नालको NALCO

NBC/S/4.5 & 4.5(A)/2016/ 1611
Date : 01/09/2016
02

The Manager The Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, **MUMBAI - 400 001** **Scrip Code : 532234**	The Manager Listing Department National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra East, **MUMBAI - 400 051** **Symbol : NATIONALUM**

Sub : Soft copy of Notice and Annual Report of 35th Annual General Meeting of the Company.

Dear Sir,

This is to inform you that the 35th Annual General Meeting of National Aluminium Company Limited will be held on Friday, 30th September, 2016 at 11:00 A.M. at Corporate Office, NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751013, Odisha.

In terms of Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find attached soft copy the Notice and Annual Report of aforesaid 35th Annual General Meeting of the Company.

You are requested to please take a note and disseminate the same in your Exchange.

Thanking you,

Yours faithfully,
for **National Aluminium Co. Ltd.**

(K. N. RAVINDRA)
ED - COMPANY SECRETARY

नेशनल एल्यूमिनियम कम्पनी लिमिटेड (भारत सरकार का उद्यम) निगम कार्यालय
नालको भवन, नयापल्ली, भुवनेश्वर-751 013, भारत

National Aluminium Company Limited
(A Government of India Enterprise)
CORPORATE OFFICE
NALCO BHAVAN, Nayapalli, Bhubaneswar - 751 013, INDIA
(CIN # L27203OR1981GOI000920)
EPABX: (0674) - 2301988 to 999 Ext. 2585,2586,2587 Direct: 2303197 Telefax : 2300677
website : www.nalcoindia.com

नालको NALCO

National Aluminium Company Limited
(A Government of India Enterprise)
CIN: L27203OR1981GOI000920
Regd. Office : NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar – 751 013 (Odisha)
Tel. : 0674-2301988-999, Fax: 0674-2300677, E-mail: investorservice@nalcoindia.co.in, Website: www.nalcoindia.com

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Company will be held on Friday, the 30th September, 2016 at 11.00 A.M. at NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar - 751 013 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt
   a) the audited standalone financial statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon;
   b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2016, the reports of the Auditors thereon;
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri R. Sridharan (DIN:05332433), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri K. C. Samal (DIN:03618709), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **To appoint Shri Dipankar Mahanta, (DIN 01583516) as Director**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification.

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Dipankar Mahanta, (DIN 01583516) who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 21, 2015, in terms of Section 161(1) of the Act and Article 63 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Part-time Non-official (Independent) Director of the Company to hold office for a period of three years w.e.f. 21.11.2015 in terms of order no. 2(1)/2014-Met.I, dtd. 17.11.2015 of Govt. of India or any amendments thereto."

6. **To appoint Shri S.Sankararaman, (DIN 07346454) as Director**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification.

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, Shri S.Sankararaman, (DIN 07346454) who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 21, 2015, in terms of Section 161(1) of the Act and Article 63 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Part-time Non-official (Independent) Director of the Company to hold office for a period of three years w.e.f. 21.11.2015 in terms of order no. 2(1)/2014-Met.I, dtd. 17.11.2015 of Govt. of India or any amendments thereto."

7. **To appoint Shri Pravat Keshari Nayak, (DIN 07346756) as Director**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification.

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Pravat Keshari Nayak, (DIN 07346756) who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 21, 2015, in terms of Section 161(1) of the Act and Article 63 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Part-time Non-official (Independent) Director of the Company to hold office for a period of three years in terms of order no. 2(1)/2014-Met.I, dtd. 17.11.2015 of Govt. of India or any amendments thereto."

8. **To appoint Prof. Damodar Acharya, (DIN 06817842) as Director**

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification.

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, Prof. Damodar Acharya, (DIN 06817842) who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 21, 2015, in terms of Section 161(1) of the Act and Article 63 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Part-time Non-official (Independent) Director of the Company to hold office for a period of three years w.e.f. 21.11.2015 in terms of order no. 2(1)/2014-Met.I, dtd. 17.11.2015 of Govt. of India or any amendments thereto."

9. To appoint Shri Maheswar Sahu, (DIN 00034051) as Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification.

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, Shri Maheswar Sahu, (DIN 00034051) who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 21, 2015, in terms of Section 161(1) of the Act and Article 63 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as Part-time Non-official (Independent) Director of the Company to hold office for a period of three years w.e.f. 21.11.2015 in terms of order no. 2(1)/2014-Met.I, dtd. 17.11.2015 of Govt. of India or any amendments thereto."

10. To appoint Shri Nikunja Bihari Dhal, (DIN 01710101) as Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification.

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Shri Nikunja Bihari Dhal, (DIN 01710101), who was appointed as a Part-time Official Director, by the President of India vide letter No. 2(1)/2004-Met.I dated 23rd December, 2015 and subsequently appointed as an Additional Director by the Board of Directors with effect from 23rd December, 2015 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

11. To appoint Shri Basant Kumar Thakur, (DIN 07557093) as Director (HR) of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013, and the Rules made thereunder, Shri Basant Kumar Thakur, (DIN 07557093) who was appointed as Director (HR), by the President of India vide letter no. 2(2)/2015-Met.I dated 29.06.2016 and subsequently appointed as an Additional Director with effect from 4th July, 2016 to hold office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a director of the Company, be and is hereby appointed as Director (HR) of the Company, liable to retire by rotation.

"RESOLVED FURTHER THAT the detailed terms and conditions of Shri Basant Kumar Thakur as D(HR) shall be as may be determined by the Government of India from time to time."

12. To ratify the remuneration of Cost Auditors for the financial year 2016-17

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification.

"RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and rules made there under, the decision of the Board approving remuneration of ₹ 2,50,000/- plus service tax at applicable rates plus out of pocket expenses fixed for M/s. Tanmaya S Pradhan & Co., Cost Accountants, appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year 2016-17 be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board

(K. N. RAVINDRA)
ED-COMPANY SECRETARY

27th August, 2016

Notes:

(a) The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 29th September, 2016 to Friday, the 30th September, 2016 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

(b) The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched within 30 days of its declaration to those members whose names appear:

i. as beneficial owners as at the end of the business hours on 28th September, 2016 as per the beneficial owners position to be provided by NSDL and CDSL in respect of the shares held in electronic form and;

ii. as members in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company on or before 28th September, 2016.

(c) A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

(d) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

(e) A blank proxy form is attached to this notice.

(f) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

(g) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.

(h) Details of Directors seeking re-appointment/appointment as new Directors in this Annual General Meeting are attached separately to the Notice.

(i) The Company has transferred the unpaid/unclaimed dividends up to financial year 2007-08 and interim dividend for the financial year 2008-09 on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2015 (date of last Annual General Meeting) on the website of the Company (www.nalcoindia.com), as also on the website of the Ministry of Corporate Affairs.

(j) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the RTA i.e. M/s. Karvy Computershare Pvt. Ltd.

(k) As per the provisions of the Companies Act, 2013, facility for making nominations is available to shareholders in respect of the shares held by them. Shareholders who are holding shares in physical mode in sole name, are advised to avail of the nomination facility by submitting the prescribed Form SH-13 for initial registration of nomination and Form SH-14 for cancellation and variation of nomination. The Forms may be downloaded from the Company's website **www.nalcoindia.com**

However, if shares are held in demat mode, nomination has to be registered with the respective Depository Participants (DPs) without referring the matter to the Company.

(l) The Company provides the facility of centralized NECS (Credit Clearing) to the shareholders holding shares both in electronic and physical forms, electronically through RBI which have implemented Core Banking Solutions (CBS). This extends to all over the country. A blank NECS Mandate form is attached for use by the shareholders. This form can also be downloaded from the Company's website **www.nalcoindia.com**. The mandate given by the shareholder would be used for all future payments unless amended/withdrawn.

Shareholders holding shares in electronic form may please note that the Company will use 9 digit MICR Code along with Bank particulars, as provided by their respective Depositories, for the purpose of payment of dividend through NECS.

(m) Members holding shares in electronic form may please note that their bank details as provided by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories. The Company will not entertain any direct request from members for change/deletion of such bank details. However, if there is any change in their Bank particulars and/or change in address after the date of providing beneficial owners position by the Depositories but before the date of dispatch of dividend warrant/demand draft/NECS credit, the Company may consider such requests provided that such requests are received through their respective Depository Participants, duly certified by them. Further, instructions, if any, already given to the Company by them in respect of shares held in physical form will not be automatically applicable to the dividend payable on shares held in electronic form. Members may therefore give fresh instructions regarding particulars of their bank accounts and address in which they wish to receive dividend, to their respective Depository Participants only.

(n) Shareholders may write to the RTA or send e-mail to einward.ris@karvy.com furnishing the particulars of the dividend not received, and quoting the folio number / DPID and Client ID particulars (in case of dematerialised shares). On expiry of the validity period, if the dividend warrant is still shown as unpaid in the records of the Company, the Company will request the concerned shareholder to execute an indemnity bond before issuing a Demand Draft in lieu thereof.

(o) No dividend warrant will be issued against shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless the procedure for releasing the same has been completed.

(p) Shareholders/Investors are advised to send their queries/complaints to the dedicated e-mail Id of RTA i.e. einward.ris@karvy.com for quick and prompt redressal of their grievances.

SEBI has introduced a centralized web based system called SEBI Complaints Redress System (SCORES) for online movement of complaints to concerned Companies and for online view of the action taken by the Companies on the complaints. Members may also use this system introduced by SEBI for lodging their complaints/ grievances.

(q) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN details to their respective Depository Participants (DP). Members holding shares in physical form can submit their PAN details to the Company.

Any person desirous of transferring shares in his name in physical mode must enclose copy of PAN along with other share transfer related documents. Any transfer request without PAN copy will be rejected.

(r) Shareholders who have not registered their e-mail addresses so far are advised to register their e-mail address for receiving communications viz. Notice, Annual Report, Dividend payment intimation etc. Shareholders holding shares in electronic form are requested to update their e-mail address with their respective DPs.

(s) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.

(t) Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

(u) The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given below. The Company will also send communication to the members, separately through e-mail, which inter-alia would contain details about User ID and password along with a copy of this Notice.

Voting through electronic means:

In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and the Reg. 44 of the SEBI(LODR) Regulations, 2015, the Company is pleased to offer remote e-voting facility to its Members to exercise their right in respect of the businesses to be transacted at the 35th Annual General Meeting ("AGM") by casting vote using an electronic voting system from a place other than the venue of the AGM ("remote e-voting").

The facility for voting through ballot paper shall also be made available at the meeting and those members who have not cast their vote through remote e-voting shall be able to exercise their right at the meeting.

Provided, the members who have cast their vote by remote e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their vote again. If a member casts vote by both modes, then voting done through remote e-voting shall prevail and the Ballot form shall be treated as invalid. The Company has engaged

the services of Central Depository Services (India) Limited (CDSL) as the Authorised Agency to provide remote e-voting facilities. The detailed process, instructions and manner for availing remote e-voting facility is provided herein below:

A. The E-voting period begins on 27th September, 2016 at 9 a.m. and ends on 29th September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

B. In case of members receiving Notice through e-mail:

1. If you are holding shares in Demat form and have logged on to www.evotingindia.com and have cast your vote earlier through E-voting for any Company earlier, then in such case the existing Login Id and Password can be used. If Demat Account holder has forgotten the password then enter the user id and captcha code and click on forgot password and enter the details as prompted by the system.
2. The shareholders should log on to the e-voting website www.evotingindia.com
3. Click on "Shareholders" tab to caste your votes.
4. a. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password can be used.

   b. If you are a first time user, follow the steps given below and fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	**For Members holding shares in Physical Form**
USER ID	**For NSDL:** 8 character DP ID Followed by 8 digit Client ID **For CDSL:** 16 digits beneficiary ID Enter the captcha code as displayed and click on login.	Folio number registered with the Company & enter the captcha code as displayed and click on login.
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (in Capital) (Applicable for both Demat shareholders as well as physical shareholders).	
Any one of the following two:		
DOB#	Enter the Date of Birth as recorded in your Demat account or in the company records for the said Demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Client Id number/ folio number in the Dividend Bank details field as mentioned above.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letter of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

\# CDSL users can enter any one of the details viz. dividend bank details or date of birth, in order to login; NSDL users mandatorily have to mention their bank account number in order to login. In case bank details are not recorded with the depository, please enter the Client Id number as at the end of the business hours on 23rd September, 2016 in the Dividend Bank details field.

5. After entering these details appropriately, click on "SUBMIT" tab.
6. Members holding shares in physical form will then reach directly to the Company selection screen. Kindly note that this password can also be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

   The new password has to be minimum eight characters consisting of at least one upper case [A-Z], one lower case [a-z], one numeric value [0-9] and a special character [@ # $ % & *]. It is applicable for Demat holders' only
7. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
8. Click on the relevant EVSN of NATIONAL ALUMINIUM COMPANY LIMITED" on which you choose to vote.
9. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired.

   The option YES implies that you Assent to the Resolution. The option NO implies that you Dissent to the Resolution.
10. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
11. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
12. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
13. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
14. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

C. Please follow all steps from Sr. No. [1] to Sr. No. [11] herein above to cast vote, in case of members receiving the physical copy of Notice of Annual General Meeting [for members whose e-mail IDs are not registered with the Company / Depository Participant [s] or requesting physical copy].

D. For Institutional Shareholders:

1. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporate.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
3. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
4. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
5. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

E. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 23rd September, 2016, are requested to refer the notes and instructions to the E-Voting included in the notice which is uploaded on the website of CDSL and of the Company and can cast their votes accordingly. In case, you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/ Password" option available on https://www.evotingindia.com

F. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company. The facility of E-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.

G. CS Saroj Kumar Ray, Practicing Company Secretary (FCS: 5098 CP: 3770) and Partner of M/s. Saroj Ray & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

H. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

I. The result of the e-voting along with the scrutinizer's report will be placed on Company's website, www.nalcoindia.com and also on the website of CDSL. The result shall also be immediately forwarded to the BSE and NSE.

J. The scrutinizer's decision on the validity of e-voting will be final.

K. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

L. The Annual Report is being sent separately by post.

ANNEXURE TO NOTICE

Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No. 5 :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Shri Dipankar Mahanta as an Additional Director of the Company with effect from 21st November, 2015. In terms of the provisions of Section 161(1) of the Act, Shri Dipankar Mahanta would hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Dipankar Mahanta for the office of Director of the Company.

Shri Mahanta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

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 Mahanta may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding, if any in respect of his appointment as a Director. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders.

Shri Mahanta does not hold any share in the Company.

Item No. 6 :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Shri S. Sankararaman as an Additional Director of the Company with effect from 21st November, 2015. In terms of the provisions of Section 161(1) of the Act, Shri S. Sankararaman would hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri S. Sankararaman for the office of Director of the Company.

Shri Sankararaman is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

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 Sankararaman may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding, if any in respect of his appointment as a Director. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the shareholders.

Shri Sankararaman does not hold any share in the Company.

Item No. 7 :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Shri Pravat Keshari Nayak as an Additional Director of the Company with effect from 21st November, 2015. In terms of the provisions of Section 161(1) of the Act, Shri Pravat Keshari Nayak would hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Pravat Keshari Nayak for the office of Director of the Company.

Shri Nayak is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

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.

Shri Nayak may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding, if any in respect of his appointment as a Director. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the shareholders.

Shri Nayak does not hold any share in the Company.

Item No. 8 :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Prof. Damodar Acharya as an Additional Director of the Company with effect from 21st November, 2015. In terms of the provisions of Section 161(1) of the Act, Prof. Damodar Acharya would hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Prof. Damodar Acharya for the office of Director of the Company.

Prof. Acharya is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a 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.

Prof. Acharya may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding, if any in respect of his appointment as a Director. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.8 of the Notice for approval by the shareholders.

Prof. Acharya does not hold any share in the Company.

Item No. 9 :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Shri Maheswar Sahu as an Additional Director of the Company with effect from 21st November, 2015. In terms of the provisions of Section 161(1) of the Act, Shri Maheswar Sahu would hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Maheswar Sahu for the office of Director of the Company.

Shri Sahu is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Born on 10th January, 1954,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 year 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.

Shri Sahu may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding, if any in respect of his appointment as a Director. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.9 of the Notice for approval by the shareholders.

Shri Sahu does not hold any share in the Company.

Item No.10 :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Shri Nikunja Bihari Dhal as an Additional Director of the Company with effect from 23rd December, 2015. In terms of the provisions of Section 161(1) of the Act, Shri Nikunja Bihari Dhal would hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Nikunja Bihari Dhal for the office of Director of the Company.

Shri Dhal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Born on 20th June, 1969 Shri N B Dhal 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.

Shri Dhal may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding, if any in respect of his appointment as a Director. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.10 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.10 of the Notice for approval by the shareholders.

Shri Dhal does not hold any share in the Company.

Item No.11 :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors of the Company appointed Shri Basant Kumar Thakur as an Additional Director of the Company with effect from 4th July, 2016. In terms of the provisions of Section 161(1) of the Act, Shri Basant Kumar Thakur would hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Basant Kumar Thakur for the office of Director of the Company.

Shri Thakur is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

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 Thakur may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding, if any in respect of his appointment as a Director. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.11 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.11 of the Notice for approval by the shareholders.

Shri Thakur does not hold any share in the Company.

Item No. 12 :

The Board, on the recommendation of the Audit Committee, had approved the appointment of M/s. Tanmaya S Pradhan & Co., Cost Accountants as cost Auditors and fixed a remuneration of ₹ 2,50,000 plus service tax at applicable rates plus out of pocket expenses to conduct the audit of the cost records of the Company for the financial year 2016-17.

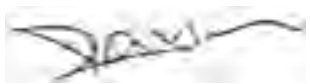
In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution ratifying the decision of the Board for fixation of remuneration to the Cost Auditors for the financial year 2016-17.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

By order of the Board



(K. N. RAVINDRA)
ED-COMPANY SECRETARY

Place : Bhubaneswar
Date: 27.08.2016

नालको NALCO

Details of Directors seeking re-appointment/ appointment in the 35th Annual General Meeting on Friday, the 30th September, 2016

(In terms of Regulation 36 of the SEBI (LODR) Regulations, 2015)

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT (ORDINARY BUSINESS IN THE NOTICE)		
1.	**Shri R. Sridharan**	
	Father's Name	Shri Srinivasagopalan Rangachari
	Date of Birth	16.09.1957
	Date of Appointment	30.08.2013
	Expertise in specific functional areas	IAS officer having varied experience in administration, Personnel and Industries. Held various key positions in the state as well as Union Government.
	Qualifications	IAS (1983 batch), B.Com. , MBA from IIM, Ahmedabad, Master's degrees in Business Laws from National Law School of India University (NLSIU) and in Development Studies from the University of Bath, UK., Qualified Cost Accountant and Company Secretary.
	List of outside Directorships held	Nil
	Member of Committees of the Board	Nil
	Member of Committees in other companies	Nil
2.	**Shri K C Samal**	
	Father's Name	Shri Krupasindhu Samal
	Date of Birth	20.08.1958
	Date of Appointment	03.01.2014
	Expertise in specific functional areas	Shri Samal was working as Excutive Director (Finance) of the Company before assuming the Office of the 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 was associated with the capital restructuring of the Company that took place in 1999 to bring down the capital base and to enhance the EPS of the Company. He also played a key role in large scale computerization in Finance, Foreign Debt Management, introducing Risk Management against Foreign Exchange Exposure. He was also associated with various Academic Institutions as Visiting Faculty, viz. XIMB, Utkal Univesity, KIIT, ICAI etc.
	Qualifications	Fellow Member of Institute of Cost Accountants of India
	List of outside Directorships held	Nil
	Member of Committees of the Board	1. CSR and Sustainability Development Committee 2. Technology Committee 3. Risk Management Committee 4. HR Committee 5. COD for Projects and New Ventures.
	Member of Committees in other companies	Nil
DETAILS OF DIRECTORS SEEKING APPOINTMENT (SPECIAL BUSINESS IN THE NOTICE)		
3.	**Shri Dipankar Mahanta**	
	Father's Name	Shri Prafulla Chandra Mahanta
	Date of Birth	12.12.1965
	Date of Appointment	21.11.2015
	Expertise in specific functional areas	• Promoted Consort Marketing with objective of marketing of small scale industries products. Imparting quality consultancy services and its implementation in NER. • Associated with Vivekananda Kendra on its specialized project on Cultural Documentation and research of India's Northeast. • Consultant in designing and implementing handmade paper and naturally treated bamboo.
	Qualifications	MBA, Guwahati University– 1990
	List of outside Directorships held	Innovators in Resources Pvt. Ltd
	Member of Committees of the Board	1. CSR and Sustainability Development Committee- Chairman 2. Ethics and Corporate Governance Committee - Chairman 3. Audit Committee 4. Stakeholders Relationship Committee 5. HR Committee
	Member of Committees in other companies	Nil

4.	**Shri S.Sankararaman**	
	Father's Name	Shri Srinivasan
	Date of Birth	19.05.1962
	Date of Appointment	21.11.2015
	Expertise in specific functional areas	• A Chartered Accountant by profession wiith specialization in Institutional audit, tax consultancy and portfolio management. • Honorary Secretary of Amar Seva Sangam, an Institution for betterment of the handicapped and under privilege.
	Qualifications	B .Com, CA, ICWAI(Inter)
	List of outside Directorships held	Nil
	Member of Committees of the Board	1. Stakeholders and Relationship Committee- Chairman 2. Audit Committee 3. Nomination and Remuneration Committee 4. CSR and Sustainability Development committee 5. Risk Management Committee
	Member of Committees in other companies	Nil
5.	**Shri Pravat Keshari Nayak**	
	Father's Name	Shri Ramakanta Nayak
	Date of Birth	16.08.1960
	Date of Appointment	21.11.2015
	Expertise in specific functional areas	1. Chartered Accountant by profession. 2. Specialization in Direct taxes and financial advisory pertaining to investment projects. 3. Served as a consultant for the restructuring of PSUs in Odisha.
	Qualifications	B.Sc. (Physics), Degree in Law, CA, Diploma in Information System Audit(ICAI)
	List of outside Directorships held	Nil
	Member of Committees of the Board	1. Audit Committee- Chairman 2. Nomination and Remuneration Committee 3. Stakeholders and Relationship Committee 4. COD for Projects and New Ventures. 5. Ethics and Corporate GovernanceCommittee.
	Member of Committees in other companies	Nil
6.	**Prof.Damodar Acharya**	
	Father's Name	Shri Madhusudan Acharya
	Date of Birth	02.04.1949
	Date of Appointment	21.11.2015
	Expertise in specific functional areas	An academician, uniquely combining academics with industry oriented research and development. Motivating people from industry to do research and to pursue PhD.
	Qualifications	PhD.(Mech.) IIT Kharagpur
	List of outside Directorships held	RCF Ltd., Bombay
	Member of Committees of the Board	1. Technology Committee - Chairman 2. Risk Management Committee- Chairman 3. Audit Committee 4. Nomination and Remuneration Committee 5. COD for Projects and New Ventures
	Member of Committees in other companies	Chairman- Audit Committee- RCF Ltd Member-Stakeholders Relationship Committee - RCF Limited

7.	**Shri Maheswar Sahu**	
	Father's Name	Shri Bhima Charan Sahu
	Date of Birth	10.01.1954
	Date of Appointment	21.11.2015
	Expertise in specific functional areas	-Retired IAS Officer. - More than three decades of service which includes more than 20 years of service in industry and more than 10 years of active involvement in PSU management. - Area of specialization includes finance, law, management, administration, corporate governance etc.
	Qualifications	B.Sc. (Engg.) in Electrical and M.Sc. from University of Birmingham.
	List of outside Directorships held	1. GVFL Advisory Service Limited 2. GVFL Limited 3. Heubach Colour Private Limited 4. Solvay Specialities India Private Limited 5. Gift SEZ Limited 6. Gold Plus Glass Industry Limited 7. Mahindra World City (Jaipur) Ltd.
	Member of Committees of the Board	1. Nomination and Remuneration Committee- Chairman 2. HR Committee- Chairman 3. CSR and Sustainability Development Committee 4. Technology Committee 5. COD for Projects and New Ventures
	Member of Committees in other companies	1. Chairman-Audit Committee- Mahindra World City (Jaipur) Ltd. 2. Member-Audit Committee- Gold Plus Glass Industry Limited
8.	**Shri Nikunja Bihari Dhal**	
	Father's Name	Shri Sukadev Dhal
	Date of Birth	20.06.1969
	Date of Appointment	23.12.2015
	Expertise in specific functional areas	-Indian Administrative Service (IAS) from Odisha Cadre. - More than two decades of rich experience in administration, personnel, industries etc. - Held key position with the state government and the central government.
	Qualifications	Master in Production Engineering from IIT, Delhi.
	List of outside Directorships held	Hindustan Copper Ltd.
	Member of Committees of the Board	COD for Projects & New Ventures
	Member of Committees in other companies	Nil
9.	**Shri Basant Kumar Thakur**	
	Father's Name	Shri Indra Nath Thakur
	Date of Birth	19.12.1959
	Date of Appointment	04.07.2016
	Expertise in specific functional areas	• A hands on Human Resources professional with comprehensive experience including recruitment, retention, conflict resolution, change management, labour relation and benefit administration. • Collaborated with senior management to conduct organizational wide strategic planning - Instrumental in rebuilding Human Resources Department by updating Human Resources System, policies and procedure development, coaching, counseling, planning, direction and management of all HR activities.
	Qualifications	Diploma in Social Works along with a degree in History from Punjab University.
	List of outside Directorships held	Nil
	Member of Committees of the Board	1. Stakeholders Relationship Committee 2. CSR and Sustainability Development Committee 3. HR Committee 4. COD for Projects & New Ventures 5. Ethics & Corporate Governance Committee
	Member of Committees in other companies	Nil

Note: None of the Directors proposed for appointment at item nos. 5-11 have any inter-se relationship.

नालको NALCO

NATIONAL ALUMINIUM COMPANY LTD.

CIN: L27203OR1981GOI000920

Registered Office: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar - 751013

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

ATTENDANCE SLIP

DP ID.		Folio No/Client Id		No of Shares	

NAME OF THE SHAREHOLDER:

NAME OF THE PROXY :

I hereby record my/our presence at the 35th ANNUAL GENERAL MEETING of the Company to be held on Friday , the 30th September, 2016 at 11.00 a.m. at NALCO Bhawan, P/1, Nayapalli, Bhubaneswar - 751013.

(Only shareholders/proxies are allowed to attend the meeting) Signature of the Shareholder/Proxy : .....

नालको NALCO

NATIONAL ALUMINIUM COMPANY LTD.

CIN: L27203OR1981GOI000920

Registered Office: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar - 751013

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :		E-mail ID :	
Registered address :		Folio No./client ID :	
		DP ID :	

I/We being the member(s) of ..... shares of National Aluminium Company Ltd., hereby appoint -

1) .....of.....having e-mail id.....or failing him

2) .....of.....having e-mail id.....or failing him

3) .....of.....having e-mail id.....or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th ANNUAL GENERAL MEETING of the Company scheduled to be held on Friday, the 30th September, 2016 at 11.00 a.m. at NALCO Bhawan, P/1, Nayapalli, Bhubaneswar - 751013 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject Matter of the Resolution	For	Against
ORDINARY BUSINESS			
1	To receive, consider and adopt a) the audited standalone financial statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2016, the reports of the Auditors thereon;		
2	Declaration of dividend on equity shares		
3	To appoint a Director in place of Shri R. Sridharan (DIN:05332433), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.		
4.	To appoint a Director in place of Shri K C Samal (DIN:03618709), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.		
SPECIAL BUSINESS			
5	To appoint Shri Dipankar Mahanta, (DIN 01583516) as Director		
6	To appoint Shri S.Sankararaman, (DIN 07346454) as Director		
7	To appoint Shri Pravat Keshari Nayak, (DIN 07346756) as Director		
8	To appoint Prof. Damodar Acharya, (DIN 06817842) as Director		
9	To appoint Shri Maheswar Sahu, (DIN 00034051) as Director		
10	To appoint Shri Nikunja Bihari Dhal, (DIN 01710101) as Director		
11	To appoint Shri Basant Kumar Thakur, (DIN 07557093) as Director (HR) of the Company		
12	To ratify the remuneration of Cost Auditors for the financial year 2016-17		

Signed .....this day of 2016

..... Signature of first proxy holder

..... Signature of second proxy holder

..... Signature of third proxy holder

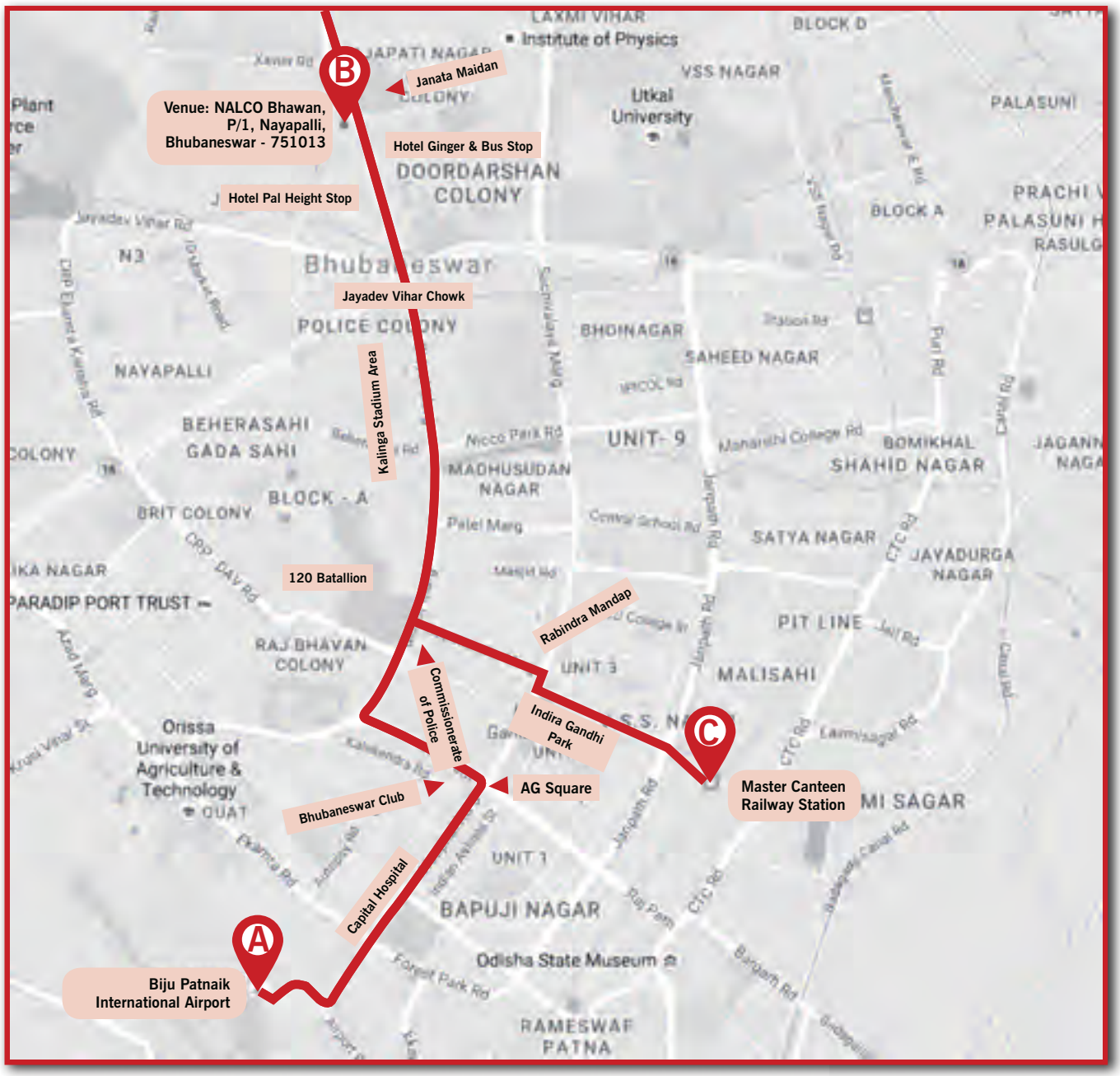
Affix ₹ 1 Revenue Stamp

Signature of shareholder across Revenue Stamp

Notes:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. Appointing a Proxy does not prevent a member from attending the meeting in person if he so wishes.

ROUTE MAP FOR THE VENUE OF THE MEETING
(A) AIRPORT (B) VENUE (C) MASTER CANTEEN (RLY. STN.)



नालको NALCO

NATIONAL ALUMINIUM COMPANY LTD.

CIN: L27203OR1981GOI000920

RegisteredOffice: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar - 751013

35th ANNUAL REPORT

2015-16

WE CAN'T DIRECT
The Winds
BUT WE CAN ADJUST
Our Sails

MoU with Government of Iran

नालको NALCO

National Aluminium Company Limited

A NAVRATNA CPSE

Vision

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

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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 Mln 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.

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)

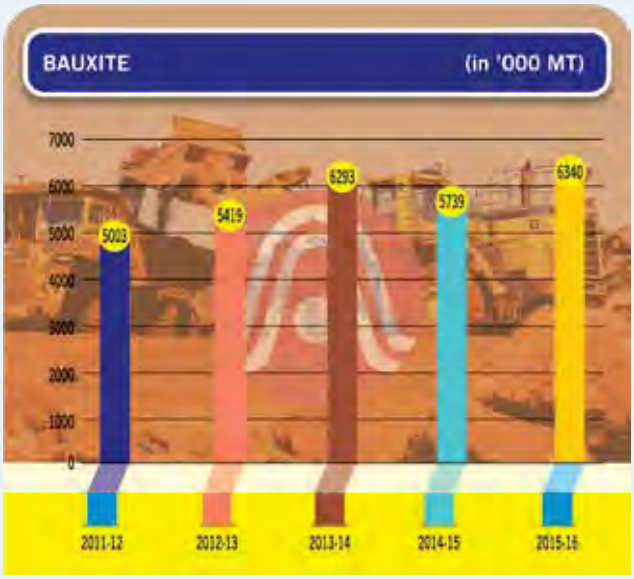
Shri S. Acharya
ED (S&P)

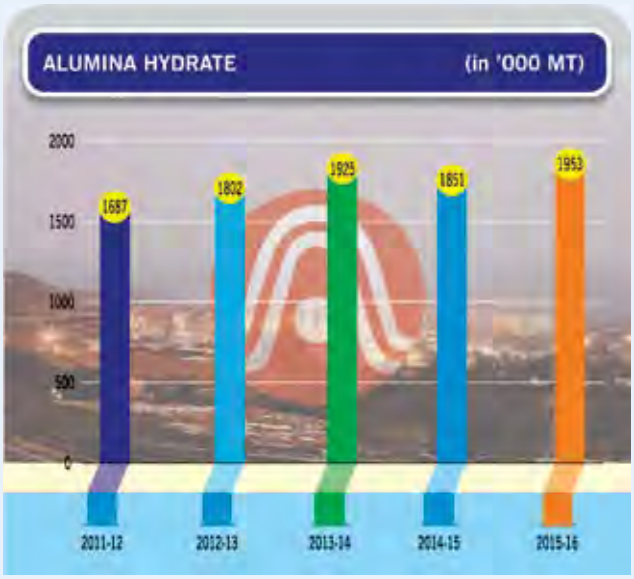
Shri A.S. Ahluwalia
ED(Corporate Affairs)

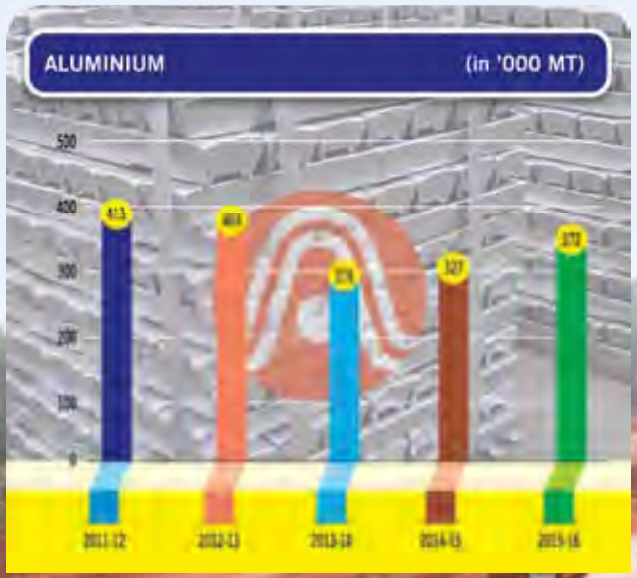
Shri K. N. Ravindra
ED-Company Secretary

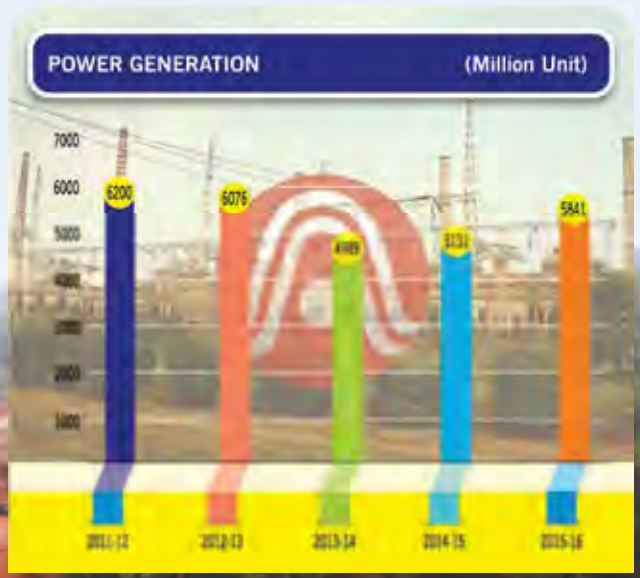
Top Management

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


BAUXITE
(in '000 MT)
7000
6000
5000
4000
3000
2000
1000
0
5003
5419
6293
5739
6340
2011-12
2012-13
2013-14
2014-15
2015-16


ALUMINA HYDRATE
(in '000 MT)
2000
1500
1000
500
0
1687
1802
1925
1851
1953
2011-12
2012-13
2013-14
2014-15
2015-16


ALUMINIUM
(in '000 MT)
500
400
300
200
100
0
413
327
378


POWER GENERATION
(Million Unit)
7000
6000
6200
6076
5841
2011-12
2012-13
2013-14
2014-15
2015-16

Directors' Report

Dear Members,

Your Directors have great pleasure in presenting before you the 35th Annual Report of your Company together with the audited financial statements and Auditors' Report for the financial year ended 31st March, 2016.

You will be happy to know that despite sluggish market conditions, your Company has achieved several milestones during the year under report, as detailed below:

PERFORMANCE HIGHLIGHTS

Physical Performance

- Mines achieved the highest ever bauxite transportation of 63.4 lakh MT as against 57.42 lakh tonnes achieved during the previous year registering 10% growth.
- Alumina Refinery achieved the highest ever alumina hydrate production of 19.53 lakh MT as against 18.51 lakh MT achieved in previous year registering 6% growth.
- Steam Generation Plant (SGP) at Alumina Refinery achieved the highest ever net power generation of 438 Million Units (MU) surpassing previous best of 433 MU achieved last year.
- Aluminium Smelter achieved cast metal production of 3.72 lakh MT against 3.27 lakh MT in previous year registering 14% growth. Smelter achieved the highest ever production of Wire Rod of 1.01 lakh MT surpassing previous best of 96,070 MT in previous year. Tee Ingot production of 48,636 MT has been the highest ever since inception surpassing previous best of 39,803 MT during 2014-15.
- CPP achieved 'Net Power Generation' of 5,841 MU as against 5,131 MU in previous year.
- The wind power generation during the year was 156 MU as against 175 MU generated during the previous year. The lower generation was due to restrictions in power evacuation. Similarly the solar power generation was 0.19 MU during the year as against 0.17 MU generated during the previous year.

Sales Performance

Chemicals

Your Company achieved total chemical sale of 12,19,926 MT in 2015-16 compared to 12,24,643 MT achieved during 2014-15. This includes Calcined Alumina Export of 11,74,224 MT made during 2015-16 as compared to 11,84,595 MT export made during 2014-15.

Metal

The total metal sales during 2015-16 was 3,72,424 MT as compared to 3,26,079 MT during 2014-15. Total metal sale consists of domestic sale of 2,77,753 MT and export of 94,671 MT. The domestic sale includes Wire Rod sale of 1,01,444 MT which is the highest ever sale of Wire Rods made since inception, surpassing the previous best of 96,070 MT achieved during 2014-15.

Hon'ble Prime Minister of India appreciates the Book 'Aluminium : The Strategic Metal' authored by Dr. Tapan Kumar Chand, CMD, NALCO

Out of total Domestic metal sales of 2,77,753 MT, sale of 1,87,081 MT was effected from Smelter plant at Angul and 90,672 MT was effected from eleven stockyards located at Kolkata, Baddi, Jaipur, Faridabad, Bhiwandi, Silvassa, Bangalore, Chennai, Vizag, Vadodara and Delhi.

