRCON International Ltd. and the Dedicated Freight Corporation of India Ltd (DFCCIL). He also worked as the Chief Electrical Engineer of the Railway Electrification at Allahabad and Chief Project Manager of Railway Electrification at Ambala.

Shri Khurana has undergone an Advanced Leadership programme from "Stern Business School, New York, USA". He has visited many countries on study tours as well as for Inspection, Design & Development of Electric Locomotives. He has the wide ranging experience and exposure to the Railways in these countries.

Shri Madhukar Gupta

Shri Madhukar Gupta is an Independent Director of the Company w.e.f. 27.12.2011.

Shri Gupta is a post graduate in Political Science. He joined the Indian Administrative Service in 1971. He brings with him more than 38 years experience in the Central Government and State Governments of Uttar Pradesh and Uttarakhand. He retired as Home Secretary, Government of India. The positions held by him prior to that included Secretary in the Ministries/Departments of Fertilizers and Youth Affairs and Sports, Additional Secretary, Department of Mines, Vice Chairman Delhi Development Authority, Regional Director (Middle East) Indian Investment Centre, Abu Dhabi, in the Central Government, Chief Secretary, Government of Uttarakhand and other important positions, including in the public sector, in the State. He was a Fellow at the Queen Elizabeth House, University of Oxford and had earlier obtained a Diploma in Rural Development Projects: Design and Appraisal from the ILO Centre at Turin, Italy. He also acted as Advisor to the Governor of Jharkhand during President Rule in the state.



Shri G.H. Amin

Shri G.H. Amin is an Independent Director of the Company w.e.f. 27.12.2011.

Born on 28.03.1947, Shri Amin is a Science graduate and holds a degree in Law. He is a practicing lawyer in Gujarat High Court for the last 38 years. He was former Chairman of Bar Council of Gujarat. Shri Amin has immensely contributed to the Co-operative sector in India. He was the Chairman of The Ahmedabad District Central Co.Op.Bank Ltd., and Regional Chairman of The Cosmos Co.Op. Bank Ltd. (Multi State Bank). He was the President of National Co-Operative Union of India – New Delhi. He was a member of the High power committee constituted to review and amend Multi State Co-operative Societies Act. He was also a member of High power committee constituted by the Gujarat Government for evaluation and amendment of the Gujarat State Co-op. Societies Act, 1961. He was formerly Court member of Jawaharlal Nehru University (JNU) and former syndicate member of Gujarat University, Ahmedabad. He has many awards to his name viz. Sardar Patel international award in co-operative management,

felicitation by International Association of Educators for world peace by UNO and UNESCO.

Shri Qaiser Shamim

Shri Qaiser Shamim is an Independent Director of the Company w.e.f. 10.07.2012.

Born on 05.06.1951, Shri Shamim did his M.A. in Economics and LLB from Lucknow University. He has done M.Sc. in Fiscal studies from University of Bath, U.K. He had also done research in Economics from Hitotsubashi University, Tokyo, Japan. He has done a course on Trade Policy from The Kennedy School of Government of the Harvard University, USA and another on Japanese Language from Hitotsubashi University, Osaka, Japan. He joined IRS in 1974 and has 37 years of varied experience in the Govt. of India. He served as Joint Secretary to the Government of India, Ministry of Textiles looking after Textile Exports of India, WTO Negotiations etc. He served various Ministries before retirement as Chief Commissioner of Income Tax, Delhi. Shri Shamim is a seasoned specialist on matters relating to Corporate Governance having extensively dealt with the largest public and private sector corporations of the country. Presently, Shri Shamim is the Chairman of Haj Committee of India.



Shri Sanjiv Batra

Shri Sanjiv Batra is an Independent Director of the Company w.e.f. 10.07.2012.

