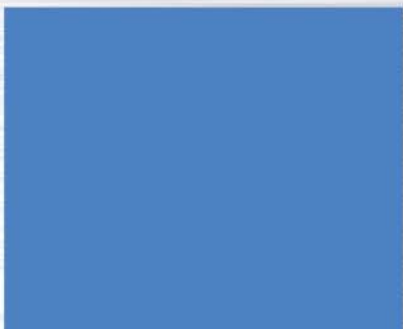


34TH ANNUAL REPORT 2014-15





*To be a reputed Global Company
in the Metals and Energy Sectors*

The Year at a Glance

Particulars	Unit	2014-15
Physical		
Bauxite	MT	5,739,120
Alumina Hydrate	MT	1,851,000
Aluminium	MT	327,070
Power (Net)	MU	5,131
Wind Power	MU	175
Financial		
Export Turnover	₹ in Crore	3,307
Gross Sales	₹ in Crore	7,771
Profit Before Tax	₹ in Crore	2,113
Profit After Tax	₹ in Crore	1,322
Earning Per Share	₹	5.13
Book Value Per Share	₹	49.65
Dividend	₹ Per Share	1.75

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Registered Office & Corporate Office:

NATIONAL ALUMINIUM COMPANY LTD.

CIN: L27203OR1981GOI000920

NALCO Bhawan, Plot No. P/1,

Nayapalli, Bhubaneswar – 751 013 (Odisha)

Tel.: 0674-2301988-999, Fax: 0674-2300677,

Email: investorservice@nalcoindia.co.in

Website: www.nalcoindia.com

34th Annual General Meeting

Saturday, 26th September, 2015 at 11:00 A.M.

at NALCO Bhawan, P/1, Nayapalli,

Bhubaneswar - 751 013.

Board of Directors

Shri T K Chand



Shri T.K. Chand joined the Company as Chairman-cum-Managing Director on 27.07.2015.

Shri Chand holds a Post graduate degree in History and Public Administration from Utkal University, a Bachelors degree in Law from Andhra University and DSW (Diploma in Social Welfare) from Calcutta University. A best graduate and gold medalist from Utkal University, he had undergone training in Advanced Management Programme in International Centre for promotion of Enterprises (ICPE) in Western Europe and in Queensland University of Technology, Australia. He was also adjudged as outstanding performer in Certificate course conducted by SCOPE and Dept. of Public Enterprises for Directors and CMDs.

Shri Chand is one of the senior most Directors in industry and is having more than 30 years of rich experience in Mining and Metal Sector, out of which 8 years at Board level. Shri Chand started his career in steel sector. He won "Jawaharlal Nehru Award" for outstanding performance as an executive in RINL.

Before joining NALCO as CMD, he was Director in Rashtriya Ispat Nigam Ltd. (RINL), Visakhapatnam Steel Plant, a Navratna Company of Government of India. He represented Indian steel industry in Paris meet of OECD. Prior to becoming Director in RINL, he was Director in Central Coalfields Ltd., a CPSU in coal sector.

Shri Chand was Chairman of Confederation of Indian Industry (CII), Vizag zone (2012-13) and also the Chairman of Computer Society of India, Vizag Chapter.

He has introduced a number of structural and functional changes in mining and metals sector, which have immensely contributed for the improvement of productivity and profitability of the companies in which he has worked. Within 2 years of his joining as Director (Commercial) he steered RINL from the level of Rs. 10,000 Crs., to Rs. 14,500 crs., turnover company. Shri Chand has developed a blueprint for achieving Rs. 30,000 Crs., turnover for RINL by 2017-18. Shri Chand has opened rural market for steel products by introducing a unique Rural Dealership Scheme and has started globalization of marketing operations by setting up RINL Marketing outlet abroad in Sri Lanka.



Shri N. R. Mohanty

Shri N. R. Mohanty is the Director (P&T) of the Company w.e.f. 01.02.2012. He was also holding additional charge of the post of Chairman-cum-Managing Director from 01.05.2015 to 26.07.2015.

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.