Export orders are booked through e-tendering system to our registered customers. During the year under report, your Company exported Aluminium Metal and Calcined Alumina in the international market to various overseas destinations including Singapore, Malaysia, Korea, Taiwan, Bangladesh, Thailand, Bahrain, China, Egypt, Iran, Indonesia, UAE etc.

Initiatives were taken to register new customers on a continuous basis for sale of our products in the international market by promptly responding to prospective customer enquiries, periodically publishing notice(s) for Global Invitation for registration of International customers in various National & International journals/magazines/newspapers and proactive interactions with new customers during various International conferences/seminars/exhibitions. There is, thus, a constant drive to expand the customer base and explore new overseas destinations for export of the products of the Company.

Financial Performance

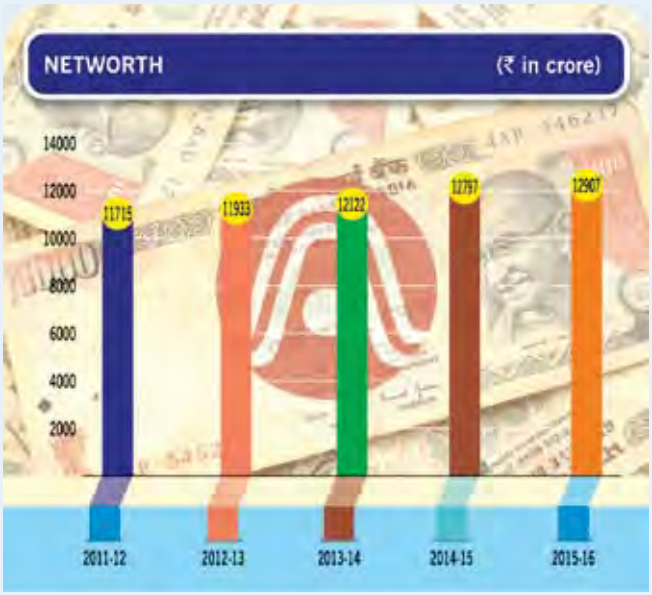
You will be pleased to know that despite severe sluggish market conditions, your Company achieved a Profit After Tax of Rs.731 crores during the year as compared to Rs.1,322 crores during the previous year.

The details of financial performance are given below: (₹ in crore)

Summary of Financial Result		
Particulars	**2015-16**	**2014-15**
Revenue from Operations(Net)	6,816	7,383
Other Income	537	672
Total Income	7,353	8,055
Cost of materials consumed	1,104	1,031
Power & Fuel	1,865	1,802
Employee benefits Expenses	1,361	1,378
Other Expenses	1,549	1,465
Depreciation & amortisation expenses	424	414
Total Expenses	6,303	6,090
Profit before Exceptional items	1,050	1,965
Add: Exceptional items (Income)	53	148
Profit Before Tax	1,103	2,113
Tax Expenses	372	791
Profit After Tax	731	1,322

Dividend and Appropriations

Your Board has recommended a final dividend of ₹ 0.75 per share (15% on the equity shares of ₹ 5/- each) for the financial year 2015-16



in addition to the interim dividend of ₹ 1.25 per share (25% on equity share of ₹ 5/- each), already paid in March, 2016. The total dividend payout for the financial year 2015-16 works out to ₹ 515.45 crore as against ₹ 451.02 crore for the previous year. The final dividend will be paid after approval in the Annual General Meeting.

It is proposed not to transfer any amount to the General Reserve. The Balance of ₹ 114.50 crores in the Profit & Loss Account after appropriations is proposed to be retained in the Profit & Loss Account.

The dividend for the year 2015-16 was declared in line with the DPE Guidelines.

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 your Company with the Government of India for the financial year 2015-16.

Raw Material Securitisation

- Both South Block & Central & North Mining Leases were extended upto March, 2020 by State Government which were operating under deemed extension condition & IBM Guideline on cutoff grade of bauxite was implemented during the year.
- Your Company could achieve better securitization of mining assets due to allocation of Pottangi Bauxite Mine having reserves of about 80 Million Tonnes and Utkal-D & Utkal-E Coal Blocks having about 200 Million Tonnes of coal reserves.

NEW INITIATIVES

Business Development

- Orders have been placed in Jan, 2016 for wind power projects of 50 MW and 50.4 MW in Rajasthan & Maharashtra respectively.
- A JV Company was formed with GACL on 04. 12. 2015 to set up 2.7 lakh TPA caustic soda plant along with 100 MW captive power plant at Dahej in Gujarat.
- Company has plans to set up 20 MW solar power plant in Madhya Pradesh and 50 MW each solar and wind power plants at suitable locations in India.
- Company has signed an MoU with Iranian Mines & Mining Industries Development & Renovation Organization (IMIDRO), a State owned Company of Iran on 23.05.2016 for business co-operation and collaboration.

Research & Development

- R&D Co-operation Agreement was entered into with Aluminium Pechiney (Rio Tinto Alcan) in July, 2015 and development of AP2XN technology to reduce the electricity consumption in pots has been taken up as the first project.
- R&D agreement was signed with Chalieco, China in December, 2015 for separation of iron concentrate from Red Mud and extraction of Gallium from Bayer Liquor.

Associations of Mineral and Metal Industries meet Hon'ble Minister of Mines in New Delhi

- An MoU was signed with Bhabha Atomic Research Centre (BARC), Mumbai on 10.05.2016 for various R&D projects for gallium recovery from Bayer's liquor, extraction of rare earths from red mud and other areas of mutual interest.
- A nano based Defluoridation plant is being set up in collaboration with M/s Eesavyasa Technology Pvt. Ltd., Hyderabad at Smelter plant, Angul.
- During the year under report, 1 patent has been granted and 1 patent filed. Till now your Company has filed 27 patents, 9 patents granted and 5 R&D processes commercialized.

HUMAN RESOURCES MANAGEMENT

Presidential Directives on SC/ST reservation

The Company has scrupulously complied with the Presidential Directives and other Government instructions and statutory provisions in the matter of reservation and concessions for different categories.

As on 31/03/2016, out of 7100 employees (including Trainees) on the Company's roll, there were 1162 (16.37%) SCs, 1286 (18.11%) STs, 783 (11.03%) OBCs and 83 (1.17%) Persons with Disabilities. The total number of lady employees in the organization stands at 355. Every third employee in the Company belongs either to SC or ST category.

Industrial Relations

The year saw continuation of the excellent overall industrial relation situation in the Company which helped in achieving major milestones in performance during the year under report. Work culture and discipline improved remarkably during the year. The policy of participative management starting from shop floor level to Apex level continued to be the main stay of the IR policy of the Company.

SA 8000:2008

As a step towards creating and maintaining decent work place, your Company continues to implement SA 8000:2008 Standard. Further, Company is in the process to upgrade and implement the SA standard from 2008 version to 2014 (New) Version.

All Units including Corporate Office have been re-certified to SA 8000 Standard as on date and the certificates will be renewed whenever they fall due.

HR Audit

For evaluating the effectiveness and performance of Human Resource Department regarding HR Policies, Systems and Procedures, your Company conducted HR Audit at Corporate Office in first phase and will be continued in other Units also.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

You will be pleased to know that your Company has spent an amount of ₹ 27.17 crores during the year under report against stipulation of ₹ 26.24 crores as per applicable provisions of the Companies Act, 2013.

The CSR projects are identified based on recommendation of District Administration, internal assessment in periphery areas directly by the Company or through Nalco Foundation as well as feedbacks received from stakeholders.

The focus of the projects are mainly towards Education, Skill development, Health care and Sanitation, providing safe drinking water, Pollution control, environmental measures and Rural development.

Notable initiatives taken during the year under CSR activities are;

- Continued sponsoring of 655 children from tribal dominated areas for their education.
- Continued the operation of 4 Mobile Medical Vans at M&R Complex, Damanjodi through Wockhardt Foundation and 3 Mobile Medical Vans at S&P Complex, Angul through Lions Club apart from one van is being used exclusively for OPD purpose.
- To encourage poor and meritorious girl students under BPL category to continue their study, financial assistance @ Rs.6000/- per annum was provided to meet the expenses on account of uniform and study materials under *"Nalcora Aliali Jhia"* (Nalco Ki Ladli) scheme to 82 nos. of girl students (50 from M&R Complex, Damanjodi and 32 from S&P Complex, Angul) starting from class-VIII to class-X.
- Provided 10 lakh drinking water pouches and 250 nos. temporary toilets during Nabakalebar-2015 at Puri.
- Joined the National movement of Swachh Bharat and is fully committed for its success.
- Under Swachh Vidyalaya Abhiyan, your Company has successfully completed construction of 354 toilets in 202 MHRD allotted schools

Hon'ble Chief Minister of Odisha appreciates NALCO's commitment

within the stipulated time period. Apart from MHRD allotted 354 nos of toilets, NALCO has also constructed 79 more toilets in periphery village schools of Damanjodi and Angul in Odisha and Visakhapatnam of Andhra Pradesh.

A detailed report on CSR activities prepared in line with various applicable provisions of the Companies Act, 2013 is attached at **Annexure-I.**

You will be pleased to know that on the occasion of Independence Day on 15th August, 2016, your Company organised an Organ Donation Awareness Programme at Corporate Office and unit offices.

VISIT OF PARLIAMENTARY COMMITTEES

The following Parliamentary Committees visited your Company during the year under report:

- Parliamentary Committee on Welfare of SCs/STs between 7th to 10th June, 2015.
- Committee on Sub-Ordination Legislation, Rajya Sabha on 25th October, 2015.
- Standing Committee on Coal & Steel visited Kolkata on 20th January, 2016.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis report in line with Regulation 34(3) readwith Schedule-V of the SEBI (LODR) Regulations, 2015 is placed at Annexure-II to this report.

The report also contains:

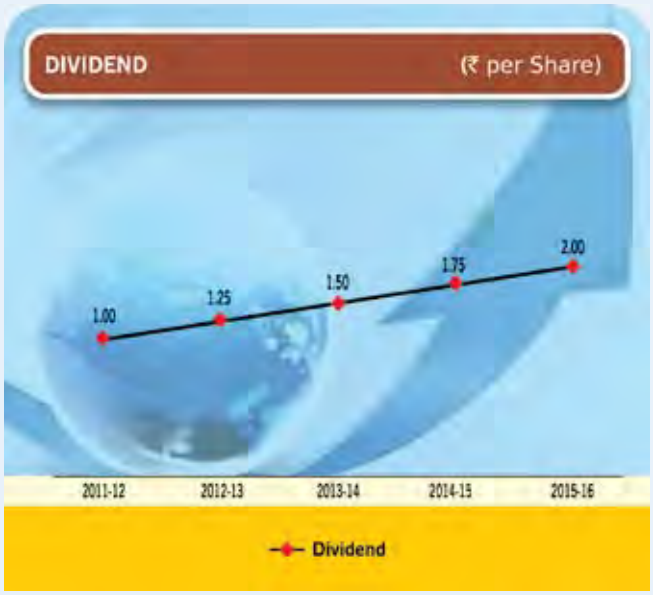
(a) various initiatives undertaken to further business development.

(b) the details of risk management initiatives, the details in respect of adequacy of internal financial controls with reference to the financial statements.

(c) various initiatives taken up in the field of Environment Management at different units of your Company.

COMPUTERIZATION ACTIVITIES

Your Company continued its efforts in taking advantage of latest developments in the Information Technology by suitably using them in the day to day functioning of the Company. In that direction, the



Company has taken various steps as detailed below:

After centralizing almost all its data and applications viz Procurement, Inventory Management, Finance and Accounting, Marketing and Sales and Human Resource Management on the SAP platform, the Company has now centralized the remaining applications primarily in the area of employee establishment in the legacy environment. This ensures uniformity in business logics followed across the enterprise. Further, plans have been initiated to implement analytics as decision support tools.

Digitization of documents and records has been taken up at various Offices and Units as a preparatory step for implementing digital document management system.

The network which is the backbone of IT has been revamped to a large extent with 10 Gbps backbone and 1 Gbps access technology and advanced routing, sequestering and queuing technologies, resulting in efficient and fast throughput across the network. For computing infrastructure that is nearing completion of life cycle, action is underway for replacing with current and scalable technology. Focus is towards use of standard platforms in lieu of proprietary platforms, and use of virtualization in servers to leverage the flexibility of virtualized server provisioning. Disaster recovery coverage is now being extended to all the applications and services. Plans are afoot for providing wider coverage of Wireless connectivity to provide higher flexibility in working.

The Company has taken steps to reinforce and secure its IT infrastructure and ecosystem by appointing a Consultant to assess the IT ecosystem and formulate appropriate IT Security Policy and framework to implement an effective Information Security Management System leading to ISO 27001 certification. This will be an assurance to all stake holders transacting digitally with the Company.

Current roadmap of activities includes digital office for document storage and retrieval as well as work flow automation, social platforms for in-house as well as for public. Knowledge Management will also be a key area of activity. The e-governance processes cover in-house services to employees and services like online application systems for recruitments to the general public. Providing bill tracking facilities for vendors and material tracking for customers is also on the anvil.

TOTAL QUALITY MANAGEMENT

Your Company has taken following major initiatives during the year under report:

Business Excellence Initiative

The Business Excellence (BE) initiative aligned with European Foundation of Quality Management (EFQM) Business Excellence Model 2013, was launched in the organisation and based on the approach plan approved at Corporate Office, implementation process was rolled out in the Alumina Refinery from July, 2015 onwards.

External assessment by independent assessors deputed by CII was successfully conducted on 14th & 15th Oct.'15. Based on the recommendations of the external assessors and review by the award committee, Alumina Refinery was conferred with the award "BE Star Recognition as Leader in Process Industry category for Excellence in Operations Management".

Integrated Management System

Recertification audits and periodic Surveillance Audits were conducted successfully at all the units and offices for the three international Management Systems Standards i.e. ISO 9001, ISO 14001 & OHSAS 18001. As on 31.03.2016, all the units and offices covered in the above three Management Systems under the Integrated Management System, are operating with valid Certification status.

Energy Management System

During the year, all the three units i.e. CPP, Smelter & Alumina Refinery, covered under Perform, Achieve & Target (PAT) successfully went through the scheduled Recertification and periodic Surveillance Audits for ISO 50001. In the process, CPP was recertified to ISO 50001. As a consequence, as on 31.03.2016, all the three units are operating with valid ISO 50001 certificates.

Perform, Achieve & Target (PAT) Cycle-I

During this year, for both the Designated Consumers (DCs) i.e. S&P Complex and M&R Complex have achieved target set. S&P Complex, achieved normalisation factor of 5.109 TOE/T against the Specific Energy Consumption (SEC) target of 5.199 TOE/T. M&R Complex achieved normalisation factor of 0.306 TOE/T against a SEC target of 0.307 TOE/T.

Quality Circles and Kaizens

Improvements in the scheme for motivating Quality Circles & Kaizens were introduced during the year, which resulted in enhancement of Quality Circle and Kaizen activities as reflected below:

i. 38 Quality Circles from different units of the organisation, completed total 50 QC projects during the year.

ii. 14 Quality Circles from different units of Nalco were nominated to National Quality Circle Convention organised by QCFI at Chennai. Five QCs were placed in the top category i.e. "Par-Excellence".

iii. The All Odisha Quality Circle Convention was organised by Nalco for the twentieth time in sequence, on 22nd & 23rd April'15 at Bhubaneswar.

iv. 145 Kaizens were completed during the year.

Panaromic view of NALCO's Smelter at Angul, Odisha

5S implementation

Workplace Management System i.e. the widely-acclaimed 5S system, was introduced in Alumina Refinery, Mines, Smelter & CPP, to develop a few model areas. Smelter and Alumina Refinery have achieved substantial progress in the 1S and 2S steps, in the model areas identified by them, while CPP and Mines have initiated 1S and 2S through hand-holding sessions by the consultants.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

Your Company continued its efforts in promoting and implementing Official Language Act, 1963 and Official Language Rule, 1976. Various initiatives taken during the year are;

- Hindi Fortnight/Hindi Weak/Hindi Day were observed at Corporate Office, Bhubaneswar, M&R Complex, Damanjodi and S&P Complex, Angul. On these occasions, many Hindi Competitions were organized separately for Hindi speaking employees and non Hindi speaking employees.
- Town Official Language Implementation Committee meetings were conducted at Angul and Bhubaneswar.
- Hindi workshop was organised during November, 2015 at S&P Complex with faculty Assistance of Dy. Director (Implementation), East Zone, Deptt. of Official Languages, Govt. of India, where 38 Nos. of employees and officers participated from member offices of TOLIC, Angul.
- Hindi Teaching Program was implemented at Corporate Office, S&P Complex and M&R Complex and the employees who do not have working knowledge of Hindi, were nominated for Praveen & Pragya courses under Hindi Teaching Scheme of Government of India and after passing the examinations, incentives and cash awards were given as per rules.
- Website of Company www.nalcoindia.com is made Bilingual and being regularly updated both in Hindi and English.
- Faculty Assistance was provided by the Company on the subject "Unicode and Technical Facilities in Computer and Mobile Phones in Hindi" in the Hindi Workshop organised by National Insurance Company Ltd., Dhenkanal, Prasar Bharati, Doordarshan Kendra, Bhubaneswar, East Coast Railway, Bhubaneswar, Oriental Insurance Co. Ltd., Cuttack and BSNL, Bhubaneswar.

SPORTS

Your Company continued its efforts to promote sports in the region apart from encouraging sports talent who participated in the National and International events by felicitating them on the occasion of Utkal Divas celebration.

As a part of the promotion of sports, your Company sponsored Nalco Cup State Hockey Championship and Nalco Cup State Open Tennis Tournament.

Your Company also provided financial assistance for participating Wako World Kick Boxing Championship held at Dublin and for organizing Blind Womens Cricket Tournament etc.

Your Company organized 5 Km India Mini Marathon on 24th January, 2016 with 'I for India' slogan from Janata Maidan to Kalinga Stadium which was a huge success as more than 16 thousand participants and 100 organizations and institutions participated which is considered to be biggest among the Mini Marathons organized throughout the country on that date.

Suffusing Patriotism

VIGILANCE

Vigilance Department, in your Company acts as an aid and co-operate with management in various functions to pull down corruption and gear up transparency in the system. With advice of Central Vigilance Commission, your Company has implemented IT for e-tendering, e-payments, e-auction etc. Preventive vigilance activities of the department such as surprise checks, sample tests, regular inspections, CTE type intensive examinations etc., were given utmost importance and short comings were brought to the notice of management for remedial action. Broad details of the Vigil Mechanism established in the Company are given below:

- NALCO has a well established vigilance organization in the Company headed by a Chief Vigilance Officer (CVO) who is appointed on deputation from Govt. of India. Other vigilance officers who assist the CVO are selected on deputation basis in consultation with and concurrence of CVO. NALCO has its vigilance set up at three locations, i.e. Corporate Office, Bhubaneswar, S&P Complex, Angul and M&R Complex, Damanjodi.
- The vigilance functions are generally in the nature of preventive, punitive, surveillance and detection.

  The Vigilance Department functions in brief are;
  - Investigating complaints
  - Surprise Checks in sensitive areas
  - Study of contract/purchase/sales files and Internal Audit Reports which are good source of information for vigilance cases
  - Suggesting system improvements
  - Circulation of CVC Circular / guidelines
  - Giving vigilance clearances to various employees for various purposes, viz. NOC for issue of Passport, Promotion, Resignation/ Superannuation/Voluntary Retirement, Conferment of Award, Foreign Assignment, Deputation and appointment of officers to Board level etc.
  - Scrutiny of Property Returns
  - Advising on rotation of officials in sensitive posts
  - Advising CMD on vigilance matters and matters relating to disciplinary procedures
  - Liasoning with CBI etc.
  - Implementation of Integrity Pact
  - Conducting training programmes for awareness among employees and general public as a part of preventive vigilance mechanism
- **Functions of CVO include:**
  - Maintaining a good link with CVC & CBI besides organizing structured review meetings with CMD

Swachh Bharat Abhiyan

  - Furnishing of various returns/reports to Ministry/CVC/CBI
  - Assisting CVC in selection of Independent External Monitors (IEMs) for I.P (Integrity Pact)
  - Assisting management in formulation/updation of various anticorruption policies/measures

Whistle Blower Policy

The purpose of Whistle Blower Policy is to provide a framework to promote responsible and secure whistle blowers to prohibit managerial personnel action. It protects employees wishing to raise a concern about serious irregularities within the company. Nalco, being a public sector, it is governed by the Whistle Blower Policy formulated by Govt. of India.

Details of the Policy are available in Nalco website.

Fraud Reporting

No fraud has been reported by the Auditors under Section 143(12) of Companies Act, 2013 during the year under report. The Company has a Board approved Fraud Prevention Policy and the same is placed in the website www.nalcoindia.com.

RIGHT TO INFORMATION

In order to promote transparency and accountability, an appropriate mechanism has been set up across your Company in line with 'Right to Information Act, 2005. Your Company has nominated CPIO/APIO/ Appellate Authorities at its Corporate Office, Units and Branch Offices to provide required information to the citizens under the provisions of the Act.

LISTING IN STOCK EXCHANGES & PAYMENT OF LISTING FEES

The equity shares of your Company continued to be listed on BSE Limited and National Stock Exchange of India Ltd., the premier stock exchanges of the country, having nationwide trading terminals. The listing fee for the year 2015-16 was paid to these stock exchanges on time. Your Company has executed fresh Listing Agreements with both the stock exchanges within the stipulated time as required under SEBI (LODR) Regulations, 2015 which came into force on 01-12-2015.

Buyback of Shares

As you are aware, the Board of Directors had recommended buyback of 64,43,09,628 equity shares of Rs.5/- each representing 25% of the total number of equity shares in the paid-up equity share capital of the Company, subject to approval of shareholders of the Company. The shareholders of the Company had approved the proposal by passing a special resolution through postal ballot on 14-07-2016. The buyback offer at a price of Rs.44/- per share for an aggregate consideration of Rs.2834.96 crores which would not exceed 25% of the aggregate of fully paid-up share capital and free reserves as per the audited accounts of the Company for the financial year ended 31-03-2015 being the latest audited financial statement on the date of Board decision, i.e. 25-05-2016. SEBI has sent its clearance for the draft Letter of Offer with some observations on 22-08-2016. The whole exercise is expected to be completed by the end of September, 2016.

Services to Shareholders

The Company had its In-house Share Registry. Your Company appointed M/s Karvy Computershare Pvt. Ltd., Hyderabad as its Registrar and Share Transfer Agent (RTA) and accordingly, the In-house Share Registry operations of the Company have been shifted to the RTA w.e.f. 08-02-2016.

Payment of Annual Custody/Issuer Fees to Depositories

Annual connectivity fees and custody fees/issuer fees for the year 2015-16 were paid to both M/s National Securities Depository Ltd. and M/s Central Depository Services (India) Ltd. on time.

BUSINESS RESPONSIBILITY REPORT

In line with Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, a Business Responsibility Report for 2015-16 describing various initiatives taken by the Company on social, environmental and governance perspective, is attached at **Annexure-III** which forms part of this Annual Report.

Report on Sustainable Development

The fourth edition of Sustainable Development Report highlighting the sustainability aspects and the final MoU evaluation status was prepared as per the Global Reporting Initiative latest guidelines i.e. GRI G4

Dividend pay-out

framework. The same was assessed by GRI Amsterdam and the GRI G4 Content Index verification was successfully completed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required to be disclosed under the Companies Act, 2013 are given in the **Annexure-IV** to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors' pursuant to the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013, hereby confirm that;

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis; and

e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

A report on Corporate Governance in line with Regulation 34 read with Schedule-V of SEBI (LODR) Regulations, 2015 and DPE guidelines is prepared and placed at **Annexure-V** to this report.

The Statutory Auditors of the Company have issued a certificate on Corporate Governance which is appended to the Corporate Governance Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

The Policy on Related Party Transactions has been approved by the Board and placed in the Company's website which can be accessed at www.nalcoindia.com.

Opening of Registered Office of GACL-NALCO Alkalies Chemicals Pvt. Ltd. at Vadodara

Your Directors draw the attention of the members to Note No. 53 of the financial statements which sets out related party disclosures.

The details of contracts entered with Related Parties at arm's length basis during the year under report are detailed in form AOC-2 which is attached at **Annexure-VI** to this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance of the provisions of the Act, the Board of Directors have appointed the following as Key Managerial Personnel:

- Dr. T.K. Chand, Chairman-cum-Managing Director (w.e.f. 27.07.2015)
- Shri N.R. Mohanty, Director (P&T)
- Shri K.C.Samal, Director (Finance)
- Ms. Soma Mondal, Director (Commercial)
- Shri V.Balasubramanyam,Director (Production)
- Shri Basant Kumar Thakur, Director (HR) w.e.f. 04.07.2016
- Shri K.N.Ravindra, Executive Director – Company Secretary
- Shri Ansuman Das, former CMD till 30-04-2015
- Shri S.C. Padhy, Director (HR) (till 30-06-2016)

Declaration of Independence by Independent Directors

The Company has received declaration from the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Meetings of the Board

During the year, nine Board meetings were held. For further details, please refer to report on Corporate Governance (**Annexure-V)** placed in this Annual Report.

Various Sub-committees of the Board

The details of various Sub-committees of the Board including Audit Committee, their composition, terms of reference, details of meetings held are given in the Corporate Governance Report attached to this report.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company in the prescribed Form MGT-9 is annexed herewith as **Annexure-VII** to this Report.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under report:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares, sweat equity shares and ESOS to employees of the Company.
- Neither CMD nor the Whole-time Directors of the Company receive any commission from the Company.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors also state that no disclosure or reporting is required in respect of the following areas as they are exempted for Government Companies by Ministry of Corporate Affairs vide notification dated 5th June, 2015.

- Company's policy on Director's appointment and remuneration including criteria for determining Qualification, Attributes, Independence, etc. as per Section 134 (3) (e) and Section 178(2), (3) & (4).
- Manner in which formal Annual Evaluation of performance of Board, its Committees and individual Directors has been carried out as per Section 134(p) read with Rule 8 (4) of Companies (Accounts) Rules.
- Ratio of remuneration of each Director to the median remuneration of the employee and other prescribed details as per Section 197(12) read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Directors further state that during the year, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Particulars of loans, guarantees and investments

Particulars of loans, guarantees and investments form part of Note No. 11, 12,13, 14, 18 and 19 respectively to the financial statements provided in the Annual Report.

Particulars of Joint Venture Companies and Associated Companies

Particulars regarding joint venture companies and associated companies form part of Note 36 of the Financial Statements provided in the Annual Report.

Salient features of JV/Associate companies in Form AOC-1 forms integral part of the consolidated financial statement of the Company.

Awards & Recognitions

Various awards & recognitions detailed below stand ample testimony for the overall good work done by the Company during the year under report:

1. Engineering Export Promotion Council, Eastern Region (EEPC)'s Gold Trophy, as top exporter in the Large Enterprise category, for its outstanding export performance during the year 2013-14.

India Pride Award for CSR from Dainik Bhaskar Group

2. Highest Export Award of Chemical & Allied Products Export Promotion Council (CAPEXIL), sponsored by Ministry of Commerce & Industry, Govt of India, for its outstanding export performance in Processed Mineral Category in succession since 1988.
3. M&R Complex, Damanjodi was conferred with the National Energy Conservation Award by Ministry of Power, in recognition to its efforts in Energy Conservation in the Aluminum Sector for the year 2015.
4. Panchpatmali Bauxite Mines bagged the Pollution Control Excellence Award-2015 instituted by Orissa State Pollution Control Board (OSPCB) for effective pollution control measures and sound environment practices.
5. The Alumina Refinery of NALCO received the Kalinga Safety Award in the 'Gold' category, at the Odisha State Safety Conclave – 2015.
6. For its initiative towards bringing 655 tribal children of Koraput district to the mainstream education, NALCO bagged OTV CSR Award 2015, under primary education category.
7. Performance Excellence Award, instituted by the Indian Institution of Industrial Engineering (IIIE).
8. The Alumina Refinery of NALCO bagged the prestigious Business Excellence Star Recognition Award of CII as the "Leader in Process Industries, for Excellence in Operations Management".
9. The Captive Power Plant of NALCO was awarded for 'proactive climate change' from State Pollution Control Board, Odisha.
10. Best Mother Plant Award, at the concluding ceremony of Odisha MSME International Trade Fair, organized at Bhubaneswar.
11. Panchaptmali Bauxite Mine bagged the 1st Prize in Afforestation and 2nd Prize in Top Soil Management in the concluding function of 18th Mine Environment & Mineral Conservation (ME&MC) Week 2015-16 under the aegis of Indian Bureau of Mines, Bhubaneswar Region.
12. Panchpatmali Bauxite Mine bagged First prizes in Health and Welfare, Second prizes in training and overall performance during Odisha Metalliferrous Mines Week organised by DGMS.
13. Green Corporate Award in the Odisha Environment Congress.

COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE FINANCIAL STATEMENT OF THE COMPANY

You will be pleased to know that your Company has received 'Nil' comments from C&AG on the standalone financial statements of the Company. Further, C&AG has also given 'Nil' comment on the supplementary audit conducted by them on the consolidated financial statements of the Company. Their comments are placed elsewhere in this Annual Report.

AUDITORS

Statutory Auditors

M/s. ABP & Associates and M/s Guha, Nandi & Co. were appointed as Joint Statutory Auditors of your Company by the Comptroller and Auditor General of India for the financial year 2015-16.

The report of the Statutory Auditors is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

Cost Auditors

As per Cost Audit Orders, Cost Audit is applicable to the Company for the financial year 2015-16. In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. Tanmaya S Pradhan & Co., Sambalpur have been appointed as Cost Auditors for the year 2015-16.

Your Company will submit its Cost Audit Report to the Ministry of Corporate Affairs within the stipulated time period.

M/s Tanmay S. Pradhan & Co. has also been appointed as Cost Auditors for the financial year 2016-17.

Secretarial Auditor

In terms of Section 204 of the Act and Rules made there under, M/s Saroj Ray & Associates, Practicing Company Secretaries have been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditors together with the explanations of the management on the qualifying remarks of Secretarial Auditors is enclosed as **Annexure-VIII** to this report.

One of the 7 Mobile Health Units

Internal Auditors

Your Company appointed the following auditing firms for carrying out internal audit functions of your Company for the financial year 2015-16:

M/s Tej Raj & Pal for Corporate Office, Bhubaneswar

M/s SCM & Associates for S&P Complex, Angul

M/s G.R. Kumar & Co. for M&R Complex, Damanjodi & Port Facilities, Visakhapatnam

M/s P. Agarwal & Associates for Northen Regional Office, New Delhi

M/s DPSV & Associates for Eastern Regional Office, Kolkata

M/s Kumbhat & Co. for Southern Regional Office, Chennai

M/s D S Sukla & Co. for Western Regional Office, Mumbai

DIRECTORS

The following changes took place in the Board of Directors of your Company since the last report:

Appointment

- S/Shri Dipankar Mahanta, S Sankararaman, Pravat Keshari Nayak, Prof. Damodar Acharya and Maheswar Sahu were appointed as part-time non-official (Independent) Directors w.e.f. 21.11.2015.
- Shri Nikunja Bihari Dhal, Joint Secretary, Ministry of Mines was appointed as Part-time Official Director w.e.f. 23.12.2015.
- Shri B. K. Thakur was appointed as Director (HR) of the Company w.e.f. 04.07.2016.

Cessation

- Dr. Niranjan Kumar Singh, Joint Secretary, Ministry of Mines ceased to be Part-time Official Director on the Board of your Company w.e.f. 23.12.2015.
- Shri S. C. Padhy, Director (HR), superannuated on 30.06.2016.

Your directors wish to place on record their appreciation for the valuable services rendered by Dr. Niranjan Kumar Singh and Shri S. C. Padhy during their tenure on the Board of your Company.

ACKNOWLEDGEMENT

The Board of Directors acknowledges with deep sense of gratitude for the guidance and co-operation received from Government of India particularly from Ministry of Mines and other Ministries / Departments of the Government of India, Government of Odisha, Mahanadi Coalfields Ltd., Indian Railways, other Government agencies and CPSEs.

The Board also expresses their sincere thanks to the Comptroller and Auditor General of India, the Principal Director of Commercial Audit & Ex-officio Member, Audit Board, Kolkata, Statutory Auditors, Cost Auditors, Secretarial Auditors, Internal Auditors, Bankers and JV Partners, business associates for the co-operation rendered by them.

Your Directors also acknowledge the support extended by the valued and esteemed domestic and international customers, vendors, solicitors and also look forward for maintaining such mutually supportive business relationship in the coming years too.

The success of your Company is due to commitment, hard work and dedicated efforts made by all the employees at various levels and due to the active support and co-operation received from the Trade Unions & Officers' Associations during the year under report.

For and on behalf of Board of Directors

Place : Bhubaneswar
Date : 27.08.2016

(Dr.Tapan Kumar Chand)
Chairman-cum-Managing Director

CMD & Directors interacting with marginalized children who have been brought to mainstream education by Nalco Foundation.

ANNUAL REPORT ON CSR ACTIVITIES: 2015-16

ANNEXURE I

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

NALCO, keeping the philosophy of Sarve Bhavantu Sukhina continued to be a Socially Responsible Business Enterprise in contributing towards development of its stakeholders, peripheries of its plants and operational areas as well as protection of environment and has kept its aim of achieving sustainable development in the economic, social and environmental dimensions. The implementation of its sound and ethical policies on CSR and environmental protection has led the Company in achieving the said objectives.

The Company has been allocating 2% of its net profit for CSR activities since 2011-12 and from 2014-15 onwards, the Company has been spending 2% of its average net profit during the three immediately preceding financial years under different heads stipulated under Schedule VII of the Companies Act, 2013. These activities are carried out based on the need assessment by its CSR wing as well as in accordance with the need projections made by the local people and their representatives.

The CSR activities of the Company amongst other encompasses the thrust areas like upliftment of economic status & community care, development of infrastructural facilities, health care and health education, promoting education and literacy, promotion of Sports & Games, Arts, Crafts and Culture etc. which helps in minimizing the negative and social environment impact resulting from its economic activities as well as promoting responsible public image of the Company.

The detailed Board approved CSR policy of the Company is placed at Company's website i.e. **www.nalcoindia.com**

During 2015-16, the Company also continued to focus its CSR activities in the field of infrastructure development, health care service, sanitation, drinking water facility, promotion of education, environmental sustainability, promotion of sports and cultural activities.

Towards providing better health care services to the periphery village people, four Mobile Health Units (MHUs) are operated with support service of Wockhardt Foundation in periphery villages of M&R Complex, Damanjodi. Similarly, three Mobile Health Units (MHUs) are operating in S&P Complex, Angul with service of Lions Club, Angul. Each MHU provides primary health services to the villagers including free medicines, diagnostics and awareness building Information, Education, Communication (IEC) activities. In addition to above, an OPD centre meant for Out Patient treatment of people of periphery villages in Angul Sector has also been operating since July 2014 in S&P Complex. The centre is functioning with a qualified doctor, para-medical staff. Free medicines are provided to the patients of periphery villages through the Centre. During the year 2015-16, total 1, 05,562 patients have been treated through above facility.

In the context of promoting education and to bring the tribal students to the main stream of education, as an important CSR initiative,655 students from 18 periphery villages of Damanjodi sector have been sponsored for formal education in 3 residential schools viz. (i) Kalinga Institute of Social Science (KISS), Bhubaneswar, Koraput Development Foundation, Jeypore, Bikash Vidyalaya, Koraput. Total cost related to study, lodging and boarding, of those students till they complete schooling is borne by the Company.

Moreover, peripheral village students are also extended educational facilities in the Company aided schools i.e. Delhi Public Schools and Saraswati Vidya Mandirs located at Damanjodi and Angul.

In line with Governments objective of "Beti Bachao & Beti Padhao", the Company has developed a scheme for promoting education of meritorious & poor girls students by way of monetary support under the name of 'Nalco ra Aliali Jhia' which has been well appreciated by the people in the vicinity of its operations.

Under Swachh Bharat and Swachh Vidyalaya Abhiyan, the Company has constructed 433 toilets against MHRD target of 354 toilets within the stipulated time.

2. **The Composition of the CSR Committee:**

Sri D. Mahanta, Independent Director
Sri S. Sankararaman, Independent Director
Sri M. Sahu, Independent Director
Sri S.C.Padhy, Director (HR)
Sri K.C.Samal, Director (Finance)
Sri V. Balasubramanyam, Director (Production)

3. **Average net profit of the company for last three financial years:**

₹ 131207.00 lakh

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above):**

₹ 2624.00 lakh

5. **Details of CSR spent during the financial year:**

₹ 2716.65 lakh

(a) Total amount to be spent for the financial year:

₹ 2624.00 lakh

(b) Amount unspent , if any,

Nil

(c) Manner in which the amount spent during the financial year is detailed below. (Rs. in lakh)

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered.	Projects or programmes (1) Local areas or other (2) Specify the State and district where projects or programmes was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-head : (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through imple-menting agency
01	Health outreach Program-Mobile Medical Units, Diagnostic & awareness building through Information, Education, Communication (IEC) activities.	Point No.(i) of Schedule VII-Promoting preventive health care	Koraput and Angul District of Odisha	165.00	58.03	74.63	Nalco Foundation and Directly by Company
02	Construction of toilets under Swachh Vidyalaya Abhiyan and other purpose	Point No.(i) of Schedule VII-Promoting preventive health care and sanitation	Koraput and Angul District of Odisha and Visakhapatnam district of Andhra Pradesh	500.00	160.30	200.44	Nalco Foundation and Directly by Company
03	Providing safe drinking water to periphery villages of plants and during Nabakalebar at Puri	Point No.(i) of Schedule VII- Making available safe drinking water.	Angul, Koraput and Puri district of Odisha	92.41	70.98	70.98	Nalco Foundation & directly by Company
04	Promoting education, sponsoring formal education of tribal children in reputed residential schools	Point No.(ii) of Schedule VII-Promoting education including special education	Koraput and Angul District of Odisha	1450.07	2053.42	3306.25	Nalco Foundation and Direct ly by Company

1	2	3	4	5	6	7	8
05	Providing employment enhancing training to Persons With Disabilities (PWDs) students for their livelihood ,support for skill enhancing training programmes	Point No.(ii) of Schedule VII-Employment enhancing vocational skills specially among children,women,elderly and differently abled and livelihood enhancement programme.	Koraput and Angul district of Odisha	-	-	92.00	Directly by Company
06	Assistance to Adruta Children Home for Orphans	Point No.(iii) of Schedule VII-Setting up homes and hostels for women and orphans	Angul district of Odisha	55.15	55.15	55.15	Nalco Foundation
07	Ensuring environmental sustainability, ecological balance through plantation	Point No.(iv) of Schedule VII- Ensuring environmental sustainability, ecological balance	Koraput and Khurda District of Odisha.	252.00	105.74	188.74	Nalco Foundation and Directly by Company
08	Contribution towards protection of national heritage and culture and development of traditional arts and handicrafts.	Point No.(v) of Schedule VII- Protection of national heritage , art & culture	Koraput district of Odisha	10.00	10.00	35.28	Directly by the Company
09	Contribution to the Prime Minister's Relief Fund/ Central Govt. Fund for socio-economic development /welfare of SC/ST/OBC/Minorities/ Women/	Point No.(viii) of Schedule VII- Contribution to Prime Minister's Relief Fund or any other fund set up by Central Govt.	PAN India	-	-	400.00	Nalco Foundation
10	Rural development activities in periphery villages and other areas.	Point No. (x) of Schedule VII- Rural development projects.	Koraput and Angul District of Odisha & Gwalior and Shivpuri district of Madhya Pradesh	584.45	203.03	203.03	Nalco Foundation and Directly by Company
Total:					**2716.65**	**4626.50**	

- The above CSR expenditure forms part of the financial statements for the year 2015-16 audited by the statutory Auditors and CAG.
- Nalco Foundation is a Trust under Indian Trust Act exclusively set up to take up CSR activities of the Company.
- Some projects have been executed by Nalco foundation with the help of appropriate NGO's operating within the operational areas of the Company.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The Company has spent the two percent of the average net profit of the last three financial years.

7. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-
(Dr. T.K.Chand)
Chairman-cum- Managing Director

Sd/-
(Shri Dipankar Mahanta)
Independent Director & Chairman
CSR & Sustainability Development Committee

MANAGEMENT DISCUSSION & ANALYSIS REPORT

ANNEXURE-II

INDUSTRY STRUCTURE & DEVELOPMENTS

Alumina

Global production of metallurgical grade alumina grew from 106.07 Million Tonnes in 2014 to 112.31 Million Tonnes in 2015 registering an increase of about 5.9% y-o-y in 2015. During the same period, global consumption of alumina grew from 105.72 Million Tonnes to 112.29 Million Tonnes showing an increase of 6.2% y-o-y in 2015. China continued to be the world leader in both production and consumption of metallurgical grade alumina during 2015, accounting for practically 50% of global production and about 55% of global consumption. Besides China, sizeable growth in production has also been seen in Middle Eastern countries from 0.38 Million Tonnes in 2014 to 1.55 Million Tonnes in 2015.

