

38TH ANNUAL REPORT 2018-19

4TH INDUSTRIAL REVOLUTION
INDUSTRY 4.0 : LEADING THE WAY

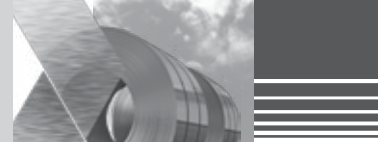


Vision



To be a Premier and
Integrated company in the
Aluminium value chain
with strategic presence in Mining
both domestic & global,
Metals and Energy sectors.





THE YEAR AT A GLANCE

PARTICULARS	UNIT	2018-19
PHYSICAL		
Bauxite	MT	72,30,546
Alumina Hydrate	MT	21,52,500
Aluminium	MT	4,40,242
Power (net)	MU	6,256
Wind Power	MU	330
FINANCIAL		
Export Turnover	₹ in crore	4,793
Gross Sales	₹ in crore	11,386
Profit Before Tax	₹ in crore	2,740
Profit After Tax	₹ in crore	1,732
Earning Per Share	₹	9.06
Book Value per Share	₹	56.20
Dividend	₹ per Share	5.75



REGISTERED OFFICE & CORPORATE OFFICE
NATIONAL ALUMINIUM COMPANY LIMITED
 CIN: L27203OR1981GOI000920
 NALCO Bhawan, Plot No. P/1,
 Nayapalli, Bhubaneswar - 751 013, Odisha
 Tel. : 0674-2303197
 Email: company_secretary@nalcoindia.co.in
 Website : www.nalcoindia.com

38th Annual General Meeting

Wednesday, the 18th September, 2019 at 11.00 A.M.
 at NALCO Bhawan, P/1, Nayapalli,
 Bhubaneswar - 751 013.

Contents

The year at a glance	1
Directors' Report	11
Annual Report on CSR Activities	41
Management Discussion & Analysis Report	45
Business Responsibility Report	62
Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo	83
Report on Corporate Governance	89
Extract of Annual Return	119
Secretarial Audit Report	127
Independent Auditor's Report & Financial Statements (Standalone)	137
Independent Auditor's Report & Financial Statements (Consolidated)	199
5 years performance at a glance - Physical & Financial	262

...and the saga continues



▲ Inaugural session of International Conference on Aluminium (INCAL 2019)



▲ NALCO Pavilion in Make in Odisha Conclave



▲ Inauguration of NALCO stall at 4th National Conclave on Mines & Minerals



▲ Launch of ALUMOF-The Mascot of INCAL-2019



▲ Dedication of NALCO-LV Prasad Secondary Plus Eye Hospital at Angul



▲ NALCO in PDAC-2019



▲ NALCO in IMARC-2019



▲ All India Partners Summit



▲ Customers Meet in Mumbai



▲ MoU with Vrindaban Gurukul Trust



Dr. Tapan Kumar Chand
Chairman-cum-Managing Director

Dr. Tapan Kumar Chand joined the company as Chairman-cum-Managing Director on 27.07.2015. Dr Chand is a highly competent and experienced professional having more than 30 years of rich experience in Mining and Metal Sector, out of which 8 years are at the helm of Affairs as Director in Coal & Steel sector.

An outstanding scholar and gold medalist in his student career, he has undergone training in International Centre for Promotion of Enterprises in Slovenia and Queensland University of Technology, Australia. He received Jawaharlal Nehru Award for outstanding performance as a Professional.

Dr. Chand has recently launched his 2nd edition book, "Aluminium : The Future Metal", which is just like a one-stop-shop providing much information on entire Aluminium Value Chain. His previous book 'Aluminium :The Strategic Metal' was well acclaimed by engineers, entrepreneurs, researchers, educationists & the corporate world.

He has been conferred with "D.Lit, the highest honour of Utkal University in recognition of his outstanding contribution towards Industry, Business Management & Nation Building. Hon'ble Governor of Jharkhand conferred him with highest management award 'Ravi J Matthal National Fellow Award' constituted by Association of Indian Management Schools. Times of India has conferred on him "The Achievers Odisha Award" and National Institute of Personnel Management, the National Fellow Award for his distinct contribution in the field of Human Resource Management. Dr. Chand is the President of Aluminium Association of India, the apex body representing the entire spectrum of Indian Aluminium Industry.