Shri Mohanty had 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 at a cost of Rs. 274 crores and 2nd Wind Power Project of 47.6 MW at Jaisalmer, Rajasthan at a cost of Rs. 284 Crores. Under his leadership,

160KWp grid connected Roof Top Solar plant on Corporate Office and 100KWp grid connected Roof Top Solar plant in Township at Bhubaneswar have been commissioned. While investment decision has been taken for 1 Mln TPA 5th Stream in existing Alumina Refinery at Damanjodi (Rs. 5540 Crores at July '13 price level), in-principle approval has been taken for 100 MW Wind Power Plant at one or two locations in India (Rs. 660 Crores), several other domestic projects such as 1 Mln TPA Alumina Refinery in Gujarat, 0.5 Mln TPA Smelter & Captive Power Plant in Sundergarh Dist. Odisha, 2.67 Lakh TPA Caustic Soda Plant with GACL, 60,000 TPA Aluminium Conductor Plant in JV with PGCIL, 20 MW Wind Power Plant in the mined out area of NALCO's Bauxite Mines at Damanjodi, 15 MW Solar Power project at a suitable location, titanium slag plant of suitable size in JV with Indian Rare Earths Ltd. are being actively pursued under his guidance apart from exploring the feasibility of a 0.5 MTPA Smelter Plant in Abroad and R&D co-operation agreements with Rio Tinto Alcan & other leading public/private R&D institutions. He is a life member of Indian Institute of Metals, Fellow member of Institute of Engineers and member of Indian Institute of Welding.

Shri S.C. Padhy



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

Shri S.C. 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 'Rationalization of Manpower' including effective utilization of excess manpower through retraining and redeployment are two notable contributions to his credit. 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 with effect from 01.01.2009 till 20.12.2012 before joining NALCO. In MCL, his major contributions were in the field of HRD, R&R of project affected families and strict implementation of statutory and non-statutory welfare measures of contract labour, training and suitable deployment of land displaced recruits.

Board of Directors

Shri K. C. Samal

Shri K. C. Samal is the Director (Finance) of the Company w.e.f. 03.01.2014.

Shri Samal was working as Executive Director (Finance) of the Company before assuming the Office of Director (Finance).

A Fellow Member of Institute of Cost Accountants of India, Shri Samal has significant exposure in the areas of Treasury Functions, Foreign Exchange Management, Corporate Accounts, Budgeting and Control. He has played a key role in large scale computerization in Finance, Capital Restructuring, Foreign Debt Management, introducing Risk Management against Foreign Exchange Exposure. He was also associated with various Academic Institutions as Visiting Faculty, viz. XIMB, Utkal University, KIIT, ICAI.



Ms. Soma Mondal

Ms. Soma Mondal is the Director (Commercial) of the Company w.e.f. 11.03.2014.

Ms. Soma Mondal graduated in Electrical Engineering from National Institute of Technology, Rourkela in the year 1984. She started her career as a Graduate Engineer Trainee in NALCO and was involved in various project implementation activities as a part of the Technology Cell.

She has vast experience in Marketing of Alumina & Aluminium and has in-depth understanding of the global and domestic scenario of the Industry having worked for 27 years in Marketing Department of the company in both Regional & Corporate Office. She is well known in the Aluminium Industry for her contribution in various Industry forums. She has been instrumental in devising marketing strategies of different products for NALCO in the Domestic & Overseas market and also has been actively involved in launch of various new products by the Company. Under her guidance several systemic improvement initiatives have been implemented in Marketing and Materials Management functions.



Shri V Balasubramanyam

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 of Indian Mineral Industries (FIMI) and also member of Energy Panel in Odisha chapter of the Confederation of Indian Industries (CII).



Shri R Sridharan

Shri R. Sridharan is the Part-time Official Director of the Company w.e.f. 30.08.2013.

Shri Sridharan is Additional Secretary in the Ministry of Mines.



Dr. Niranjan Kumar Singh

Dr. N K Singh was inducted to the Board as a Part-time Official Director w.e.f. 12.11.2014.

Dr. Singh belongs to 1987 batch of Indian Forest Service (IFS) from Gujarat Cadre. He is currently working as Joint Secretary in the Ministry of Mines, Government of India, New Delhi. He served in various capacities in the Centre and State Governments. He worked in district level for conservation and management and social development. He had the opportunity to serve at the level of Director dealing with Environment and Forestry sector in the Planning Commission, Government of India. He also served at the Director level dealing with Integrated Watershed Development Programme (IWDP) in the Dept of Land Resources, Ministry of Rural Development, Govt of India. He also had a significant stint serving as Managing Director, Gujarat Agro Industries Corporation Ltd.

Dr. Singh is B.Tech in Mining Engineering from Indian School of Mines, Dhanbad. He has also accomplished Ph.D.

Dr. Singh is sincere and committed to good governance and development with abundant experience in government and public sector.



