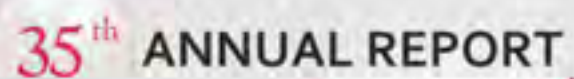


35th ANNUAL REPORT35th ANNUAL REPORT35th ANNUAL REPORT35th ANNUAL REPORT35th ANNUAL REPORT35th ANNUAL REPORT35th ANNUAL REPORT35th ANNUAL REPORT35th ANNUAL REPORT

Vision

A crystal ball with a golden base. The crystal ball is filled with white specks and has a vision statement written inside in red cursive. The base is a wide, golden band with horizontal ridges. The entire object is surrounded by a halo of light rays and casts a shadow on the surface below.

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



The Year at a Glance

PARTICULARS	UNIT	2015-16
PHYSICAL		
Bauxite	MT	63,40,142
Alumina Hydrate	MT	19,53,000
Aluminium	MT	3,72,183
Power (net)	MU	5,841
Wind Power	MU	156
FINANCIAL		
Export Turnover	₹ in crore	3,247
Gross Sales	₹ in crore	7,157
Profit Before Tax	₹ in crore	1,103
Profit After Tax	₹ in crore	731
Earning Per Share	₹	2.84
Book Value per Share	₹	50.08
Dividend	₹ per Share	2.00

Contents

The year at a glance	1
Directors' Report	9
Annual Report on CSR Activities	21
Management Discussion & Analysis Report	24
Business Responsibility Report	38
Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo	57
Report on Corporate Governance	61
Extract of Annual Return	86
Secretarial Audit Report	92
Independent Auditor's Report & Financial Statements (Standalone)	103
Independent Auditor's Report & Financial Statements (Consolidated)	142
5 years performance at a glance - Physical & Financial	179
Offices and Customer Contact Centres	182

REGISTERED OFFICE & CORPORATE OFFICE

NATIONAL ALUMINIUM COMPANY LTD.
 NALCO Bhawan, Plot No. P/1, Nayapalli
 Bhubaneswar - 751 013, Odisha
 Tel. : 0674-2301989-99, Fax : 0674-2300677
 Email: investorservice@nalcoindia.co.in
 Website : www.nalcoindia.com

35th Annual General Meeting

Friday, the 30th September, 2016 at 11.00 A.M.
 at NALCO Bhawan, P/1, Nayapalli,
 Bhubaneswar - 751 013.



Dr. Tapan Kumar Chand

Dr. Tapan Kumar Chand joined the Company as Chairman-cum-Managing Director on 27.07.2015. He is a Post Graduate in History and Public Administration from Utkal University. He also holds a Bachelor's degree in Law from Andhra University and DSW (Diploma in Social Welfare) from Calcutta University. 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. He has also been conferred with highest management award 'Ravi J Matthai National Fellow Award' by Association of Indian Management Schools. 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 is a highly competent and experienced professional from Metal sector 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. In steel sector, he has the distinction of steering Visakhapatnam Steel plant a Navratna Steel CPSU from the level of Rs.10,000 crore company to more than Rs.14,000 crore turnover company within two years of his joining as Director.

Under his leadership, NALCO could get complete raw material and energy security for next 50 years with acquisition of Bauxite and Coal Mines. Immediately after his joining as Chairman, NALCO, he has adopted a new Business Model with Corporate Strategy of maximizing production & productivity coupled with cost reduction to meet sluggish market condition as against the prevailing production regulation and cut. This has helped NALCO to achieve profit consistently despite around 70% of aluminium companies globally making cash loss. Due to his focus on cost reduction as per Wood Mackenzie report, NALCO has achieved the position of being the lowest cost producer of Alumina in the World.

He has been elected as the President of Aluminum Association of India. He is the Chairman of National Mines & Minerals Council of Associated Chambers of Commerce & Industry (ASSOCHAM). He is also the Vice-Chairman of Confederation of Indian Industry (CII)-Odisha Chapter. Currently He is the National member of Non-Ferrous Metals Committee of Federation of Indian Chambers of Commerce and Industry (FICCI).