Shri Basant Kumar Thakur
Director (HR)

Shri Basant Kumar Thakur is the Director (HR) of the Company w.e.f. 04.07.2016.

Born on 19.12.1959, Shri Basant Kumar Thakur has a Diploma in Social Works along with a degree in History from Punjab University. He started his career in SAIL in 1981 and since then he served in various units including Durgapur Steel Plant, Bokaro Steel Plant, Salem Steel Plant, R&D Centre in Ranchi and Corporate Office in New Delhi, prior to joining NALCO as Director (HR). Shri Thakur is a hands on Human Resources professional with comprehensive experience including recruitment, retention, conflict resolution, change management, labour relation and benefit administration. He has four years of experience in Corporate Communications. In SAIL, he had collaborated with senior management to conduct organizational wide strategic planning in order to support and further the organizational goals. He played a vital role rebuilding Human Resources Department by updating Human Resources System, policies and procedure development, coaching, counseling, planning, direction and management of all HR activities in his three decades long career at SAIL. Shri Thakur is a life member of NIPM and is an Honorary President of NIPM, Utkal Chapter. He is also convener -CII Odisha HR-IR Panel.



Shri V Balasubramanyam
Director (Production)

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

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

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



Shri Sanjib Kumar Roy
Director (P&T)

Shri Sanjib Kumar Roy is the Director (P&T) of the Company w.e.f. 03.02.2017.

Shri Roy completed B. Sc (Hons in Chemistry) from Ramakrishna Mission Vidyamandir, Belurmath and then B. Tech & M. Tech in Chemical Engineering discipline from Calcutta University. He began his career in NALCO as a Graduate Engineer Trainee in 1984. He was posted in the company's Alumina Refinery Complex in Damanjodi since inception of the project, where he held different key positions including two stages of expansion before becoming the General Manager (Refinery). Thereafter in May'2012, he was posted as General Manager (Smelter) at the company's Smelter Plant in Angul before his elevation as Executive Director (S&P). Shri Roy moved to the headquarters in Bhubaneswar as Executive Director (Production) in April 2015. He received the "Award of Excellence" for the lifetime achievement in the field of Engineering from Odisha Engineers Forum for the year 2018.

Shri Roy brings to this post his vast experience in the company's plant & operations as well as managing projects from conceptualization to commissioning.

BOARD OF DIRECTORS



Shri Pradip Kumar Mishra
Director (Commercial)

Shri Pradip Kumar Mishra Joined the Company as Director (Commercial) w.e.f. 23.04.2018.

Born on 12.02.1961, Shri Pradip Kumar Mishra is a Post Graduate in English literature from Utkal University. He started his professional career as a Management Trainee in SAIL in the year 1983. He brings along rich and varied experiences in the field of marketing management. During his 35 years tenure in SAIL, he served in various positions, including being the Regional Manager in three regions of SAIL. He headed the domestic marketing of flat products of SAIL for over 3 years as Executive Director. Shri Mishra is the recipient of the prestigious Jawahar Award for outstanding contribution in marketing area in SAIL.



Shri Sridhar Patra
Director (Finance)

Shri Sridhar Patra joined the Company as Director (Finance) w.e.f. 01.09.2018. Before joining NALCO, he had served as Director (Finance) of THDC India Limited for a period of 5 years.

Born on 12.10.1964, Shri Patra is a member of Institute of Chartered Accountants of India and rank holder graduate in Commerce from Utkal University. Shri Patra is a seasoned Finance & Accounts Professional with results-driven and team oriented leadership and have demonstrated commitment to organizational growth. He has over three decades of experience in finance and accounts functions of various Public Sector Undertaking like Odisha Mining Corporation Ltd., Indian Rare Earths Ltd. and Mangalore Refinery & Petrochemicals Ltd (A subsidiary of ONGC Ltd.) with exposure in Corporate Accounts, Budgeting & Control, Direct & Indirect Tax Management, Strategic Financial & Business Planning, Financial evaluation of Contracts, Cost Excellence and Treasury function. Shri Patra has contributed significantly as an academician to professional accounting institutions apart from his employment in PSUs.