Demand for metallurgical grade alumina in China is likely to receive a boost in 2016 from higher aluminium production due to re-starts of smelting capacities across China. Although the pace of restarts remains largely limited by tight credit and cash availability, there appears to be renewed upside potential to alumina demand, during the second half of 2016. Analysts expect Chinese MGA demand to reach 63.1 Million Tonnes in 2016, representing a 3.2% y-o-y increase.

In the rest of the world, demand for alumina is estimated to reach 52.1 Million Tonnes in 2016, representing a 2.0% year-on-year increase. Accordingly, total world MGA demand during 2016 is likely to reach about 115.2 Million Tonnes, representing a 2.6% y-o-y increase.

During 2016, alumina spot prices are expected to hold reasonably steady. The boost in MGA demand and Chinese alumina imports are expected to move the World ex. China alumina market into a slight deficit, by about the last quarter of 2016 and this is likely to allow alumina spot prices to remain firm.

Aluminium

Global Aluminium production grew by 6.1% y-o-y from 54.21 Million Tonnes in 2014 to 57.52 Million Tonnes in 2015, while global aluminium consumption grew by about 4.0 % y-o-y from 54.21 Million Tonnes in 2014 to 56.38 Million Tonnes in 2015. The aluminium market recorded a surplus of about 1.1 Million Tonnes during 2015. China continued to be the world's largest producer and consumer of Aluminium with a production level of 31.19 Million Tonnes, constituting 54% of global output and consumption level of 29.11 Million Tonnes, constituting 52% of global consumption. Growth of production in China during 2015 was recorded at about 10 % while that in the Rest of the World was 1.6%. Similarly, growth in consumption of primary aluminium was 6.6% in China and 1.3% in the world ex-China during 2015.

One of the factors that stimulated an improvement in global market fundamentals in early 2016 has been stronger than expected performance of Chinese primary demand for aluminium. This has been principally driven by the implementation of economic stimulus packages by the Chinese government. These supportive measures included substantial investments in infrastructure and real estate sectors. However, demand growth in China is expected to ease gradually during 2016, as the positive impact of the government's stimulus policies on primary consumption wanes. On the production front, it is expected that the rally in Chinese domestic prices will incentivise Chinese primary producers to gradually restart about 1.47MTPY of the previously unprofitable 4MTPY of capacity, which was curtailed during 2015.

Global aluminium prices have displayed considerable volatility throughout 2015-16, with LME Cash prices fluctuating between a high of USD 1,919/MT in May'15 to a low of USD 1,424/MT in Nov'15. Average LME cash settlement price

for 2015-16 was USD 1,592 per MT, registering a fall of almost 16% from 2014-15 average of USD 1,889 per MT. Several factors such as weak Chinese economic activity, large-scale Chinese exports, volatility in global equity markets, oversupply situation leading to high level of global inventories etc. have been putting pressure constantly on aluminium prices, keeping them low through 2015-16.

Estimated global stock of aluminium at the end of FY 2015-16 was approximately 15.37 million MT, registering an increase of about 5% from 14.64 million MT at the end of the last FY.

OPPORTUNITIES AND THREATS:

Opportunities

Aluminium is considered to be the "metal of the future" for India, considering its wide range of applications across various sectors. In addition to the electrical industry, which has been the predominant aluminium consuming sector in the country for a long time, substantial growth prospects are now also seen in new areas such as defence (e.g. building of aero structures, military helicopters) automobile (body, components) sector etc. Opportunities also exist in the downstream and value-added product segment e.g. sheets, extrusions and castings. The domestic market size is likely to show considerable increase in the near future, in view of large infrastructure requirements and other expanding end-user segments in the country.

Future growth prospects for aluminium in the country are strong in products like cookware, beverage cans, foils, alloy wheels, railway coaches etc. There also appears to be considerable potential for increased usage of aluminium in the housing sector, in view of the emphasis on sustainable growth and limiting deforestation / environmental degradation.

Threats

The Indian aluminium industry today faces several challenges which threaten its very existence. Falling global prices of aluminium reduce sales realizations for domestic primary manufacturers adversely impacting the bottom-line of aluminium companies. Availability of low-cost smelters in nearby regions such as West Asia (on account of cheaper gas based power generation) and China (on account of cheaper coal availability and power subsidies given to smelters) further aggravate the situation for the domestic primary aluminium industry.

Additionally, the domestic aluminium industry has been under considerable stress on account of the high incidence of imports of primary (unwrought) aluminium and scrap into the country. In fact, it is estimated that imports constituted roughly 50% of total consumption of aluminium in the country in FY 2015-16.

Other threat perceptions for the Indian Aluminium Industry include slowdown in the global economy, threats of substitution of aluminium by other materials particularly plastics and growing competition from secondary producers in the domestic market, all of which can adversely impact profitability and growth prospects of primary players in the country.

OUTLOOK FOR FUTURE

International Outlook:-

Global aluminium output in 2016 is estimated to rise to 58.9 Million Tonnes with an increase of 2.4% y-o-y while global consumption is estimated to reach 58.4 Million Tonnes during the year, recording a growth of 3.5% y-o-y. However, Chinese demand growth is likely to contract marginally during 2016, mostly due to lower off take from the construction sector. In 2015, the best performing sectors in the global market in terms of aluminium consumption included transport (automotive body sheet, marine and truck trailer etc.), commercial construction and packaging. In 2016, in addition to the above mentioned sectors, aerospace, defence and electrical sectors are also expected to show strong demand.

In 2016, LME prices are expected consolidate at around $1,600/MT in the near term. This is largely due to support from firmer global market fundamentals, higher crude oil prices and softness in the US dollar. Traders also expect metal prices to respond to changing expectations about U.S. Fed rate rises and U.S. Dollar movements over the coming months. Weakening of CNY is likely to put more pressure on LME as Chinese export would be more competitive.

On the global supply front, higher prices during 2016 are expected to trigger off a larger number of restarts of previously idled capacities, particularly across China. However, the bulk of the restarts are likely to progress gradually through the year, depending upon credit and cash availability and result of negotiations with power plants over preferential power tariffs.

Domestic Outlook:-

The Indian economy grew at 7.4% during 2015-16, which was practically unchanged from the previous fiscal year. Manufacturing emerged as one of the high growth sectors in the economy. As per latest IMF estimates, India's GDP growth is expected to strengthen to 7.5% in 2016-17, as a consequence of policy reforms and an expected pick-up in investment.

Total domestic production of aluminium metal during FY 2015-16 grew by 19.1% y-o-y from 2.05 Million Tonnes in 2014-15 to 2.44 Million Tonnes in 2015-16, on account of domestic aluminium producers ramping up output at new smelting assets. Domestic consumption of primary metal also showed a sharp jump of 25.4% y-o-y from about 1.58 Million Tonnes in 2014-15 to an estimated 1.98 Million Tonnes in 2015-16. This has been largely on account of increased offtake by the electrical, transportation and construction sectors. Aluminium exports by Indian primary producers also registered a 15% growth y-o-y from 0.77 Million Tonnes in 2014-15 to 0.88 Million Tonnes in 2015-16. This is particularly impressive as access to overseas markets have become increasingly tough for Indian producers, both on account of lower volume demand globally and low regional premiums.

Indian aluminium production is expected to rise further in 2016-17 as domestic aluminium producers ramp up output in order to achieve higher capacity utilization. Overall, the growth rate of primary metal supply, in the country, is likely to be higher than the growth in demand for the primary metal within India which may lead to a widening of the surplus in the country, leading, in turn, to a lowering of domestic prices.

In the domestic market, with the Government's increased thrust on infrastructure, it is expected that aluminium off take from the electrical, building and construction sectors would pick up considerably. The Government's visionary initiatives such as "Make in India" scheme, 100 "Smart Cities" program, 100% rural electrification, indigenous space programmes etc. are expected to boost off take of aluminium sharply in the coming years.

RISKS & CONCERNS

Volatility in LME prices, declining export premiums, fluctuations in US Dollar exchange rates, slowdown in the global economy and growing competition from secondary producers in the domestic market for value-added products etc. continue to remain causes of concern.

RISK MANAGEMENT

The Company has a Risk Management Policy, which inter-alia incorporates guidelines issued by Government of India from time to time. Risk Management is under taken as a part of normal business practice and that as separate tasks at set time.

The Company has a Risk Management Committee at Board level. The Committee reviews the exceptional Risk Reports and advice remedial measures from time to time. The risk mitigation measures are periodically reviewed to ensure

that executive management controls risk through means of a properly defined frame work. Periodical review is made to identify new risk areas along with mitigation plans. For the identified risks, the nominated risk officers maintain risk registers in prescribed format which are also overviewed by Internal Auditors of the Company as well as at Senior Management level. Deviations, if any, are reported to the Risk Management Committee and Board. So far there is no Risk prevailing in the Company during year which may likely threaten the functioning of business of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well established and adequate system of internal control commensurate with the size and nature of its business. The Company's Internal Control System has been designed to provide for:

- Compliance with applicable statutes, policies & procedures, rules & regulations and delegated authority.
- Adherence to applicable Accounting Standards and Policies.
- Proper recording of transactions & timely reporting.
- Effective use of resources and efficient operations.
- Safeguarding of assets.

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented system and framework of Internal Financial Controls, which are adequate and operating effectively.

The Company has well designed policies, procedures & guidelines in place to ensure control of its different areas of business operations and reporting. This includes delegation of powers, various manuals, rules, policies and guidelines formulated by the Company from time to time. The approved policies, procedures & guidelines are effectively and responsibly being used while executing business of the Company. The Company has developed & implemented an Internal Financial Control framework duly approved by the Audit Committee which includes internally entity level policies/processes and operating level standard operating procedures primarily aiming at bringing awareness amongst the officials dealing with affairs of the Company so as to ensure adherence of the policies, procedures, guidelines designed and put in place for effective control. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks.

Financial Statements are prepared in compliance with applicable Accounting Standards & on the basis of the Significant Accounting Policies as adopted by the Company duly approved by the Audit Committee and the Board. These Policies apply uniformly across the Company. The Accounting Policies supported by standard operating procedures are reviewed and updated from time to time. The Company uses ERP Systems as a business enabler and also to maintain its Books of Account. The Standard Operating Procedures and transactional controls built into the ERP Systems ensure proper recording, approval mechanisms and maintenance of records. The systems, standard operating procedures and controls are reviewed by management from time to time.

The Company has entrusted its internal audit function to external Chartered Accountants' Firms to carry out audits at all locations and functional areas. The internal auditors have access to all the information in the organization which has been largely facilitated by ERP implementation across the organizations. The observations of internal auditors arising out of audits are periodically reviewed at appropriate level and compliances ensured. Material observations of internal auditors are submitted to Audit Committee for its review, analysis and advice to further strengthen internal control system. Action Taken Report thereon is submitted to Audit Committee periodically.

During the year, controls were tested and no reportable material weakness in design and effectiveness was observed

as certified by Internal Auditors and as opined by Statutory Auditors in their report. The Company recognizes that any internal control framework, no matter how well designed, needs to be regularly reviewed & revised to ensure that such systems are reinforced on an ongoing basis in consonance with changing business environment.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

A. Financial Operation:

I. Revenue from Operation

₹ in Crore

Particulars	FY 2015-16	FY 2014-15	Change%
Export Turnover	3,246.87	3,307.31	-02
Domestic Turnover	3,909.66	4,463.31	-12
Gross Turnover	7,156.53	7,770.62	-08
Less: Excise Duty	453.20	508.72	-11
Net Turnover	6,703.33	7,261.90	-08
Other Operating Income	112.67	120.91	-07
Total	**6,816.00**	**7,382.81**	**-08**

During the financial year 2015-16, the Company has achieved chemical sales quantity of 12.20 Lakh MT against 12.25 Lakh MT achieved during last year. Sales volume of Aluminium metal during the financial year 2015-16 was 3.72 Lakh MT against 3.26 Lakh MT during last year. Net Turnover during the year has decreased over the preceding year mainly on account of decrease in sales realization of Aluminium Metal by 18% and Alumina by about 10%. However, higher volume of Aluminium metal sale by 14% has partly compensated the same.

II. Other Non-operating Income

₹ in Crore

Particulars	FY 2015-16	FY 2014-15	Change%
Other non-operating Income	536.57	672.64	-20

The other non-operating income is less mainly on account of lower income from investment of surplus fund, particularly on mutual fund investment (Fixed Maturity Plan) due to roll over to long term maturity plan to avail the tax benefit. Besides, Interest earned on deposits made towards disputed Electricity duty not happened in current year due to settlement of dispute during March, 2015.

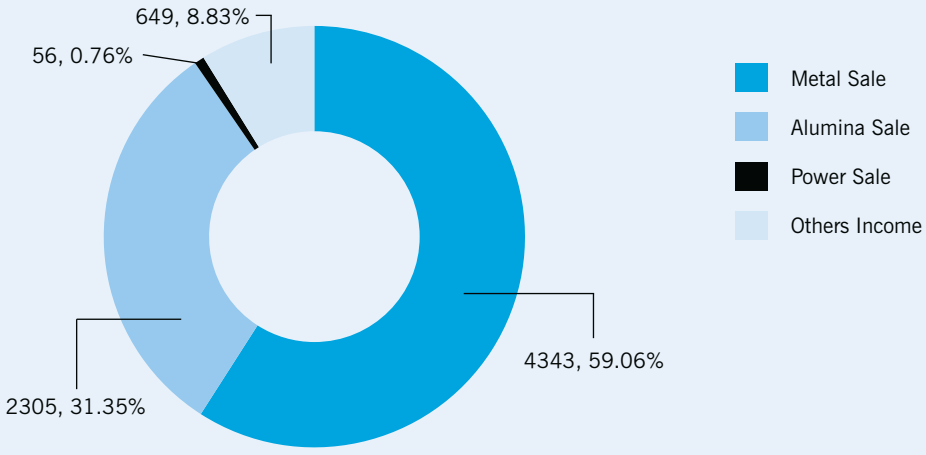
III. Expenditure

₹ in Crore

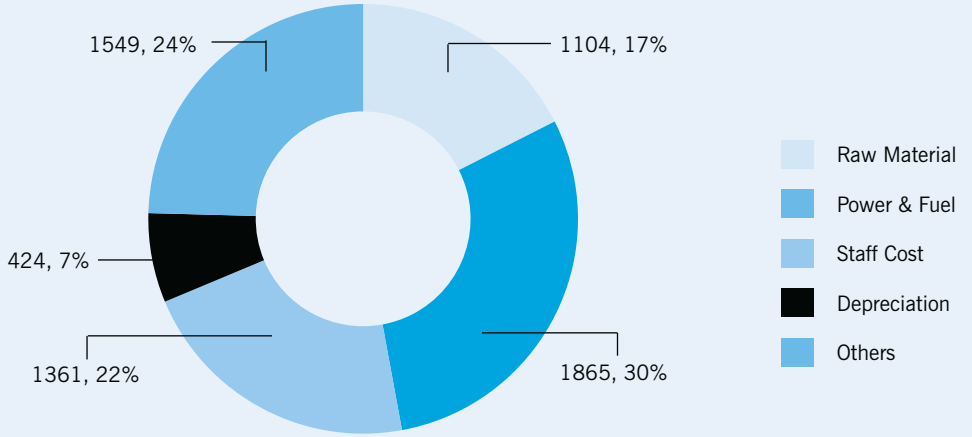
Particulars	FY 2015-16	FY 2014-15	Change %
Raw Materials Consumed	1,104.40	1,031.59	+07
Power & Fuel	1,864.61	1,802.24	+03
Employee Benefit Expenses	1,361.36	1,377.91	-01
Stock (Accretion) /Depletion	(8.99)	2.90	--
Other Expenses	1,556.58	1,462.15	+06
Finance Cost	1.21	-	
Depreciation	424.09	413.66	+03
TOTAL	**6,303.26**	**6,090.45**	**+03**

- Increase in raw material expenses compared to previous year is primarily attributable to higher volume of production of both Alumina & Aluminium. Besides, due to higher specific consumption of Caustic Soda due to use of Bauxite with revised IBM guidelines, the expenditure is also more.
- Increase in Power & Fuel cost is attributable to higher volume of production of both Alumina & Aluminium. Besides, increase in rate of Electricity Duty and higher effective Coal Price due to change in coal composition has led to increase the expenditure. The increase of expenditure was partly offset due to decrease in price of fuel oil.
- Increase in Other Expenses as compared to previous year is mainly on account of increase in Renewable Purchase Obligation (RPO), increase in railway freight rate, contribution to District Mineral Fund (DMF) in terms of the Mines & Minerals (Contribution to District Mineral Foundation) Rules, 2015 and contribution to National Mineral Exploration Trust (NMET) in terms of the Mines & Minerals (Development and Regulation) Amendment Act, 2015.
- Increase in Depreciation was due to Capitalisation of Ash Pond capacity enhancement by utilization evacuated ash through ash mound at CPP and its amortization proportionately based on useful life.

INCOME BREAK-UP (2015-16)



EXPENDITURE BREAK-UP



IV. Exceptional Items

₹ in Crore

Particulars	FY 2015-16	FY 2014-15
Other Expenses	--	148.42
Income	53.45	--

On account of final settlement of Risk & Cost claim due to non supply of materials, an amount of Rs. 53.45 crore has been received during the year. Being an income out of litigation settlement for earlier years, the income is recognized as exceptional item. Figures of previous year relate to write back of excess liability provided on settlement of disputed electricity duty and interest thereon.

V. Profit After Tax and Earnings Per Share

₹ in Crore

Particulars	FY 2015-16	FY 2014-15
Profit before Tax	1,102.76	2,113.42
Tax Expenses	371.75	791.57
Profit after Tax	731.01	1,321.85
Earning per Share(of Rs.5/- each)	2.84	5.13

The earning per share is less due to decrease in profit after tax.

VI. Dividend Particulars

Particulars	FY 2015-16	FY 2014-15
Interim Dividend (%)	25	25
Final Dividend proposed (%)	*15	10
Total (%)	40	35

* Proposed

To sustain investors' interest, a higher dividend compared to last year has been proposed for the year 2015-16.

B. Financial Positions

I. Non Current Assets

₹ in Crore

Particulars	FY 2015-16	FY 2014-15	Change %
Fixed Assets			
Tangible Assets	6328.89	6509.21	-03
Intangible Assets	138.61	136.21	+02
Capital Work –in-progress	661.36	549.73	+20
Non-Current Investments	811.08	1.04	--
Long-term loans & advances	1347.55	1221.85	+10
Other Non-Current Assets	49.48	47.45	+4

- Fixed Assets value has come down as depreciation for the year is more than fresh addition of fixed Assets.
- Capital Work in progress has increased mainly on account of expenditure towards Wind power plant.

- Non-current Investments has increased due to roll over of Mutual Fund investment for long term maturity plan with corresponding decrease in current investment.
- Long-term Loans and Advances have increased due to payment of mobilization advance for Wind Power plant and upfront money for Utkal D & E Coal Block.

II. Current Assets

₹ in Crore

Particulars	FY 2015-16	FY 2014-15	Change %
Current Investments	66.00	950.00	-93
Inventories	1126.97	1165.56	-03
Trade Receivables	235.21	120.82	+95
Cash and Bank Balances	4933.53	4627.98	+07
Short-term loans and advances	586.67	607.54	-03
Other Current Assets	233.64	240.28	-03

- Inventories: Inventories have come down primarily on account of reduction in stores, spares & consumables.
- Trade Receivables: The Company sales its products against firm financial arrangement, and as such there is no credit sales. Trade receivables mostly represent year end sales remaining unrealized as on 31st March of every year. Trade receivable has increased primarily due to unrealized Alumina Export as on 31.03.2016.
- Cash and Bank Balances: Increase in Cash and bank balances is mainly due to surplus from operations.

III. Non Current Liabilities

₹ in Crore

Particulars	FY 2015-16	FY 2014-15	Change %
Deferred Tax Liabilities (Net)	1110.09	1105.27	+01
Other Long-term Liabilities	68.26	65.30	+05
Long-term provisions	223.72	242.76	-08

Long-term provisions have reduced primarily on account of lower long-term employee benefits liability for leave salary through actuarial valuation.

IV. Current Liabilities

₹ in Crore

Particulars	FY-2015-16	FY-2014-15	Change %
Trade Payables	581.38	440.18	+32
Other Current Liabilities	1350.45	1340.65	+01
Short-term provisions	277.41	186.21	+49

Short-term provisions have increased over the last year due to higher proposed final dividend and dividend distribution tax thereon.

B. Segment wise information:

Sl. No.	Particulars	Chemicals (Alumina)		Aluminium		Un-allocable		Total
		₹ in Crore	Share(%)	₹ in Crore	Share(%)	₹ in Crore	Share (%)	₹ in Crore
1	Net Sales	2,305	34.39	4,348	64.87	50	0.75	6,703
2	PBIT	875	79.26	(193)	-17.48	422	38.22	1,104
3	Capital Employed #	3,089	22.04	3,820	27.25	7,109	50.71	14,018
4	ROCE (%) (3/2)		28.33		-5.05		5.94	7.88
5	PBIT Margin (%) (2/1)		37.96		-4.44			16.47

Capital employed under "Un-allocable Common" Includes Cash balance and Cpaital works-in-progress of expansion units.

Cost reduction measures and efforts to improve specific consumption of critical raw material.

The Company has taken the following significant measures for reduction in cost of production and for improving profitability during the year which have resulted in improvement in profits.

i) Improvement in specific consumption of coal in CPP and fuel in Refinery has resulted a saving of ₹15 crores.

ii) The coal transportation to CPP through MGR was increased which has resulted in saving of about ₹ 35 crores.

iii) The Company has produced & sold more wire-rods and rolled products which have higher margins and it helped to add additional profit of about ₹ 20-25 crores.

iv) As a strategic measure, the Company augmented the metal production to 3.72 lakh MT from 3.27 lakh MT in the previous year which led to higher contribution of about ₹ 60 crores. The Company intends to improve metal productivity further and eventually achieve the rated capacity as coal availability through linkage and e-auction is expected to improve.

v) The Company recognizes that cost reduction initiatives are critical for long-term sustainance in a subdued market condition and accordingly is pursuing various short / medium-term measures to optimize cost and remain competitive.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

Human Resources

Manpower strength of the Company as on 31.03.2016 was 7100 as against 7320 at the last day of the previous year. The detailed break-up is given below:

Sl.No.	Position	As on 31.3.2016	As on 31.3.2015
A	Executives	1804	1866
B	Supervisory	816	842
C	Skilled/Highly Skilled	3802	3876
D	Unskilled/Semi Skilled	678	736
	Total	**7100**	**7320**

* Including GETs/MTs/SOTs/JOTs

Training

Human Resources Development is the key for the success of our organization. Keeping this in mind and the targets set, functional and developmental training needs are identified from multiple sources, primary being, the competency related needs, secondly, needs arising from organizational requirements and finally departmental / sectional imperatives. Emphasis is being placed on specific position related training needs and there is an attempt to customize programmes, to the extent possible. Training effectiveness evaluation is also carried out in line with the requirement of quality management systems, to measure the benefits emanating from the action. Impetus is being given to skill development programmes keeping the Govt. of India's intention of skilling India in view.

The training statistics for the year 2015-16 is given below:

Description	Persons	Man days
Executives	2381	6153
Non-Executives	3668	6769.5
Total	6499	12922.5
Skill Development Programme for contract labour & security personnel	1075	3017
Grand Total	**7574**	**15939.5**

CORPORATE PLAN

NALCO's last Corporate Plan was designed in 2009. The expansion projects so far have been guided to an extent by the road map of the existing Corporate Plan. However, two successive economic crises, volatile markets and growing concerns about environment, had profound impact on the global business environment. In view of the background circumstances, the Company has decided to revisit its strategies and reformulate a resilient Corporate Plan taking into account the changed business scenario in an atmosphere of future uncertainties, to place the Company into a high growth trajectory. It has been decided to hire the services of a Consultant of global repute to prepare the Corporate Plan. The process is likely to be completed during 2016-17.

BUSINESS DEVELOPMENT

Alumina Refinery Project in Gujarat

NALCO has carried out a feasibility study to set up a 0.5 MTPA alumina refinery project in Kutch dist. of Gujarat based on supply of bauxite from Gujarat Mineral Development Corporation (GMDC)'s mines. Discussions are being held with GMDC regarding bauxite resource assessment in Kutch.

100 MW Wind Power Plant

NALCO placed orders in Jan, 2016 for installation of two wind power projects - 50.4 MW in Maharashtra and 50 MW in Rajasthan.

Solar Power Projects

20 MW Solar PV Power Project: With an objective to meet its solar Renewable Purchase Obligation (RPO), NALCO plans to set up 20 MW Solar PV Power Project in Madhya Pradesh. New and Renewable Energy, Govt. of M.P. (MPNRED) has accorded in-principle approval for the project. Action has been initiated for selection of solar power developer.

Rooftop Solar Plant: The Company placed order in March, 2016 to install 50 kWp rooftop solar project at NALCO Research and Technology Centre (NRTC), Gothapatna, Bhubaneswar under MNRE subsidy scheme.

Titanium Slag Project

NALCO has signed MoU with Indian Rare Earth Ltd. (IREL) in July, 2014 for development of 1 Lakh TPA Titanium Slag Project at Chatrapur in Odisha in Joint Venture. Pre feasibility report for the project has been prepared.

Overseas Smelter

NALCO is exploring to set up a greenfield aluminium smelter in a country where energy would be available at a competitive price. Iran, Oman and Indonesia have been identified to be suitable destinations for the project.

Angul Aluminium Park Pvt. Ltd. (JV between NALCO and IDCO):

NALCO has formed a JV Company named Angul Aluminium Park Pvt. Ltd. (AAPPL) with IDCO in 2010 to promote downstream and ancillary industries in Odisha. NALCO has committed to supply 50,000 MT of molten aluminium per year for a period of 20 years to the JV Company. Recently, Angul Aluminium Park Pvt. Ltd. (AAPPL) has been designated as the State Implementing Agency (SIA) for the project under the Modified Industrial Infrastructure Upgradation Scheme (MIIUS) of Govt. of India which enables the project to avail grant from Department of Industrial Policy and Promotion (DIPP).

Nuclear Power Plant in JV with Nuclear Power Corporation of India Ltd. (NPCIL)

NALCO has formed a JV Company named NPCIL-NALCO Power Company Ltd. "NNPCL" with NPCIL in March, 2012. The recently enacted Atomic Energy (Amendment) Act 2015 by Govt. of India in January, 2016 has paved the way for setting up of nuclear power plants by NPCIL with other PSUs in Joint Venture mode.

Caustic Soda Project

NALCO has formed a Joint Venture Company with Gujarat Alkalies Chemicals Ltd. (GACL) named GACL-NALCO Alkalies & Chemicals Private Limited "GNACPL" on 4th Dec, 2015 to set up 2.7 Lakh TPA caustic soda plant along with 100 MW captive power plant. NALCO will hold 40% equity in the JV and balance 60% will be held by GACL.

JVs and Associate Companies

There is no change in the number of JV companies and associate companies during the year under report except addition of JV with GACL mentioned above.

ANCILLARY DEVELOPMENT

Your Company continued its efforts for development of Ancillary Units and MSEs (Micro and Small Enterprises). Action taken during the year under review towards development of Ancillary Units & MSEs are as follows:

- In compliance of Public Procurement Policy, 2012 of Government of India, Ministry of MSME, the Purchase Manual, 2011 of Nalco has been amended to allow purchase preference to MSEs and Ancillary Units, quoting within the price band of L-1 + 15%.
- The procurement of products produced and services rendered by MSEs (Micro and Small Enterprises) units of Odisha including Ancillary Units for FY 2015-16 stands at ₹ 23,664 lakhs. The total procurement of products produced and services rendered by MSE units (including those from outside Odisha) stands at ₹ 32,233 lakhs during FY 2015-16, which is 20.45% of the total procurement of Goods and Services made by Nalco. For FY 2016-17, the target for procurement of products produced and services rendered by MSEs has been set at ₹ 32,318 lakhs.
- The PLAC Sub- Committee meeting was also held at M&R Complex and S&P Complex in July, 2015 and in February, 2016 respectively.

- Nalco bagged the "Best Display Award" in the Mother Plant category in the Three day long National Vendor Development Programme-cum-Industrial Exhibition and Buyer-Seller meet programme "MSME Expo Odisha -2015" organised by MSME Development Institute, Ministry of MSME, Govt. of India from 16th to 18th Dec, 2015 at Kila Maidan, Cuttack.
- Nalco received the "Best Mother Plant" award in the "Odisha MSME International Trade Fair - 2016" organised by MSME Dept., Govt of Odisha, Directorate of Export Promotion & Marketing, Govt of Odisha and Odisha Small Industries Corporation, Odisha and held at IDCO Exhibition Ground, Bhubaneswar from 8th to 14th January, 2016.
- Since the Company has adopted e-procurement process, as per Govt. of India guidelines, emphasis is being given to facilitate and enable the MSE vendors by way of training support and hand holding support to participate in the e-procurement processes of the Company. Accordingly, Buyers and Sellers interaction meetings and various Training programmes were conducted at both S&P Complex, Angul and M&R Complex, Damanjodi.
- In order to encourage SC/ ST vendors, Vendor Development Programmes for SC/ST Entrepreneurs was conducted at M&R Complex on 30.7.2015 and at S&P Complex on 26.2.2016.
- A Display Hall has been commissioned on 13.10.2015 in Purchase Dept. of Refinery, where around 50 items have been put on display for procurement from MSE vendors.

Procurement made by NALCO from MSEs

(A) Name of the Unit : Corporate Office, Bhubaneswar, Odisha
Nodal Officer: Shri Ashok Kumar Patra, GM(Materials) & ED(Materials) I/c.
Nalco Bhawan, P/1, Nayapalli, Bhubaneswar, PIN-751013
Mobile – 9437064434, e-mail : ashok.patra@nalcoindia.co.in

(B) Name of the Unit : Smelter & Power Complex, Angul, Odisha
Nodal Officer: Sri Rabi Narayan Mohapatra, GM(Materials),
Smelter Plant, Nalco Nagar, Angul, PIN- 759145

(C) Name of the Unit : Mines & Refinery Complex, Damanjodi, Odisha
Nodal Officer: Sri Prasanta Kumar Sarangi, GM(Materials),
Refinery Plant, Nalco, Damanjodi, PIN – 763008.
Mobile: 9437962248, e-mail: prasanta.sarangi@nalcoindia.co.in

(Figures in ₹ Crores)

Sl. No.	Particulars	Year 2014-15	Year 2015-16	Target for the Year 2016-17
I	Total Annual Procurement (in value) *	1285.23 *	1576.00 *	1576.50 *
II	Total value of goods and services procured from MSEs (including MSEs owned by SC/ ST entrepreneurs)	350.01	322.33	323.18
III	Total value of goods and services procured from only MSEs owned by SC/ ST entrepreneurs	N.A.	N.A. **	1
IV	% age of procurement from MSE (including MSEs owned by SC/ ST entrepreneurs) out of total procurement	27.23	20.45	20.50
V	% age of procurement from only MSEs owned by SC/ ST entrepreneurs out of total procurement	0	0	0.06
VI	Total number of Vendor Development Programmes for MSEs	10	10	12

Sl. No.	Particulars	Year 2014-15	Year 2015-16	Target for the Year 2016-17
VII	Whether Annual Procurement Plan for purchases from MSEs are uploaded on the official website	Yes	Yes	To be uploaded
VIII	Whether targets reported in Annual Report	Yes	To be reported	To be reported

* This value excludes procurement of Steel & Cement, Coal and Fuel like HFO, LDO and HSD.

** N.A.- Not available. The identification and registration of MSEs owned by SC/ST Entrepreneurs is being done under process with support from DIC, Angul, DIC, Koraput and MSME, DI, Cuttack, Odisha.

SAFETY, OCCUPATIONAL HEALTH & ENVIRONMENT

NALCO is a leading and proactive Navaratna PSU, taking all steps for combating Environment, Safety and Occupational Health (ESH) related issues and is committed for a cleaner, greener and safe working environment in all its production units. All the production units of NALCO are operating with Valid Consent to Operate (CTO), Authorization, Environmental Clearances, licenses etc. as per requirement of the concerned statutes under Environment, Safety and Occupational Health regulations and are certified to international standard ISO-14001 & OHSAS 18001.

To meet the stringent regulation enacted day by day, NALCO has gone for retrofitting of ESP, installation of GTC, revamping of FTC etc. proactively to meet the emission norm in coming years. Nalco has adopted Zero Discharge waste water management system and takes measures for Safe disposal of Hazardous waste. Nalco also incorporates greener technologies in its new and existing projects as a part of pollution prevention strategies. Nalco has adopted rain water harvesting in all its production units. All the units of NALCO are having laboratory facilities and trained manpower for monitoring the environmental parameters.

All units of NALCO follow Safety Compliance; record the Accidents, near miss Incidents, unsafe acts and unsafe conditions observed during site inspection. The same are analyzed and suitable corrective actions are initiated. Necessary Safety Signages are provided at requisite location of the plant premises for awareness amongst the employees, contractor workers, visitors etc. Standardized Safety Items like Safety Shoes, Safety Helmet, Safety Goggles and other Specialized Personal Protective Equipments are used by employees / contract workers while executing the work.

NALCO has provided Occupational Health Centre (OHC) at its S&P Complex as well as its M&R Complex. Both the OHC are provided with qualified Doctors, qualified Technical staffs associated with all modern testing facilities. Periodical Medical Examination (PME) for all employees of NALCO as well as Contractor Workers are carried out at regular interval as per statute through Occupational Health Centre (OHC) & competent out sourced agencies recognized by DOF&B. Analysis of PME results indicates no Occupational Dieseases observed in both the complex.

Further, for developing awareness on SHE issues NALCO celebrates Environment, Safety and Health functions like World Environment Day, Vanamahostav, Chemical Disaster Prevention Day, Ozone Day, National Safety Day/Week, Electrical Safety Week, Road Safety Week, Fire Safety Week, Chemical Disaster Prevention Day Mines Environment and Mineral Conservation Week and continuous publication of Bulletins, Newsletter and Annual journal etc. All units of Nalco have “on site emergency plan” in place. To check response “mock drills” are conducted regularly as per statutory guidelines. Regular safety inspection, annual safety audit, external safety audits, OHSAS Audits are conducted to find out the lapses and take corrective action.

Nalco has done massive plantation in and around its production units to maintain greenery in the area.

In addition to above some of the new initiatives projects taken up at its production units are:

- Provision of High Concentration Slurry Disposal (HCSD) of fly ash disposal to minimize water consumption and land pollution at Refinery plant.

- Installation of red mud filtration unit to recover caustic soda and to facilitate dry disposal to prevent water & land contamination at Refinery plant.
- Erection & commissioning of de-dusting units completed in Dec'15 to reduce the dust level in shop floor of Rodding Shop -1 at Smelter Plant.
- RTDAS (Real Time Data Acquisition System), ambient air monitoring stations and effluent monitoring station for continuous uploading of monitored data to the server of OSPCB through GPRS service implemented at different production units of NALCO.
- To control fugitive dust at CHP-II crusher house, DE system has been installed which is controlling fugitive coal dust emission in that area at CPP.

CAUTIONARY STATEMENT

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.

BUSINESS RESPONSIBILITY REPORT FOR 2015-16

ANNEXURE-III

Section A: General Information about the Company

Sl.No	Particulars	Company Information
1	Corporate Identification Number(CIN) of the Company	**L27203OR1981GOI000920**
2	Name of the Company	National Aluminium Company Limited
3	Registered Office & Corporate Office	NALCO Bhawan Plot No. P/1, Nayapalli Bhubaneswar -751013, Odisha, India
4	Website	www.nalcoindia.com
5	E-mail ID	investorservice@nalcoindia.co.in
6	Financial year reported	FY 2015-16
7	Sector(s) that the company is engaged in (industrial activity code-wise)	Bauxite Mines : Industrial Group Code 072 Alumina Refinery : Industrial Group Code 201 Aluminium Smelter : Industrial Group Code 242 Electricity Generation : Industrial Group Code 351
8	List of three key products/services that the company manufactures/provides	1. **Alumina** • Calcined Alumina • Alumina Hydrate • Specialty Alumina & Hydrates **2. Aluminium** • Standard Ingots • Sow Ingots • Wire Rods • Billets • Cast Strip • Flat Rolled Products (Coils, Sheets & Chequered Sheet) • T-Ingots **3. Electricity**
9	a) Number of International Locations	NIL
	b) Locations in India	a) Registered & Corporate Office , Bhubaneswar – 751013, Odisha b) Mines & Refinery Complex, Damanjodi-763008, Odisha c) Smelter Plant, Nalco Nagar, 759145, Angul,Odisha d) Captive Power Plant, Angul ,759122, Odisha e) Port Facilities, Port Area,Visakhapatnam– 530035, Andhra Pradesh f) Wind Power Plant-I : Gandikotta, Dist.YSRKadappa, Andhra Pradesh g) Wind Power-II : Dist.Jaisalmer, Rajasthan h) Port Office : Paradeep i) No. of Regional Offices : 04 (New Delhi, Mumbai, Chennai, Kolkata) j) Branch Office : 01 (Bengaluru) k) No. of Stockyards : 11 (Jaipur, Faridabad, Baddi, Kolkata, Bengaluru, Chennai, Visakhapatnam, Bhiwandi, Silvassa, Vadodara, Delhi)
10	Markets served by the Company	Aluminium markets catered to by the company (in addition to India) include: Bangladesh, Korea, Malaysia, Singapore, Vietnam, Turkey, Thailand, Indonesia, China, UAE, Israel, Taiwan, Sri Lanka, the Netherlands, Italy etc. Calcined Alumina produced in excess of our own requirement is exported. Alumina markets catered to by the company (in addition to India) include : China, Egypt, Iran, UAE, Bahrain, Indonesia, Malaysia etc.

Section B: Financial Details of the Company

Sl.No	Particulars	Company Information
1	Paid up Capital, as on 31.3.16	INR 1288.62 crores
2	Total Turnover	Gross Turnover: INR 7156.53 crores, Net Turnover: INR 6703.33 crores
3	Total Profit after Taxes	INR 731 crores
4	Total Spending on Corporate Social Responsibility (CSR) a) in INR : b) As a percentage of Profit after Tax (%):	*a) A sum of **Rs.27.1665 crore** was spent during the year on CSR activities.* b) The **actual expenditure** on CSR activities indicated as above is **2.07% of average Net Profit** for the three previous Financial Years i.e. 2012-13, 2013-14, 2014-15.
5	List the activities, in which expenditure on CSR as mentioned above, has been incurred	*Expenditure incurred on CSR is broadly in the following areas:* *a) Health Care Services* *b) Promotion of Education* *c) Sanitation* *d) Drinking Water Facility* *e) Environmental Sustainability* *f) Infrastructure Development* *g) Promoting Sports & Cultural activities*

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

   No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

   Not applicable

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

   All the Business Responsibility initiatives taken up are financed by the organization itself. No other entities like suppliers, contractors etc. participate in these initiatives.