Executive Directors



Shri N. Sundaray
ED (Materials)



Shri A. K. Sahu
ED (H&A)



Shri Sanjib K Roy
ED (Production)



Shri S. K. Dash
ED (P&T)



Shri R. K. Mishra
ED (M&R)



Shri S. D. Sahu
ED (Finance)



Shri S. Acharya
ED (S&P)



Dr. B.K. Satapathy
ED (BD)



Shri A.S. Ahluwalia
ED (Corp. Affairs)



Shri P K Mohanty, IAS
Chief Vigilance Officer



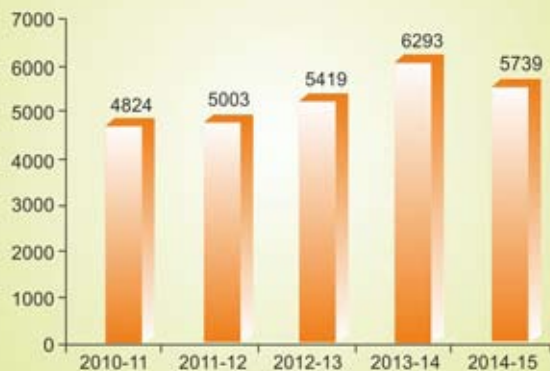
Shri K. N. Ravindra
ED-Company Secretary

Top Management

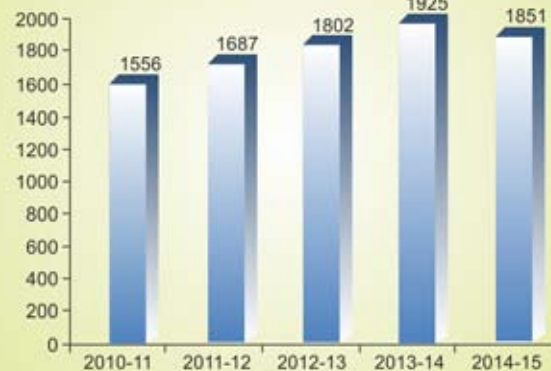


L to R: Ms. Soma Mondal, Director (Commercial), Shri K.C. Samal, Director (Finance), Shri S.C. Padhy, Director (HR),
Shri T.K. Chand, CMD, Shri N.R. Mohanty, Director (P&T), Shri P.K. Mohanty, IAS, CVO,
Shri V Balasubramanyam, Director (Production) and Shri K.N. Ravindra, ED-Company Secretary

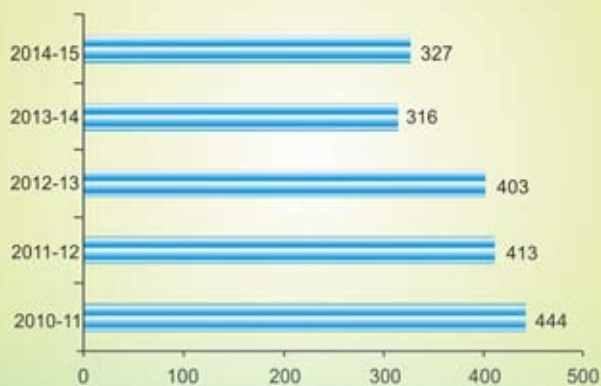
Bauxite (in '000 MT)



Alumina Hydrate (in '000 MT)



Aluminium (in '000 MT)



Power Generation (Million Units)



Overview of Alumina Refinery, Damanjodi, Koraput





Directors' Report



Dear Members,

Your Directors have great pleasure in presenting before you the 34th Annual Report of your Company together with the audited financial statements and Auditors' Report for the financial year ended 31st March, 2015.

Performance Highlights:

Physical Performance

During the year under report, your Company's Alumina Refinery plant at Damanjodi produced 18.51 lakh MT of alumina hydrate against previous best of 19.25 lakh MT. Steam Generation Plant (SGP) achieved the highest ever net power generation of 433 MU surpassing previous best of 423 MU.

The Aluminium Smelter produced 3.27 lakh MT of metal against previous best of 4.44 lakh MT and compared to 3.16 lakh MT produced during last year. Your Company continued to restrict metal production in line with the availability of linkage coal due to low LME price of Aluminium, hence lower production of cast metal. Smelter achieved the highest ever production of Wire Rod of 96,070 MT surpassing previous best of 87,991 MT produced during 2013-14. Tee Ingot production of 39,803 MT was the highest ever since inception surpassing previous best of 14,461 MT achieved during 2011-12.

The Captive Power Plant generated 5,131 MU of Net Power against previous best of 6,608 MU and compared to 4,989 MU generated during previous year.

The 50.4 MW Wind Power Plant-I of your Company at Gandikota, Andhra Pradesh generated 115 MU of wind energy compared to 116 MU generated during the last financial year and the 47.6 MW Wind Power plant-II at Jaisalmer, Rajasthan generated 66 MU of wind energy compared to 34 MU during 2013-14.

Your Company has successfully commissioned 260 KWp roof top solar power system at its Corporate Office and township buildings at Bhubaneswar. During the year 167 kilo units of solar energy was generated.