Dr. K. Rajeswara Rao
Part-time Official Director

Dr. K. Rajeswara Rao was inducted to the Board w.e.f. 19.02.2018. Born on 1st July, 1962, Dr. K. Rajeswara Rao has degree of Doctor of Philosophy (Ph.D.) in Social Sciences from the University of Jamia Millia Islamia, Delhi. He belongs to 1988 batch of Indian Administrative Service (IAS) from Tripura Cadre. He is currently working as Additional Secretary in the Ministry of Mines, Government of India, New Delhi. Dr. K. Rajeswara Rao has abundant experience of working in Central Ministries, State Governments and Public Sector Companies in sectors/ areas such as Welfare, Development, Governance, HRD, Urban Development, International Co-operation, Community Empowerment etc.



Shri Anil Kumar Nayak
Part-time Official Director

Shri Anil Kumar Nayak was inducted to the Board w.e.f. 27.03.2018.

Born on 16.05.1962, Shri Anil Kumar Nayak has done his M.A. in Politics from School of International Studies, JNU, New Delhi and M.Phil in Ethnicity and Political Development in the Ivory Coast from Delhi University. He joined Indian Ordnance Factory Services (IOFS-1986 Batch) on 15th Feb' 1987. He was Deputy Director General, Ordnance Factory Board, Kolkata looking after Industrial Relations of the entire organization comprising of 41 Ordnance factories before joining as Chief Labour Commissioner in Ministry of Labour in August, 2015. He got wide experience of working in other Government departments viz. Deputy Secretary to 5th Pay Commission, Deputy Secretary in Ministry of Defence, Regional Provident Fund Commissioner Gr.-I of Bihar and Odisha, Director in Ministry of Mines etc. He has been appointed as Joint Secretary, Ministry of Mines in March, 2018.

He brings with him varied experience in technical as well as administrative fields.



Shri Dipankar Mahanta
Part-time Non-official
(Independent) Director

Shri Dipankar Mahanta was inducted to the Board as a Part-time Non-official (Independent) Director w.e.f. 21.11.2015. He was re-appointed for further period of one year w.e.f. 21.11.2018 after completion of his three years tenure on 20.11.2018.

Born on 12th December, 1965, Shri Dipankar Mahanta did his MBA from Guwahati University and started with an entrepreneurial venture named M/s Consort Marketing, with an objective of marketing small scale industries products. Subsequently, he joined and served the Guwahati Stock Exchange in various capacities concerning the Indian Capital Market. He was the promoter director of Economic and Industrial Development Collaborative (India) Pvt. Ltd. a company with an object for imparting quality consultancy services and its implementation in the North East Region (NER). He was a consultant in designing and implementing a Handmade Paper unit for L.B.Agro Private Ltd near Guwahati. He was involved as co-consultant in projects like Diagnostic Study of Industrial Training Institutes (ITIs) of the NER for the NEC, Feasibility Study of a Market Complex Exclusively Selling Handloom and Handicraft Products for NEHDC, Study of the factors affecting the Process of Language Learning for DPEP, Study on 'Bamboo and Bamboo Products in Assam' for National Bamboo Mission, Study on 'Socio-economic Study of the Brick Field in Assam' for Pollution Control Board, Assam. He served Vivekananda Kendra, a voluntary organization in various capacities and later on he was the Associate Director, Research Council of the Vivekananda Kendra Institute of Culture (VKIC), a specialized project on Cultural Documentation and Research of India's North East. He also had the opportunities to serve CAPART (NEZ) under the Ministry of Rural Development, Government of India.

He is presently working in the field of Social Entrepreneurship with various social organizations, prominent amongst them is Vivekananda Kendra and Srimanta Foundation for Culture and Society. He is also a resource person and trainer for sessions on 'Knowledge of Self and its Management'.



Shri S. Sankararaman

Part-time Non-Official (Independent) Director

Shri S. Sankararaman was inducted to the Board as a Part-time Non-Official (Independent) Director from 21.11.2015. He was re-appointed for further period of one year w.e.f. 21.11.2018 after completion of his three years tenure on 20.11.2018.