Born on 17.09.1950, Shri Batra is a B.Tech (Electrical) from IIT, New Delhi and MBA from Delhi University. He had also done a certification course on International trade from IIFT. He has 40 years of work experience primarily in public and private sectors including marketing, strategic planning, business diversification, policy formulation for import and export of commodities, supply chain management, logistics and promoting trade related infrastructure. He last served MMTC Limited as CMD. He was instrumental in leading transformation of MMTC into an integral conglomerate following public private partnership route. He is also director on the Board of National Commodity and Derivatives Exchange of India (NCDEX), Mumbai, Mideast Steel Company Ltd. and Managing Director of New GEN Resources Pte. Ltd., Singapore.



EXECUTIVE DIRECTORS



Shri P K Mohanty, IAS
Chief Vigilance Officer



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



Shri Goutam Chand
ED (Marketing)



Sri N. Sundaray
ED (Materials)



Shri K. N. Ravindra
Company Secretary



Shri S.P. Pattnaik
ED (CP&BD)

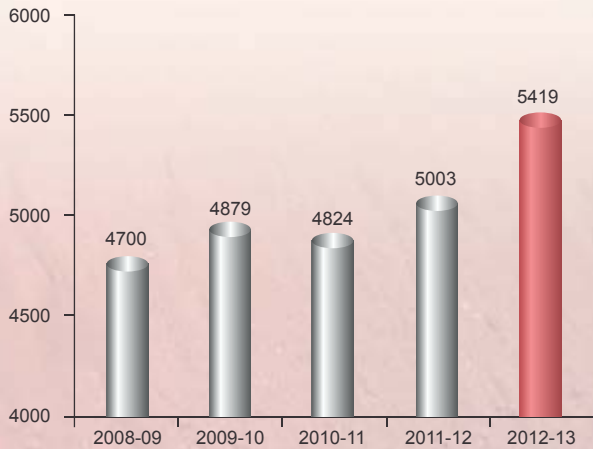


Shri K C Samal
ED (Finance)



BAUXITE

(in '000 MT)

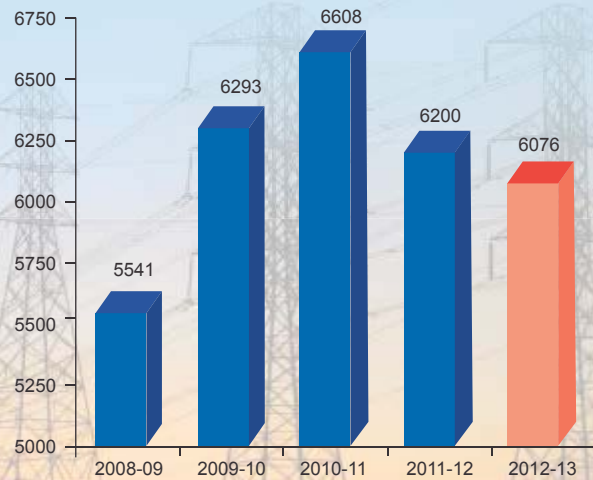


(in '000 MT)



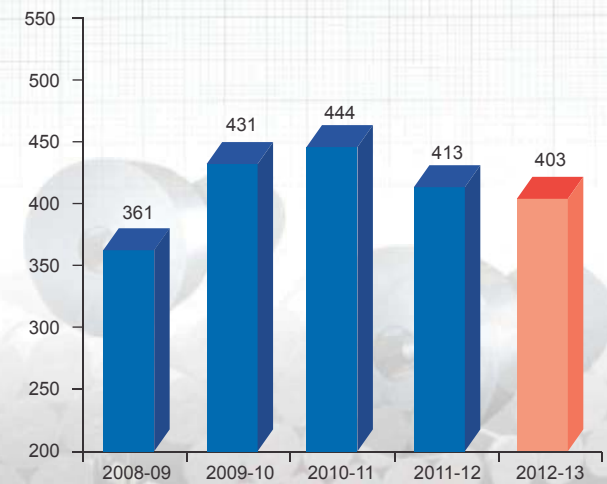
POWER GENERATION

(Million Units)



ALUMINIUM

(in '000 MT)



Directors' Report



Dear Members,

Your Directors have great pleasure in presenting the 32nd Annual Report of your Company together with the audited statement of accounts and Auditors' Report thereon for the financial year 2012-13.