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR as on 31.3.16:

   a) Director (HR) : for Corporate Social Responsibility (CSR)

   Director (Production): for the Sustainable Development (SD) initiatives

b.1) Details of BR head for CSR activities :

Sl.No.	Particulars	Details
1	DIN Number	02594088
2	Name	Shri S. C. Padhy
3	Designation	Director (HR)
4	Telephone Number	0674-2300430
5	e-mail ID	dirhr@nalcoindia.co.in

b.2) Details of the BR head for Sustainable Development :

Sl.No.	Particulars	Details
1	DIN Number	06965313
2	Name	Shri V.Balasubramanyam
3	Designation	Director (Production)
4	Telephone Number	0674-2300660
5	e-mail ID	dirprod@nalcoindia.co.in

b.3) *The CSR & SD Committee was constituted during 2011. The present Committee comprises of 3 functional directors and 3 independent directors. During the reporting period, the committee held meetings thrice i.e. 15.05.2015, 07.07.2015 & 24.02.2016.*

The Committee members as on 31.03.2016 are :

Name	Designation	DIN Number
Shri Dipankar Mahanta	Independent Director	01583516
Shri S. Sankararaman	Independent Director	07346454
Shri Maheswar Sahu	Independent Director	00034051
Shri S. C. Padhy	Director (HR)	02594088
Shri K. C. Samal	Director (Finance)	03618709
Shri V. Balasubramanyam	Director (Production)	06965313

2. Principle wise (as per National Voluntary Guidelines) BR Policy/ Policies

The Nine Principles, are mentioned below :

Principle 1 (P1) : *Business should conduct and govern themselves with Ethics, Transparency and Accountability.*

Principle 2 (P2) : *Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.*

Principle 3 (P3) : *Business should promote the wellbeing of all employees.*

Principle 4 (P4) : *Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.*

Principle 5 (P5) : *Businesses should respect and promote human rights.*

Principle 6 (P6) : *Business should respect, protect, and make efforts to restore the environment.*

Principle 7 (P7) : *Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.*

Principle 8 (P8) : *Businesses should support inclusive growth and equitable development.*

Principle 9 (P9) : *Businesses should engage with and provide value to their customers and consumers in a responsible manner.*

2. a) Details of Compliance (in Y/N)

The response regarding the above 9 National Voluntary Guidelines (NVG) principles (P1 to P9) is given below

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for 9 NVG principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words) *	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? *	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online? **	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent *audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Y indicates 'Yes'

* *The Sustainable Development(SD) Policy addresses all the nine NVG principles and captures the essence of the important aspects of International Standards / Guidelines i.e. ISO 26000 , GRI framework and SD Goals 2030 adopted by the UNO, as applicable to our organisation. The SD Policy is approved by the Board & signed by CMD. The essential elements of the policy are taken up for implementation through our Management Systems conforming to International Standards i.e. ISO 9001, ISO 14001, ISO 50001 , OHSAS 18001 and SA8000 and these Management Systems are subjected to periodic external audits by independent Certification Bodies in addition to internal audits .Financial systems also undergo internal audits and statutory audits.*

** *Link of the SD Policy : www.nalcoindia.com/download/SD_Policy.pdf*

In addition to the Sustainable Development Policy, we have also a few other specific policies, company manuals & documents which reinforce the essence & spirit of the nine NVG principles. These are mentioned below :

NVG Principles	Policies, Manuals, Documents
Principle 1: Ethics, transparency& accountability	1. Code of Business Conduct and Ethics for Board Members and Senior Management 2. Fraud prevention policy 3. Whistle blower policy 4. Vigilance Manual 5. Marketing Guidelines 6. Purchase Manual 7. Contracts Manual 8. Stores Manual 9. Delegation of Power 10. Independent External Monitor Policy

NVG Principles	Policies, Manuals, Documents
Principle 2 : Sustainability in life-cycle of product	Occupational Health & Safety Policy:
Principle 3: Employee well-being	HR Manual
Principle 4: Stakeholder engagement	Corporate Plan & Vision 2020
Principle 5: Promotion of human rights	SA 8000 Policy
Principle 6: Environmental protection	Environment Policy
Principle 7: Responsible public policy advocacy	Corporate Plan & Vision 2020
Principle 8: Inclusive growth	CSR Policy
Principle 9: Customer value	Quality Policy

2(b). If answer to Sl.No. 1 at 2 a), against any principle is 'No', please explain why: (Tick up to 2 options)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	NOT APPLICABLE								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Since answer to the question at Sl.No.1 above is Yes for all the nine NVG principles, the questions at 2 b) are not applicable.

3. Governance related to Business Responsibility (BR) :

3.1 Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

During F.Y. 2015-16, the Committee of the Board held meetings thrice i.e. 15.05.2015, 07.07.2015 & 24.02.2016 to review & advise on BR performance i.e. CSR & SD activities of the organization.

Frequency of meeting during 2015-16 , on the average , was once in four months.

3.2 Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. Both Business Responsibility (BR) Report as per SEBI requirements and Sustainable Development (SD) Report based on Global Reporting Initiative (GRI) guidelines are published on annual basis. BR Report for FY 2014-15 , was published as part of the Annual Report 2014-15. The weblink is: http://www.nalcoindia.com/investor/Annual-Report-2014_15.p

A detailed *SD Report for the FY 2014-15, based on the latest Global Reporting Initiative (GRI) guidelines i.e. GRI G4 framework was also published. The weblink is:*

http://www.nalcoindia.com/download/Sustainable%20Development%20Report%202014-15.pdf

Section E : Principle-wise Performance

Principle 1 Business should conduct and govern themselves with Ethics, Transparency and Accountability.

1.1 Does the policy relating to ethics, bribery and corruption cover only the company?

No.

Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes. Policies and guidelines formulated to promote ethical conduct of business in the organization are applicable to all , with the Fraud Prevention Policy addressing any fraud committed or alleged as committed by any employee or representative of vendors, suppliers, contractors, consultants, service providers or any outside agency(ies) having business deals with our organization. Integrity Pact is also adopted for bringing in further transparency in procurement of goods & services. Public Information Disclosure and Protection of Informer (PIDPI) Scheme, Whistle Blower Policy is also implemented.

Code of Conduct for Board members and Senior management personnel, Company CDA rules for executives and Certified Standing Order for non-executive employees comprehensively cover all employees of the organization.

1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During F.Y.2015-16, 201 stakeholder complaints related to ethics, bribery and corruption were received by the Vigilance dept. In addition to this, 25 complaints were pending from previous years. As on 31.03.2016, out of the total 226 complaints, 207 have been resolved and 19 are pending at different stages of investigation. Detailed investigations of the complaints, were carried out based on prescribed procedures with functional guidance sought from CVC, as per rules of the company. Appropriate actions i.e. issuance of advisory letters and imposition of minor/major penalties etc. were taken, based on the gravity of findings. As a preventive vigilance measure, suggestions for a few important systemic improvements were also made during the year.

103 number of investor complaints were received during the F.Y. 2015-16 and all of them have been resolved satisfactorily during the year.

The detailed breakup of investor related complaints is given below :

Particulars	Received during the year	Complaints resolved	Complaints pending
SCORES-SEBI	3	3	Nil
Stock Exchanges	5	5	Nil
Individuals, Institutions and others	95	95	Nil
TOTAL :	103	103	NIL

Also, in respect of the provisions of Right to Information Act (RTI), a Public Information Officer responsible for providing information sought by stakeholders is appointed. During F.Y. 2015-16, a total of 209 applications were received in addition to the 18 pending ones as on 01.04.2015. Out of these, the status as on 31.3.16 is: 184 queries have been settled including 01 query transferred to other public authority, 26 applications have been rejected and, balance 17 queries are in different stages of investigation.

Principle 2 : Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

2.1 List up to 3 of your products or services, whose design has incorporated social or environmental concerns, risks and/or opportunities.

The three products are : Calcined Alumina, Aluminium, Electricity.

Calcined Alumina, *produced as per the internationally recognized Metallurgical Grade Alumina standard and* ***Aluminium*** *conforming to the P1020A specifications mandated for London Metal Exchange (LME) grade registration, are well received in the domestic as well as in the international markets.* ***Electricity*** *generated by CPP caters to our Smelter plant and surplus power, if any, is pumped to the grid.*

The principles of sustainability , is addressed in the various stages of product life cycle, including sourcing of inputs, production process, transportation of inputs & products , disposal of wastes etc. Detailed Environment impact assessments, approved Environment Management Plans, Aspect Impact Study, Hazard Identification & Risk Assessment, Management Programmes, On Site Emergency Management Plans etc. are implemented at units to address Environmental and Social concerns in respect of our products & processes.

Sustainable mining practices are adopted in the mines as per progressive Mines closure plan. The environment concerns, risks, opportunities for our products are addressed as outlined below at Table-A:

TABLE : A

Unit	Products	Environmental Risk areas	Environmental concerns	Opportunities
Alumina Refinery	**Calcined Alumina**	• Air Pollution • Water pollution • Land contamination	• *Fly Ash* • *Lime grit* • *Waste water* • *Caustic Spillage* • *Redmud*	• *Utilisation of fly ash in manufacturing of fly ash bricks, cement, road construction, filling up low lying areas in organization premises. Thrust given on increase of utilization of fly ash by motivating entrepreneurs for utilization.* • *Utilisation of lime grit in fly ash brick manufacturing.* • *Extraction of Iron concentrate and Gallium from Redmud.* • *Recycling of return water from ash pond and red mud pond for reuse in ash slurry pumping, red mud slurry making and mud washing.* • *Scientific Management of Wastes and incorporation of improved technology for prevention & control of environmental pollution etc.*
Smelter	**Aluminium**	• Air pollution • Water pollution • Land contamination	• *Generation of spent potlining* • *Generation of Aluminium dross* • *Stack emission from FTPs, pot operation* • *Spillage of bath material during different operating processes.* • *Generation of waste oil from different equipments.* • *High HFO consumption due to incomplete burning of HFO in Cast House furnaces, Anode Baking furnace.*	• *Spent potlining utilization in Cement industry and power plant.* • *Provision of recycling of Aluminium Dross in Smelter Plant.* • *Prevention of HF gas leakage from potline by using leak proof pot hoods. Absorption of Fluoride gases in alumina by dry scrubbing method in FTPs thus recycling of fluorine to process* • *Provision of automatic shutoff valve and recycling of spillage bath.* • *Operation of multiple oil-water separators and safe disposal of waste oil. Improvement of maintenance practices.* • *Automatic computer controlled burner firing system in Cast House and heat regulation system in Anode Bake Furnace.*

Unit	Products	Environmental Risk areas	Environmental concerns	Opportunities
CPP	**Electricity**	• Air Pollution • Water Pollution • Land Contamination	• *Emissions* • *Fly Ash* • *Waste water*	• *Fly ash utilization in brick making, cement plant, road construction, reclaimation of low lying area, abandoned stone queries, abandoned coal mines void etc.* • *Recycling of ash pond decanted water for ash slurry making.* • *Utilisation of STP water for horticulture & plantation.*
Mines	**Bauxite**	• Air Pollution, • Noise pollution • Land Contamination	• *Dust* • *Explosive* • *Overburden*	• *Recycling of treated waste water for dust suppression and horticulture activities.* • *Reuse of overburden material for backfilling of mined out area.* • *Rehabilitation of backfilled area with plantation thereby converting the barren mined out area into deep forest.* • *Rain water harvesting in ponds and utilization of water thus stored for various purposes.* • *Use of NONEL to delay blasting sequence to reduce noise level.*

2.2 For each product, provide the following details in respect of resource use (energy, water, raw material) per unit of product (optional).

i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain.

Priority is always given to achieve efficiency in the use of resources . Achievements of Specific Consumption on Energy & Carbon is given below, at ***Table B1 & B2.***

- ***Specific Energy Consumption (SEC) achievement during the period of PAT Cycle-1 i.e. 2012-13, 2013-14 & 2014-15 was better than the assigned target and the SEC achieved as audited during 2015-16 is placed below:***

TABLE-B1

Unit	Baseline SEC (in TOE/T)	Targeted SEC (in TOE/T)	Achievement (in TOE/T)	Targeted reduction (in %)	Achieved reduction (in %)
S&P Complex	5.474	5.199	5.109	5.024	6.66
M&R Complex	0.325	0.307	0.306	5.54	5.85

- ***Specific consumption of a few key inputs are given below :***

TABLE-B2

Specific Consumption per unit of production	Unit of Measurement	Norm	Previous Year (F.Y. 2014-15)	Current year (F.Y. 2015-16)
HFO consumption in Alumina Refinery	Lt/Tonne	80.8	81.48	79.78
Coal for steam generation in Alumina Refinery	Tonne/Tonne	0.620	0.669	0.662
Electrical energy in Alumina Refinery	KWH/Tonne	335	348.16	323.03
DC Energy consumption in Smelter	KWH/MT	13500	13395	13453
Net carbon consumption for hot metal in Smelter	Kg/MT	430 + 10	431	426
Coal consumption in CPP on net power generation	Kg/KWH	0.90	0.912	0.905

ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year.

Data, information regarding energy, water use by consumers is not available. However, since our customers are provided with products meeting the specified quality requirements on consistent basis which enables smooth operation of plants at their end, it is expected to result in optimum use of energy, water and other critical inputs in the processes of customers. Also, applications of Aluminium in automobile , aerospace , green buildings & strategic sectors like defense do have enormous scope from sustainability point of view, due to the inherent properties of Aluminium which enable significant weight reduction, fuel efficiency enhancement, recycling etc. Use of Aluminium ensures reduction of energy consumption.

2.3 Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes.

Sustainable sourcing of raw materials has been primarily ensured by establishing the major manufacturing units close to the source of crucial inputs like bauxite and Coal. Alumina Refinery , is situated very close to the captive Bauxite Mines and the major raw material i.e. Bauxite is transported to the plant by a single flight long distance cable belt conveyor installed in our mines. 100% of our bauxite requirement is met from this source. During this year , a new deposit of about 79 Million Tonne of Bauxite at Pottangi is likely to be allocated to us soon to meet our growth needs and long term requirement. This is likely to boost up our raw material security as far as sustainable Bauxite availability is concerned.

Similarly, our Smelter Plant & the Captive Power Plant are situated quite close to the coal mines of M/s MCL, from which coal is procured as per the prevailing Fuel Supply agreement (FSA) and are well connected by road & rail . A dedicated Merry Go Round (MGR) captive rail system is also installed between the Bharatpur Coal mines of M/s MCL and our Captive Power Plant , which ensures reliable and cost effective coal transportation to the power plant. Shortfall in coal availability if any, is bridged by purchase of coal mostly through e-auctions notified and conducted by Coal India subsidiary companies. The option of using imported coal is also available & is exercised , depending on the exigency of requirements & outcome of detailed cost-benefit analysis. With allocation of Utkal D & E coal blocks having coal reserve of 200 Million Ton , our position pertaining to sustainable availability of coal , is also expected to improve.

We also ensure sustainable supply of all critical inputs by expanding our vendor base, with efforts to source from vendors close to our units. All input materials are sourced 100% in sustainable manner , with procurement through competitive bidding. Orders for supply of all bulk raw materials i.e. Caustic soda, Lime, CT pitch, CP coke, Aluminium fluoride etc. are also distributed amongst multiple vendors meeting the qualifying criteria in order to enhance sustainability of sourcing by improving the reliability of supply. Due to our direct control over mining, transportation & extraction activities, sustainability is ensured throughout the process.

For water, sourcing is from river & streams in proximity of units, with necessary infrastructure arrangements by the Company.

2.4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

A well-defined Ancillary Development policy is in place for encouraging local suppliers and the organization

supports & encourages development of local vendors. MSME Facilitation cells operating at our Units, provide guidance to vendors in important areas like Technical issues, Commercial terms & conditions. The total number of Ancillary Units stands at 59. List of Goods and Services which can be procured from MSEs are available in the our website. Display halls at S&P Complex exhibit the materials required by units along with important informations i.e. technical specifications, annual requirement, price in the last purchase order for information of Local and Small vendors. A similar display Hall was also made operational during October'15 at Alumina Refinery, where around 50 items have been put on display for procurement from MSE vendors.

Persistent efforts are made for development of Ancillary Units and MSE (Micro and Small Enterprises) units. Opportunities are provided to such units for manufacturing and supplying various input materials & services by implementing a transparent tendering procedure & with certain financial incentives available to them. The Purchase Manual , is suitably amended to comply with the Public Procurement Policy 2012 notified by the Ministry of MSME, Government of India, with purchase preference provided to MSEs and Ancillary Units, quoting within the price band of, lowest quoted price plus fifteen percent i.e. L1 + 15%.

The procurement of products produced and services rendered by MSE (Micro and Small Enterprises) units of Odisha inclusive of Ancillary Units during 2015-16 , was Rs 236. 64 crores , while the same from MSE units (including those from outside Odisha) was worth Rs.322.33 crores . The procurement from MSEs during the year was 20.45% of total procurement . The target set for the same , in 2016-17 , is Rs. 323.18 crores.

Continuous efforts to engage the local MSEs and encourage them to enhance their contribution, resulted in having two successful PLAC Sub- Committee meetings in the year , one each at M&R Complex and S&P Complex, during July 2015 and February 2016 respectively.

In order to promote e-procurement as per Govt of India guidelines, support including handholding guidance on the e-procurement system implemented in our organization was provided to the MSE vendors through interactive meetings and training sessions at S&P Complex, Angul and M&R Complex, Damanjodi. Further thrust in Vendor Development area was also provided by conducting exclusive programs at both the complexes to encourage SC/ ST participants where efforts were made to inculcate the spirit of entrepreneurship amongst the target group.

Our participation in various MSME exhibitions also provides the much needed exposure and encouragement to many vendors. During the year, we participated in such exhibitions and were honoured with the "Best Display Award" in the Mother Plant category at the "MSME Expo Odisha -2015" December'15 exhibition at Cuttack organized by the MSME Development Institute of Ministry of MSME, Govt. of India . This event also had concurrent National Vendor Development Programme with Buyer- Seller meet. Our efforts in this area were also recognized by the MSME Dept., Govt of Odisha , who conferred on us the "Best Mother Plant" award in the "Odisha MSME International Trade Fair 2016" , Bhubaneswar held during January'2016.

2.5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste?

Being a primary aluminium producer, the thrust is given to recycle the inevitable process wastes to the maximum possible extent. The aluminium dross generated in melting furnaces at Smelter are processed

in autogenous mills where metal is separated from bath material and the recovered metal is recycled. The aluminium wedges used for bypassing pots, pot hoods, pot cowl, residual metal pad etc are melted and recycled through potline scrap melting furnace.

Priority is given to sustainable use of water & we recover and reutilize water where ever possible. All our production units are zero discharge units with respect to their waste water and sewerage water management. The treated waste water was reused in process and sewerage water is used for horticulture. Ash pond water at CPP and Ash pond and Redmud pond water at Refinery is also recycled for ash pumping, red mud slurry making and mud washing. In Mines the waste water generated from canteen and washing area of Heavy Earth Moving Machineries (HEMM) are treated and reused completely for dust suppression and horticulture activity. In Smelter the treated waste water is used for vehicle washing and anode cooling. Augmentation and recycling of waste water at our Smelter plant & township by reverse osmosis process is planned. In CPP, the ash pond overflow water is recycled and reused in the ash disposal system. In the year ***2015-16, 1,49,30,800 cubic metre water from CPP ash pond & 38,13,309 cubic meter water from Refinery Red Mud Pond was recycled****. Recovery and reuse of different wastes etc. in our Operations, are stated at* ***"TABLE C"****, below:*

TABLE C : Recycling/ Reuse of waste

Unit	Utilisation	Percentage
Bauxite Mines	*Overburden utilized for concurrent reclamation of mined out areas*	*100%*
Alumina Refinery	*Caustic Soda recycled from waste redmud*	*5.51%*
	Ash utilization	*98.67%*
	Recycling of Ash pond water	*93%*
Smelter	*Recycling of Aluminium scrap*	*100%*
	Aluminium dross recycled as input to process	*90.5%*
	Recycling of spent anode	*100%*
CPP	*Ash Utilisation*	*66.52%*

Principle 3: Business should promote the wellbeing of all employees.

3.1 Please indicate the total number of employees :

As on 31.3.2016, the total strength of employees in regular employment is 7,100 only.

3.2 Please indicate the Total number of employees hired on temporary/contractual/casual basis as on 31.3.16:

Only, six persons are employed on direct contract basis at Units, in the Hospitals and Civil Engineering function. Job Contractors working in areas like hospitality, maintenance, sanitation, conservancy and project activities etc. have engaged 9688 workers to discharge their contractual obligations.

3.3 Please indicate the Number of permanent women employees :

As on 31.3.2016, the strength of permanent women employees is 355.

3.4 Please indicate the Number of differently-abled permanent employees :

Total strength of differently-abled persons on regular employment as on 31.3.16, is 83.

3.5 Do you have an employee association that is recognized by management.

Yes, 29 registered unions are in existence in different units & offices. The union having majority membership in any unit is given the status of a recognised Union. Total five unions, one each in the four production units & Corp. Office , are operating as recognized unions. In addition to these unions, six numbers of employees' associations are also operating in the organization.

3.6 What percentage of your permanent employees, is members of this recognized employee association?

About, 99% employees are members of the Registered Unions. As far as the recognised Unions are concerned, *52% of unionized employees are members of these Unions.*

3.7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The status is :

Sl. No.	Category	No. of complaints pending as on 31.03.2015	No. of complaints filed during the F.Y. 2015-16	No. of complaints pending as on 31.03.2016
1	*Child labour/ forced labour/ involuntary labour*	*Nil*	*Nil*	*Nil*
2	Sexual harassment	Nil	01	01

3.8 What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

– **Permanent Employees; Permanent Women Employees; Casual/ Temporary/ Contractual Employees; Employees with disabilities.**

The status related to above training is placed below :

Category of employees	Present Strength	Number of persons undergone Safety and Skill Upgradation Training	Percentage of persons undergone Safety and Skill Upgradation Training
Permanent Employees	7100	2920	41.1 %
Permanent Women Employees	355	77	21.7 %
Casual/ Temporary/ Contractual Employees including those engaged by job contractors in outsourced jobs	9694	847	8.7%
Employees with Disabilities	83	10	12%

Minimum of 2.2 man-days of training per permanent employee is planned every year and all categories of employees will be imparted training in a stipulated timeframe.

Principle 4 : Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

4.1 Has the company mapped its internal and external stakeholders?

Yes. The stakeholders identified are those, who have either any impact on our operations or those who get impacted by our activities, at any location of our units or its periphery. They could be either internal i.e. employees or external to the organisation i.e. Customers, suppliers, investors, Government and their representatives and committees, Local Communities, Regulatory authorities ,Service providers & job contract workers, Industry associations etc. Concerns and perceptions of these internal & external

stakeholders are captured and periodically updated through formal or informal channels of communication to focuss on the relevant issues and chalk out suitable action plan for response.

4.2 Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders.

Yes. Base line mapping of the socio economic conditions in the periphery of our Mines , Plants etc. are carried out during environment impact assessments. The operational areas i.e. Mines , Plants are situated in localities having substantial number of inhabitants belonging to the economically disadvantaged & vulnerable social strata . Our social vision and action plan emphasizes on the issues concerning the marginalized stakeholders from the economically disadvantaged & vulnerable social strata.

4.3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

The special initiatives taken up for such marginalized stakeholders from the economically disadvantaged & vulnerable social strata , comprise of the prioritized issues mentioned below:

1. *Good Health & Well-being of the peripheral villages around the plant & mines*
2. *Quality Education with emphasis on girl children and tribals*
3. *Water supply & sanitation*
4. *Empowerment of rural women*
5. *Skill Development training for youths in peripheral villages*

Principle 5: Businesses should respect and promote human rights.

5. 1 Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, the policy on Human Rights covers all our employees, contract labours and other service providers. Human Rights practices mandated as per the various applicable statutes i.e. Factories Act 1948, Industrial Disputes Act 1947, Mines Act 1972 etc. are implemented across the supply chain and necessary screening & evaluation is done for suppliers and contractors. Also, in the job contract conditions, important human rights concerns i.e. child labour, forced and compulsory labour are suitably addressed to restrain any human rights violation. Our units including Corporate Office is certified to SA 8000.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

One complaint related to sexual harassment was received during the year i.e. January 2016 and investigation of the complaint received was in progress as on 31.03.2016. (Refer 3.7)

Principle 6: Business should respect, protect, and make efforts to restore the environment.

6.1 Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others

Environment Management System conforming to the International Standard ISO 14001 is implemented in our units and the Corporate Environment Policy is applicable to all units, offices . Units have outlined environment objectives specific to their areas of operations derived from the guidelines of Corporate

Environment Policy . Suppliers and Contractors are also covered in the scope of this policy , by the relevant clauses in NIT and Workorders.

6.2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Initiatives taken to address global environment issues such as climate change, global warming are highlighted below:

- *Two Wind Power Projects, one of 50.4 MW at Gandikota, Andhra Pradesh and the other project of 47.6 MW at Jaisalmer, Rajasthan are in operation.*
- *Two Roof Top Solar Power Plants of capacity 160 KWp & 100 KWp are operating at the Corporate Office and township, at Bhubaneswar.*
- *Procurement action for installation of two wind power projects: 50.4 MW in Maharashtra and 50.0 MW in Rajasthan is taken in January'16.*
- *Setting up of a 20 MW solar PV power project in Madhya Pradesh is planned*
- *Procurement action for installation of one 50 KWp rooftop solar project at Nalco Research and Technology Centre (NRTC), Gothpatna, Bhubaneswar is taken during March'16.*
- *Study is being undertaken to assess the feasibility / viability of setting up roof top solar plants at various locations of Nalco at Damanjodi, Angul & Vishakhapatnam.*

Under the Perform, Achieve and Trade (PAT) scheme , a market based mechanism for promotion of energy efficiency, the Bureau of Energy Efficiency (BEE) had set targets for reduction of Specific Energy Consumption during the three-year period i.e. April 2012 to March 2015.These targets were achieved in both M&R and S&P complex, through energy efficiency initiatives taken up at our plants. The major initiatives on energy conservation taken at different units are highlighted in the annual report.

6.3 Does the company identify and assess potential environmental risks?

Yes. Review of environment impacts arising out of key business activities are done periodically to identify and assess potential environment risks and to take steps for mitigation of the identified impacts. Sustainable mining practices including the approved Mines closure plan are implemented in the Mines area. Site Specific Wildlife Conservation and Management Plan are also in place for launching appropriate initiatives. Similarly, in all our plants i.e. Alumina Refinery, Smelter & CPP review of environment impacts arising out of key business activities are done . Aspect-Impact analysis is carried out for Mines and all plants and appropriate mitigation measures are taken for significant impact areas. These provide a basis for various environment initiatives. Risks are identified over product lifecycle and detailed at 2.1 above.

As part of our Environmental stewardship , we monitor Perfluorocarbons (PFCs) emissions , produced in the primary aluminium reduction process at Smelter during anode effects. An anode effect is a process upset condition, where an insufficient amount of alumina is dissolved in the electrolyte bath. This causes the voltage in the pot to be elevated above the normal operating range, resulting in the emission of gases containing the PFCs ; tetrafluoromethane (CF4) and hexafluoroethane (C2F6). The Smelter Plant is equipped with the most advanced ALPSYS pot regulation system, which helps in reducing the frequency and duration of anode effect by timely dosing alumina into the pot. For the year 2015-16,the PFC emission

from Smelter Potline has been estimated using AP (Aluminium Pechiney) overvoltage method and the values are given below:

CF4(kg/T Al)	**0.0384**
C2F6(kg/T Al)	**0.0046**

6.4 Does the company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?

Wind Power Projects are taken under Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change (UNFCCC), since the projects help in significant reduction of GHG emissions. The wind power projects are grid connected renewable energy projects that generate electricity through utilization of wind energy.

50.4 MW Wind Power Plant at Gandikota - CDM project

CDM Project activity has obtained Host Country Approval (HCA) from Ministry of Environment and Forests, GoI who are the National CDM Authority (NCDMA) in India. The project activity has been validated by (UNFCCC) accredited Designated Operational Entity (DOE). Registration of the project with UNFCCC is under process. Estimated amount of annual average GHG emission reductions 85927 tons of CO2 equivalent.

47.6 MW Wind Power Plant at Jaisalmer - CDM project

CDM Stakeholder Consultation Meeting was carried out at project site. After submission of Project Design Document (PDD) and Project Concept Note (PCN), Host Country Approval was obtained on 16.11.2015 from National CDM Authority (NCDMA), MoEF, GoI. Registration of the project with UNFCCC is under process. Estimated amount of annual average GHG emission reductions 83,426 tons of CO2 equivalent.

6.5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy? If yes, please give hyperlink for webpage etc.

Yes. Steps are also taken for green energy generation i.e. Wind Power & Solar Power

In addition to the Wind Power Plants mentioned above, the other initiatives implemented are:

- *Carbon Sequestration pilot cum demonstration Plant in CPP*
- *160 KWp Roof Top Solar Power Plant at the Corporate Office, Bhubaneswar.*
- *Solar roof top plant (100 KWp) at Nalco Nagar township, Bhubaneswar.*

Information regarding renewable energy is available in our Annual Report.

6.6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Emissions/ waste generated by the operating units of the company are within the permissible limits prescribed by CPCB/ SPCB. The environmental statement containing such information is submitted to regulatory authority every year.

6.7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

7.1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the company plays a leading role in the aluminium industry in particular & in the mines, metal & chemical sector in general and has taken up membership in the following reputed industry associations :

1. *Aluminium Association of India*
2. *Standing Conference of Public Enterprise (SCOPE), New Delhi*
3. *Federation of Indian Mineral Industries (FIMI), New Delhi.*
4. *National Safety Council, Mumbai*
5. *TQM Division of CII*
6. *Quality Circle Forum of India, Secunderabad*
7. *Indian Ceramic Society, Kolkata*
8. *Confederation of Indian Industry (CII), New Delhi*
9. *Utkal Chamber of Commerce & Industries, Cuttack*
10. *Engineering Export Promotion Council, Kolkata*
11. *Federation of Indian Export Organisation, New Delhi*
12. *International Chamber of Commerce, Delhi*
13. *Odisha Productivity Council, Cuttack*
14. *National Institute of Personnel Management, Kolkata*
15. *All India Management Association*
16. *All India Public Sector Sports Control Board, New Delhi*

7.2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (E.g., Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Our organization strives to utilize the above forums as well as other collective platforms i.e. Aluminium Association of India, FIMI, CII etc. for advocating public policies related to the development of industries, mines for promoting public good within the national & international frameworks on Sustainable Development. The major issues are :

- *Enhancing use of Aluminium in various sectors as sustainable and strategic material for the future.*
- *Environmental Stewardship*
- *Avenues for enhancement of utilization of fly ash*
- *Sustainable mining practices including mineral conservation*

- *Safety & Health at workplace*
- *Energy , Water , Mineral conservation*
- *Climate Change Action Plans*
- *Inclusive Development & Equitable Growth*
- *Skill Development & Employment Generation*
- *Economic Leadership by betterment in industries.*
- *Employee involvement and Work life balance*
- *Ethical Business Practices and Good Governance*

Principle 8: Businesses should support inclusive growth and equitable development

8.1 Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes. Specific initiatives taken up during 2015-16, in the peripheral villages in order to promote inclusive growth, are :

i) Promoting education, sponsoring formal education for children from villages in the periphery of our units at Damanjodi

ii) Providing health care services at the peripheral villages at our units at Damanjodi and Angul

iii) Constructing toilets in schools

iv) Drinking water supply projects

v) Infrastructure development work

vi) Plantation work

8.2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

CSR activities are undertaken as per the CSR policy i.e. either through NALCO foundation a registered trust of the company or departmentally, based on the CSR projects approved by the Board. As per the policy, depending on projects identified, management has the option to decide to execute CSR projects involving NGOs/Specialized Agencies/ Institutions etc. having proven track record of three years in undertaking such projects.

8.3 Have you done any impact assessment of your initiative?

Yes. Social impact Assessment of projects by Nalco Foundation was conducted by Central University of Odisha, Koraput during the year 2012.

8.4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken

*For the financial year 2015-16, a total amount **Rs.27.1665 crores** was spent for CSR activities.*

Details of projects taken up are:

i) Providing formal education to 655 students from 18 periphery villages of Damanjodi Sector in three residential schools viz. Kalinga Institute of Social Science (KISS), Bhubaneswar; Koraput Development

Foundation (KDF), Jeypore; Bikash Vidyalaya, Koraput with total annual expenditure related to education, lodging & boarding of the students, borne by the organization.

ii) *4 Mobile Health Units (MHUs) in M&R Complex, Damanjodi and 3 Mobile Health Units (MHUs) in S&P Complex, Angul are deployed to provide primary health services to the villagers including free medicines, diagnostics and awareness building through Information, Education, Communication (IEC) activities. Total 1, 05,562 patients from periphery villages of Damanjodi and Angul were treated, during the year.*

iii) *433 toilets were constructed in schools of Koraput & Angul district, Odisha and Visakhapatnam district, Andhra Pradesh, in the Swachh Bharat and Swachh Vidyalaya Abhiyan initiated by Govt. of India.*

iv) *250 nos. of temporary toilets were provided at Puri, during Nabakalebar in 2015 with financial assistance from NALCO.*

v) *10 lakh bacteria free drinking water pouches were provided to the pilgrims/devotees during Nabakalebar at Puri in 2015.*

vi) *financial assistance was provided for PARAB, Koraput, a community festival organized by the district administration to promote tribal cultural activities.*

vii) *projects for drinking water supply, infrastructural development were taken up in periphery villages*

viii) *plantation work was taken up in periphery of our units as well as in and around Bhubaneswar.*

ix) *A scheme for promoting education of meritorious & poor female students by way of monetary support is implemented as "Nalco Ra Aliali Jhia"in line with Government objective of "Beti Bachao & Beti Padhao".*

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Ensuring involvement of the community is vital for implementation of the various projects taken up in the villages. The initiatives are planned with full involvement of the community from conceptual stage itself. Village level development committees put forth their suggestions for development activities to be taken up in a given period , based on which action plan is prepared for community development initiatives in the village. The committee members are also entrusted with responsibility for successful implementation and periodic monitoring of the project.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

9.1 What percentage of customer complaints/consumer cases are pending as on the end of financial year i.e. 31st March 2016?

Customer Complaints pending as on 31.3.2016, is 8.7% of total customer complaints i.e. pending as on 31.3.2015 & received during FY:2015-16 . Status report on Customer Complaints is:

Complaints pending as on 31.3.2015	*1*
Complaints received during FY 2015-16	*22*
Complaints disposed during FY 2015-16	*21*
Complaints pending as on 31.3.16	*2*
Percentage of Customer Complaints Pending on 31.3.16	*8.7%*

Out of the two customer complaints pending as on 31.03.2016, one has been already been resolved on 12.05.2016. As on date, only one customer complaint is pending.

9.2 Does the company display product information on the product label, over and above what is mandated as per local laws?

No, we do not display any product information beyond what is mandated.

We comply with the requirements with respect to product labeling by following the practices as prescribed by laws. For e.g. in case of Aluminium metal, the product grade, stack no., bundle no., net weight is displayed on the product label. In case of Rolled Products, Name of the Company & production unit and place, Coil No, Grade, Size (Thickness X Width)in mm, Net Weight (in kgs.), Signature of the inspecting authority, Date of Packaging, No. of sub-stacks and total no. of sheets per packet (for Rolled sheets only) is displayed on the product label.

9.3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof.

No.

There has not been any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

9.4 Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes.

The Sustainable Development Policy highlights economic issues to be addressed for enhancing value creation for Stakeholders and the Quality Policy focuses on meeting the needs and expectations of the customer by consistently improving our performance as the chosen path in achieving business excellence. Customer feedbacks received through various formal or informal channels provide us inputs to periodically review the important processes i.e. marketing, production, process control etc. plan our initiatives for enhancing Customer Satisfaction.

Customer satisfaction survey is conducted every financial year on six monthly basis, for period ending September & March. The survey helps us to compute customer satisfaction index and capture customers' perceptions. The trends are then analysed to internally benchmark our own performance to improve further.

During 2015-16, all respondents under half-yearly Customer Satisfaction surveys ranked our overall performance higher than the stipulated CSI target as per MOU with Ministry of Mines. Moreover, the percentage of customers responding to the survey and ranking us above stipulated target shows an increasing trend i.e. increase from 89.30% in 2014-15 to 90.60% in 2015-16.

REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

ANNEXURE-IV

A) Conservation of Energy :

i) Steps taken and impact on Conservation of Energy:

Major initiatives on Conservation of Energy, implemented at different units during the financial year 2015-16, and the impact there of, are indicated below:

a) Bauxite Mines

1. Replacement of condenser coils damaged due to wind flow in the outdoor units of 4 x 13 Ton air conditioners (AC 2 & 4) & modification of the mounting arrangements of all 04 nos. of ACs have been carried out thus enabling efficient cleaning leading to net annual energy savings of 3 TOE (approx.)
2. 50 nos. of existing ceiling fans were replaced with 5 star energy efficient ceiling fans, resulted in net annual savings of 0.1 TOE (approx.).

b) Alumina Refinery

1. The existing Air pre heater (APH) unit in the Boiler #2 of SPP was replaced with a new APH, thus achieving effective heat transfer from flue gas to combustion air enhancing combustion efficiency. This has resulted in energy savings of 2450 TOE.
2. Installation of Magna drive coupling in conveyors 5A, 5B and 6B has contributed to reduction in electrical energy consumption of 1.88TOE, besides obtaining other operational advantages i.e. significant reduction in vibration, ease in O&M etc.
3. Dump steam condenser steam control valves were successfully replaced thus eliminating steam passing, resulting in energy savings of 2912TOE.
4. Modifications in the Plate heat Exchanger (PHE) at evaporation area was successfully carried by use of the old PHE plates from 06 area, contributing to savings in thermal energy of about 205 TOE. This modification also ensured availability of adequate amount of cold sodic condensate to SPP.

c) Smelter Plant

The specific DC energy consumption achieved in the Smelter Plant during the F.Y. 2015-16, was 13453 KWHr/MT of Hot metal against the assigned target of 13500 KWHr/MT. This was achieved by use of ALPSYS Pot regulation system in all the Pot Lines thus reducing anodic problems, wedge drop & stem beam drops. Use of graphitized cathode blocks, slotted anodes and increase in Anode stub hole and pin length in running pots also improved energy efficiency. A few other projects taken up at Smelter in the Perform, Achieve and Trade Cycle 1 were completed during this year, i.e.

i) Replacement of TFL tubes with T5 lamps.

ii) Use of timer based lighting system in plant & township areas.

iii) Use of energy efficient motors in place of standard motors.

All these contributed to total annual energy savings of 1515 TOE.

d) Captive Power Plant

1. Installation of one energy efficient 850 KW motor (Siemens make) in the Auxiliary Cooling Water system at Cooling Water Pump House is estimated to have contributed to savings in power consumption of about 60 TOE (approx).

2. Procurement and installation of energy efficient tube light fittings (2 x 28 Watt) and electronic choke in place of copper chokes for energy saving purposes is in progress. This year total 474 nos. of tube light fittings and 693 electronic chokes have been replaced which will save 78.5 TOE per annum.
3. In order to improve the cooling tower performance, inspection doors of Cooling Tower fans of 4 nos. of units have been provided with extra locking arrangement so that dislodging of doors are avoided. In addition to this damaged drift eliminators in cooling tower-7&8 were replaced to improve the performance. By these initiatives i.e. sealing of doors and replacement of drift eliminators , effectiveness of cooling tower is estimated to improve by about 1%.

Energy Conservation projects proposed or in progress during 2015-16, with completion planned in 2016-17 are :

1. **Alumina Refinery :** Two nos. of Aluminate liquor pumps i.e. P-128 and P-129 will be upgraded to energy efficient higher capacity pumps, thus achieving reduction in electrical energy consumption by 8%.

2. **Smelter :**
   - Use of graphitised cathode blocks in 140 Pots there by achieving energy saving of 340.5 TOE per annum.
   - Replacement of TFL Lamps with LED Lamps contributing to energy saving of 2.5 TOE annually.

3. **CPP :** An improvement initiative is taken up to reduce water drawl from river Brahmani. A rain water harvesting pond has been already excavated. Erection of pipe line and commissioning of 02 nos. pumps at rain water harvest pond is in process and will be completed shortly. This will reduce the drawl of river water by about 200 M3/Hr i.e. about 4% reduction and contribute to savings in energy consumption of about 3 TOE per annum.

ii) The steps taken for utilising alternate sources of energy :

1. 100 KWp SPV Rooftop Plant : 100 KWp SPV Rooftop Plant at Nalco Nagar, Bhubaneswar was commissioned on 25.09.2015.
2. 100 MW Wind Power Plant : Order was placed during the year i.e. Jan' 2016 for installation of two wind power projects: 50.4 MW in Maharashtra and 50.0 MW in Rajasthan.
3. 20 MW Solar PV Power Project : Setting up of a 20 MW Solar PV Power Project in Madhya Pradesh is planned.
4. 50 KWp Rooftop Solar PV Plant : Order was placed during March 2016 for installation of one 50 KWp rooftop solar project at Nalco Research and Technology Centre (NRTC), Gothapatna, Bhubaneswar.
5. 10 KWp Rooftop Solar PV Plant : One 10 KWp solar power plant has been planned to be set up on the roof top of Administration Building at Mines.

iii) The capital investment on energy conservation equipments :

The expenditure done in Smelter during F.Y. 2015-16 is Rs.3348.00 Lakhs detailed as under :

a. Procurement & installation of energy efficient motors : Rs.7.40 Lakhs
b. Procurement & installation of T-5 Lighting system : Rs.12.60 Lakhs
c. Procurement & laying of graphitised cathode blocks in pots: Rs.3328.00 Lakhs

B) Technology Absorption, Adaptation & Innovation:

a. M&R Complex , Damanjodi:

S.I No.	Details of modification	Benefits thereof
1.	Substitution of Natural flocculant Wheat Bran used in washers with Synthetic flocculants	Optimisation of production & Wheat Bran, a natural fodder can be suitably replaced
2.	Production of special grade alumina with addition of mineraliser	Value added product

b. Smelter Plant, Angul:

Sl. No.	Details of Modification	Benefits thereof
1	Erection & commissioning of three dedusting units in Rodding shop-1 of carbon Plant.	Reduction in dust level in shop floor making the working floor more environmental friendly.
2	Revamping of Dedusting system of Butt handling and crushing system of Rodding Shop-1	Improvement in working environment by reduction of shop floor dust, recovery and recycle of dust thus reduction in cost of fresh coke.
3	Online butt weighing system in Rodding Shop-1	Weighment of all butts in the process, tracking and recording of the same. Facilitates measurement of carbon consumption in Potline and help in deciding anode change shift cycle in Potline.
4	Installation of Flue Wall Building Machine in Anode Baking Furnace-III.	Facilitate and expedite the flue wall replacement work in ABF-II & III. Improvement in availability of FTAs.
5	Integration of Product wise weighment data of bar code product label printing system with SAP for coils produced in WRM 1 & 2 of CH-A.	This system will help tracking WRM coil produced / weighed in different shifts through uploading of weight data / reports to SAP system which will help immensely for monitoring and dispatch of the wire rod product.
6	In CH-B, ICM 1&2 furnaces 1, 2, 3 & 4 logic modification done for establishing Furnace burner firing command from furnace temperature instead of from pilot burners during in operation furnace flame outs.	Facilitate in precise control of the furnace flame establishment avoiding use of pilot burners other than cold start-ups and drop of molten metal temperature due to flame outs. There is a huge savings in LPG gas.
7	Installation of p & f weigh station with load cell(3.5 mt) with control accessories for Rodding Shop-1	Will be helpful in getting a more accurate consumption of carbon in Pot Line.
8	Installation of new Door and drive system in Cast house-A, ICM-1, Holding furnace No-1.	Saving of fuel oil

DETAILS OF TECHNOLOGY IMPORTED /UPGRADED DURING LAST 5 YEARS:

Technology Imported/Upgraded	Year of import/ upgraded	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
Fume treatment Center in Anode Baking Furnace- 2 for meeting the environmental norms.	2012-13	YES	—
Successful operation of potlines with slotted anodes for reduction of DC Energy consumption.	2012-13	NO	Complete absorption of technology will take place after commissioning of 2nd slot cutting machine which is being procured.
Pot lining material upgraded from semigraphite cathodes to graphitized cathodes in potline for increase in amperage and better performance. All potlines will be upgraded in next four to five years.	2009-10	NO	299 out of 960 pots have been lined with graphitized cathodes.