Born on 19th May, 1962, Shri S. Sankararaman is a fellow member of the Institute of Chartered Accountant of India (ICAI). Shri S. Sankararaman is affected by muscular dystrophy and a wheelchair user from the age of 12. He is presently the Honorary Secretary of Amar Seva Sangam, an Institution for betterment of the handicapped and under privileged. He started his career in 1985 rendering professional services to various corporates before joining the Amar Seva Sangam in 1992. His mission is to empower the disabled citizen by establishing a "Valley for the Disabled" as a Rehabilitation and Development Centre for the region and developing models for self-help initiatives by integrating the disabled individuals with the society for improved living conditions in the villages.

He is a champion for the rights of the disabled persons and believes that disability is not a constraint but only a condition which can be managed with the right combination of rehabilitation and enablement. He has been instrumental in developing Amar Seva Sangam from scratch to its current position of leadership in the field of disability management with state-of-the-art infrastructure and deliver high quality rehabilitation programs across all age groups and across all disabilities. He was conferred with the Ashoka Fellowship for innovation and received several awards at the State, National and International levels in recognition of his services, which include a State Award from the Chief Minister of Tamil Nadu and National Awards from the President of India twice.



Shri Pravat Keshari Nayak

Part-time Non-Official (Independent) Director

Shri Pravat Keshari Nayak is a senior partner of leading Chartered Accountant Firm M/s. P. K. Nayak & Co. with over three decades of experience across in wide ranging areas of public and private sectors. His vast repertoire of financial expertise and experience spans across several corporates, banks and other financial institutions and government departments, agencies and Public Sector Undertakings. He has advised Adam Smith International, UK on a DFID funded reforms program for restructuring of PSUs in Odisha. He also holds degrees in Laws and diploma in Information System Audit (ICAI). Besides financial advisory and audits, including being an Independent Auditor in large social sector projects, he has proactively offered guidance to young entrepreneurs and start-ups. He has participated in many national seminars and conferences related to Finance, taxation and audits. His hobbies include caring for the environment and he is an avid lover of animals.



Prof. Damodar Acharya

Part-time Non-Official (Independent) Director

Prof. Damodar Acharya was inducted to the Board as an Independent Director on 21.11.2015. He was re-appointed for further period of one year w.e.f. 21.11.2018 after completion of his three years tenure on 20.11.2018.

Born on 2nd April, 1949, Prof. Damodar Acharya holds degree in Mechanical Engineering from NIT, Rourkela, Masters and PhD degrees from IIT, Kharagpur. He joined the Industrial Engineering faculty in the same institute in 1976. He has left his indelible mark in all the responsibility that he has taken in the institute, be it as head of the Department, Chairman JEE, DEAN (Sponsored Research and Industrial Consultancy), Executive Director STEP, Chairman of Vinod Gupta School of Management or as the Director of this first and the largest IIT in the Country.

As Founding Vice Chancellor of Biju Patnaik University of Technology, he laid a foundation of a robust Technical University Education system that is being emulated by others. He was the Chairman of All India Council of Technical Education.

He played important role in the establishment of IIT Bhubaneswar and was its first Mentor Director. He remained non official Director in the Central Board of RBI for four years and as an Independent Director in RCF for three years.

Prof. Acharya is Chairman of the Advisory Board of SOA University



Shri Maheswar Sahu

Part-time Non-Official (Independent) Director

Shri Maheswar Sahu was inducted to the Board as a Part-time Non-official (Independent) Director w.e.f. 21.11.2015. He was re-appointed for further period of one year w.e.f. 21.11.2018 after completion of his three years tenure on 20.11.2018.

Shri Maheswar Sahu has done B.Sc. (Engg.) in Electrical in 1977 from NIT, Rourkela and M.Sc. from University of Birmingham in 1994. He joined Indian Administrative Service (IAS) in 1980. He has served the Government of India and Govt. of Gujarat in various capacities for more than three decades before retiring as Additional chief secretary, Govt of Gujarat in 2014. His career span includes more than 20 years of service in industry and more than 10 years of active involvement in PSU management. He had worked more than 3 years in United Nations Industrial Development Organization. He was instrumental in organization of four Vibrant Gujarat events.

He served as director in many CPSEs. He was also Chairman/ Director in many State PSUs. He is now associated with a number of companies as Independent Director/Chairman. His area of specialization includes strategic management, public administration, corporate governance etc.



Smt. Kiran Ghai Sinha

Part-time Non-Official (Independent) Director

Smt. Kiran Ghai Sinha was inducted to the Board as a Part-time non-official (Independent) director w.e.f. 03.02.2017.