Dr. Chand has authored a book named 'ALUMINIUM-The Strategic Metal', well acclaimed by engineers, entrepreneurs, researchers, educationists & the corporate world.



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 has 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 2nd Wind Power Project of 47.6 MW at Jaisalmer, Rajasthan. 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. Wind Power plants of 50 MW capacity and 50.4 MW capacity are under construction in the states of Rajasthan and Maharashtra. After successful demonstration trial of Nano based Emrion Technology for removal of fluoride from effluent water in smelter plant, a Defluoridation plant is being set up at Smelter plant. Actions have been initiated for Environmental Clearance and appointment of Process/EPCM consultants for 1 Min TPA 5th Stream in existing Alumina Refinery. Tendering activities for 20 MW solar power project in MP, 50 MW Wind Power Plant & 50 MW solar power plant at suitable locations in India are being actively pursued. After persistent efforts, NALCO has been allocated Utkal D & E Coal blocks of 200 Million Ton in Angul district & Bauxite mines of 75 Million Ton in Pottangi, Koraput district recently thereby ensuring raw material security. Consequent to signing of MOU with Iran for Smelter Plant, the same is being actively pursued apart from titanium slag plant in JV with IREL. Agreement signed with Rio Tinto Alcan for R&D co-operation and AP2XN project for reducing the power consumption in smelter has been taken up as the 1st project. Agreements also signed with Chalieco for Separation of iron concentrate from Red Mud & Extraction of Gallium from Bayer Liquor and with BARC for R&D projects like Extraction of Gallium from Bayer Liquor/Extraction of Rare Earth elements from Red Mud. NALCO has joined hands with NFTDC and JNARDDC for developing indigenous Alumina extraction technology from Bauxite. NALCO is carrying out collaborative R&D projects with other leading public/private R&D/Educational institutions like IITs, IIMT, NIT, etc. The upcoming NALCO's Research and Technology Centre at Bhubaneswar over an area of 18 acres is poised to be only one of its kind in Aluminium sector.

He is a life member of Indian Institute of Metals, Fellow member of Institute of Engineers and member of Indian Institute of Welding. He is a member of Research Advisory Council and Project Monitoring Committee of JNARDDC.

Board of Directors



Shri K.C.Samal

Shri K.C.Samal (58 years), (DIN : 03618709) is the Director (Finance) of the Company since 03.01.2014. A Fellow Member of Institute of Cost Accountants of India, Shri Samal has over 3 decades of experience in multifarious finance & accounts functions with significant exposure in the areas of Corporate Accounts, Audits, Treasury & Foreign Exchange Management, Investor Relation, Budgeting and Control. He has played a key role in large scale computerization in Finance, Capital Restructuring, Project Finance, Foreign Debt Management and Risk Management.

Presently he is also spearheading the Corporate Planning and Strategic Management activities of the Company. Under his guidance the Corporate Plan of the Company is being revisited to formulate a long term growth oriented business model. He has been a visiting faculty / guest speaker at some of the premier educational institutions.



Ms. Soma Mondal

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

She graduated in Electrical Engineering from National Institute of Technology, Rourkela in the year 1984. Starting her career as a Graduate Engineer Trainee in NALCO, she 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. 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 Indian Mineral Industries (FIMI) and also member of Energy Panel in Odisha chapter of the Confederation of Indian Industries(CII).



Shri Basant Kumar Thakur

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.





Shri R Sridharan



Shri R. Sridharan was inducted to the Board as Part-time Official Director w.e.f. 30.08.2013. Presently, Shri Sridharan is Special Secretary in the Ministry of Mines.

Shri N B Dhal

Shri N B Dhal was inducted to the Board as a Part-time Official Director w.e.f. 23.12.2015.

He completed B.Sc (Mechanical Engineering) degree from REC, Rourkela (NIT) in 1990 & then, M.Tech degree from IIT Delhi in 1992. He also holds a Master Degree in Public Administration (MPA/EMPA) from Syracuse University, New York, USA. He is an IAS officer of 1993 Batch (Odisha Cadre). At present he is posted as Joint Secretary to Govt. of India, Ministry of Mines.