Sales Performance:

Chemicals

Chemical sale during 2014-15 was 12,24,643 MT compared to 13,42,761 MT achieved during 2013-14. This includes Calcined Alumina export of 11,84,595 MT during 2014-15 as compared to 13,09,473 MT exports made during 2013-14.

Metal

The total metal sales during 2014-15 were 3,26,080 MT compared to 3,19,663 MT during 2013-14. Total metal sale consists of domestic sale of 2,65,328 MT and export of 60,752 MT. The domestic sale includes Wire Rod sale of 96,070 MT which is the highest ever sales made since inception, surpassing the previous best of 87,969 MT achieved during 2013-14.

You will be pleased to know that your Company achieved highest ever Tee Ingot sale of 36,716 MT surpassing previous best of 14,460 MT achieved during 2013-14 and exported

1,529 MT of Tee Ingots for the first time during the year under report.

Financial Performance:

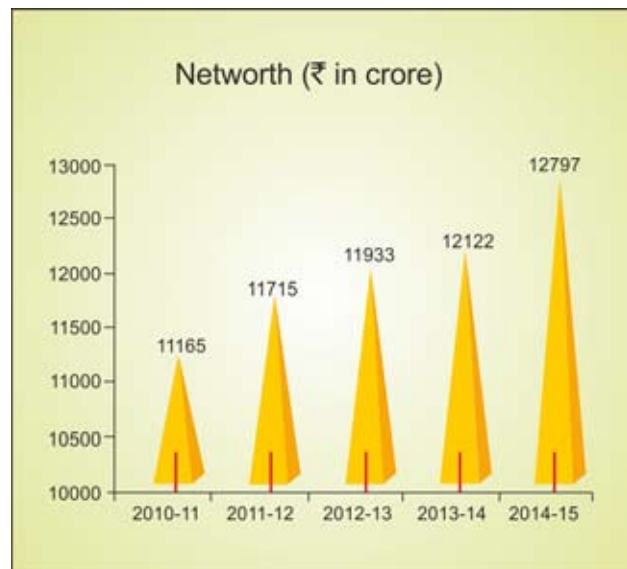
You will be pleased to know that your Company achieved a Profit After Tax of ₹1,322 crores during the year as compared to ₹ 642 crores during the previous year with an increase of 106% over previous year.

The details of financial performance are given below:

(₹ in crore)		
Particulars	2014-15	2013-14
Revenue from Operations(Net)	7,383	6,781
Other Income	672	558
Total Income	8,055	7,339
Cost of materials consumed	1,031	1,063
Power & Fuel	1,802	2,018
Employee benefits Expenses	1,378	1,245
Other Expenses	1,465	1,521
Depreciation & amortisation expenses	414	525
Total Expenses	6,090	6,372
Profit before Exceptional items	1,965	967
Less : Exceptional items	(-148)	49
Profit before Tax	2,113	918
Tax Expenses	791	276
Profit After Tax	1,322	642

Dividend and Appropriations:

Your Board has recommended a final dividend of ₹ 0.50 per share (10% on the equity shares of ₹ 5/- each) for the financial year 2014-15 in addition to the interim dividend of ₹ 1.25 per share (25% on equity share of ₹ 5/- each), already paid in March, 2015. The total dividend payout for the financial year 2014-15 works out to ₹ 451.02 crore as against ₹ 386.59 crore for the



previous year. The final dividend will be paid after approval in the Annual General Meeting.

Your Directors propose to transfer ₹ 780 crore to General Reserve Account from the profits of the year 2014-15 as against ₹190 crore transferred in 2013-14.

MoU Performance:

Based on financial performance and achievement of other parameters laid down, your Company is likely to be rated 'Excellent' as per the Memorandum of Understanding (MoU), signed by the Company with the Government of India for the Financial Year 2014-15.

Human Resources Management:

Presidential Directives on SC/ST reservation

As per Presidential Directives, efforts have been made for recruitment/promotion of SC/ST/OBC candidates. The Company is also complying with the provisions of the Persons with the Disabilities Act, 1995. In order to have a control over the implementation of Presidential Directives as well as Government instructions, Liaison Officers for SC/ST/OBC have been appointed to look after the reservation matters for SCs/STs/OBCs as well as Persons with Disabilities (PWD).

As on 31.03.2015, out of 7,320 employees (including Trainees) on the Company's roll, there were 1,194 (16.31%) SCs, 1,324 (18.09%) STs, 789 (10.78%) OBCs and 84 (1.15%) PWDs. As can be seen from the above, every third employee in the Company belongs either to SC or ST category. The total number of lady employees in the organization stands at 355.

Industrial Relations:

The general industrial relation climate in the Company remained cordial throughout the year, which helped the organization to achieve excellent results.

The Recognized Unions as well as Officers' Associations of the Company played a very vital role in helping the management in effective decision making process leading to cost control