Technology Imported/Upgraded	Year of import/ upgraded	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
RTDAS (Real Time Data acquisition system) for CH (B) stacks, FTP 7 & 8 stacks for continuous uploading data to the server of OSPCB through GPRS service.	2013-14	YES	—
Online ambient air quality monitoring station at Township commissioned for continuous uploading data to the server of OSPCB through GPRS service.	2013-14	YES	—
New bath by pass system in bath handling system of rodding shop 2 of carbon plant.	2013-14	YES	—
Aluminium Billet casting facility equipped to cast 8", 9" and 10" Billets.	2013-14	YES	—
Anode stub hole depth increased for reduction of DC Energy consumption	2013-14	YES	—
Introduction of automatic bath breaking m/c in Rodding Shop-1	2013-14	YES	—
Six numbers online particulate matter (PM) analysers installed & commissioned in FTPs of Potlines.	2014-15	YES	—
Three numbers online ambient air quality monitoring stations commissioned inside Smelter plant.	2014-15	YES	—
Online effluent monitoring station commissioned at the outlet of effluent treatment plant.	2014-15	YES	—
Automated Alumina mixing system for crushed bath plant at rodding shop-1.	2014-15	YES	—
C.P.Coke blending system installed in GAP1	2014-15	YES	—
RTDAS (Real Time Data acquisition system) for FTP 1-6 stacks, Bake-oven Stacks , 3 Nos. new ambient air monitoring stations and effluent monitoring station for continuous uploading of monitoring data to the server of OSPCB through GPRS service .	2015-16	YES	—
Installation of Fume Treatment Center in Anode Baking Furnace -1	2015-16	YES	—

Expenditure on R&D **(Rs. in lakhs)**

Nature	2015-16	2014-15
Capital	150	81
Revenue	1,425	650
Total	1,575	731
R&D Expenditure as % of gross turnover	0.22	0.09

C. The foreign exchange earnings for the year 2015-16 Rs. 3008.18 crores as against Rs.3,161 crores in 2014-15. The foreign exchange outgo for the year under report was Rs. 205.41 crores as against Rs.202 crores in the previous year.

CORPORATE GOVERNANCE REPORT

ANNEXURE-V

Philosophy on code of governance

Corporate governance refers to the mechanisms, processes and relations by which corporations are controlled, directed and governed. Corporate governance includes the processes through which corporations' objectives are set and pursued in the context of the regulatory, social and commercial environment. Governance mechanism oversees the actions, policies, practices, strategies and decisions of corporations, their agents and affected stakeholders. Strict adherence to the regulatory norms and transparency in every facet of the activities is the hallmark of the Company.

National Aluminium Company Ltd. (NALCO), is a Central Public Sector Enterprise (CPSE) under the administrative control of the Ministry of Mines, Government of India. Its shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Being a listed Company, NALCO has been pursuing the Corporate Governance practices in true spirit as stipulated under Clause 49 of the Listing Agreement. Effective from 1st December, 2015, NALCO is subject to the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Besides, NALCO is also following the guidelines on Corporate Governance for CPSEs prescribed by Department of Public Enterprise (DPE) which became mandatory w.e.f. from May 2010.

NALCO management believes in the inalienable rights of the shareholders as the true owner of the Organization and their role as trustees of the shareholders as well as other stakeholders.

Processes put in place to provide for Corporate Governance framework

i) A sub-committee of the Board called "Ethics and Corporate Governance Committee" oversees the Corporate Governance implementation in the Company.

ii) NALCO has been filing the report on Corporate Governance on quarterly basis within stipulated time to the Stock Exchanges in the prescribed format.

iii) It is publishing a detailed report on Corporate Governances practices followed in the Company, in the Annual Report every year.

iv) As a part of compliance of the DPE guidelines, NALCO is also submitting self-appraisal report on Corporate Governance on quarterly and annual basis to the DPE through the Administrative Ministry. NALCO has been scoring 'Excellent' grade as per the self-appraisal report submitted to DPE. The self-appraisal report is also uploaded in NALCO website for public view.

v) NALCO was voluntarily getting Secretarial Audit done by a practicing Company Secretary Firm and publishing the same along with the Annual Report of the Company, every year. Now, Secretarial Audit has become mandatory for Listed Companies under the Companies Act, 2013.

vi) Statutory Auditors conduct audit on the implementation of Corporate Governance practices and furnish a certificate on the Corporate Governance which is placed before the shareholders as a part of the Annual Report.

vii) Information relating to Corporate Governance in prescribed format is provided to the C&AG every year.

The broad framework of the Company's governance is based on the following principles:

1. Optimum combination of Executive and Non-Executive Directors on the Board.
2. Formation of various Committees, statutory as well as non-statutory, for proper and judicious delegation of power.
3. Timely availability of information to each and every member of the Board and Board Committees for proper discharge of their fiduciary duties.
4. Robust system and processes in place for internal financial control.
5. Timely disclosure and dissemination of operational, commercial and financial information to the stakeholders.

The Company is in compliance with the principles of Corporate Governance as prescribed under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, except to the extent, as specified below:

I. Board of directors

(a) The composition of the Board as on 31st March, 2016 is as follows:

i. Six full time (Executive) Directors including Chairman-cum-Managing Director.

ii. Two Part-time official Directors, basically nominee directors from Government of India.

iii. Five Part time non-official (Independent) Directors who are appointed by the Government of India w.e.f. 21.11.2015.

While Non-executive Directors constitute 54% of the total strength of the Board, the Independent Directors constitute 38% of the total strength of the Board. Although the above composition is in conformity with the provisions under Section 149 of the Companies Act, 2013, yet it is not in compliance with the SEBI (LODR) Regulations, 2015 and DPE guidelines on Corporate Governance.

(b) The following changes took place in the composition of the Board during the year under report:

i. Dr. Tapan Kumar Chand was appointed as CMD w.e.f. 27th July, 2015. On superannuation of Shri Ansuman Das, CMD on 30.04.2016, Shri N R Mohanty, Director (P&T) was given additional charge of the post of CMD till 26.07.2015.

ii. There were only 2 Independent Directors at the beginning of the financial year. After they ceased to hold office w.e.f. 10.07.2015, there were no Independent Directors on the Board till 20.11.2015. Five Independent Directors were appointed on the Board w.e.f. 21.11.2015. There is still a need to appoint another 3 Independent Directors on the Board to comply with the requirements under the SEBI (LODR) Regulations, 2015 and DPE guidelines on Corporate Governance.

(c) The details of each member on the Board along with the number of directorship / committee membership held by them in other public limited companies as on 31st March, 2016 is given below:

i. Executive (Whole-time) Directors

Name, Designation & DIN	Board Meetings		Attendance at 34th AGM held on 26.09.2015	No. of other directorships	Membership in the Committees of other Companies	
	Held during the tenure	Attended			Membership	Chairmanship
Dr. T. K. Chand, CMD 01710900 (w.e.f 27.07.2015)	7	7	Yes	Nil	NA	NA
Shri N.R. Mohanty, Director (P&T) 05181575	9	8	Yes	Nil	NA	NA
Shri S. C. Padhy, Director (HR) 02594088	9	9	Yes	Nil	NA	NA
Shri K.C. Samal, Director (Finance) 03618709	9	9	Yes	Nil	NA	NA
Ms. Soma Mondal, Director (Commercial) 06845389	9	9	Yes	Nil	NA	NA
Shri V. Balasubramanyam Director (Production) 06965313	9	9	Yes	Nil	NA	NA
Shri Ansuman Das, CMD 02845138 (up to 30.04.2015)	1	1	NA	Nil	NA	NA

ii. Part-time official Directors (Non-independent)

Name, Designation & DIN	Board Meetings		Attendance at 34th AGM held on 26.09.2015	No. of other directorships	Membership in the Committees of other Companies	
	Held during the tenure	Attended			Membership	Chairmanship
Shri R. Sridharan, IAS 05332433	9	7	No	NA	NA	NA
Shri N. B. Dhal, IAS 01710101 (w.e.f. 23.12.2015)	4	4	NA	01	Nil	Nil
Dr. N. K. Singh, IFS 03361541 (up to 22.12.2015)	5	3	No	01	01	-

iii. Part-time non-official (Independent) Directors

Shri S.Sankararaman 07346454 (w.e.f. 21.11.2015)	4	3	NA	Nil	NA	NA
Shri P. K. Nayak 07346756 (w.e.f. 21.11.2015)	4	4	NA	Nil	NA	NA
Shri Maheswar Sahu 00034051 (w.e.f. 21.11.2015)	4	1	NA	06	02	01
Shri Dipankar Mahanta 01583516 (w.e.f. 21.11.2015)	4	4	NA	Nil	NA	NA
Prof. Damodar Acharya 06817842 (w.e.f. 21.11.2015)	4	4	NA	01	01	01
Shri Qaiser Shamim 03560915 (up to 10.07.2015)	2	2	NA	Nil	NA	NA
Shri Sanjiv Batra 00602669 (up to 10.07.2015)	2	2	NA	02	02	-

(d) None of the Directors are related to each other in the Company.

(e) Other directorships do not include directorships of private limited companies, foreign companies and Section 8 companies. The Chairmanship/Membership of Board Committees include only Audit Committee and Stakeholders Relationship Committee.

(f) The Board meets at regular interval to discuss and decide the business strategies/policies and review the financial performance of the company. In case of business exigencies, the Board's approval is taken through circular resolutions. The Board reviews the performance of the Company vis-à-vis the MoU signed with the Administrative Ministry. During the year, the Company placed the information as set out in Reg. 17 read with part A of Schedule II of the Listing Regulation, before the Board.

(g) 9 board meetings were held during the year on 09.04.2015, 30.05.2015, 12.08.2015, 26.10.2015, 12.11.2015, 28.12.2015, 27.01.2016, 11.02.2016 and 16.03.2016. The gap between any two board meetings was within the maximum period provided under the Companies Act and Listing Regulations.

(h) Necessary quorum was present for all the meetings.

Details of Board meetings and presence of directors in the meeting are as follows:

Board Meeting No. & Date	Board Strength	No. of Directors Present			
		Functional	Part-time non-executive	Independent	Total
282/09.04.2015	10	6	2	2	10
283/30.05.2015	09	5	1	2	08
284/12.08.2015	08	6	2	0	08
285/26.10.2015	08	6	1	0	07
286/12.11.2015	08	6	2	0	08
287/28.12.2015	13	6	1	5	12
288/27.01.2016	13	6	1	3	10
289/11.02.2016	13	7	1*	4	12
290/16.03.2016	13	6	1*	4	11

* Attended the meeting through video conferencing.

II. Independent Directors

(a) Independent Directors are the Non-executive Directors who fulfill the conditions of independence specified under Section 149 of the Companies Act, 2013 and Regulation 16(b) of the SEBI Regulations. NALCO being a Government Company, the Independent Directors are appointed by the President of India and the terms and conditions are fixed by the Administrative Ministry. Generally, Independent Directors are appointed for a tenure of 3 years which is in compliance with the Act.

(b) A formal letter of appointment is issued to the Independent Directors on their appointment as Director on the Board. The letter inter-alia explains the role, function, duties and responsibilities as Director of the Company.

(c) All the Independent Directors confirm that they meet the criteria of independence as mentioned under the Companies Act and Listing Regulations. Independent Directors bring with them rich experience in varied fields and help the organization in taking appropriate policy decisions at the Board level.

(d) The Company conducts an acclimatization programme for the Independent Directors on their appointment on the Board. The Company also nominates the Independent Directors to attend various familiarization programmes being conducted by ASSOCHAM, CII, SCOPE, DPE etc. in this regard. Appointment of Independent Directors are posted in the Company's website www.nalcoindia.com. The details of the familiarization programme attended by the Independent Directors are also uploaded on Company's website.

(e) During the year, one meeting of the Independent Directors was held on 30th May, 2015.

(f) None of the Non-executive Directors hold any shares or convertible instruments in the Company.

(g) Independent Directors are not entitled for stock option in the Company.

III. Various Committees of the Board

The following 9 Committees are constituted by the Board with a judicious mix of Executive and Non-executive Directors:

Statutory Committees

a. Audit Committee

b. Nomination & Remuneration Committee

c. Stakeholders Relationship Committee

d. CSR & Sustainability Development Committee

e. Technology Committee (as per DPE guidelines)

f. Risk Management Committee

Non-statutory Committee

a. Human Resources Committee

b. Committee of Directors for Projects and New Ventures

c. Ethics & Corporate Governance Committee

Besides, there are 4 more Committees where only Executive Directors of the Company are members. Details of these Committees are as follows:

i. Investment Committee

ii. Committee of Directors for Sales

iii. Committee of Directors for Procurements

iv. Share Transfer Committee

The terms of reference of the Committees are approved by the Board.

A. Audit committee

i) The Audit Committee was set up in June, 1999 and roles and powers of the Committee have been changed from time to time to fall in line with the provisions under the Companies Act, SEBI Regulations and DPE guidelines.

ii) Due to non-availability of requisite no. of Independent Directors on the Board, the composition of the Committee was not in line with the requirements under the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and DPE guidelines on corporate governance during a period from 10.07.2015 to 27.12.2015. During this period, two no. of Audit Committee meetings took place on 12.08.2015 and 12.11.2015. The fact that the composition of the Audit Committee was not in compliance with the requirement of Companies Act, 2013, SEBI (LODR) Regulations, 2015 was brought to the knowledge of the Audit Committee, the Board and the Stock Exchanges where the shares are listed.

iii) The Audit Committee was reconstituted from time to time during the year. The composition as on 31st March, 2016 is as follows:

Name	Category	Position
Shri P K Nayak	Non-executive Independent	Chairman
Shri Dipankar Mahanta	Non-executive Independent	Member
Shri S Sankararaman	Non-executive Independent	Member
Prof. Damodar Acharya	Non-executive Independent	Member
Director (P&T)	Executive Non-Independent	Member
Director (Production)	Executive Non-Independent	Member

Besides, Director (Finance) is invitee to the Committee. ED-Company Secretary is the Secretary to the Committee.

iv) Meetings and Attendance

Five meetings of the Audit Committee were held during the year on 30.05.2015, 09.07.2015, 12.08.2015, 12.11.2015 & 11.02.2016. The maximum gap between any two Audit Committee meetings was 92 days.

(a) The composition of the Audit Committee and details of the meetings attended by its members are given below:

Member of Audit Committee	Meetings held	Meetings attended
Shri P.K. Nayak	1	1
Shri D. Mahanta	1	1
Dr. S. Sankararaman	1	1
Prof. D. Acharya	1	1
Shri N.R.Mohanty	3	3
Shri V.Balasubramanyam	3	3
Dr. N. K. Singh (upto 22.12.2015)	4	3
Shri Qaiser Shamim (upto 10.07.2015)	2	2
Shri Sanjiv Batra (upto 10.07.2015)	2	1

v) The Audit Committee invites such of the executives, as it considers appropriate particularly the head of Internal Audit, representatives of Statutory Auditors and Cost Auditors to be present in the meetings. The Company Secretary acts as Secretary to the Audit Committee.

vi) The terms of reference of the Audit Committee are broadly as follows:

Powers of the Audit Committee

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

Role of the Audit Committee inter-alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of cost auditors, fixation of audit fees and other terms of appointment.
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
- Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of Section 134(5) of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the management.
  - Significant adjustments made in financial statements arising out of audit findings.

- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of related party transactions.
- Qualifications in draft audit report.

- Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments, if any.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board.
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to Depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.

Mandatory review of the following information by Audit Committee:

- The Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions, submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the internal auditors / chief internal auditor.

- Statement of deviation :
  a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable submitted to Stock Exchanges in terms of regulation 32(1).
  b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of regulation 32(7).

B. Nomination and Remuneration Committee

Originally, a Remuneration Committee was constituted in compliance with the requirements under the DPE guidelines on Corporate Governance. Subsequently, it was renamed as Nomination and Remuneration Committee in line with the requirements under the provisions of the Companies Act, 2013 and the Listing Agreement by incorporating the terms of reference of Remuneration Committee as one of its terms of reference. Certain provisions are not applicable to NALCO, being a Government Company except with regard to appointment of senior management and other employees.

After induction of 5 Independent Directors on 21.11.2015, the Committee was reconstituted on 28.12.2015. It comprises of the following members as on 31st March, 2016:

Name	Category	Position
Shri Maheswar Sahu	Non-executive Independent	Chairman
Shri S Sankararaman	Non-executive Independent	Member
Shri P K Nayak	Non-executive Independent	Member
Prof. Damodar Acharya	Non-executive Independent	Member

Besides, Director (HR) and Director (Finance) are the invitees to the Committee.

No meeting was held during the year under review.

i) Remuneration of Directors

(a) Whole-time Directors

The Company pays remuneration by way of salary, benefits, perquisites and allowances in fixed components and Performance Related Payment (PRP) in variable components to its Managing Director and other Whole-time Directors, as is applicable to a Schedule-A Company. The Nomination and Remuneration Committee approves the PRP payable to the CMD and other Directors out of the profits for the financial year, in terms of the guidelines prescribed by DPE.

Details of remuneration of the Whole-time Directors paid during the financial year 2015-16 are as follows:

Name	Relationship with other Directors	Remuneration for the year 2015-16 (₹)		Total
		All elements of remuneration package i.e. salary, PF contribution, pension, Gratuity etc.	Other benefits	
Dr. Tapan Kumar Chand, CMD (w.e.f. 27.07.2015)	No	23,40,912	34,954	23,75,866
Shri N.R. Mohanty, Director (P&T)	No	40,42,929	1,11,795	41,54,724
Shri S.C. Padhy, Director (HR)	No	39,60,599	45,321	40,05,920

Name	Relationship with other Directors	Remuneration for the year 2015-16 (₹)		Total
		All elements of remuneration package, i.e. salary, PF ontribution, pension, Gratuity etc.	Other benefits	
Shri K.C. Samal, Director (Finance)	No	47,56,360	69,871	48,26,231
Ms. Somal Mondal, Director (Commercial)	No	49,88,582	41,844	50,30,426
Shri V. Balasubramanyam, Director (Prod.)	No	45,97,276	62,295	46,59,571
Shri Ansuman Das, CMD (upto 30.04.2015)	No	15,72,139	16,694	15,88,833

The Company has not issued any stock options during 2015-16.

(b) Part-time Non-official (Independent) Directors

During the year 2015-16, the Company paid sitting fees of Rs. 20,000/- per meeting to its Part-time Non-official (Independent) Directors for attending meetings of the Board and Committees of the Board. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the meetings.

Details of sitting fees paid to the Independent Directors during 2015-16 are given below:

Name	Sitting Fees (₹)*		Total (₹)
	Board Meetings	Committee Meetings	
Shri Qaiser Shamim (upto 10.07.2015)	40,000	2,00,000	2,40,000
Shri Sanjiv Batra (upto 10.07.2015)	40,000	1,20,000	1, 60,000
Shri Dipankar Mahanta (w.e.f. 21.11.2015)	80,000	80,000	1,60,000
Shri S. Sankararaman (w.e.f. 21.11.2015)	60,000	60,000	1,20,000
Shri P.K. Nayak (w.e.f. 21.11.2015)	80,000	80,000	1,60,000
Prof. Damodar Acharya (w.e.f. 21.11.2015)	80,000	1,40,000	2,20,000
Shri Maheswar Sahu (w.e.f. 21.11.2015)	20,000	40,000	60,000

*subject to applicable tax.

(c) Part-time official Directors

There were two Part-time Official Directors on the Board of the Company as on 31st March, 2016. No remuneration was paid to them.

(d) Performance Evaluation

The appointment of CMD and other functional Directors are made by the President of India and DPE has laid a mechanism for evaluation of their performance. Further, performance of the Board of a Government Company is evaluated during the performance evaluation of the MoU signed with

the administrative ministry. As such, as per notification dt. 5th June, 2015 of Ministry of Corporate Affairs (MCA), Government Companies are exempted from the provisions of the performance evaluation of the Directors and the Board.

(e) Service contracts, notice period, severance fee

The Chairman-cum-Managing Director and other Whole-time Directors are appointed by the President of India for a period of five years from the date of taking over charge or till the date of superannuation (presently 60 years of age) or till further order from the Government of India, whichever event occurs first.

Part-time official Directors are appointed by the President of India from the Ministry of Mines. They retire from the Board on ceasing to be officials of the Ministry.

Independent Directors (Part-time Non-official) are appointed by the President of India for a period of three years.

There is no provision for payment of severance fees.

C. Stakeholders Relationship Committee

i) Stakeholders Relationship Committee was constituted in line with the provisions under the Companies Act, 2013 and Reg.20 of the SEBI Listing Regulations.

ii) The Committee met 4 times on 30.05.2015, 12.08.2015, 12.11.2015 and 11.02.2016 during the year.

iii) After induction of 5 Independent Directors on 21.11.2015, the Committee was reconstituted on 28.12.2015. It comprises of the following members as on 31st March, 2016:

Name	Category	Position
Shri S. Sankararaman	Non-executive Independent	Chairman
Shri Dipankar Mahanta	Non-executive Independent	Member
Shri P. K. Nayak	Non-executive Independent	Member
Director (HR)	Executive Non-Independent	Member
Director (Commercial)	Executive Non-Independent	Member

iv) Shri K. N. Ravindra, ED-Company Secretary is the Compliance Officer of the Company.

v) The Committee is primarily responsible to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

vi) M/s. Karvy Computershare Private Ltd. has been appointed as Registrar and Share Transfer Agent to attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges etc. Efforts are made to ensure that the grievances are redressed to the satisfaction of the investors at the earliest possible time.

vii) Details of the complaints received and redressed during the year 2015-16 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	103	103	Nil

The above figure includes complaints received and resolved through SEBI SCORES.

viii) Break-up of different types of complaints received and resolved to the satisfaction of investors are given below:

Types of complaints	No. of complaints
Non receipt of dividend	61
Non receipt of Annual Report	21
Non-receipt split & bonus share certificate	15
Non receipt of interest	03
Non receipt of NECS intimation slip	03
TOTAL	**103**

D. Risk Management Committee

i) The Risk Management Committee is constituted in terms of Regulation 21 of SEBI Listing Regulations with the following terms of reference:

- Assisting the Board of Directors in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks.
- Overall responsibility for monitoring and approving the risk policies and associated practices of the Company.
- Reviewing and approving risk disclosure statements in any public documents or disclosures.

ii) The Committee met twice on 30.05.2015 and 10.02.2016 during the year.

iii) After induction of 5 Independent Directors on 21.11.2015, the Committee was reconstituted on 28.12.2015. It comprises of the following members as on 31st March, 2016:

Name	Category	Position
Shri Damodar Acharya	Non-executive Independent	Chairman
Shri S. Sankararaman	Non-executive Independent	Member
Director (Finance)	Executive Non-Independent	Member
Director (Commercial)	Executive Non-Independent	Member
Director (Production)	Executive Non-Independent	Member

E. CSR & Sustainability Development Committee

i) Section 135 of the Companies Act, 2013 mandates constitution of Corporate Social Responsibility Committee. The Company had constituted CSR & Sustainability Development Committee to look into matters related to CSR activities and sustainability development programmes of the Company.

ii) The Committee met thrice on 15.05.2015, 07.07.2015 and 24.02.2016 during the year.

iii) After induction of 5 Independent Directors on 21.11.2015, the Committee was reconstituted on 28.12.2015. It comprises of the following members as on 31st March, 2016:

Name	Category	Position
Shri D. Mahanta	Non-executive Independent	Chairman
Shri S. Sankararaman	Non-executive Independent	Member
Shri Maheswar Sahu	Non-executive Independent	Member
Director (HR)	Executive Non-Independent	Member
Director (Finance)	Executive Non-Independent	Member
Director (Production)	Executive Non-Independent	Member

F. Technology Committee

i) Technology Committee was constituted in compliance with the requirements under the DPE guidelines.

ii) The Committee monitors and pays special attention to the assessment of the Company's efforts to develop technology and acquiring and assimilating new technologies necessary to make it competitive and to its own R&D efforts for maintaining a sustained strength in the technological field and review specific consumption norms pertaining to Smelter, Refinery etc.

iii) The Committee met four times on 15.05.2015, 13.11.2015, 20.12.2015 and 26.03.2016 during the year.

iv) After induction of 5 Independent Directors on 21.11.2015, the Committee was reconstituted on 28.12.2015. It comprises of the following members as on 31st March, 2016:

Name	Category	Position
Prof. D.Acharya	Non-executive Independent	Chairman
Shri Maheswar Sahu	Non-executive Independent	Member
Director (P&T)	Executive Non-Independent	Member
Director (Finance)	Executive Non-Independent	Member
Director (Commercial)	Executive Non-Independent	Member
Director (Production)	Executive Non-Independent	Member

G. Human Resources Committee

i) The Company is having a Human Resources Committee with the following terms of reference:

a. Framing of rules and regulations and changes therein relating to recruitment, transfer, promotion, deputation and other conditions of service in respect of below Board level employees.

b. Wage structure and scales of pay of the non-executives and any changes therein.

c. Organization chart including manpower planning.

d. Any other reference made by the Board from time to time.

ii) The Committee met three times on 15.05.2015, 03.11.2015 and 24.02.2016 during the year.

iii) After induction of 5 Independent Directors on 21.11.2015, the Committee was reconstituted on 28.12.2015. It comprises of the following members as on 31st March, 2016:

Name	Category	Position
Shri Maheswar Sahu	Non-executive Independent	Chairman
Shri D. Mahanta	Non-executive Independent	Member
Director (P&T)	Executive Non-Independent	Member
Director (HR)	Executive Non-Independent	Member
Director (Finance)	Executive Non-Independent	Member

H. Ethics & Corporate Governance Committee

a) The terms of reference of the Committee include:

(i) Practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.

(ii) Provision of correct inputs to the media so as to preserve and protect the Company's image and standing.

(iii) Dissemination of factually correct information to the investors, institutions and public at large.

(iv) Interaction with existing and prospective FIIs and rating agencies, etc.

(v) Establishing oversight on important corporate communication on behalf of the Company with the assistance of consultants / advisors, if necessary.

(vi) Institution of standardized channels of internal communications across the Company to facilitate a high level of disciplined participation.

(vii) Compliance of the following, formulated in terms of SEBI & DPE guidelines:

a) Code of Conduct for Senior Management
b) Insider Trading Regulations
c) Related Party Transactions
d) Vigilance Related Issues
e) Whistle Blower Policy

b) The Committee met twice on 15-05-2015 and 07.07.2015 during the year.

c) After induction of 5 Independent Directors on 21.11.2015, the Committee was reconstituted on 28.12.2015. It comprises of the following members as on 31st March, 2016:

Name	Category	Position
Shri Dipankar Mahanta	Non-executive Independent	Chairman
Shri P. K. Nayak	Non-executive Independent	Member
Director (P&T)	Executive Non-Independent	Member
Director (HR)	Executive Non-Independent	Member
Director (Commercial)	Executive Non-Independent	Member

I. Committee of Directors for Projects and New Ventures

i) A Committee of Directors for Projects and New Ventures was constituted with following terms of reference to examine and make recommendation to the Board on new projects/capital expenditure on Joint ventures:

a) Appraisal and approval of the procedures and formalities in respect of various stages of new projects including preparation of DPR.

b) To study and recommend to the Board, proposals for investment in new projects, in India and abroad, exceeding Rs.10 crore each.

c) Review the status of capital projects, costing over Rs. 100 crore each.

i) The Committee met six times on 15.05.2015, 03.11.2015, 12.11.2015, 04.12.2015, 11.02.2016 and 26.03.2016 during the year.

ii) After induction of 5 Independent Directors on 21.11.2015, the Committee was reconstituted on 28.12.2015. It comprises of the following members as on 31st March, 2016:

Name	Category	Position
Chairman-cum-Managing Director	Executive Chairman	Chairman
Shri P. K. Nayak	Non-executive Independent	Member
Prof. D. Acharya	Non-executive Independent	Member
Shri M. Sahu	Non-executive Independent	Member
Shri N. B. Dhal	Non-Executive Non Independent	Member
Director (P&T)	Executive Non-Independent	Member
Director (HR)	Executive Non-Independent	Member
Director (Finance)	Executive Non-Independent	Member
Director (Commercial)	Executive Non-Independent	Member
Director (Production)	Executive Non-Independent	Member

Six meetings of the Committee of Directors for Projects and New Ventures were held during the year under review on 15-05-2015, 03-11-2015, 12-11-2015, 14-12-2015, 11-02-2016 and 26-03-2016.

J. Other Committees

i) The Board has constituted the following Committees with only Functional Directors to take care of certain regular activities with the terms of reference approved by the Board. Those Committees are;

a. Investment Committee
b. Committee of Directors for Sales
c. Committee of Directors for Procurements
d. Share Transfer Committee

ii) To ensure smooth process of transfer/transmission and dematerialization of shares, ED-Company Secretary has been authorized by the Board to approve all such requests/cases. However, cases pertaining to issue of new share certificates in case of torn/mutilated/defaced/lost/rematerialisation are placed before the Share Transfer Committee.

IV. Meeting of Independent Directors

As per the provisions under the Companies Act, 2013, regulation 25(4) of SEBI listing regulations and guidelines issued by DPE on role and responsibilities of Independent Directors of CPSEs, at least one meeting of the Independent Directors should be held in a year without presence of the Functional Directors or management personnel, with following terms of reference:

(a) review the performance of Non-independent Directors and the Board of Directors as a whole;

(b) review the performance of the Chairperson of the estate entity, taking into account the views of executive irectors and Non-executive Directors;

(c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

The Independent Directors met once on 30.05.2015 during the year.

Being a Govt. Company, the terms of reference at (a) & (b) above for the Independent Directors meeting are exempted vide MCA Circular dated 05-06-2015.

V. General Body Meetings

i) Details of last three Annual General Meetings held :

Financial Year	AGM Date	Time	Dividend Payment Date	Venue
2012-13	27.09.2013	11.00AM	23.10.2013	NALCO Bhawan, P/1, Nayapalli Bhubaneswar-751 013
2013-14	27.09.2014	11.00AM	15.10.2014	
2014-15	26.09.2015	11.00AM	19.10.2015	

ii) Annual General Meeting for the financial year 2015-16.

Day and Date	Friday, September 30, 2016
Time	11.00 A.M.
Venue	NALCO Bhawan, P/1, Nayapalli Bhubaneswar-751 013
Book Closure Period for Dividend *	Thursday, September 29, 2016 to Friday, September 30, 2016 (both days inclusive)

*The company had declared 28.03.2016 as the record date for the payment of interim dividend for the financial year 2015-16.

iii) The Company did not pass any Special Resolution in any of its previous three AGMs.

iv) No resolution was passed through postal ballot during the last three financial years.

VI. Means of Communication

i) The Company generally communicate with the shareholders through Annual Report, Publication of Quarterly Results, General Meetings and information uploaded in its website. The company also communicate with the Institutional Investors by participating in Analyst's Meet and Investors Conference from time to time. The presentation made to Institutional Investors/Analysts are sent to the Stock Exchanges beforehand and displayed on Company's website www.nalcoindia.com.

ii) The Quarterly, Half-yearly and Annual Results of the Company are published in leading newspapers in India. The results are displayed on the Company's website www.nalcoindia.com. The results are also uploaded electronically on NEAPS of NSE and Listing Centre of BSE.

iii) The Company's website **www.nalcoindia.com** contains a separate segment 'Investor Services' where all types of shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

iv) Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings. The same is also placed on the website of the Company.

v) Reminders for unclaimed/unpaid dividend are sent to the shareholders as per records every year. The list of unpaid/unclaimed dividend, year-wise is also available in the 'Investor Services' page in the website.

vi) As a measure of green initiative and to save the environment, the Company sends Annual Reports and other communiques like NECS credit information through e-mail to all shareholders after seeking their consent for the same.

VII. Disclosure

(a) Related Party Transactions

The Board has approved a policy on related party transactions in line with the provisions under the Companies Act, 2013 and Regulation 23 of SEBI listing regulations and the same is uploaded in the Company's website in the following link :

http://www.nalcoindia.com/download/NEW-RPT-NALCO.pdf

All transactions entered into with the related parties as defined under the Companies Act and SEBI listing regulations were in the ordinary course of business and on arm's length basis.

Related Party Transactions were disclosed in note no.53 and note no.56 of standalone financial statements and consolidated financial statements of the Company respectively for the financial year 2015-16 as per Accounting Standard (AS)-18 of the Companies (Accounting Standard) Rules, 2006.

There were no material transactions with any related party during the financial year.

The details of related party transactions are also given in Form AOC -2 forming part of Board's report.

(b) Code of Conduct

The company has adopted a Model Code of Business Conduct and Ethics ('the Code'), which is applicable to the Board of Directors and Senior Management (one level below the Board of Directors) of the Company. All the Members of the Board and senior Management personnel are required to affirm the code on annual basis. The Code is available in Company's website in the following link:

http://www.nalcoindia.com/CodeofConduct.pdf

A declaration signed by the Chairman-cum-Managing Director is published below:

DECLARATION

"I hereby confirm that the Company has obtained from the members of the Board and senior management (Key Executives), affirmation that they have complied with the Code of Conduct for Directors and senior management in respect of the financial year 2015-16."

Sd/-

(Dr. T. K. Chand)
Chairman-cum-Managing Director

(c) As per DPE guidelines

i. No expenditure has been debited in the books of accounts not related to business.

ii. No expenditure is incurred which are personal in nature and incurred for the Board of Directors and top management.

iii. Details of administrative expenditure and office expenses as a percentage of total expenses vis-à-vis financial expenses and reasons for increase are as follows:

(₹ in Crore)

Particulars	2015-16	2014-15
Administrative and office expenses	104.90	71.19
Total expenses	6303.26	6090.45
Administrative and office expenses as a % of total expenses	1.66	1.17

The financial expenses for the current year is ₹1.21 Crore (previous year- Nil).

Increase in administrative expenditure is primarily attributable to increase in expenditure on account of renewable purchase obligation mandated by statute.

Interest expenditure during the year is on account of PCFC borrowing which was not there in the previous year.

(d) Whistle Blower Policy

Pursuant to the provisions under the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about any unethical behavior, fraud or violation of Company's code of conduct. It provides for adequate safeguard against victimization of employees and Directors who use the mechanism and make direct access to the chairperson of the Audit Committee.

The policy is available in Company's website in the following link:

http://www.nalcoindia.com/Whistleblowerpolicy_nalco.pdf

The Company affirms that it has not denied any personnel, access to the Compliance Officer, designated committee or Audit Committee.

(e) Insider Trading Code

The Company has adopted a **'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct to regulate, monitor and report trading by its employees and other connected persons'** in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The object of the code is to curb the practices of insider trading in the securities of the Company on basis of unpublished price sensitive information.

The Company Secretary is the compliance officer for monitoring adherence to the code. The code is displayed on the Company's website at http://www.nalcoindia.com/download/NALCO_Code_of_Conduct_new.pdf.

VIII. Auditors

M/s. ABP & Associates, Chartered Accountants and M/s. Guha Nandi & Co., Chartered Accountants are appointed as joint Statutory Auditors of the Company for the financial year 2015-16 by Comptroller & Auditor General of India (CAG).

The fees payable to the joint statutory auditors for the year 2015-16 was ₹ 20 lakhs towards statutory audit fees, ₹ 5 lakhs plus applicable tax for quarterly Limited Review Report for each of the three quarters, ₹ 4 lakhs plus applicable tax towards fee for Tax audit and ₹ 1 lakh plus applicable tax towards fee for certification on Corporate Governance.

External firms have been engaged as Internal Auditors to review internal controls and operating systems and procedures unit wise. One of the General Manager level person has been designated as Chief of Internal Auditor to supervise the internal audit activities.

M/s. Tanmaya S Pradhan & Co., Cost Accountants have been appointed as Cost Auditors of the Company for the financial year 2015-16.

M/s. Saroj Ray & Associates, Company Secretaries have been appointed as Secretarial Auditors of the Company for the financial year 2015-16.

IX. Compliance

a) The company has complied with all requirements specified under the erstwhile listing agreement as well as the SEBI Listing Regulations except to the extent as specified above. Compliance of certain provisions viz composition of the Board is beyond the control of the Company. The non-compliance on this front is reported to the Stock Exchanges on regular interval while filing the quarterly report on corporate governance.

b) The Company is submitting the quarterly self-appraisal report on compliance of the guidelines on Corporate Governance prescribed by the Dept. of Public Enterprises. The Company is rated 'Excellent' as per the self-appraisal report for the financial year 2015-16.

c) There were no stricture or penalty imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

d) The Company has complied with all Presidential directives issued during last three years.

e) The Company has developed a statutory compliance management system through a legal firm for on-line monitoring of various statute/rules/regulations applicable to the Company and compliance thereof. Every department has been provided with login password to monitor their areas of applicable statutes and compliance of the same within stipulated time. The module was declared live w.e.f. 1st January, 2016.

f) The Company is not having any subsidiary as on date and hence the requirements relating to subsidiary is not applicable.

X. Shareholder Information

(i) Company Registration Details

- Corporate Identity Number (CIN) : **L27203OR1981GOI000920.**
- Date of Registration : 7th January, 1981
- Location of the Company : Registered in the State of Odisha, India.

(ii) Financial Calendar for 2016-17:

Events	Tentative Date
Unaudited Financial results for the first three quarters	Within 45 days of closure of respective quarter
Audited Financial results for the year including 4th quarter results	Within 60 days from date of closure of the Financial year
Annual General Meeting for the year ending March 31, 2017	By September, 2017

(iii) Dividend Policy

As per the DPE guidelines, every profit making Company has to pay minimum dividend of 20% of the Profit after tax or 20% of the paid-up capital whichever is higher.

During the Financial Year 2015-16, Dividend was paid in the following manner:

- Interim Dividend : ₹ 1.25 per share (25% on face value of Rs.5 each)
- Final Dividend : ₹ 0.75 per share (15% on face value of Rs.5 each)
  (Subject to shareholders approval in the 35th AGM which will be paid within 30 days from the AGM Date)
- The total amount of dividend pay-out for the year 2015-16 is ₹ 515.45 crores (including final dividend to be declared in the 35th AGM) against ₹ 451.02 crore paid during the previous year. This excludes dividend distribution tax.
- The total dividend pay-out constitute 70.5% of the Profit After Tax (PAT) for the financial year 2015-16.

(iv) Dividend History for past 5 years

Year	Dividend per share (₹)	Total Equity Shares	Total Dividend (₹ in crore)	% of dividend to PAT
2010-2011	2.50*	257,72,38,512 #	257.72	24.10
2011-2012	1.00*	257,72,38,512	257.72	30.33
2012-2013	1.25*	257,72,38,512	322.15	54.34
2013-2014	1.50*	257,72,38,512	386.59	60.16
2014-2015	1.75*	257,72,38,512	451.02	34.12

* Including interim dividend.

Subsequent to the split and bonus issue.

(v) Equity Shares in Suspense Account

No equity shares are lying in suspense account in terms of Regulation 34(3) and schedule V part F of SEBI Listing Regulations.

(vi) Transfer of unpaid/unclaimed dividend to IEPF

The Company sends reminder notices to all shareholders who have not claimed or encashed their dividend warrants. The details of unpaid/unclaimed dividend, account wise are uploaded in the Company's website for information of the shareholders.