Presently, Smt. Sinha is a senate member of Patna University. She is also Chairperson, Scouts and Guides Fellowship, Bihar. She is member (Non Govt.), Hindi Salahkar Samiti, Ministry of Civil Aviation, Govt of India. She has been nominated as member of first Court of Mahatma Gandhi Central University, Champaran, Bihar. She has also been nominated as member of state level three member authority under PC-PNDT Act, 1994 by the Government of Bihar. Earlier, Smt. Sinha was senate member of Patna University for three terms in succession.

Smt. Sinha did her M.A. in Hindi from Patna University. She retired as an Associate Professor, Dept. of Hindi, Patna Women's college, Patna University. Smt. Sinha was also member, Bihar Legislative Council (BLC) for consecutive two terms from 2004-10 and again 2010-16. During her tenure as MLC, she was privileged to chair 3 Committees of the house viz. Urban Development Committee, Rajbhasha Committee & Child protection Women empowerment Committee. She was member, Local Board (Eastern Zone), Reserve Bank of India (2001-2004) and was also member, Board of Management and Member, Finance Committee, Rajendra Agriculture University, Pusa, Bihar for two terms. She was also a jury member for non-feature films category & feature film category in the 48th and 50th National Film awards. She was a member of a state delegation to the World Hindi Conference held at United Nations, USA (2007).



Shri Nagendra Nath Sharma

Part-time Non-Official (Independent) Director

Shri N N Sharma was inducted to the Board as a Part-time non-official (Independent) director w.e.f. 06.09.2017.

Born on 12th August, 1950. Shri N N Sharma has done B.Sc in Mechanical Engineering. At present, he is Chairperson, Centre for Corporate Social Responsibility and Sustainability at Birla Institute of Management Technology (BIMTECH), Greater Noida. He is also member of Social Audit Committee of ACC Ltd. Shri Sharma conducted capacity building programme of CSR professionals of corporates like NTPC, NHPC, SAIL and NPCIL. He has more than three decades of experience of working in social development sector. He was managing director of Rajasthan Consultancy Organisation (RAJCON) promoted by IFCI and other development organizations and also first general manager of UP Minorities Financial and Development Corporation.

He has also worked with UNDP and UNIDO and was associated with projects supported by the World Bank and DFID, UK.



Smt. Achla Sinha

Part-time Non-Official
(Independent) Director

Smt. Achla Sinha was inducted to the Board as a Part-time non-official (Independent) Director w.e.f. 08.09.2017.

Smt. Sinha has done M.A. in English Literature from Patna University, M.Phil in Public Administration from Panjab University, Advance Professional Programme in Public Administration (APPPA) from Indian Institute of Public Administration (IIPA), New Delhi.

She is an Indian Railways Traffic Service officer (IRTS) of the 1982 Batch. She started her career as Assistant Commercial Manager from Danapur Division, Eastern Railway. She had since worked in various capacities for over three decades in the Ministry of Railways as i) Director (Tourism) ii) Executive Director (Statistics & Economics). In Delhi Division of Northern Railway as Chief Traffic Manager and in East Coast Railway, Bhubaneswar as Chief Commercial Manager (HOD).

She has also served on deputation thrice outside her parent cadre, Indian Railways as : Deputy Secretary, Ministry of Food Supply & Commerce, Government of Bihar, Director Estate, Ministry of Urban Development; Government of India; Additional Secretary, Central Information Commission (CIC).

She has won the General Manager Eastern Railway Award during the Annual Railway Week for outstanding performance. She has also been awarded the Best Woman Participant in the 30th Advance Professional Programme in Public Administration (APPPA) from IIPA, New Delhi.

She has written a number of concept papers to bring about improvements in Indian Railway's functioning as also in Urban Development Ministry, Government of India. Many of these concepts have since been discussed and implemented.



Shri S. D. Sahu
ED (Finance)



Shri R. S. Das
ED (M&R)



Shri Somanath Hansdah
Chief Vigilance Officer



Shri D. Mohapatra
ED (Production)



Shri M. P. Mishra
ED (S&P)



Shri S. Choudhuri
CGM (SHE, GE, Coal & TQM)



Shri S. Samantaray
ED (Marketing) I/c



Shri N. K. Mohanty
Company Secretary