He is also Director on the Board of Hindustan Copper Ltd.



Shri Dipankar Mahanta



Shri Dipankar Mahanta was inducted to the Board as a Part-time Non-official Director w.e.f. 21.11.2015.

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 involved as co-consultant in projects like Diagnostic Study of Industrial Training Institutes (ITI's) of the NER, Feasibility Study of a Market Complex Exclusively Selling Handloom and Handicraft Products, Study of the factors affecting the Process of Language Learning. 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 and with the communities of Assam and the NER.

Shri S. Sankararaman

Shri S. Sankararaman was inducted to the Board as a Part-time Non-Official Director w.e.f. 21.11.2015.

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 wheel chair 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 privilege. He started his career in 1985 rendering professional services to various corporates before joining the Amar Seva Sangam in 1990. 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 village.





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 rehabilitation with state-of-the-art infrastructure and deliver high quality rehabilitation programs across all age groups and across all disabilities. He is a pioneer in developing innovative models for rehabilitation of persons with disabilities with the involvement of community and has spearheaded a *Village Based Rehabilitation Initiative* which is acknowledged to be one of the best model in the country. He believes in professionalizing the NGO sector and has computerized all the activities of Amar Seva Sangam with systems and processes. He participates in various marathons particularly the Standard Chartered Mumbai marathon from its inception and has paved way for the inclusion of disabled persons in such sporting events. He has presented papers on the rights of disabled in various forums across the country. He is a trustee and board member of several nonprofits including the Gandhi gram trust and the American trust for the physically challenged. He was conferred with the Ashoka Fellowship for innovation and has been recipient of several awards both nationally and internationally including Presidential award on two occasions.

Shri Pravat Keshari Nayak



Shri Pravat Keshari Nayak was inducted to the Board as a Part-time Non-Official Director w.e.f. 21.11.2015.

Born on 16th August, 1960, Shri Pravat Keshari Nayak is a Chartered Accountant by profession since 1987. He is also holding a degree in Law and Diploma in Information System Audit (ICAI). He is a senior partner in M/s. P. K. Nayak & Co., Chartered Accountants and known for his efficiency and discipline and liked for his humble approach and brilliant services to the accounting profession. During his 28 years of impeccable professional standing, he has shown his professional skill and expertise in all tasks and responsibilities assign to him. He served as a consultant for the restructuring of PSUs in Odisha on behalf of Adam Smith International, UK. He has attended numerous national seminar and conferences on the issue of professional interest.

Prof. Damodar Acharya

Prof. Damodar Acharya was inducted on 21.11.2015 to the Board as a Part-time Non-official Director.

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, Charmin JEE, DEAN (Sponsored Research and Industrial Consultancy), Executive Director STEP, Chairman of Vinod Gupta School of Management or as the Director. As 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.

Prof. Acharya is currently a director on the Board of RCF Limited and the Central Board of Reserve Bank of India. He is also a Member of Chhatisgarh State Planning Commission. He is also in the Boards of IDCO and State Pollution Control and Chairman of the Advisory Board of SOA University.



Shri Maheswar Sahu



Shri Maheswar Sahu was inducted to the Board as a Part-time Non-official Director w.e.f. 21.11.2015.

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. His area of specialization includes strategic management, public administration, corporate governance etc. Shri Sahu is also independent director at present on the Board of more than 6 companies.

Executive Directors



Shri S.K. Roy
ED (Production)



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



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



Shri Gautam Bhattacharya
Chief Vigilance Officer



Shri S.D. Sahu
ED (Finance)



Shri S. Acharya
ED (S&P)



Shri A.S. Ahluwalia
ED (Corporate Affairs)



Shri K. N. Ravindra
ED-Company Secretary

Top Management



L to R: Shri V Balasubramanyam, Director (Production), Shri B. K. Thakur, Director (HR), Shri K.C. Samal, Director (Finance), Dr. Tapan Kumar Chand, CMD,
Shri N.R. Mohanty, Director (P&T), Ms. Soma Mondal, Director (Commercial) and Shri K.N. Ravindra, ED-Company Secretary