During the year under review, the following unpaid/unclaimed dividends were transferred to the Investor Education and Protection Fund (IEPF):

Financial Year	Nature of Payment	Amount (₹)	Date of Transfer
2007-08	Final Dividend	2,83,050	08-10-2015
2008-09	Interim Dividend	6,68,036	18-02-2016

The following table gives information relating to outstanding dividend and the dates by which they can be claimed by the shareholders:

Year	Description	Unpaid Amount (₹)	To be transferred to IEPF
2008-09	Final Dividend	2,65,220	18.09.2016
2009-10	Interim Dividend	3,45,343	18.03.2017
2009-10	Final Dividend	2,72,724	29.09.2017
2010-11	Interim Dividend	4,86,368	30.01.2018
2010-11	Final Dividend	4,73,857	28.09.2018
2011-12	Interim Dividend	10,40,452	19.03.2019
2011-12	Final Dividend	1,65,937	13.08.2019
2012-13	Interim Dividend	8,84,984	19.03.2020
2012-13	Final Dividend	5,36,013	26.09.2020
2013-14	Interim Dividend	10,61,115	24.02.2021
2013-14	Final Dividend	4,22,491	26.09.2021
2014-15	Interim Dividend	11,88,767	11.03.2022
2014-15	Final Dividend	6,09,550	25.09.2022

(vii) Listing on Stock Exchanges

The Company has executed the shortened version of Listing Agreement within the stipulated time as required under the SEBI (LODR) Regulations, 2015.

Listing status of NALCO shares in Stock Exchanges are given below:

Particulars	Stock Exchanges where shares are listed	
	BSE Limited	National Stock Exchange of India Ltd.
Scrip code	532234	NATIONALUM
Traded from	19.10.1992	28.04.1999
Stock code (ISIN)	INE 139A01034	INE 139A01034
Payment of Listing Fees for 2016-17	12.04.2016	12.04.2016

Annual Custody/Issuer fee for the year 2015-16 has been paid by the Company to NSDL and CDSL.

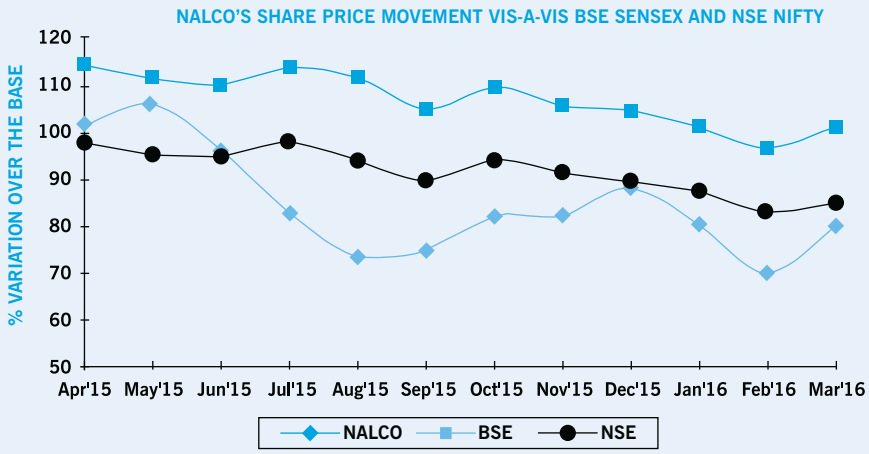
(viii) Market Price Data for Financial year 2015-16

(Amount in ₹)

MONTH	SHARE PRICE (BSE)			SHARE PRICE (NSE)		
	H	L	Avg. Turnover	H	L	Avg. Turnover
April, 2015	49.05	45.00	101512	49.10	45.40	851050
May	50.90	47.20	96277	50.90	47.10	1101972
June	49.60	39.50	194584	49.75	39.70	1087634
July	41.45	35.25	213861	41.50	35.25	972394
August	40.20	28.00	410854	40.20	28.00	1639963
September	38.20	31.35	283219	38.35	31.30	2094497
October	41.45	34.65	346062	41.50	34.55	1850736
November	40.70	35.55	128003	40.70	35.50	626760
December	44.40	37.35	168362	44.70	37.80	699103
January,2016	41.35	33.10	204096	41.30	33.50	923548
February	35.15	29.75	155175	35.10	29.30	785900
March	41.60	32.65	290700	41.70	32.75	1361904

H=Highest, L=Lowest *Source:* Web-sites of BSE &NSE

(ix) Performance in comparison to broad - based Indices



(x) Reconciliation of Share Capital

A qualified practicing Company Secretary carried out the share capital audit to reconcile the total admitted equity share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The report confirms that the total issued/paid-up capital is in agreement with the total no. of shares in physical form and the no. of shares in demat form with NSDL and CDSL.

Pursuant to Reg.40(9) of the SEBI Listing Regulations, half-yearly certificates on compliance of share transfer formalities obtained from Practicing Company Secretary were submitted to Stock Exchanges in time.

XI. Registrar and Transfer Agents

i) Share Registry work of NALCO was transferred to M/s Karvy Computershare Private Limited w.e.f. 08-02-2016 to take care of all share and dividend related operations for shareholders, holding shares in both physical and electronic segments. Details of the Registrar and Transfer Agent i.e. address, contact no., mail ids are given below:

Karvy Computershare Private Limited,

Karvy Selenium Tower B,

Plot No.31-32, Gachibowli,

Financial District, Nanakramguda,

Hyderabad-500032.

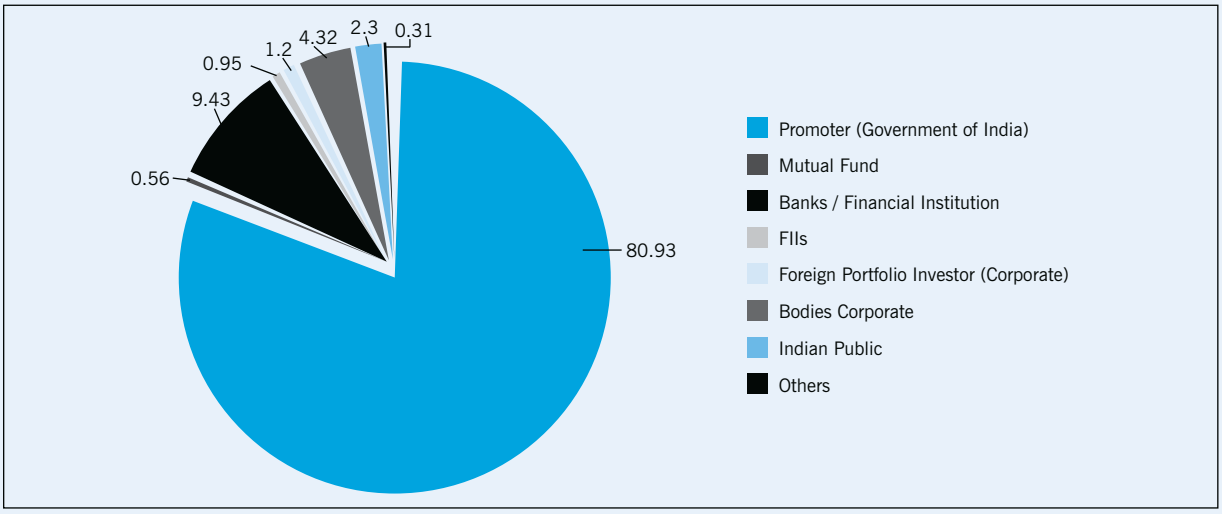
Tel. No. 040-67161500, Fax No. 040-23420814; Toll Free No.18003454001,

Email Address:
i. ratnagiri.n@karvy.com
ii. ramdas.g@karvy.com
iii. raju.sv@karvy.com
iv. rathi.govind@karvy.com

(ii) Shareholding pattern as on 31.03.2016

Sl. No.	Category	No. of Shareholders	No. of shares	Percentage of shareholding
1.	Promoters (Government of India)	1	2085782622	80.93
2.	Mutual Funds	53	14540221	0.56
3.	Banks/ Financial Institutions	29	243124171	9.43
4.	Insurance Companies	2	1600	0.00
5.	FIIs	66	24455295	0.95
6.	Foreign Portfolio Investor (Corporate)	41	30940814	1.20
6.	Bodies Corporate	1205	111223002	4.32
7.	Indian Public	77271	59210548	2.30
8.	Others	5309	7960239	0.31
TOTAL		**83977**	**2577238512**	**100**

Categories of equity shareholders



(iii) Distribution of shareholding as on 31.03.2016

Number of shares	No. of Shareholders	% of shareholders	No. of shares	%of share capital
1-200	45184	53.81	4497468	0.17
201-500	19147	22.80	7346157	0.29
501-1000	9255	11.02	7723516	0.30
1001-50000	10158	12.09	42466278	1.65
50001-100000	81	0.09	6096376	0.24
100001 and above	152	0.18	2509108717	97.36
TOTAL	**83977**	**100**	**2577238512**	**100**

(iv) Top 10 equity shareholders of the Company as on 31.03.2016

Sl. No.	Name of shareholder	No. of shares	% of holding
1.	Life Insurance Corporation of India	177316005	6.88
2.	Bajaj Allianz Life Insurance Company Ltd.	31602297	1.23
3.	Hindalco Industries Ltd.	28384938	1.10
4.	Renuka Investments and Finance Ltd.	16418964	0.64
5.	Renukeshwar Investment and Finance Ltd.	12814264	0.50

6.	General Insurance Corporation of India	11009536	0.43
7.	LIC of India Market Plus-1 Growth Fund	9987308	0.39
8.	LIC Of India Profit Plus Growth Fund	9324184	0.36
9.	The New India Assurance Company Limited	7139876	0.28
10.	HDFC Standard Life Insurance Company Limited	6144500	0.24
	TOTAL	**310141872**	**12.03**

(v) Dematerialisation / Rematerialisation of Listed Shares & Liquidity

NALCO shares are in compulsory dematerialized segment for trading. 99.90% of the Company's share capital stands dematerialized as on 31st March, 2016.

Total no. of shares held in physical and in dematerialization mode as on 31.03.2016:

	No. of Shares	% to total shares	No. of shareholders
Demat shares with NSDL	2525124400	97.98	54133
Demat shares with CDSL	49618456	1.92	25785
Shares in physical mode	2495656	0.10	4059
Total	**2577238512**	**100**	**83977**

During the year, the Company has confirmed 124 dematerialization requests involving 60,598 shares. The Company has also confirmed 7 rematerialisation requests for 12,522 shares during the year and the physical share certificates were dispatched to the shareholders within stipulated time.

XII. Commodity Price Risk on Foreign Exchange Risk and Hedging Activities

The matter was dealt separately under Management Discussion and Analysis Report.

XIII. Adoption of Non-Mandatory Requirements

The Company has been getting unqualified audit report from Statutory Auditors and C&AG for last several years which indicate a regime of unqualified financial statements.

XIV. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on equity

The Company has neither issued any GDR / ADR nor any convertible instrument outstanding as on date.

XV. Plant locations of the Company

Registered & Corporate Office :

NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar – 751 013, Odisha

Mines & Refinery

Mines & Refinery Complex, Damanjodi - 763 008,Dist.-Koraput, Odisha

Port Facilities

Opposite Ore Handling Complex, Port Area, Visakhapatnam – 530 035, Andhra Pradesh

Jaisalmer 47.6 MW Wind Power Plant

Village - Ludarva, Kahela, Khadero-Ki-Dhani, Tawariya, Chatrel, Division/Taluk/District – Jaisalmer, Rajasthan – 345001

Gandikota 50.4 MW Wind Power Plant

Village – Gandikota, Division – Prodattur Taluka – Jammalmadugu, District - Kadapa, Andhra Pradesh- 516434

XVI. Address for correspondence

ED-Company Secretary
National Aluminium Company Ltd.
NALCO Bhawan, P/1, Nayapalli, Bhubaneswar- 751 013
E-mail addresses: i) knravindra@nalcoindia.co.in; ii) nkmohanty@nalcoindia.co.in
iii) bharatsahu@nalcoindia.co.in

ABP & ASSOCIATES
Chartered Accountants
11A, Bapuji Nagar,
Bhubaneswar-751 009
E-mail: mail@caabp.com

GUHA, NANDI & CO.
Chartered Accountants
Commerce House,
5th Floor, Room 8D & E,
2A, Ganesh Chandra Avenue,
Kolkata-700 013
E-mail: guhanandi@gmail.com

AUDITORS' CERTIFICATE

To

The Members

National Aluminium Company Limited,

Bhubaneswar

We have examined the compliance of conditions of Corporate Governance by NATIONAL ALUMINIUM COMPANY LIMITED, for the year ended on 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges and the provisions of Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and Listing Regulations subject to:

Non Compliances: Composition of Board of Directors:

1. As per the provisions of Revised Clause 49(II) of the Listing Agreement and the provisions of Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), where the Chairperson of the Board of directors is a Non-Executive Director, at least one-third of the Board of Directors shall comprise of Independent Directors and where the listed entity does not have a regular Non-Executive Chairperson, at least half of the Board of directors shall comprise of Independent Directors.

   The company did not have requisite number of independent directors on its Board during whole of the financial year 2015-16.

Non Compliances: Composition of Audit Committee:

2. As per Revised Clause 49(III) of the Listing Agreement, the presence of at least two (2) Independent Directors is required to constitute a valid quorum in an Audit Committee meeting.

In the 96th (Adjourned) Audit Committee meeting held on 9th July 2015, only one (1) Independent Director and one (1) Part-time Official Director were present. The Company did not have any Independent Director from 10.07.2015 to 20.11.2015. Consequently, in the 97th Audit Committee meeting held on 12th August 2015 and in the 98th Audit Committee meeting held on 12th November 2015, no Independent Director was present in the said meetings. Hence, the Composition of the Committee and the quorum for the meetings were not in compliance with the provisions of Section 177 of the Companies Act, 2013, DPE Guidelines and Revised Clause 49 (III) of the Listing Agreement.

3. As per the Revised Clause 49 (III) of the Listing Agreement, the Chairman of the Audit Committee must be an Independent Director.

   The Company did not have any Independent Director from 10.07.2015 to 20.11.2015, the reconstitution of the Committee on 12th August, 2015 was not in compliance with the provisions of listing agreement. However the reconstitutions of the committee on 26thDecember, 2015 was in compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Non Compliances: Composition of Nomination and Remuneration Committee:

During the financial year, no meeting of Nomination and Remuneration Committee was held.

4. The Nomination and Remuneration Committee should have 50% of Directors as Independent Directors and the Chairman of the committee shall also be an Independent Director.

   The Company did not have any Independent Director from 10.07.2015 to 20.11.2015, the reconstitution of the Committee on 12th August, 2015 was not in compliance with the provisions. However the reconstitutions of the committee on 26thDecember, 2015 was in compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ABP & Associates
Chartered Accountants
FRN – 315104E

(CA Bimal Kumar Chanduka)
Partner
Membership No. 053714

For Guha Nandi & Co.
Chartered Accountants
FRN – 302039E

(B. K.Sarawagi)
Partner
Membership No.054894

Place : Bhubaneswar
Dated : 08th August, 2016

Form No. AOC-2

ANNEXURE VI

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a) Name(s) of the related party and nature of relationship: **Not Applicable**

(b) Nature of contracts/arrangements/transactions: **Not Applicable**

(c) Duration of the contracts / arrangements/transactions: **Not Applicable**

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Not Applicable**

(e) Justification for entering into such contracts or arrangements or transactions: **Not Applicable**

(f) Date(s) of approval by the Board: **Not Applicable**

(g) Amount paid as advances, if any: **Not Applicable**

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **Not Applicable**

2. Details of material contracts or arrangement or transactions at arm's length basis:

a. Name(s) of the related party and nature of relationship: **M/s. Gujurat Alkalies & Chemicals Ltd., Vadodara. Partner in Joint Venture Company, GACL – NALCO Alkalies & Chemicals Pvt. Ltd.**

b. Nature of contracts / arrangements / transactions: **Supply of Caustic Soda Lye.**

c. Duration of the contracts / arrangements / transactions: **Delivery by/within 20.04.2016**

d. Salient terms of the contracts or arrangements or transactions including the value, **if any: Supply of 11,140 DMT of Caustic Soda Lye to Refinery Plant at a total order value of Rs. 35,23,60,985/-.**

e. Date(s) of approval by the Board, if any: **Approved in the COD for Procurement, a sub-committee constituted by the Board with delegated power, on 20.10.2015 which was informed to the Audit Committee on 28.05.2016.**

f. Amount paid as advances, if any: **NIL**

For and on behalf of the Board of Directors

Sd/-

(Dr. TAPAN KUMAR CHAND)

CHAIRMAN-CUM-MANAGING DIRECTOR

Form No. MGT-9

ANNEXURE-VII

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 2015-16

[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L27203OR1981GOI000920
ii)	Registration Date	:	7th JANUARY 1981
iii)	Name of the Company	:	NATIONAL ALUMINIUM COMPANY LTD.
iv)	Category / Sub-Category of the Company	:	PUBLIC SECTOR COMPANY LIMITED BY SHARES
v)	Address of the Registered office and contact details	:	NATIONAL ALUMINIUM COMPANY LTD. NALCO BHAWAN, P/1, NAYAPALLI, BHUBANESWAR-751013, Website: www.nalcoindia.com
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad–500032,Telangana Tel. No. 040-67161500, Fax No. 040-23420814 Toll Free No.18003454001, Email:einward.ris@karvy.com, Website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Alumina	201	34.38
2	Aluminium	242	64.79
3	Power	351	0.83

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	Holding/subsidiary /Associate	% of shares held	Applicable Section
1.	NPCIL- NALCO Power Company Ltd. 16th floor, Centre-1, World Trade Centre, Cuffe Parade, Colaba, Mumbai-400005	Associate	26	2(6)
2.	Angul Aluminium Park Pvt Ltd. IDCO Tower, Janpath, Bhubaneswar-751022	Associate	49.5	2(6)
3.	GACL- NALCO Alkalies & Chemicals Pvt.Ltd.	Associate	40	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/ HUF									
(b) Central Govt	**2085782622**	**-**	**2085782622**	**80.93**	**2085782622**	**-**	**2085782622**	**80.93**	**0**
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1)									
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter(A) = (A)(1)+(A)(2)	**2085782622**	**-**	**2085782622**	**80.93**	**2085782622**	**-**	**2085782622**	**80.93**	**0**
(B) Public shareholding									
1. Institutions									
(a) Mutual Funds	24870212	88600	24958812	0.97	14451621	88600	14540221	0.56	(0.41)
(b) Banks / FI	35327741	0	35327741	1.37	243124171	0	243124171	9.43	8.06
(c) Central Govt									
(d) State Govt(s)									
(e) Venture Capital Funds									
(f) Insurance Companies	189135244	1600	189136844	7.34	0	1600	1600	0.00	(7.34)
(g) FIIs	59553617	30200	59583817	2.31	55365909	30200	55396109	2.15	(0.16)
(h) Foreign Venture Capital Funds									
(i) Others (specify)	32635680	0	32635680	1.27	0	0	0	0	0
Sub-total(B)(1)	**341522494**	**120400**	**341642894**	**13.26**	**312941701**	**120400**	**313062101**	**12.15**	**(1.11)**
2. Non- Institutions									
(a) Bodies Corp.									
i) Indian	102986914	17200	103004114	4.00	111205802	17200	111223002	4.32	0.32
ii) Overseas									
(b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	30609110	1613828	32222938	1.25	47109153	1571656	48680809	1.89	0.64

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	9124177	0	9124177	0.35	14228739	0	14228739	0.55	0.20
(c) Others (specify)	4674967	786800	5461767	0.21	3474839	786400	4261239	0.17	(0.04)
Sub-total (B)(2)	**147395168**	**2417828**	**149812996**	**5.81**	**176018533**	**2375256**	**178393789**	**6.92**	**1.11**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**488917662**	**2538228**	**491455890**	**19.07**	**2574742856**	**2495656**	**2577238512**	**19.07**	**0**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**2574700284**	**2538228**	**2577238512**	**100**	**2574742856**	**2495656**	**2577238512**	**100**	

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	President of India	2085782622	80.93	-	2085782622	80.93	-	0
	Total	2085782622	80.93	-	2085782622	80.93	-	0

(iii) *Change in Promoters' Shareholding (please specify, if there is no change)*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	2085782622	80.93	2085782622	80.93
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
3.	At the End of the year	2085782622	80.93	2085782622	80.93

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders *of GDRs and ADRs)*:

Sl. No.		Shareholding at the beginning of the year (as on 31.03.2015)		Cumulative Shareholding during the year(as on 31.03.2016)	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Life Insurance Corporation of India	159266579	6.18	177316005	6.88
2.	Bajaj Allianz Life Insurance Company Ltd	32254260	1.25	31602297	1.23
3.	Hindalco Industries Ltd	28667404	1.11	28384938	1.10
4.	Platinum Asia Fund	22135594	0.86	0	0
5.	Renuka Investments and Finance Ltd	16418964	0.64	16418964	0.64
6.	Renukeshwar Investment and Finance Ltd	12814264	0.50	12814264	0.50
7.	General Insurance Corporation of India	10309536	0.40	11009536	0.43

Sl. No.		Shareholding at the beginning of the year (as on 31.03.2015)		Cumulative Shareholding during the year (as on 31.03.2016)	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	LIC of India Market Plus-1 Growth Fund	9987308	0.39	9987308	0.39
9.	LIC Of India Profit Plus Growth Fund	9324184	0.36	9324184	0.36
10.	Reliance Capital Trustee Co. Ltd	8875000	0.34	0	0
11.	The New India Assurance Company Limited	0	0	7139876	0.28
12.	HDFC Standard Life Insurance Company Limited	0	0	6144500	0.24

* The shares of the company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.

(v) *Shareholding of Directors and Key Managerial Personnel:*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. T.K.Chand,CMD	Nil	-	Nil	-
2.	Shri N.R. Mohanty, Director(P&T)	5764	-	5764	-
3.	Shri S.C. Padhy, Director(HR)	1250	-	1250	-
4.	Shri K C Samal, Director(Fin)	400	-	400	-
5.	Smt Soma Mondal, Director(Com)	1600	-	1600	-
6.	Shri V Balasubramanyam, Director(Prod)	5260	-	5260	-
7.	Shri K N Ravindra, Company Secretary	2260	-	2260	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**
Change in Indebtedness during the financial year	Nil	Nil	Nil	Nil
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net Change	**Nil**	**Nil**	**Nil**	**Nil**
Indebtedness at the end of the financial year	**Nil**	**Nil**	**Nil**	**Nil**
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager							Total Amount
		Shri Ansuman Das,CMD Upto 30.04.15	Shri N.R. Mohanty, Director (P&T)	Shri S.C. Padhy Director (HR)	Shri K. C. Samal Director (Fin)	Smt Soma Mondal Director (Com)	Shri V. Balasubramanyam Director(Prod)	Dr. Tapan Kumar Chand, CMD , w.e.f. 27.07.2015	
1.	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,26,362	41,12,953	36,87,009	47,98,792	46,78,524	43,39,746	21,00,644	2,51,44,030
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,62,471	41,771	3,18,911	27,439	3,51,902	3,19,825	2,75,222	14,97,541
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—	—	—	—	—	—	—
2.	Stock Option								
3.	Sweat Equity								
4.	Commission • as % of profit • others, specify								
5.	Others, please specify								
	Total (A)	**15,88,833**	**41,54,724**	**40,05,920**	**48,26,231**	**50,30,426**	**46,59,571**	**23,75,866**	**2,66,41,571**
	Ceiling as per the Act								

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors							
	3. Independent Directors	Shri Qaiser Shamim Upto 10.07.15	Shri Sanjiv Batra Upto 10.07.15	Shri S. Sankararaman	Shri P. K. Nayak	Shri M. Sahu	Shri D. Mahanta	Prof. D. Acharya	Total
	• Fee for attending board committee meetings	2,40,000	1,60,000	1,20,000	1,60,000	60,000	1,60,000	2,20,000	11,20,000
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify								
	Total (1)	**2,40,000**	**1,60,000**	**1,20,000**	**1,60,000**	**60,000**	**1,60,000**	**2,20,000**	**11,20,000**
	4. Other Non-Executive Directors	-	-	-	-	-	-	-	-
	• Fee for attending board committee meetings	-	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (2)								
	Total (B)=(1+2)	**2,40,000**	**1,60,000**	**1,20,000**	**1,60,000**	**60,000**	**1,60,000**	**2,20,000**	**11,20,000**
	Total Managerial Remuneration								
	Overall Ceiling as per the Act								

C. Remuneration to key managerial personnel other than MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
			Shri K. N. Ravindra		
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		33,21,312		33,21,312
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		22,111		22,111
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	• as % of profit				
	• others, specify…				
5.	Others, please specify				
	Total		**33,43,423**		**33,43,423**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give details)
A. Company					
Penalty		Nil			
Punishment					
Compounding					
B. Directors					
Penalty		Nil			
Punishment					
Compounding					
C. Other Officers in Default					
Penalty		Nil			
Punishment					
Compounding					

Form No. MR-3

ANNEXURE-VIII

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2015-16

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
National Aluminium Company Limited
NALCO Bhawan, Plot No. P/1, Nayapalli
Bhubaneswar – 751013 (Odisha)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. National Aluminium Company Limited** (hereinafter called 'the Company') for the financial year ended **31st March, 2016**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, according to the provisions of:

(i) The Companies Act, 2013 (the Act), and Rules made there under;

(ii) The Companies Act, 1956 and Rules made there under, to the extent for specified sections in the Act, not yet notified;

(iii) The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(vi) The following Agreement, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-

a. The Listing Agreement (Applicable till 30th November, 2015);

b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**

f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not applicable to the Company during the Audit Period)**

h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**

i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**

j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

(vii) The other laws as may be applicable specifically to the Company are:

a. The Mines Act, 1952;

b. Mines & Minerals (Development & Regulation) Act, 1957;

c. The Explosives Act, 1984;

d. Environment Protection Act, 1986;

e. The Forest Conservation Act,1980;

f. The Water (Prevention & Control of Pollution Act), 1974;

g. The Air (Prevention and Control of Pollution) Act, 1981;

h. Indian Boilers Act, 1923;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

(ii) The Uniform Listing Agreements and Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

BOARD COMPOSITION

During the financial year under review, the Board of Directors of the Company consisted of the following Directors:

LIST OF DIRECTORS DURING THE FINANCIAL YEAR

Sl. No.	Name of the Directors	Positions Held	Date of Appointment	Date of Cessation
WHOLE-TIME DIRECTORS				
1.	Dr. Tapan Kumar Chand	Chairman-cum-Managing Director	27.07.2015	-
2.	Shri Ansuman Das	Chairman-cum-Managing Director	28.10.2009	01.05.2015
3.	Shri N.R. Mohanty	Director (P & T)	01.02.2012	-
4.	Shri S.C. Padhy	Director (HR)	20.12.2012	-

Sl. No	Name of the Directors	Positions Held	Date of Appointment	Date of Cessation
5.	Shri K.C. Samal	Director (Finance)	03.01.2014	-
6.	Ms. Soma Mondal	Director (Commercial)	11.03.2014	-
7.	Shri V. Balasubramanyam	Director (Production)	01.01.2015	-
PART-TIME OFFICIAL DIRECTORS				
1.	Shri R. Sridharan	Director	30.08.2013	-
2.	Dr. Niranjan Kumar Singh	Director	12.11.2014	22.12.2015
3.	Shri. N. B. Dhal	Director	23.12.2015	-
PART-TIME NON-OFFICIAL (INDEPENDENT) DIRECTORS				
1.	Shri Qaiser Shamim	Director	10.07.2012	09.07.2015
2.	Shri Sanjiv Batra	Director	10.07.2012	09.07.2015
3.	Shri Dipankar Mahanta	Director	21.11.2015	-
4.	Shri S. Sankararaman	Director	21.11.2015	-
5.	Shri Pravat Keshari Nayak	Director	21.11.2015	-
6.	Prof. Damodar Acharya	Director	21.11.2015	-
7.	Shri Maheswar Sahu	Director	21.11.2015	-

At the beginning of the year, there were six (6) Whole time Directors (Executive Directors), two (2) Part-time official Directors and two (2) Part – time Non-official (Independent) Directors on the Board of the Company. Out of six whole time Directors, the tenure of Shri Ansuman Das, Chairman-cum-Managing Director ended on 30.04.2015 and hence he ceased to be the Chairman-cum-Managing Director w.e.f. 01.05.2015. Shri N.R. Mohanty, Director (P&T) was entrusted additional charge of the post of Chairman-cum-Managing Director from 01.05.2015 to 26.07.2015.

Out of two Part-time official directors, the tenure of Dr. Niranjan Kumar Singh, Part-time Official Director ended on 22.12.2015 and in his place Shri. N. B. Dhal has been appointed w.e.f. 23.12.2015.

The tenure of two Part-time Non-official (Independent) Directors ended on 09.07.2015 and five Part-time Non-official (Independent) Directors were appointed on 21.11.2015. Hence, the Company had six (6) Whole- time Directors, two (2) Part-time Official Directors and five (5) Part-time Non-official (Independent) Directors on the Board as on 31st March, 2016.

At the end of the year, the Composition of the board was in Compliance with the provisions Section 149(4) of the Companies Act, 2013.

Non Compliances:

1. As per the provisions of Section 149(4) of the Companies Act, 2013, every listed public company should have at least one-third of the total number of directors as Independent Directors.

   There were only two (2) Independent Directors on the Board of the Company till 09.07.2015 and there were no Independent Directors on the Board of the Company from 10.07.2015 to 20.11.2015. Hence, the composition of the Board during the period 01.04.2015 to 20.11.2015 was not in compliance with the provisions of Section 149(4) of the Companies Act, 2013.

2. As per the provisions of Revised Clause 49(II) of the Listing Agreement and the provisions of Regulation 17(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), where the Chairperson of the Board of directors is a Non-Executive Director, at

least one-third of the Board of Directors shall comprise of Independent Directors and where the listed entity does not have a regular Non-Executive Chairperson, at least half of the Board of directors shall comprise of Independent Directors.

DPE guidelines on Corporate Governance also contain similar provisions as regards to the composition of Directors. Since, the Chairman of the Company is an Executive Director, the Company was required to have eight (8) Independent Directors. The Company had two (2) Independent Directors at the beginning of the year and five (5) Independent Directors at the end of the financial year.

In view of the above, the composition of the Board was not in compliance with the provisions of Regulation 17(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines.

However, for early appointment of requisite number of Independent Directors, the Company has been regularly following up with the Ministry of Mines, Government of India.

BOARD MEETING

During the financial year, nine (9) Board Meetings were held. Adequate notice was given to all Directors for all Board Meetings. Agenda and detailed notes on agenda were sent at least 7 days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

All decisions at the Board Meetings were carried out unanimously and recorded in the minutes book of the meeting.

STATUTORY COMMITTEES OF THE BOARD:

(i) AUDIT COMMITTEE:

The Audit Committee of the Board of Directors of the Company continued from 01.04.2015 to 09.07.2016 with the following members.

- Shri Qaiser Shamim, Independent Director -Chairman
- Shri Sanjiv Batra, Independent Director -Member
- Dr. Niranjan Kumar Singh, Part-time Official Director - Member

Consequent upon the retirement of the two (2) Independent Directors i.e. Shri Qaiser Shamim and Shri Sanjiv Batra on 09th July, 2015, the Committee was reconstituted in the 284th Board Meeting held on 12th August, 2015 with the following members-

- Dr. Niranjan Kumar Singh, Part-time Official Director -Chairman
- Shri N.R. Mohanty, Director (P&T) -Member
- Shri V. Balasubramanyam, Director (Production) -Member

Consequent upon appointment of five (5) Independent Directors on the Board on 21st November, 2015, the Committee was again reconstituted on 26th December, 2015 with the following members-

- Shri Pravat Keshari Nayak, Independent Director -Chairman
- Shri Dipankar Mahanta, Independent Director -Member
- Shri S. Sankararaman, Independent Director -Member
- Prof. Damodar Acharya, Independent Director -Member
- Shri N.R. Mohanty, Director (P&T) -Member
- Shri V. Balasubramanyam, Director (Production) -Member

During the financial year, five (5) Audit Committee Meetings were held.

Non Compliances:

1. As per Revised Clause 49(III) of the Listing Agreement, the presence of at least two (2) Independent Directors is required to constitute a valid quorum in an Audit Committee meeting.

   In the 96th (Adjourned) Audit Committee meeting held on 9th July 2015, only one (1) Independent Director and one (1) Part-time Official Director were present. Since Company did not have any Independent Director from 10.07.2015 to 20.11.2015, in the 97th and 98th Audit Committee meetings held on 12th August, 2015 and 12th November, 2015 respectively, no Independent Director was present in the respective meetings. Hence, the Composition of the Committee and the quorum for the meeting were not in compliance with the provisions of Section 177 of the Companies Act, 2013, DPE Guidelines and Revised Clause 49 (III) of the Listing Agreement.

2. **As per the Revised Clause 49 (III) of the Listing Agreement, the Chairman of the Audit Committee must be an Independent Director. Since Company did not have any Independent Director from 10.07.2015 to 20.11.2015, the reconstitution of the Committee on 12th August, 2015 was not in compliance with the provisions of listing agreement. However the reconstitutions of the committee on 26th December, 2015 was in compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

(ii) NOMINATION AND REMUNERATION COMMITTEE:

During the financial year, no meeting of Nomination and Remuneration Committee was held.

The Nomination and Remuneration Committee was constituted with the following members-

- Shri Sanjiv Batra, Independent Director - Chairman
- Shri Qaiser Shamim, Independent Director - Member
- Dr. Niranjan Kumar Singh, Part-time Official Director - Member

Consequent upon the retirement of the two (2) Independent Directors i.e. Shri Qaiser Shamim and Shri Sanjiv Batra on 09th July, 2015, the Committee was reconstituted in the 284th Board Meeting held on 12th August, 2015 with the following members-

- Dr. Niranjan Kumar Singh,Part-time Official Director - Chairman
- Shri S.C. Padhy, Director (HR) -Member
- Shri K.C. Samal, Director (Finance) -Member

Consequent upon the appointment of five (5) Independent Directors on the Board on 21st November, 2015, the Committee was again reconstituted on 26th December, 2015 with the following members-

- Shri Maheswar Sahu, Independent Director - Chairman
- Shri Pravat Keshari Nayak, Independent Director - Member
- Shri S. Sankararaman, Independent Director - Member
- Prof. Damodar Acharya, Independent Director - Member

Non Compliance:

Since Company did not have any Independent Director from 10.07.2015 to 20.11.2015, the re-constitution of the Nomination and Remuneration Committee on 12th August, 2015 was not in compliance with the provisions of Section 178 (1) of the Companies Act, 2013.

However the reconstitution of the committee on 26th December, 2015 was in compliance with the provisions of Section 178 (1) of the Companies Act, 2013.

(iii) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee continued with the following members from 01.04.2015 to 09.07.2015.

- Shri Qaiser Shamim, Independent Director - Chairman
- Shri Sanjiv Batra, Independent Director - Member
- Shri N.R. Mohanty, Director (P&T) - Member

Consequent upon the retirement of the two (2) Independent Directors i.e. Shri Qaiser Shamim and Shri Sanjiv Batra on 09th July, 2015, the Committee was reconstituted in the 284th Board Meeting held on 12th August, 2015 with the following members-

- Dr. Niranjan Kumar Singh,Part-time Official Director - Chairman
- Shri N.R. Mohanty, Director (P&T) - Member
- Shri K.C. Samal, Director (Finance) - Member
- Ms. Soma Mondal, Director (Commercial) - Member

Consequent upon the appointment of five (5) Independent Directors on the Board on 21st November, 2015, the Committee was again reconstituted on 26th December, 2015 with the following members-

- Shri S. Sankararaman, Independent Director - Chairman
- Shri Pravat Keshari Nayak, Independent Director - Member
- Shri Dipankar Mahanta, Independent Director - Member
- Shri S.C. Padhy, Director (HR) - Member
- Ms. Soma Mondal, Director (Commercial) - Member

During the financial year, four (4) Stakeholders Relationship Committee Meetings were held.

(iv) CSR & SUSTAINABILITY DEVELOPMENT COMMITTEE:

The CSR & Sustainability Development Committee continued with the following members from 01.04.2015 to 09.07.2015.

- Shri Qaiser Shamim, Independent Director- Chairman
- Shri Sanjiv Batra, Independent Director- Member
- Shri S.C. Padhy, Director (HR) -Member
- Ms. Soma Mondal, Director (Commercial) -Member
- Shri V. Balasubramanyam, Director (Production) -Member

Consequent upon the retirement of the two (2) Independent Directors i.e. Shri Qaiser Shamim and Shri Sanjiv Batra on 09th July, 2015, the Committee was reconstituted in the 284th Board Meeting held on 12th August, 2015 with the following members-

- Dr. Niranjan Kumar Singh,Part-time Official Director - Chairman
- Shri N.R. Mohanty, Director (P&T) -Member
- Shri S.C. Padhy, Director (HR) -Member
- Shri V. Balasubramanyam, Director (Production) -Member

Consequent upon appointment of five (5) Independent Directors on the Board on 21st November, 2015, the Committee was again reconstituted on 26th December, 2015 with the following members-

- Shri S. Sankararaman, Independent Director- Chairman
- Shri Maheswar Sahu, Independent Director- Member
- Shri Dipankar Mahanta, Independent Director- Member
- Shri S.C. Padhy, Director (HR) -Member
- Shri K.C. Samal, Director (Finance) -Member
- Shri V. Balasubramanyam, Director (Production) -Member

During the financial year, three (3) CSR & Sustainability Development Committee Meetings were held.

Non Compliance:

Since Company did not have any Independent Director from 10.07.2015 to 20.11.2015, the re-constitution of the CSR & Sustainability Development Committee on 12th August, 2015 was not in compliance with the provisions of Section 135 (1) of the Companies Act, 2013.

However the reconstitution of the Committee on 26th December, 2015 was in compliance with the provisions of Section 135(1) of the Companies Act, 2013.

Amount spent in CSR activities:

As per the provisions of Section 135(5) of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule-VII of the Act, the CSR budget of the Company for the financial year 2015-16 was 26.24 crores and the CSR obligation of the Company during the year was Rs.26.24 crores. However, the Company has spent Rs.27.17 crore during the period on various CSR activities.

(v) RISK MANAGEMENT COMMITTEE:

The Risk Management Committee continued with the following members from 01.04.2015 to 09.07.2015.

- Shri Qaiser Shamim, Independent Director- Chairman
- Shri K.C. Samal, Director (Finance) -Member
- Shri V. Balasubramanyam, Director (Production) -Member

Consequent upon retirement of Shri Qaiser Shamim on 09th July, 2015, the Committee was reconstituted in the 284th Board Meeting held on 12th August, 2015 with the following members-

- Dr. Niranjan Kumar Singh, Part-time Official Director - Chairman
- Shri K.C. Samal, Director (Finance) - Member
- Ms. Soma Mondal, Director (Commercial) - Member
- Shri V. Balasubramanyam, Director (Production) -Member

Consequent upon the appointment of five (5) Independent Directors on the Board on 21st November, 2015, the Committee was again reconstituted on 26th December, 2015 with the following members-

- Prof. Damodar Acharya, Independent Director- Chairman
- Shri S. Sankararaman, Independent Director –Member
- Shri K.C. Samal, Director (Finance) -Member
- Ms. Soma Mondal, Director (Commercial) - Member
- Shri V. Balasubramanyam, Director (Production) - Member

During the financial year, two (2) Risk Management Committee Meetings were held.

(vi) **SEPARATE MEETING OF THE INDEPENDENT DIRECTORS:**

As per the provisions of Section 149(8) read with Clause VII of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors of the Company was held on 30th May, 2015. Adequate notice for the Meeting was given to all the Independent Directors of the Company.

Adequate notice was given to all Members for all Committee Meetings. Agenda and detailed notes on agenda were mostly sent at least 7 days in advance. All decisions at the Committee Meetings were carried out unanimously and recorded in the minutes book of the respective Committee Meetings.

Appointment of Registrar and Share Transfer Agent:

The Company had its In-house Share Registry. The Company has appointed M/s. Karvy Computershare Private Limited, Hyderabad as its Registrar and Share Transfer Agent (RTA) and accordingly, the In-house Share Registry operations of the Company have been shifted to the RTA w.e.f. 08.02.2016.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period a new Company has been incorporated on 04.12.2015 in the name and style of M/s. GACL-NALCO Alkalies & Chemicals Private Limited in joint venture with M/s. Gujarat Alkalies & Chemicals Ltd. (GACL) for establishment of a Caustic Soda Plant.