Performance Highlights

You will be pleased to know that Bauxite Mines of your Company achieved the highest ever production since inception with transportation of 54.19 lakh MT against previous best of 50.03 lakh MT (2011-12), despite production loss of about one month on account of non-operation of Mines on expiry of mining lease and suspension of night-shift operation for 3 months due to law and order issues.

Similarly, your Company's Alumina Refinery plant at Damanjodi also achieved the highest ever production since inception with alumina hydrate production of 18.02 lakh MT against previous best of 16.87 lakh MT (2011-12).



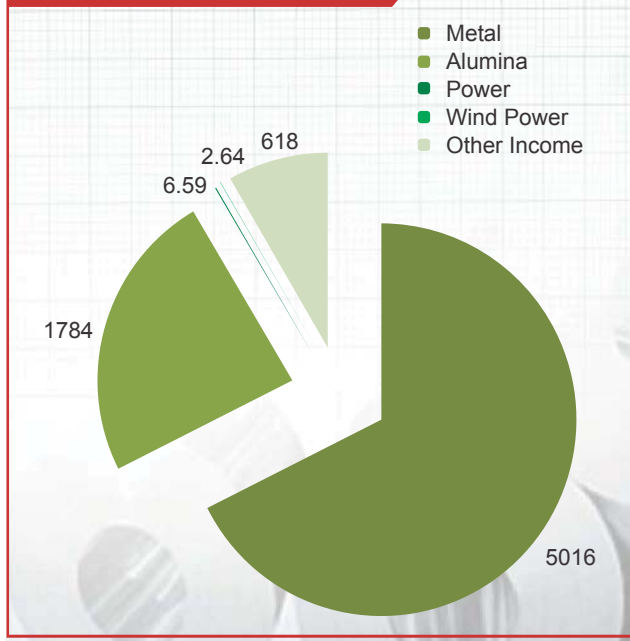
1st pour concrete for the new Fume Treatment Plant at Smelter by Hon'ble Minister

The Aluminium Smelter plant at Angul achieved the cast metal production of 4.03 lakh MT against the previous best of 4.44 lakh MT achieved in 2010-11 and 4.13 lakh MT achieved in 2011-12. In view of prevailing low LME prices, your Company took a conscious decision to further reduce metal production by stopping about 100 pots during the year under report. Your Company has further decided to operate around 625 pots, out of 960 pots, based on power generated mostly from linkage coal. This is in line with the international practice followed by smelters around the world. This has helped the Company to reduce the cost of production of metal.



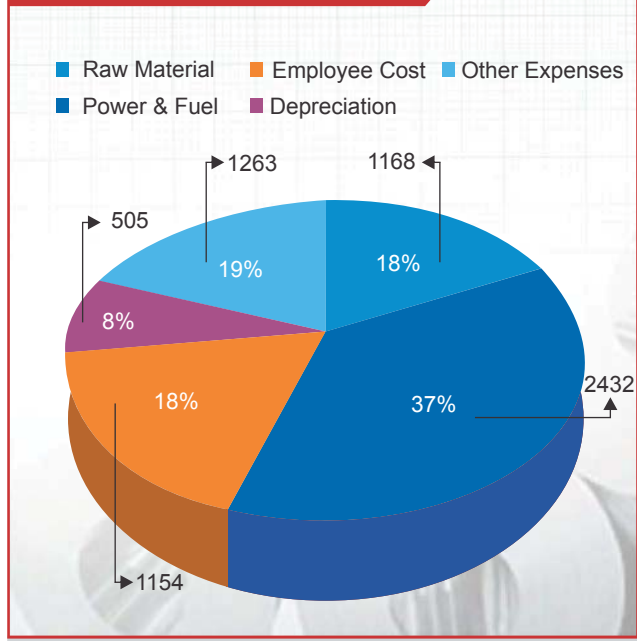
Income Break-up (2012-13)

₹ in crore



Cost Break-up (2012-13)

₹ in crore



Panoramic view of Captive Power Plant, Angul