For Saroj Ray & Associates
Company Secretaries

CS Saroj Kumar Ray, FCS
Sr. Partner
CP: 3770, FCS: 5098

Place : Bhubaneswar
Date : 30/05/2016

(This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report)

Annexure A

To

The Members,

National Aluminium Company Limited

NALCO Bhawan, Plot No. P/1, Nayapalli

Bhubaneswar – 751013 (Odisha)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, followed by the Company provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Saroj Ray & Associates

Company Secretaries

CS Saroj Kumar Ray, FCS

Sr. Partner

CP: 3770, FCS: 5098

Place : Bhubaneswar

Date : 30/05/2016

MANAGEMENT'S EXPLANATION ON THE QUALIFYING REMARKS OF SECRETARIAL AUDITOR

The qualifying remarks, reported by the Secretarial Auditor in their report for the Financial Year ended 31st March, 2016 and the explanations of the management are tabulated below:

Sl. No.	Qualifying remarks of Secretarial Auditor	Management's explanation
01.	There were only two (2) Independent Directors on the Board of the Company till 09.07.2015 and there were no Independent Directors on the Board of the Company from 10.07.2015 to 20.11.2015. Hence, the composition of the Board during the period 01.04.2015 to 20.11.2015 was not in compliance with the provisions of Section 149 (4) of the Companies Act, 2013. DPE Guidelines on Corporate Governance also contain similar provisions as regards to the composition of Directors. Since the Chairman of the Company is an Executive Director, the Company was required to have eight (8) Independent Directors. The Company have two (2) Independent Directors at the beginning of the year and five (5) Independent Directors at the end of the financial year. In view of the above, the composition of the Board was not in compliance with the provisions of Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines.	President of India is the appointing authority for the Directors as per the Articles of Association of the Company. The Company has been regularly following up with Ministry of Mines, Govt. of India for early appointment of requisite number of Independent Directors for complying with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines.
02.	**(a)** In the 96th (Adjourned) Audit Committee meeting held on 9th July, 2015, only one (1) Independent Director and one (1) Part-time Official Director were present. Since Company did not have any Independent Director from 10.07.2015 to 20.11.2015, in the 97th and 98th Audit Committee meetings held on 12th August 2015 and 12th November 2015 respectively, no Independent Director was present in the respective meetings. Hence the composition of Committee and the quorum for the meeting were not in compliance with the provisions of Section 177 of the Companies Act, 2013, DPE Guidelines and Revised Clause 49(III) of the Listing Agreement. **(b)** As per the Revised Clause 49(III) of the Listing Agreement, the Chairman of the Audit Committee must be an Independent Director. Since Company did not have any Independent Director from 10.07.2015 to 20.11.2015, the reconstitution of the Committee on 12th August, 2015 was not in compliance with the provisions of listing agreement. However the reconstitutions of the committees on 26th December, 2015 was in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	**(a)** In the 96th (Adjourned) Audit Committee meeting held on 9th July, 2015, only one (1) Independent Director and one (1) Part time official Director were present. Hence, valid quorum of presence of two Independent Directors in terms of Revised clause 49(III) of the Listing Agreement was not present in the said meeting. The fact that requisite quorum was not present brought to notice of the Audit Committee and recorded in the minutes of the meeting . There were no Independent Directors on the Board of the Company from 10.07.2015 to 20.11.2015, hence no Independent Director was present during the 97th and 98th Audit Committee meetings held on 12th August 2015 and 12th November 2015 respectively. **(b)** As there were no Independent Directors on the Board of the Company from 10.07.2015 to 20.11.2015, the Chairman of the Audit Committee meetings during the said period was not an Independent Director.

Sl. No.	Qualifying remarks of Secretarial Auditor	Management's explanation
03.	Since the Company did not have any Independent Director from 10.07.2015 to 20.11.2015, the re-constitution of the Nomination and Remuneration Committee on 12th August, 2015 was not in compliance with the provisions of Section 178(1) of the Companies Act, 2013.	As there were no Independent Directors on the Board of the Company from 10.07.2015 to 20.11.2015, the reconstitution of the Nomination and Remuneration Committee made on 12.08.2015 was not in compliance with the provisions of Section 178 (1) of the Companies Act, 2013. However, the constitution was incompliance with the provisions of Section 178 (1) of the Companies Act after its reconstitution on 26.12.2015 after appointment of 5 Independent Directors on the Board of the Company w.e.f. 21.11.2015.
04.	Since the Company did not have any Independent Director from 10.07.2015 to 20.11.2015, the re-constitution of the CSR and Sustainability Development Committee on 12th August, 2015 was not in compliance with the provisions of Section 135(1) of the Companies Act, 2013.	As there were no Independent Directors on the Board of the Company from 10.07.2015 to 20.11.2015, the reconstitution of the CSR & Sustainability Development Committee made on 12.08.2015 was not in compliance with the provisions of Section 135 (1) of the Companies Act, 2013. However, the constitution was incompliance with the provisions of Section 135 (1) of the Companies Act after its reconstitution on 26.12.2015 after appointment of 5 Independent Directors on the Board of the Company w.e.f. 21.11.2015.

For and on behalf of
National Aluminium Company Limited

Sd/-

(T.K.Chand)

Chairman-cum-Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL ALUMINIUM COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **National Aluminium Company Limited** ("the Company"), which comprises Balance Sheet as at 31st March 2016, the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in

conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we, on the basis of information and explanations given to us, give in the Annexure "A" to this report, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. In compliance to directions of the Comptroller and Auditor General of India u/s.143(5) of the Act, we give in Annexure "B" to this report a statement on the matters specified therein.
3. As required by section 143(3) of the Act we report, to the extent applicable, that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e. Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "C".
   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts that required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 17 to the financial statements.

For ABP & Associates
Chartered Accountants
FRN – 315104E

(CA Niranjan Agrawalla)
Partner
Membership No. 087939

For Guha Nandi & Co.
Chartered Accountants
FRN – 302039E

(Dr. B. S. Kundu)
Partner
Membership No.051221

Place : Bhubaneswar
Dated : 28th May, 2016

ANNEXURE "A"

Annexure to the Independent Auditors' Report of even date on Standalone Financial Statements of National Aluminium Company Limited

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All movable assets of the Company are physically verified by the management every year. The frequency of verification, in our opinion, is reasonable. No material discrepancies were noticed on such verification conducted during the year;

Non-movable assets have been physically verified by the management at an interval of three years, which, in our opinion, is reasonable having regard to the size and nature of assets of the Company. As informed to us, no material discrepancies between book records and physical assets have been noticed;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the Company. Out of 7972.31 acres of freehold land and 8945.98 acres of leasehold land held by the Company, title/lease deeds are not yet executed in respect of 66.92 acres of freehold and 1576.10 acres of leasehold land respectively. However, the Company has been permitted by the concerned authorities to carry on its operation on the said land. Registration formalities in respect of office space for 6459 sft. in Kolkata is also not completed.

ii) As explained to us, all inventories, except stocks relating to expansion project, stocks lying with third parties and stocks-in-transit have been physically verified during the year by firms of Chartered Accountants appointed by the management. The frequency of verification is reasonable. The discrepancies noticed on physical verification between physical stocks and book records relating to shortage have been dealt in the books of accounts while excess have been ignored;

iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clauses (iii) (a), (b) & (c) of paragraph 3 of the Order are not applicable;

iv) Section 185 of the Act regarding loans to directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act with respect to the loans and investments made.

v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.

vi) We have broadly reviewed the books and records maintained by the Company as specified by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate and complete.

vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, electricity duty and other material statutory dues with the appropriate authorities and there are no undisputed statutory dues as at 31st March, 2016 outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, following statutory dues have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Dues	Amount disputed (₹ in crore)	Amount deposited (₹ in crore)	Forum where disputes are pending
Sales Tax	Sales Tax	147.44	31.25	Commissioner
		181.60	53.38	Tribunal
		80.95	3.56	High Court
		409.99	**88.29**	
Entry Tax	Entry Tax	158.63	40.94	Commissioner
		71.64	35.10	Tribunal
		58.40	22.68	High Court
		288.67	**98.72**	
Central Excise Act,1944	Excise Duty	18.08	1.17	Commissioner
		7.79	0.14	Tribunal
		26.75	0.00	High Court
		52.62	**1.31**	
Service Tax	Service tax	2.25	0.00	Commissioner
		0.10	0.02	Tribunal
		2.35	**0.02**	
Customs Act, 1962	Custom Duty	**5.25**	**0.00**	Commissioner
Income Tax Act, 1961	Income Tax	569.80	569.80	Commissioner
		86.64	60.40	Tribunal
		31.92	31.92	High Court
		688.36	**662.12**	
Odisha Stamps Act	Stamp duty	**204.53**	**0.00**	High Court
	Total:	**1,651.77**	**850.46**	

viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

x) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) Section 197 of the Act regarding managerial remuneration is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with any director or persons connected with him.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For ABP & Associates
Chartered Accountants
FRN – 315104E

(CA Niranjan Agrawalla)
Partner
Membership No. 087939

For Guha Nandi & Co.
Chartered Accountants
FRN – 302039E

(Dr. B. S. Kundu)
Partner
Membership No.051221

Place : Bhubaneswar
Dated : 28th May, 2016

ANNEXURE "B"

Annexure to the Independent Auditor's Report of even date on the Standalone Financial Statements of National Aluminium Company Limited

(Referred to in paragraph 2 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

Report on the directions under section 143(5) of the Companies Act, 2013 by the Comptroller & Auditor General of India

1. According to the information and explanations given to us by the management and on the basis of our examination of books and records, the Company has clear title/lease deeds for freehold and leasehold land respectively wherever the title/lease deeds are executed. There are 66.92 acres of freehold and 1576.10 acres of lease hold land out of 7972.31 acres of freehold and 8945.98 acres of lease hold land in respect of which the title/lease deeds are not yet executed. However the Company has been permitted by the concerned authorities to carry on its operation on the said land.

2. As informed to us by the management and based on our examination of books and records of the Company, there are 35 cases of write-off of advances, debtors, claims and capital work-in-progress amounting to Rs.89.21 lacs as detailed below. The reason of write-off, as explained to us, is that these are old balances lying unadjusted / unrealized for a long time, have become time-barred and chances of recovery / adjustments are remote.

Types of write off / waiver	No of cases	Amount in Rs. Lacs
Advances	22	21.08
Debtors	5	0.08
Claims	7	58.05
Capital Work-in-Progress	1	10.00
Total	**35**	**89.21**

3. (a) On the basis of our examination of books and records of the Company, we state that proper records are maintained for inventories lying with third parties.

   (b) According to the information and explanations given to us and based on our examination of books and records, the Company has not received any asset as gift/grant(s) from Government or other authorities during the year.

For ABP & Associates
Chartered Accountants
FRN – 315104E

(CA Niranjan Agrawalla)
Partner
Membership No. 087939

For Guha Nandi & Co.
Chartered Accountants
FRN – 302039E

(Dr. B. S. Kundu)
Partner
Membership No.051221

Place : Bhubaneswar
Dated : 28th May, 2016

ANNEXURE "C"

Annexure to the Independent Auditor's Report of even date on the Standalone Financial Statements of National Aluminium Company Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NATIONAL ALUMINIUM COMPANY LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ABP & Associates
Chartered Accountants
FRN – 315104E

(CA Niranjan Agrawalla)
Partner
Membership No. 087939

For Guha Nandi & Co.
Chartered Accountants
FRN – 302039E

(Dr. B. S. Kundu)
Partner
Membership No.051221

Place : Bhubaneswar
Dated : 28th May, 2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NATIONAL ALUMINIUM COMPANY LIMITED, BHUBANESWAR FOR THE YEAR ENDED 31 MARCH 2016.

The preparation of financial statements of National Aluminium Company Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based, on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 May 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of National Aluminium Company Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

(Praveer Kumar)
Principal Director of Commercial Audit
& Ex-Officio Member Audit Board –I
Kolkata

Place : Kolkata
Date : 11 Jul 2016

NATIONAL ALUMINIUM COMPANY LIMITED

Balance Sheet as at 31.03.2016

(Rs. in Crore)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	1,288.62	1,288.62
Reserves and surplus	2	11,619.06	11,508.68
Non-current liabilities			
Deferred tax liabilities (Net)	3	1,110.09	1,105.27
Other Long term liabilities	4	68.26	65.30
Long-term provisions	5	223.72	242.76
Current liabilities			
Trade payables	6	581.38	440.18
Other current liabilities	7	1,350.45	1,340.65
Short-term provisions	8	277.41	186.21
Total		**16,518.99**	**16,177.67**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	6,328.89	6,509.21
Intangible assets	9	138.61	136.21
Capital work-in-progress	10	661.36	549.73
Non-current investments	11	811.08	1.04
Long-term loans and advances	12	1,347.55	1,221.85
Other non-current assets	13	49.48	47.45
Current assets			
Current investments	14	66.00	950.00
Inventories	15	1,126.97	1,165.56
Trade receivables	16	235.21	120.82
Cash and Bank Balances	17	4,933.53	4,627.98
Short-term loans and advances	18	586.67	607.54
Other current assets	19	233.64	240.28
Total		**16,518.99**	**16,177.67**

The significant accounting policies and accompanying notes 1-53 form an integral part of the financial statements.

For and on behalf of Board of Directors

(CS. K N Ravindra)
Executive Director-
Company Secretary

(K C Samal)
Director (Finance)

(Dr. T K Chand)
Chairman-Cum-Managing Director

In terms of our report of even date attached.

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA.Niranjan Agrawalla)
Partner (M.No. : 087939)

For Guha Nandi & Co.
Chartered Accountants
FRN -302039E

(Dr. B S Kundu)
Partner (M.No. :051221)

Place : Bhubaneswar
Dated : 28th May,2016

NATIONAL ALUMINIUM COMPANY LIMITED

Statement of Profit and Loss for the year ended 31.03.2016

(Rs. in Crore)

Particulars	Note No.	Figures for the current reporting period	Figures for the Previous reporting period
Revenue from operations	22	6,816.00	7,382.81
Other income	23	536.57	672.64
Total Revenue		**7,352.57**	**8,055.45**
Expenses:			
Cost of materials consumed	24	1,104.40	1,031.59
Power and Fuel	25	1,864.61	1,802.24
Changes in inventories of finished goods, intermediaries and work-in-progress	26	(8.99)	2.90
Employee benefits expense	27	1,361.36	1,377.91
Finance costs	28	1.21	-
Depreciation and amortization expense	29	424.09	413.66
Other expenses	30	1,556.58	1,462.15
Total expenses		**6,303.26**	**6,090.45**
Profit before exceptional items and tax		1,049.31	1,965.00
Exceptional items	31	(53.45)	(148.42)
Profit Before Tax		1,102.76	2,113.42
Tax expense:			
(1) Current tax		375.60	520.63
(2) Deferred tax		4.82	249.68
(3) Earlier Years		(8.67)	21.26
Profit / (Loss) for the period		731.01	1,321.85
Earning per Share			
(a) Profit After Tax		731.01	1,321.85
(b) Average Number of equity shares (Face value Rs.5/- each)		2,577,238,512	2,577,238,512
Earning per Share (Rs.) - Basic (a/b)		2.84	5.13
Earning per Share (Rs.) - Diluted (a/b)		2.84	5.13

The significant accounting policies and accompanying notes 1-53 form an integral part of the financial statements.

For and on behalf of Board of Directors

(CS. K N Ravindra)
Executive Director-
Company Secretary

(K C Samal)
Director (Finance)

(Dr. T K Chand)
Chairman-Cum-Managing Director

In terms of our report of even date attached.

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA.Niranjan Agrawalla)
Partner (M.No. : 087939)

For Guha Nandi & Co.
Chartered Accountants
FRN -302039E

(Dr. B S Kundu)
Partner (M.No. :051221)

Place : Bhubaneswar
Dated : 28th May,2016

NATIONAL ALUMINIUM COMPANY LIMITED

Cash Flow Statement for the year 2015-16

(Rs. in crore)

Particulars		Figures for the current reporting period		Figures for the Previous reporting period	
A.	**Cash flow from Operating Activities :**				
	Net Profit before tax and Extraordinary Income		**1,102.76**		**2,113.42**
	Adjustments for :				
	Depreciation & Amortisation	424.09		413.66	
	Interest and financing charges	1.21		-	
	Provisions (Net)	63.01		61.01	
	Stores, Spares, Claims etc. written off	11.98		13.17	
	Dividend Income	(18.16)		(119.39)	
	Interest Income	(460.33)		(477.20)	
	Loss/(Profit) on sale of assets (net)	1.11		(0.24)	
			22.91		**(108.99)**
	Operating Profit before working capital changes		**1,125.67**		**2,004.43**
	Adjustments for :				
	Inventories	26.95		(1.26)	
	Trade & other receivables	(146.58)		199.33	
	Trade & other payables	199.20		(1,190.54)	
			79.57		**(992.47)**
	Cash generated from Operations		**1,205.24**		**1,011.96**
	Direct taxes paid (includes refund and deposits under protest)		(361.40)		(491.49)
	Net cash from operating activities		**843.84**		**520.47**
B.	**Cash Flow from Investing Activities:**				
	Purchase of fixed assets	(545.61)		(303.14)	
	(Purchase)/Sale of Investments	73.96		294.00	
	Dividend income from Mutual fund	18.16		119.39	
	Interest Income from Deposits, Loans and Advances	459.15		455.47	
	Net cash used in investing activities		**5.66**		**565.72**
C.	**Cash Flow from Financing Activities:**				
	Interest and Financing charges	(1.21)		-	
	Dividends including dividend tax paid	(542.74)		(506.50)	
	Net cash used in financing activities		**(543.95)**		**(506.50)**
D.	**Net changes in Cash & Cash equivalents (A+B+C)**		**305.55**		**579.69**
E.	**Cash & Cash equivalents - Opening balance**		**4,627.98**		**4,048.29**
F.	**Cash & Cash equivalents - Closing balance (D+ E)**		**4,933.53**		**4,627.98**

Note:

a) Cash and Bank Balances under Current Assets at note 17 are Cash and Cash equivalents for the purpose of drawing Cash Flow statement. Therefore reconciliation statement required under para-42 of the Accounting Standard 3 is not furnished separately.

b) Cash and cash equivalents Rs.5.10 crore towards Unpaid dividend(Previous year Rs.5.00 crore), not freely available for use by the Company.

c) Figures in brackets are cash outflow/income, as the case may be.

For and on behalf of Board of Directors

(CS. K N Ravindra)
Executive Director-
Company Secretary

(K C Samal)
Director (Finance)

(Dr. T K Chand)
Chairman-Cum-Managing Director

In terms of our report of even date attached.

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA.Niranjan Agrawalla)
Partner (M.No. : 087939)

For Guha Nandi & Co.
Chartered Accountants
FRN -302039E

(Dr. B S Kundu)
Partner (M.No. :051221)

Place : Bhubaneswar
Dated : 28th May,2016

Segmentwise Information

(Rs. in crore)

BUSINESS SEGMENTS	Chemicals		Aluminium		Unallocated Common		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A. Revenue								
External sales	**2,304.67**	2,559.44	**4,348.41**	4,644.25	**50.25**	58.21	**6,703.33**	7,261.90
Inter-segment transfers	**1,323.02**	1,325.48	**189.99**	163.10	**-**	-	**1,513.01**	1,488.58
Total Revenue	**3,627.69**	3,884.92	**4,538.40**	4,807.35	**50.25**	58.21	**8,216.34**	8,750.48
Less: Elimination							**(1,513.01)**	(1,488.58)
Net Revenue							**6,703.33**	7,261.90
B. Result								
Segment result	**875.47**	1,094.77	**(192.57)**	581.49	**(3.97)**	(11.01)	**678.93**	1,665.25
Exceptional items							**(53.45)**	(148.42)
Interest expense							**1.21**	-
Interest/ dividend income							**478.49**	596.59
Income taxes							**371.75**	791.57
Net Profit							**731.01**	1,321.85
C. Other Information								
Segment assets	**3,667.98**	3,531.75	**5,157.98**	5,371.62	**7,693.03**	7,274.30	**16,518.99**	16,177.67
Segment liabilities	**579.27**	467.87	**1,338.47**	1,300.00	**583.48**	507.22	**2,501.22**	2,275.09
Capital expenditure	**158.93**	201.39	**94.44**	110.77	**198.85**	(74.11)	**452.22**	238.05
Depreciation	**165.22**	159.17	**230.24**	224.87	**28.63**	29.62	**424.09**	413.66
Non-cash expenses (other than depreciation)	**13.18**	26.59	**56.17**	74.19	**0.82**	3.03	**70.17**	103.81

GEOGRAPHICAL SEGMENTS	India		Outside India			Total	
	Current Year	Previous Year	Current Year	Previous Year		Current Year	Previous Year
A. Revenue							
External sales	**3,456.46**	3,954.59	**3,246.87**	3,307.31		**6,703.33**	7,261.90
B. Other Information							
Segment assets	**16,344.52**	16,101.14	**174.47**	76.53		**16,518.99**	16,177.67
Capital expenditure	**452.22**	238.05	**-**	-		**452.22**	238.05

Note:

i) The Company has considered Chemicals and Aluminium as the two primary business segments. Chemicals include Calcined Alumina, Alumina Hydrate and other related products. Aluminium includes aluminium ingots, wire rods, billets, strips, rolled and other related products. Bauxite produced for captive consumption for production of alumina is included under chemicals and power generated for captive consumption for production of Aluminium is included under Aluminium segment. Wind Power Plant commissioned primarily to harness the potential renewable energy sources is included in the unallocated Common segment.

ii) India and Outside India are the two geographical segments. Since all production and other facilities are located in India, segment assets except export debtors are shown under one geographic segment i.e. India.

iii) Inter-segment transfer of Calcined Alumina is considered at average sales realization from export sales during the period less freight from Refinery to Port at Vizag plus export incentive. Transfer of power from Aluminium segment to Chemical segment is considered at the annual / periodic average purchase price of power from State Grid at Alumina Refinery.

iv) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities. Revenue, expenses, assets and liabilities, which relate to the enterprise as a whole and are not allocable on a reasonable basis, have been included under Unallocated Common segment.

Significant Accounting Policies

1. BASIS OF ACCOUNTING.

The financial statements are prepared under historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles in India,relevant provisions of the Companies Act, 2013 and applicable accounting standards prescribed under Sec. 133 of Companies Act, 2013.

2. USE OF ESTIMATES.

In preparing the financial statements, the estimates and assumptions that may have bearing on the amount of assets or liabilities or contingent liabilities reported as at the date of financial statements and/or the amount of income or expenses declared during the period, have been made. Variation with the actual is recognized in the year in which the same is crystallized.

3. CLASSIFICATION OF ASSETS AND LIABILITIES.

Based on the nature of business, operating cycle of 12 months has been taken for the purpose of current and non-current classification of assets and liabilities. Accordingly, all assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013.

4. FIXED ASSETS.

4.1 All tangible fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment loss, if any. Cost includes all direct expenditure of acquisition net of CENVAT/VAT credit, attributable indirect expenses and borrowing cost, wherever applicable.

4.2 Expenditure on existing tangible assets towards renovation and modernization resulting in increased life and/or efficiency is added to the cost of related assets.

4.3 Expenditure on development of land including leasehold land is capitalized as part of cost of land.

4.4 Intangible Assets are stated at acquisition cost less accumulated amortization.

Mining Rights (including payments made to Government Authority towards restoration of land, forest, wildlife etc. in relation to the bauxite mines), User Right for Jointly Controlled Asset, ERP& RDBMS and other Software User Rights, License & Franchise (Technical Knowhow Right) and R&D knowhow are treated as intangible assets.

4.5 Machinery spares (insurance spares) that are specific to a fixed asset valuing more than Rs.1 lakh per unit are capitalized along with the fixed asset.

4.6 Fixed assets retired from active use and held for disposal are stated at net book value less provision for doubtful realization, if any, and considered as other current asset till the time of its disposal.

4.7 Components of Plant & Machinery having different useful lives are separately recognized. The cut-off value of each component for such separate recognition is Rs.1 Crore. Value of component with different useful life crossing the threshold limit when replaced is recognized as a separate component.

5. DEPRECIATION.

5.1 Depreciation on tangible fixed assets is provided on straight-line method over the useful life of the asset as prescribed in Schedule II of the Companies Act 2013 or life assessed by the Management whichever is lower.

5.2 In respect of the following assets, a higher rate of depreciation is considered based on the lower useful life ascertained by the Management. Depreciation and amortization method, useful life and residual value are reviewed periodically including at each financial year end:

a) Life of immovable fixed assets at Bauxite Mines is limited to the period up to which Bauxite reserve is available at respective block of mines.

b) Life of thermal power generation plant at CPP and Steam Power plant at Refinery is considered as 30 years and 25 years respectively.

c) Lives of Red Mud Pond & Ash Pond at Alumina Refinery and Ash Ponds at Captive Power Plant are based on their estimated remaining useful life, evaluated on the basis of technical estimates made periodically.

5.3 Fixed assets which are subject to componentization, comprises of main assets, componentized assets and remainders if any. Main assets have the life as prescribed under Schedule-II of the Companies Act 2013 or life assessed by the technical committee whichever is lower. Componentized assets having value of Rs.1 crore or above have the life as assessed by the Technical Committee whereas the remainders, if any, carry the life of main assets.

5.4 The residual values of plant & machinery, vehicles, mobile equipments, earth moving equipments, railway facilities, rolling stock and residential quarters are considered to be 5% of the original cost. For all other assets, the residual value is considered to be Nil as per technical estimation.

5.5 Intangible assets are amortized on a straight-line basis as follows

a) Software classified as intangible assets are amortized over a period of 3 years.

b) Mining Rights (i.e NPV and other incidental payments) is amortized over the period for which the mining right is available. Other incidental payments in connection thereto are amortized over a period of 20 years from the date of payment.

c) License for Technical Knowhow is amortized over 10 years from the date of capitalization of corresponding process plant.

d) User Right for cluster projects is amortized over 10 years from the date of commissioning.

5.6 Imbedded Assets at Port Facilities are depreciated at rates calculated on the basis of balance lease period of land belonging to the Port Authority on which these assets are installed.

5.7 Assets costing Rs.10,000/- or less individually are depreciated fully in the year in which they are put to use.

5.8 Subsequent expenditure related to an item of fixed asset is prospectively depreciated over the revised useful life of related asset.

5.9 Assets laid on land not owned by the Company are depreciated over a period of five years from the date on which the asset is ready for use.

5.10 Depreciation on value adjustment is provided prospectively.

6. BORROWING COST.

6.1 General and specific borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset until such time the assets are ready for their intended use.

6.2 Other borrowing costs are recognized as expenses in the period in which these are incurred.

7. IMPAIRMENT.

Carrying amount of cash generating units is reviewed at each Balance sheet date where there is any indication of impairment based on internal/external sources of information. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units.Impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

8. INVESTMENTS.

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are stated at cost or market value whichever is lower. Long-term investments are carried at cost, after providing for permanent diminution, if any, in the value of such investments.

9. INVENTORY.

9.1 Raw-materials, stores and spares are valued at cost net of CENVAT / VAT credit wherever applicable or net realizable value whichever is lower. Cost is determined by using moving weighted average price method on real time basis.

9.2 Stores and spares other than insurance spares held but not issued for more than 5 years are valued at 5% of the cost.

9.3 Shortage of coal up to 1% of the receipt quantity is treated as normal loss and beyond 1% is treated as abnormal loss.

9.4 Materials and other supplies held for use in the production (other than considered as non-moving) are valued at cost, if the finished products in which they are used are sold at or above cost.

9.5 Finished goods, semi-finished goods,intermediary products and work in process including process scrap except anode butts and rejects are valued at lower of cost and net realizable value. Cost is generally determined by using moving weighted average price on real time basis, appropriate share of labour and related overheads. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

9.6 Scrap of various nature internally generated is valued at estimated net realizable value.

10. GOVERNMENT GRANTS.

10.1 Fixed assets acquired out of financial grant from Government are shown at cost.The grant-in-aid received is credited to subsidy reserve account. Depreciation on the corresponding asset is adjusted against subsidy reserve.

10.2 Revenue grants are recognized as income over the period to which these are related.

Significant Accounting Policies

11. FOREIGN CURRENCY TRANSACTIONS.

11.1 All foreign currency transactions are recorded by applying the exchange rate as on the date of transaction.

11.2 Monetary assets and liabilities in foreign currency are restated at Year-end exchange rates. Exchange difference on restatement is recognized in the statement of profit and loss.

12. FORWARD EXCHANGE CONTRACT.

Forward exchange contracts outstanding at the year-end relating to firm commitment and highly probable forecast transactions, loss due to exchange difference or arising on marking to market is recognized in the statement of profit & loss whereas gains are ignored.

13. REVENUE RECOGNITION.

13.1 Sales:

a) Alumina &Alumnium :Sales in the domestic market are recognized at the time of dispatch of materials to the buyers. Export sales are recognized on issue of Bill of Lading. Domestic Sales include excise duty and are net of rebate and price concessions and do not include value added tax (VAT).

b) Renewable Power: Sale of wind power is recognized on the basis of power transmitted to power distribution companies (DISCOMs) at the price notified by respective authorities. Solar power generated is consumed for captive use in office and township and hence not recognized as income as well as expenditure.

c) Thermal Power : Sale of power from CPP is considered on the basis of quantity supplied to state grids less wheeling to refinery at the price notified by appropriate authority.

13.2 Receivables/ Incentives:

a) Claims receivables are accounted for in the statement of profit and loss based on certainty of their realization.

b) Interest income on term deposits is recognized on a time proportion basis taking in to account the amount outstanding and the rate applicable.

c) Export incentives i.e.duty draw back and MEIS are recognized on accrual basis on the shipping quantity as per Bill of Lading / export invoice.

d) Income from Renewable Energy Certificates (REC) is recognized on the basis of power billed to DISCOMs at the weighted average of quoted prices of recognized power exchanges on the last trading day of the reporting period.

e) Generation Based Incentive (GBI) is recognized on the invoiced quantity at the applicable rate as per scheme.

f) If there is uncertainty in realization, revenue recognition is postponed.

14. LONG TERM EMPLOYEE BENEFITS.

14.1 Defined Contribution Plan: Contributions towards Provident Funds & Pension Scheme are charged to the statement of profit and loss of the period for which the contributions to the Funds are due.

14.2 Defined Benefit Plan: Liabilities towards gratuity, accrued leave, long service awards, post retirement medical and settling-in benefits, future payments to the legal heirs of deceased employees under the NEFFARS scheme, contribution towards welfare on superannuation (NRWS), benevolent contribution and expenditure on superannuation gift are made based on the actuarial valuation as at the end of the year and charged to statement of profit and loss after considering actuarial gains/losses.

14.3 Expenditure on voluntary retirement compensation is charged off in the year in which it is incurred.

15. PRIOR PERIOD /PREPAID ITEMS.

Income/ Expenditure relating to prior period and prepaid expenses not exceeding Rs.5 lakh in each case is treated as income/expenditure of the current period.

16. EXPENDITURE ON NEW PROJECTS.

Expenses for assessment of new potential projects incurred till and for the purpose of making investment decision are charged to revenue. Expenditure incurred for projects after investment decisions are accounted for under capital-work-in progress and capitalized subsequently.

17. EXPENDITURE ON RESEARCH AND DEVELOPMENT.

Expenditure incurred during research phase is charged to revenue when no intangible asset arises from such research.

Development expenditure except of capital nature is charged to statement of Profit and Loss in the year incurred after setting of incidental income, if any.

Significant Accounting Policies

18. EXCEPTIONAL ITEMS.

Exceptional items are items of income and expenses within profit or loss from ordinary activities but of such size, nature or incidence whose disclosure is felt necessary for better explanation of the performance of the Company.

19. TAX EXPENSES.

Tax expenses for the period, comprising of current tax and deferred tax are included in the determination of net profit or loss for the period.

19.1 Current tax is measured at the amount expected to be paid to tax authorities in accordance with the prevailing taxation laws.

19.2 Deferred Tax expense or benefit is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets (DTA) are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such DTA can be realized.

19.3 Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

20. JOINT VENTURES.

Interest in a jointly controlled entity is accounted for as investment in accordance with Accounting Standard (AS) 13, "Accounting for Investments" with disclosures in line with Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures".

21. PROVISIONS AGAINST DOUBTFUL DEBTS AND RECOVERABLES.

Provision for doubtful debts and receivables are made where sums receivable from parties other than Govt. Dept. / Govt. Companies are not realized for more than 3 years. In the case of Government Departments / Government Companies, the same is made on case-to-case basis depending upon the merit of the case.

22. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS.

22.1 Provision for contingent liability is recognized when there is present obligation and it is probable that an out flow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. These are reviewed at end of each year and adjusted to reflect the best current estimate.

22.2 Liabilities of contingent nature are disclosed in the financial statement as contingent liabilities when there is a possible obligation or a present obligation that may, but probably will not, require any outflow of resources. No disclosure is made where likelihood of outflow of resources is remote.

22.3 Contingent assets are neither recognized nor disclosed in the financial statements.

Notes to the Financial Statements

(Rs. in crore)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Note 1 : Share Capital		
Share Capital		
Equity Share Capital		
AUTHORISED		
600,00,00,000 shares of par value of Rs.5/- each (Previous year 600,00,00,000 shares of par value of Rs.5/- each)	**3,000.00**	**3,000.00**
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
257,72,38,512 shares of par value of Rs.5/- each fully paid up (Previous year 257,72,38,512 shares of par value of Rs.5/- each fully paid-up)	**1,288.62**	**1,288.62**

a) The Government of India holds 208,57,82,622 equity shares (80.93%), Previous year 208,57,82,622 equity shares (80.93%) of the company.

b) Holding of equity shares of the company by Life Insurance Corporation of India is 17,73,16,005 (6.88%) previous year 18,82,51,981 (7.30%).

c) The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the general meetings of the company.

d) During the financial year 2010-11, the company has issued 128,86,19,256 equity shares as fully paid bonus shares. The bonus issue was made subsequent to splitting up of shares from the face value of Rs.10/- each into 2 equity shares of Rs. 5/- each in the said year. Other than the said bonus issue, the company has not issued/bought back any equity shares in the last 5 years.

Note 2 : Reserves and Surplus

a)	**General Reserve**				
	As per last balance sheet	11,503.98		10,829.90	
	Less : Adjustment towards asset value as per transitional provision of Schedule II of Companies Act 2013	-		105.92	
	Add : Transfer from Surplus	-		780.00	
	Closing balance		**11,503.98**		**11,503.98**
b)	**Surplus**				
	- Balance as at the beginning of the year	4.34		3.69	
	- Add : Profit after tax for the year transferred from statement of profit and loss	731.01		1,321.85	
	- Less : Transfer to General Reserve	-		780.00	
	- Less : Interim dividend #	322.16		322.16	
	- Less : Tax on interim dividend	65.58		64.41	
	- Less : Proposed final dividend #	193.29		128.86	
	- Less : Tax on proposed final dividend	39.35		25.77	
	- Less : Differential Tax (Surcharge & Cess) on Final Dividend for 2014-15	0.47			
	Closing balance		**114.50**		**4.34**
c)	**Other Reserve**				
	Subsidy Reserve				
	- As per last balance sheet	0.36		0.24	
	- Add : Subsidy received	0.24		0.37	
	- Less : Transferred to depreciation	0.02		0.25	
	Closing balance		**0.58**		0.36
	Total :		**11,619.06**		**11,508.68**

Refer Note - 49

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 3 : Deferred Tax Liabilities (Net)				
Deferred Tax Liability :				
Difference in depreciation between books and income tax		**1,288.37**		**1274.58**
Less : Deferred Tax Assets				
Disallowances u/s 43B of the Income Tax Act,1961	2.81		8.32	
On retirement benefits expense	89.95		93.88	
Provision for doubtful debts,claims and others	85.52		67.11	
Closing balance		**178.28**		**169.31**
Total :		**1,110.09**		**1,105.27**
Note 4 : Other Long Term Liabilities				
Trade payables		**16.30**		**19.82**
Other liabilities				
Payable for capital expenditure	1.58		3.07	
Others	50.38		42.41	
Sub total :		**51.96**		**45.48**
Total :		**68.26**		**65.30**
Note No. 5 : Long Term Provisions				
Provisions for Employee Benefits :				
Leave encashment	181.62		214.08	
Post retirement medical benefits	6.07		6.57	
Settling-in- benefit	2.37		5.39	
Long service reward	7.67		6.69	
NEFFARS	7.31		10.03	
Retirement Gift	6.20			
Benevolent Fund	2.56			
Retirement Welfare Scheme	9.92			
Total :		**223.72**		**242.76**
Note 6 : Trade Payables				
Trade payables				
Micro and small enterprises #		1.26		2.85
Others		580.12		437.33
Total :		**581.38**		**440.18**

Refer Note - 48

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 7 : Other Current Liabilities				
Employee benefits payable		125.99		160.09
Statutory & Other Dues				
Electricity duty	20.92		13.43	
Water charges & interest thereon #	663.56		537.71	
Income Tax (TDS & TCS)	14.90		13.66	
Others	17.17		23.44	
Sub total :		716.55		588.24
Creditors for capital expenditure				
Micro and small enterprises # #	0.86		0.20	
Others	311.40		361.78	
Sub total :		312.26		361.98
Customers credit balances & advance from customers		121.61		151.74
Renewable Purchase Obligation # # #		25.99		18.43
Other payables		42.95		55.17
Unpaid dividend		5.10		5.00
Total :		**1,350.45**		**1,340.65**

Refer Note - 47
Refer Note - 48
Refer Note - 37

Note 8 : Short Term Provisions				
Provisions for Employee Benefits :				
Gratuity	8.60		2.05	
Leave encashment	15.73		15.36	
Post retirement medical benefits	0.23		0.25	
Settling-in- benefit	0.37		0.60	
Long service reward	0.63		2.08	
NEFFARS	13.90		10.20	
Retirement Gift	0.72		-	
Benevolent Fund	1.38		-	
Retirement Welfare Scheme	3.21		-	
Sub total :		**44.77**		**30.54**
Others :				
Provision for wealth tax	-		1.04	
Provision for dividend	193.29		128.86	
Tax provision on dividend	39.35		25.77	
Sub total :		**232.64**		**155.67**
Total :		**277.41**		**186.21**

(Rs. in crore)

Note 9 : Fixed Assets

	Gross Block				Depreciation				Net Block	
	As on 01.04.2015	Addition / Adjustments	Deductions	As on 31.03.2016	As on 01.04.2015	For the Year	Deductions	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
A. TANGIBLE ASSETS										
Land										
Free Hold	71.33		-	71.33	-	-	-	-	71.33	71.33
Lease	12.80	10.97	-	23.77	2.58	5.38	-	7.96	15.81	10.22
Buildings	1,084.41	42.95	-	1,127.36	536.79	36.67	-	573.46	553.90	547.62
Railway Sidings	110.65	12.57	-	123.22	69.55	4.53	-	74.08	49.14	41.10
Plant and Equipments	13,563.99	158.54	(29.88)	13,692.65	7,806.17	345.83	(24.02)	8,127.98	5,564.67	5,757.82
Furniture and fixtures	32.51	2.99	(0.30)	35.20	26.01	2.04	(0.29)	27.76	7.44	6.50
Vehicles	46.20	0.35	(0.60)	45.95	33.76	2.97	(0.54)	36.19	9.76	12.44
Office equipments	50.01	3.60	(1.58)	52.03	42.14	4.48	(1.58)	45.04	6.99	7.87
Miscellaneous equipments	126.77	5.15	(0.97)	130.95	72.46	9.58	(0.94)	81.10	49.85	54.31
Total :	**15,098.67**	**237.12**	**(33.33)**	**15,302.46**	**8,589.46**	**411.48**	**(27.37)**	**8,973.57**	**6,328.89**	**6,509.21**
B. INTANGIBLE ASSETS										
Softwares	14.68	1.66	-	16.34	11.87	1.56	-	13.43	2.91	2.81
Mining Rights	138.67	13.39	-	152.06	30.95	7.34	-	38.29	113.77	107.72
User Right (Cluster Projects)	17.98	-	-	17.98	2.55	1.81	-	4.36	13.62	15.43
Licenses & Franchise	14.70	-	-	14.70	4.45	1.94	-	6.39	8.31	10.25
Total Intangible Assets :	**186.03**	**15.05**	**-**	**201.08**	**49.82**	**12.65**	**-**	**62.47**	**138.61**	**136.21**
Grand Total	**15,284.70**	**252.17**	**(33.33)**	**15,503.54**	**8,639.28**	**424.13**	**(27.37)**	**9,036.04**	**6,467.50**	**6,645.42**
Grand Total (Previous Year)	**14,858.13**	**428.09**	**(1.52)**	**15,284.70**	**8,066.19**	**574.48**	**(1.39)**	**8,639.28**	**6,645.42**	**6,791.94**

Note :

1. The cumulative impairment provision included in cumulative value of depreciation in buildings & structures is Rs.4.39 crore (previous year Rs. 4.94 crore)
2. The cumulative impairment provision included in cumulative value of depreciation in plant and equipments is Rs.28.6 crore (previous year Rs. 31.40 crore)
3. The impairment provision included in depreciation in buildings & structures is Rs.(0.55) crore (previous year Rs. (0.55) crore)
4. The impairment provision included in Depreciation in Plant and equipments is Rs.(2.80) crore (previous year Rs. (2.80) crore)
5. Gross Block includes the following capital expenditure represented by assets laid on land not owned by the company.
   a) Buildings - Rs.6.32 Crore (previous year Rs.6.32 Crore), Cumulative Depreciation Rs. 6.32 Crore (previous year 6.32 Crore)
   b) Railway Sidings - Rs.4.45 Crore (previous year Rs.4.45 Crore), Cumulative Depreciation Rs. 4.45 Crore (previous year 4.45 Crore)
   c) Plant and Equipments - Rs.16.18 Crore (previous year Rs.16.18 Crore), Cumulative Depreciation Rs. 16.18 Crore (previous year 16.18 Crore)
6. Title deeds have been executed for freehold land acquired through State Government, except for land measuring 66.92 acres. Process of conversion of freehold land for Industrial use has been taken- up with Revenue Authorities.
7. Leasehold land includes 1576.10 acres of land in respect of which lease deeds are yet to be executed. However, the Company has been permitted by the concerned authorities to carry on its operations on the said land.
8. Registration formalities in respect of office space for 6,459 Sq.ft purchased from Kolkata Municipal Development Authority valuing Rs.5.50 crore in Kolkata is under progress.
9. Land includes 43.75 Acres at Refinery applied for surrender.

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 10 : Capital Work - in - Progress				
Capital Work - in - progress at cost	561.80		478.90	
Less : Doubtful Realisation	0.79		-	
Sub total :		**561.01**		478.90
Construction materials including in transit (at cost)		**43.55**		47.49
Expenditure during construction pending allocation (Note 10.1)		**56.80**		23.34
Total :		**661.36**		**549.73**
Note 10.1				
EXPENDITURE DURING CONSTRUCTION				
Pending allocation (openning balance)		**23.34**		**65.66**
Add : Expenditure during the year				
Technical consultants fee and know how	0.14		(0.08)	
Startup & commissioning	8.06		-	
Other expenses	5.05		1.13	
Depreciation	0.02		0.10	
	13.27		**1.15**	
Less : Income during the year				
Income out of trial operation	4.40		-	
Net expenditure during the year		**8.87**		**1.15**
Total expenditure		**32.21**		**66.81**
Less : Allocated to fixed assets		10.16		8.72
Less: Transferred to/(from) claim #		(34.75)		34.75
Balance carried forward		**56.80**		**23.34**

Refer Note no.44

Note 11 : Non-Current Investments

Trade Investments & Unquoted	No.of Units in '000		No.of Units in '000	
Equity Investments				
Equity Shares in Bhubaneswar Stock Exchange Ltd		0.03		0.03
Equity Shares in Excel Services Ltd		*		*
Investment in Joint Ventures (Refer Note 36)				
Equity shares (Face value of Rs.10 each) in				
Angul Aluminium Park Pvt.Ltd	990	0.99	990	0.99
NPCIL-NALCO Power Company Ltd	26	0.02	26	0.02
GACL-Nalco Alkalies & Chemicals Ltd	40	0.04	-	-
Other Investments & Quoted (Refer Note 11.1)		810.00		-
Total :		**811.08**		**1.04**
Aggregate amount of Unquoted Investments		1.08		1.04

* Amount is less than one lakh

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 11.1 : Other Investments & Quoted	units in '000		units in '000	
(Long Term Investment with Maturity more than 12 months from the balance sheet date)				
(Face Value of Rs.10 each.)				
SBI SDFS-366 Days-Series-A-22	50,000	50.00		
SBI SDFS-366 Days-Series-A-24	50,000	50.00		
SBI SDFS-366 Days-Series-A-27	30,000	30.00		
SBI SDFS-366 Days-Series-A-28	50,000	50.00		
SBI SDFS-366 Days-Series-A-31	40,000	40.00		
SBI SDFS-366 Days-Series-A-32	35,000	35.00		
SBI SDFS-366 Days-Series-A-34	25,000	25.00		
SBI SDFS-366 Days-Series-A-35	50,000	50.00		
UTI FTIF SERIES XVIII – X	20,000	20.00		
UTI FTIF SERIES XVIII- XII	40,000	40.00		
UTI FTIF SERIES XVIII- XIII	40,000	40.00		
UTI FTIF SERIES XIX- I	25,000	25.00		
UTI FTIF SERIES XIX-III	75,000	75.00		
UTI FTIF SERIES XIX – IV	25,000	25.00		
UTI FTIF SERIES XIX- VI	50,000	50.00		
UTI FTIF SERIES XIX- VIII	35,000	35.00		
UTI FTIF SERIES XIX-IX	100,000	100.00		
UTI FTIF SERIES XIX – X	10,000	10.00		
UTI FTIF SERIES XIX-XI	60,000	60.00		
Total		**810.00**		**-**
Aggregate amount of Quoted Investments		810.00		-
Aggregate amount of Quoted Investments market value		943.28		-

(Rs. in crore)

Particulars		Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 12 : Long term Loans and Advances					
Capital Advances					
Unsecured, considered good #		386.87		255.28	
Doubtful		0.50		0.50	
Less : Allowances for doubtful realisation		0.50		0.50	
	Sub total :		**386.87**		**255.28**
Other loans and advances					
Loans to Employees					
Secured,considered good		61.80		65.29	
Unsecured, considered good		14.96		28.58	
	Sub total :		**76.76**		**93.87**
Loans to others					
Secured, considered good			**0.21**		**0.27**
Deposits (undisputed,unsecured,considered good)					
Customs,Excise,Sales Tax ,Port Trusts etc.		15.65		15.49	
Other Government Authorities		1.32		1.44	
Others		6.98		4.98	
		23.95		**21.91**	
Deposits (disputed,unsecured,considered good)					
Customs,Excise,Sales Tax ,Railways,Port Trusts etc.		221.05		204.66	
Income Tax Authority ##		638.71		645.86	
		859.76		**850.52**	
Deposits (disputed,unsecured,considered doubtful)					
Customs,Excise,Sales Tax ,Railways,Port Trusts etc.		0.43		0.43	
Less : Allowances for doubtful realisation		0.43		0.43	
		-		-	
	Sub total :		**883.71**		**872.43**
	Total :		**1,347.55**		**1,221.85**

Includes an amount of Rs. 151 Crore paid by the Company to Gujarat Mineral Development Corporation Ltd (GMDC) towards upfront payment while bidding for a new project for establishing Alumina Refinery and Aluminium Smelter with supply of Bauxite by GMDC in the state of Gujarat.
Refere Note : 46

Note 13 : Other Non Current Assets

Long Term Trade Receivables					
Trade Receivable (Doubtful)		37.11		37.11	
Less : Allowances for doubtful realisation		37.11		37.11	
	Sub total :		**-**		-
Interest Accrued on					
Loans to employees					
Secured, considered good		37.42		36.47	
Unsecured, considered good		11.93		10.89	
	Sub total :		**49.35**		47.36
Loans to others					
Secured ,considered good		0.13		0.09	
	Sub total :		**0.13**		**0.09**
	Total :		**49.48**		**47.45**

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 14 : Current Investments	**units in '000**		**units in '000**	
(Long Term Investment with Maturity less than 12 months from the balance sheet date)				
(Face Value of Rs.10 each.)				
UTI FTIF Series XVIII Plan- V			45,000	45.00
UTI FTIF Series XVIII Plan- VIII			40,000	40.00
UTI FTIF Series XVIII Plan- X			20,000	20.00
UTI FTIF Series XVIII Plan- XII			40,000	40.00
UTI FTIF Series XVIII Plan- XIII			40,000	40.00
UTI FTIF Series XIX Plan- I			25,000	25.00
UTI FTIF Series XIX Plan- III			75,000	75.00
UTI FTIF Series XIX Plan- IV			25,000	25.00
UTI FTIF Series XIX Plan- VI			50,000	50.00
UTI FTIF Series XIX Plan- VIII			35,000	35.00
UTI FTIF Series XIX Plan- IX			100,000	100.00
UTI FTIF Series XIX Plan- X			10,000	10.00
UTI FTIF Series XIX Plan- XI			60,000	60.00
SBI SDFS-366 Days-Series-A-20			50,000	50.00
SBI SDFS-366 Days-Series-A-22			50,000	50.00
SBI SDFS-366 Days-Series-A-24			50,000	50.00
SBI SDFS-366 Days-Series-A-27			30,000	30.00
SBI SDFS-366 Days-Series-A-28			50,000	50.00
SBI SDFS-366 Days-Series-A-31			40,000	40.00
SBI SDFS-366 Days-Series-A-32			35,000	35.00
SBI SDFS-366 Days-Series-A-34			25,000	25.00
SBI SDFS-366 Days-Series-A-35			50,000	50.00
BOI AXA FMP Series 14			5,000	5.00
Investment in Mutual Funds				
BOI AXA Liquid Fund Direct Plan-Dividend-LF-DD ***(Face Value Rs. 1002.6483 Each)***	110	11.00		
Canara Robeco Liquid Direct Daily Dividend ***(Face Value Each Rs. 1005.5000 Each)***	109	11.00		
IDBI Liquid Fund Direct Plan Daily Dividend ***(Face Value Rs. 1001.8202 Each)***	110	11.00		
SBI PLF- Dir Plan Daily Dividend ***(Face Value Rs. 1003.2500 Each)***	110	11.00		
Union KBC Liquid Fund Daily Dividend ***(Face Value Rs. 1000.6506 Each)***	110	11.00		
UTI Money Market Fund ***(Face Value Rs. 1003.3854 Each)***	110	11.00		
Total		**66.00**		**950.00**
Aggregate amount of Quoted Investments		66.00		950.00
Aggregate amount of Quoted Investments market value		66.04		1,021.06

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 15 : Inventories				
Raw materials	79.30		98.06	
Add :In transit	33.78		19.99	
Sub total :	113.08		118.05	
Less: Doubtful Provision	0.07		-	
		113.01		**118.05**
Work in progress	216.50		202.22	
Intermediaries	103.24		108.01	
Finished goods	136.37		136.90	
		456.11		**447.13**
Stores & spares	389.40		448.76	
Add :In transit	12.28		21.19	
Sub total :	401.68		469.95	
Less: Doubtful Provision	0.80		-	
		400.88		**469.95**
Coal & fuel oil	133.80		128.47	
Add :In transit	23.17		1.96	
		156.97		**130.43**
Total :		**1,126.97**		**1,165.56**
Note 16 : Trade Receivables				
Unsecured,considered good				
– Outstanding for a period exceeding 6 months from the date they are due	23.79		12.37	
– Others	211.42		108.45	
Total		**235.21**		**120.82**
Note 17 : Cash and Bank Balances				
Cash and Cash Equivalents				
Balances with banks				
In current account	28.30		3.68	
Cash in hand including stamps	0.13		0.14	
Sub total :		**28.43**		**3.82**
Other Bank Balances				
Unpaid Dividend Account*	5.10		5.00	
Term deposits having maturity more than 3 months but less than 12 Months	4,900.00		4,619.16	
Sub total :		**4,905.10**		**4,624.16**
Total:		**4,933.53**		**4,627.98**

* Amount due for credit to Investors Education and Protection Fund at the end of the current year (nil) (previous year nil).

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 18 : Short term Loans and Advances				
Other loans & Advances				
Secured, considered good				
- Loans to employees	**16.99**		**17.17**	
- Loans to Others	0.11		0.08	
Sub total		**17.10**		**17.25**
Unsecured , considered good				
- Loans to employees	17.04		19.27	
- Advances to employees	23.88		23.14	
- Advances to vendors	319.40		286.47	
- VAT credit receivable	15.62		15.95	
- Cenvat credit receivable	170.77		200.73	
- Claims receivable from customs, excise and railway authorities	2.55		4.14	
- Prepaid expenses	4.17		3.89	
- Others	16.14		36.70	
Sub total		**569.57**		**590.29**
Unsecured, considered doubtful				
- Advances to employees	38.84		31.20	
- Advances to vendors	2.44		2.39	
- VAT credit receivable	133.05		87.69	
- CENVAT credit receivable	3.99			
- Claims receivable from customs excise and railway authorities	7.74		3.48	
- Others	2.90		2.67	
	188.96		127.43	
Less : Allowances for doubtful realisation	188.96		127.43	
Sub total		**-**		**-**
Total :		**586.67**		**607.54**
Note 19 : Other Current Assets				
Interest accrued on				
Unsecured, considered good				
Bank deposits	169.75		173.14	
Loans to employees	2.17		0.60	
Other loans and advances	0.64		0.44	
	172.56		174.18	
Secured, considered good				
Loans to employees	6.74		5.97	
Sub total		**179.30**		**180.15**
Export incentive claims		**27.44**		**23.82**
Generation Based Incentives on power from renewable sources		**5.67**		**4.82**
Gold medalion on hand		**0.06**		**0.06**
Non trade receivables				
Unsecured, considered good	1.34		0.73	
Unsecured , considered doubtful	0.32		0.44	
Less : Allowances for doubtful realisation	0.32		0.44	
Sub total		**1.34**		**0.73**
Insurance claims	11.22		11.96	
Less : Allowances for doubtful realisation	6.40		6.45	
Sub total		**4.82**		**5.51**
Scraps & unserviceable materials	14.80		25.08	
Less : Allowances for doubtful realisation	0.21		0.41	
Sub total		**14.59**		**24.67**
Fixed assets awaiting disposal	4.95		4.91	
Less : Allowances for doubtful realisation	4.53		4.39	
Sub total		**0.42**		**0.52**
Total :		**233.64**		**240.28**

(Rs. in crore)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Note 20 : Contingent Liabilities not provided for		
Claims against the company not acknowledged as debts :		
1. Sales tax	411.52	445.60
2. Excise duty	102.05	83.35
3. Customs duty	5.77	5.77
4. Service tax	2.35	2.26
5. Income tax	688.36	1,079.37
6. Entry tax and Road tax	288.67	214.46
7. Land acquisition and interest there on	43.49	43.83
8. Stamp duty	205.97	211.64
9. Demand from Dept. of mines Govt. of Odisha	136.30	90.05
10. NPV and related demand under mining lease	93.10	106.04
11. Claims of contractor's suppliers & others	159.41	163.27
12. Employee state insurance	0.32	0.32
13. Provident fund commissioner	-	0.05
Total :	**2,137.31**	**2,446.01**

Claims against the company not acknowledged as debts includes:

a. Demand from various statutory authorities towards Income Tax, Sales Tax, Excise Duty, Customs Duty, Service Tax, Entry Tax and other government levies. The company is contesting the demand at appellate authorities. It is expected that the ultimate outcome of these proceedings will be in favour of the Company and will not have any material adverse effect on the company's financial position and results of operation.

b. Claims of contractors for supply of material/services pending with arbitration/ courts those have arisen in the ordinary course of business. The company reasonably expect that these legal actions when ultimately concluded and determined will be in favour of the Company and will not have material adverse effect on the company's results of operation or financial condition.

Note 21 : Capital and other commitments

a)	**Capital Commitments**		
	Estimated amount of contracts on capital account and not provided for, remaining to be executed.	685.71	207.54
b)	**Other Commitments**		
	The company has imported capital goods under the Export Promotion Capital Goods scheme(EPCG) of the Govt. of India at concessional rates of duty under the scheme to fulfill quantified exports for duty saved Rs.6.95 crore(previous year Rs.8.90 crore).	41.68	53.41
Total :		**727.39**	260.95

(Rs. in crore)

Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
Note 22 : Revenue From Operations				
Sale of Products				
(i) Export :				
Alumina	2,198.27		2,470.22	
Aluminium	1,048.60		837.09	
	3,246.87		3,307.31	
(ii) Domestic :				
Alumina	119.92		100.42	
Aluminium	3,734.23		4,299.86	
Electricity	55.51		63.03	
	3,909.66		4,463.31	
Turnover (Gross)	**7,156.53**		**7,770.62**	
(iii) Less : Excise Duty				
Alumina	13.52		11.20	
Aluminium	439.68		497.52	
	453.20		**508.72**	
Turnover (Net)		**6,703.33**		**7,261.90**
Other Operating Revenue				
(i) Export Incentives				
Alumina	43.78		64.81	
Aluminium	38.52		14.60	
	82.30		79.41	
(ii) Incentives on Renewable Energy	30.37		34.94	
(iii) Own manufactured goods internally used /capitalised	-		6.56	
Sub total :		**112.67**		**120.91**
Total		**6,816.00**		**7,382.81**

Note 23 : Other Income				
Interest Income on:				
Bank deposits *	435.73		455.95	
Loans to employees	9.97		11.27	
Income tax refund	13.86		9.55	
Others	0.77		0.43	
Sub total :		**460.33**		**477.20**
Income on Investments:				
Net Gain /(Loss) on				
Dividend plan investments	5.19		18.77	
Long term investments	12.97		100.62	
Sub total :		**18.16**		**119.39**
Net gain/ (loss) on foreign exchange translation & transactions		**5.98**		**13.40**
General scrap income		**6.52**		**22.95**
Miscellaneous income		**44.28**		**40.05**
Adjustments pertaining to earlier years		**1.30**		**(0.35)**
Total :		**536.57**		**672.64**

*Includes Income Tax Deducted at source Rs.43.62 Crore (Previous year Rs.46.29 Crore)

(Rs. in crore)

Particulars	Figures for the current reporting period			Figures for the Previous reporting period		
Note 24 : Cost of Materials Consumed						
Raw materials	**Quantity(MT)**			**Quantity(MT)**		
Caustic Soda	207,312	585.26		190,491	536.39	
C.P.Coke	145,387	302.64		124,310	282.48	
C.T.Pitch	34,395	94.97		29,075	109.98	
Aluminium Flouride	6,760	50.69		5,597	39.31	
Lime	54,127	41.03		50,231	36.83	
Others		29.81			26.60	
Total :			**1,104.40**			**1,031.59**
Note 25 : Power and Fuel						
Coal		1,285.27			1,052.61	
Fuel oil		398.22			612.84	
Duty on own generation		172.68			121.50	
Purchased power		1.89			2.14	
Power transmission charges		6.55			5.74	
Sub total :		1,864.61			1,794.83	
Adjustments pertaining to earlier years		-			7.41	
Total :			1,864.61			1,802.24
Note 26 : Changes in inventories of finished goods,intermediaries and work-in-process						
Finished Goods						
Opening stock	Basic	Excise Duty included *		Basic	Excise Duty included	
Bauxite	4.83	-		8.62	-	
Chemical	94.32	4.87		97.84	1.90	
Aluminium	28.53	4.35		21.79	3.20	
	127.68	9.22		128.25	5.10	
Less:Closing stock						
Bauxite	7.73	-		4.83	-	
Chemical	93.81	6.06		94.32	4.87	
Aluminium	25.98	2.79		28.53	4.35	
	127.52	8.85		127.68	9.22	
(Accretion)/Depletion	0.16	0.37	**0.53**	0.57	(4.12)	**(3.55)**
Net (Accretion)/Depletion - (A)			**0.53**			**(3.55)**
Intermediaries						
Opening stock						
Anodes	103.49			114.50		
Others	4.52			4.03		
	108.01			118.53		
Less:Closing stock						
Anodes	96.08			103.49		
Others	7.17			4.52		
	103.25			108.01		
(Accretion)/Depletion	4.76		**4.76**	10.52		**10.52**
Net (Accretion)/Depletion - (B)			**4.76**			**10.52**
Work in Process						
Opening stock	202.22			198.15		
Less:Closing stock	216.50			202.22		
(Accretion)/Depletion	(14.28)		**(14.28)**	(4.07)		**(4.07)**
Transfer from Trial Operation			**-**			**-**
Net (Accretion)/Depletion - (C)			**(14.28)**			**(4.07)**
Total (A+B+C) :			**(8.99)**			**2.90**

* Excise duty included on stock held at plant and stockyards.

(Rs.in Crore)

Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
Note 27 : Employee Benefit Expenses				
Salaries and wages	1,104.55		1130.86	
Contribution to provident, pension and gratuity fund	189.10		177.71	
Staff welfare expenses	67.71		69.34	
Total :		1,361.36		1,377.91

Long term employee benefit obligations (as per AS-15) included in note 27 above

	Gratuity	Leave Encashment	Post Retirement Medical Benefit	Settling-in-Benefit	NEFFAR Scheme	Long Service Reward	Nalco Benevolent Fund Scheme	Nalco Retirement Welfare Scheme	Nalco Superannuation Gift
Amount Recognised in Balance Sheet:									
Present value of obligation	**298.02**	**197.34**	**6.30**	**2.74**	**21.21**	**8.30**	**3.94**	**13.13**	**6.92**
	293.76	*229.44*	*6.82*	*5.98*	*20.22*	*8.77*			
Fair value of plan asset	**289.43**	**–**	**–**	**–**	**–**	**–**			
	291.71	–	–	–	–	–			
Funded status[excess/(short)]	**(8.59)**	**–**	**–**	**–**	**–**	**–**			
	(2.05)	–	–	–	–	–			
Net liability recognised	**8.59**	**–**	**–**	**–**	**–**	**–**			
	2.05	–	–	–	–	–			
Amount Recognised in Profit & Loss Account:									
Current service cost	**28.46**	**62.38**	**–**	**5.37**	**–**	**0.51**	**3.94**	**13.13**	**6.92**
	26.97	*59.26*	–	–	–	*0.52*			
Interest cost	**22.58**	**13.37**	**0.40**	**0.46**	**–**	**0.63**			
	20.96	*13.41*	*0.47*	*0.63*	–	*0.69*			
Expected reurn on plan asset	**23.33**	**–**	**–**	**–**	**–**	**–**			
	22.23	–	–	–	–	–			
Net actuarial (gain)/loss	**(19.12)**	**16.74**	**2.57**	**(8.61)**	**0.99**	**0.12**			
	(18.26)	*20.46*	*1.81*	*(2.23)*	*0.66*	*0.38*			
Expenses recognised	**8.59**	**92.49**	**2.97**	**(2.78)**	**0.99**	**1.26**	**3.94**	**13.13**	**6.92**
	7.44	*93.13*	*2.28*	*(1.60)*	*0.66*	*1.59*			
Movement of Net Liability Recognised in Balance Sheet:									
Opening net liability	**2.05**	**229.44**	**6.82**	**5.98**	**20.22**	**8.77**	**–**	**–**	**–**
	(5.39)	*198.78*	*7.30*	*8.05*	*19.56*	*9.99*			
Expenses recognised	**8.59**	**92.49**	**2.97**	**(2.78)**	**0.99**	**1.26**	**3.94**	**13.13**	**6.92**
	7.44	*93.13*	*2.28*	*(1.60)*	*0.66*	*1.59*			
Benefits paid	**–**	**124.59**	**3.49**	**0.46**	**–**	**1.73**			
	–	*62.47*	*2.76*	*0.47*	–	*2.81*			
Contributions	**2.05**	**–**	**–**	**–**	**–**	**–**			
	–	–	–	–	–	–			
Closing net liability	**8.59**	**197.34**	**6.30**	**2.74**	**21.21**	**8.30**	**3.94**	**13.13**	**6.92**
	2.05	*229.44*	*6.82*	*5.98*	*20.22*	*8.77*			

Note :

1. Figures in italics pertain to previous year.
2. Gratuity is a post employment funded defined employee benefit plan
3. Other benefits are un-funded defined employee benefit plan

(Rs.in Crore)

Particulars	Figures for the current reporting period	Figures for the Previous reporting period
Note 27 : Employee Benefit Expenses Cont..		
A. Actuarial Asumptions		
Mortality table	*IALM-(2006-08) ULT*	*IALM-(2006-08) ULT*
Discount rate	8.00%	8.00%
Return on plan assets	8.00%	8.00%
Rate of escalation in salary	6.00%	6.00%
Superannuation Age	60 Years	60 Years

The estimates of future salary increases considered in actuarial valuation,take account of inflation,seniority, promotion and other relevant factors,viz. supply and demand in the employment market.Further the expected return on plan asset is determined considering several applicable factors mainly the composition of plan assets held,assessed risk of asset management and historical returns from plan assets.

B.Investment Details of Plan Assets

	Rs.in Crore	%	Rs.in Crore	%
Insurer managed fund	289.33	99.97%	291.62	99.97%
Others	0.10	0.03%	0.09	0.03%
Total :	**289.43**	**100.00%**	**291.71**	**100.00%**
C. Actual Return on Plan Assets	**Rs.18.74 Crore**		**Rs.34.39 Crore**	

D. General description of various defined benefit schemes are as under

(i) **Provident Fund :** The Company pays fixed contribution to Provident Fund at predetermined rates, to a separate trust,which invests the funds in permitted securities.On contributions, the trust is required to pay a minimum rate of interest ,to the members,as specified by Govt.of India. Where the trust is unable to pay interest at the declared rate for the reasons that the return on investment is less or for any other reason,then the deficiency shall be made good by the company.

(ii) **Pension Fund :** The Company pays fixed contribution to the trustee bank of PFRDA,which in turn invests the money with the insurers as specified by the employee concerned.The company's liability is limited only to the extent of fixed contribution.

(iii) **Gratuity :** Gratuity payable to employees as per The Payment of Gratuity Act subject to a maximum of Rs.10,00,000/.The gratuity scheme is funded by the Company and is managed by a separate trust.The liability for gratuity under the scheme is recognised on the basis of actuarial valuation.

(iv) **Post Retirement Medical Benefit :** The benefit is available to retired employees and their spouses who have opted for the benefit.Medical treatment as an inpatient can be availed from the company's hospital/Govt.Hospital/ hospitals as per company's rule.They can also avail treatment as out patient subject to ceiling limit of expenses fixed by the Company.The liability under the scheme is recognised on the basis of actuarial valuation.

(v) **Settling-in-Benefit :** On superannuation /retirement/termination of service, if opted for the scheme, the transfer TA is admissible to the employees and / or family for the last head quarters to the hometown or any other place of settlement limited to distance of home town. Transport of personal conveyance shall also be admissible.The liability for the same is recognised on the basis of actuarial valuation.

(vi) **Long Service Reward :** The employee who completes 25 years of service are entitled for a long service reward which is equal to one month basic pay and DA.The liability for the same is recognised on the basis of actuarial valuation.

(vii) **NEFFARS :** In the event of disablement/death,the Company pays monthly benefit to the employee/ nominee at their option and on deposit of prescribed amount as stipulated under the scheme upto the date of notional superannuation.The liability for the same is recognised on the basis of actuarial valuation.

(viii) **Leave Encashment :**The accumulated earned leave,half pay leave & sick leave is payble on separation, subject to maximum permissible limit as prescribed in the leave rules of the company.During the service period encashment of accumulated leave is also allowed as per company's rule.The liability for the same is recognised on the basis of actuarial valuation.

(ix) **NALCO Benevolent Fund Scheme :** The objective of the scheme is to provide financial assistance to families of the members of the scheme who die while in employement of the company. As per the scheme there will be contribution by members @ Rs.30/- per member per death, in the event of death of a member while in the service of the company and matching contribution by the Company.

(x) **NALCO Retirement Welfare Scheme :** The objective of the scheme is to provide financial assistance as a gesture of goodwill for post retirement support to employees retiring from the services of the company. As per the scheme the recovery from each employee member would be Rs. 10/- per retiring member. The Company would provide equivalent sum as matching contribution.

(xi) **Superannuation Gift Scheme :** The objective of the scheme is to recognise the employees superannuating or retiring on medical ground from the services of the company. The scheme includes a gift item worth of Rs. 25000/- per retiring employees to be presented on superannuation/ retirement.

Notes to the Financial Statements

Rs. in crore)

Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
Note 28 : Finance Cost				
Interest Expense				
Interest on short term loans	1.21		-	
Applicable net (gain)/loss on foreign currency transaction and translation				
Adjustment to interest cost	-		-	
Total :		**1.21**		**-**
Note 29: Depreciation and Amortisation Expenses				
Depreciation for the current year	423.60		414.02	
Less : Transfered to Capital Account	0.02		0.10	
Less : Transferred from Subsidy Reserve	0.02		0.26	
Sub total		**423.56**		**413.66**
Adjustment pertaing to earlier years		**0.53**		**-**
Total :		**424.09**		**413.66**
Note 30 : Other Expenses				
Repairs and Maintenance				
Repairs to building	44.98		33.83	
Repairs to plant & machinery	127.84		138.39	
Repairs to others	18.83		20.70	
Sub total		**191.65**		**192.92**
Consumption of Stores & Spare Parts etc.				
Stores & spares*	280.86		299.07	
Consumables	113.66		120.77	
Sub total		**394.52**		**419.84**
Other Manufacturing Expenses :				
Royalty & Cess	93.14		90.53	
Water charges	24.18		24.13	
Contribution to DMF & NMET #	36.31		-	
Others	62.64		48.56	
Sub total		**216.27**		**163.22**
Freight and Forwarding Expenses				
Incoming materials	97.30		77.59	
Outgoing materials	155.50		123.96	
Sub total		**252.80**		**201.55**
Rent		**3.52**		**3.38**
Rates & Taxes		**2.76**		**5.53**
Insurance		**8.75**		**8.13**
Payment to Auditors :				
As Auditors	0.20		0.20	
For Taxation matters	0.04		0.04	
For Company law matters	0.16		0.16	
For reimbursement of expenses	0.14		0.13	
Sub total		**0.54**		**0.53**
Payment to Cost Auditors		**0.02**		**0.04**
Security & fire fighting expenses		**90.31**		**84.69**
CSR expenses		**27.17**		**19.31**
Miscellaneous				
Administrative and general expenses	104.90		71.19	
Interest on disputed Govt.dues & others	140.22		166.75	
Selling & distribution expenses	26.82		20.02	
Write off of Inventories, Claims etc	11.98		13.17	
Provisions	63.01		61.01	
Others	19.15		20.71	
Sub total		**366.08**		**352.85**
Adjustments Pertaining to earlier years		**2.19**		**10.16**
Total :		**1,556.58**		**1,462.15**

* Not included in Repairs & Maintenance

Refere Note : 40

(Rs. in crore)

Particulars	Figures for the current reporting period	Figures for the Previous reporting period
Note 31 : Exceptional Items		
Power & Fuel expense	-	(0.74)
Other Expense/ Income *	(53.45)	(147.68)
Total :	(53.45)	(148.42)

* Refer Note 41 for details of nature of income in the current reporting period. The figures of previous reporting period includes write back of liability towards interest on disputed electricity for Rs.253.21 Crore and reversal of claims towards T&T loss for Rs.105.53 Crore pertaining to earlier years.

Note 32 : Expenditure incurred in Foreign Currency

Professional & consultation fees	10.53		5.24	
Other expenses	0.39		1.14	
Total :		**10.92**		**6.38**

Note 33 : Earnings in Foreign Currency

Export of goods calculated on FOB basis	2,953.17		3,159.48	
Other income(despatch money claim)	1.56		1.23	
Exceptional Items	53.45		-	
Total :		**3,008.18**		**3,160.71**

Note 34 : Value of Imports calculated on CIF basis

Raw materials	107.02		114.78	
Coal	40.14		107.89	
Components & spare parts	52.44		76.00	
Capital goods	35.03		5.11	
Total :		**234.63**		**303.78**

Note 35 : Value of Raw Materials, Spare parts & components consumed during the year

	Value	%	Value	%
a) Raw Materials:				
Imported	124.30	11.25	139.22	13.50
Indigenous	980.10	88.75	892.37	86.50
Total :	**1,104.40**	**100.00**	**1,031.59**	**100.00**
b) Spare parts and components:				
Imported	62.61	15.87	102.95	24.52
Indigenous	331.91	84.13	316.89	75.48
Total :	**394.52**	**100.00**	**419.84**	**100.00**

Notes to the Financial Statements

Note 36 : Joint Ventures

Pursuant to compliance of Accounting Standard-27, relevant disclosures relating to interest in joint ventures are as follows:

a) Details of name, country of incorporation and ownership interest

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership	
		Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
i) NPCIL-NALCO Power Company Ltd.	India	26.00%	26.00%
ii) Angul Aluminium Park Pvt. Ltd.	India	49.50%	49.50%
iii) GACL NALCO Alkalies & Chemicals Pvt. Ltd.	India	40.00%	–

Note: GACL-NALCO Alkalies & Chemicals Pvt. Ltd. was formed on 04.12.2015.

b) Aggregate amount of company's interest in Joint Ventures as per accounts is as under.

(Rs. In crore)

Particulars	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
i) NPCIL-NALCO Power Company Ltd.		
Equity and Liabilities		
Shareholders Fund	0.01	0.01
Non Current liabilities	-	-
Current liabilities	*	*
Assets		
Non Current Assets	-	-
Current Assets	0.01	0.01
Income	*	*
Expenses	*	*
ii) Angul Aluminium Park Pvt. Ltd.		
Equity and Liabilities		
Shareholders Fund	1.16	1.12
Grant in Aid	8.68	
Non Current liabilities	1.21	-
Current liabilities	0.04	0.01
Assets		
Non Current Assets	0.53	0.28
Current Assets	10.56	0.85
Income	0.07	0.08
Expenses	0.01	0.01
iii) GACL-NALCO Alkalies & Chemicals Pvt. Ltd.		
Equity and Liabilities		
Shareholders Fund	0.02	-
Non Current liabilities	-	-
Current liabilities	0.29	-
Assets		
Non Current Assets	0.28	-
Current Assets	0.04	-
Income	-	-
Expenses	0.02	-

* Amount is less than one lakh

(C) STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF ASSOCIATE COMPANIES / JOINT VENTURES (FORM AOC-I), PART "B" : ASSOCIATES AND JOINT VENTURES

Name of Associates/Joint Ventures	Joint Ventures		
	NPCIL-NALCO Power Company Ltd. [1]	Angul Aluminium Park Pvt. Ltd.[1]	GACL NALCO Alkalies & Chemicals Pvt. Ltd. [1]
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016*	31.03.2016
2. Shares of Associate/ Joint Ventures held by the company on the year end			
No.	26,000	990,000	40,000
Amount of Investment in Associates / Joint Venture (Rs.)	260,000	9,900,000	400,000
Extend of Holding %	26.00%	49.50%	40.00%
3. Description of how there is signficant influence	**Note 2**	**Note 2**	**Note 2**
4. Reason why the associate / joint venture is not consolidated	-	-	-
5. Networth attributable to share holding as per latest audited Balance sheet (Rs.)	144,485	11,629,048	245,200
6. Profit /(Loss) for the year			
i. Considered in Consolidation	1,700	422,186	(154,800)
ii. Not Considered in Consolidation	-	-	-

1. Names of associates or joint ventures which are yet to commence operations
2. Voting power as per Joint Venture Agreement

* The accounts of Angul Aluminium Park Pvt. Ltd. for the year 2014-15 and 2015-16 is approved by it's Board but yet to be audited.

Notes on Account

Note No.37: Renewable Purchase Obligation (RPO)

In terms of Notification dated 1st August 2015 issued by the Odisha Electricity Regulatory Commission (OERC), the Company has the obligation to generate power equal to 3% (previous year 6.5%) of its total consumption from renewable sources comprising 0.5% (previous year 0.25%) from Solar Renewable Source, 2.5% (previous year 1.8%) from Non-solar Renewable Source and 0% (previous year 4.45%) from Co-generation.

a) Company has fulfilled its non-solar obligation through wind power generation for the current year and also part obligation for previous years. Provision has been made for accumulated non-solar obligation amounting to Rs.2.75 Crore (previous year Rs.4.21 crore) towards 18,297 (previous year 28,080) numbers of Non-solar REC valued @ Rs.1,500 (previous year Rs.1,500) per REC.

b) In respect of Solar Renewable Source, the Company has accumulated liability of Rs.23.24 crore (previous year Rs.14.22 Crore) towards 66,413 (previous year 40,637) numbers of Solar REC valued @ Rs.3,500 (previous year Rs.3,500) per REC due to non-fulfillment of the obligation to generate required quantum of power. The liability has been provided for.

Note No.38: Performance Related Pay

Consequent upon finalization of Performance Related Pay (PRP) of Executives for the year 2012-13 and 2013-14, the liability provided in excess in earlier years on this account amounting to Rs.26.60 crore is written back. The reduction of estimated liability of PRP for the years 2012-13 and 2013-14 is primarily attributable to determination of the profit before tax without considering income from surplus fund as per clarification by the Department of Public Enterprises (DPE) of the Govt. of India.

Note No.39: Renewal of Bauxite mining lease

Renewal of Bauxite mining lease (North & Central Block for 1315.264 Ha and South Block for 528.262 Ha) has been sanctioned upto 31.3.2020. For renewal of lease the Company paid stamp duty amounting to Rs.6.11 crore and Rs.1.00 crore respectively, which is capitalized as part of lease-hold land to be amortized over the respective lease life. The amount disclosed as contingent liability towards the demand made by Govt. of Odisha is correspondingly reduced on payment of the above stamp duty.

Note No.40: Contribution to DMF & NMET

In terms of The Mines and Minerals (Development and Regulation) Amendment Act, 2015 and as per the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 & Mines and Minerals (Contribution to National Mineral Exploration Trust) Rules 2015 framed thereunder and notified on 17th September 2015 by the Ministry of Mines, Government of India, effective from 12th January 2015 the Company is liable to contribute to the District Mineral Foundation (DMF) & National Mineral Exploration Trust (NMET) sums equal to 30% and 2% respectively of its royalty expenses. Accordingly a sum of Rs.34.04 crore and Rs.2.27 crore (including Rs.6.10 crore and Rs.0.41 crore for earlier period) have been recognized as expenses in the current year and taken as liability towards contribution payable to DMF & NMET respectively.

Note No.41: Exceptional Item

The Company has received an amount of Rs.53.45 crore (USD 8.05 million) from M/s Peak Chemicals towards final settlement of risk and cost claim on them due to non-supply of Caustic Soda. The income is recognized as exceptional item.

Note No 42: Impact of ICDS

Income Tax Computation and Disclosure Standards (ICDS) issued by CBDT and made effective from FY 2015-16 have been considered for the purpose of computing tax expenses. However, there is no impact on tax liability of the Company on account of introduction of ICDS.

Note No.43: CSR Expenditure

In terms of Sec 135 of the Companies Act 2013 the CSR obligation of the Company for the year 2015-16 is Rs.26.24 crore against which, the Company has spent Rs.27.17 crore on various CSR activities

Note No 44: Allocation of Coal Mines

i) The Ministry of Coal, Govt. of India, allotted Utkal D & E coal blocks to Nalco in accordance with the provisions of the Coal Mines (Special provisions) Act 2015 and has directed the Nominated Authority to execute the allotment order in favour of the Company on 11th September 2015.

ii) The allotment agreement has been executed by and between the Govt. of India and Nalco in respect of said Utkal D&E coal blocks. As per the terms of allotment agreement, the Company has paid fixed amount of Rs.8.21crore and 1st installment (50%) of the upfront amount of Rs.18.11 crore to the Govt. of India. These are considered as capital advance.

iii) The Company is in the process of acquiring lease-hold and free-hold land required for carrying out mining activities at Utkal D&E coal blocks and has so far paid Rs.91.57 crore to Odisha Industrial Development Corporation towards acquisition of land and to other Govt. agencies for development of infrastructural facilities. The title deed and possession is yet to be passed on to the Company, pending which the amount paid is treated as capital advance.

iv) The amount of Rs.39.34 crore spent till date for development of coal blocks including Rs.34.75 crores spent till the date of earlier de-allocation and expenditure thereafter during deallocation period pursuant to decision of Hon'ble Supreme Court, is included in expenditure during construction under capital work-in-progress.

Notes on Account

Note No.45: Leases

a) The Company is operating its mining activities at Panchpatmali bauxite mines based on lease granted by Government of Odisha. In connection with the lease, the Company has paid NPV and other related claims, which is capitalized as intangible assets under Mining Rights and amortized on straight line basis as per Accounting Policy of the Company.

b) The Mining lease is subject to payment of surface rent and dead rent on the land acquired by the Company. The Company has spent an amount of Rs.0.27 crore (previous year Rs.0.26 crore) towards surface and dead rent, which is charged to the statement of profit and loss.

c) The Company performs its port operations on the land taken on lease from Vizag Port Trust. The amount paid towards lease rent Rs.2.63 crore (previous year Rs.2.53 crore) is charged to the statement of profit and loss.

Note No.46: Deposit with Income Tax Authority

The Company has paid demands made by the Income Tax Authority from time to time although disputed in appeal. The aggregate amount of disputed demand is Rs.702.06 crore (previous year Rs. 653.48 crore) which is treated as deposit with income tax authority. Disputes involving demand of Rs.52.14 crore relate to AY 2003-04 & 2006-07 and are pending before Hon'ble Orissa High Court. Disputes involving balance demand amount of Rs.649.92 crore pertain to AY 2005-06 & AY 2007-08 to AY 2013-14 and are lying either before CIT (Appeals) or Income Tax Appellate Tribunal.

Note No.47: Liability for Interest on Water Charges

The Water Resources Department, Government of Odisha, having territorial jurisdiction over the Government water sources raised claims on the Company for water charges and interest on unpaid water charges in terms of The Orissa Irrigation Rules, 1961. While the Company has cleared water charges dues, payment of interest, although provided for, is pending for settlement.

Note No.48: Dues payable to Micro, Small and Medium Enterprises

Dues payable to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure pursuant to said Act is as under.

(Rs. in crore)

		As at 31st March 2016	As at 31st March 2015
i)	Principal amount due	2.12	3.05
ii)	Interest on principal amount due	Nil	Nil
iii)	Interest and principal amount paid beyond appointment day	Nil	Nil
iv)	The amount of interest due and for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the amount of interest specified under MSME Development Act 2006.	Nil	Nil
v)	The amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSME Development Act 2006.	Nil	Nil

Note No.49: Dividend for the year

Company paid interim dividend @ Rs.1.25 (previous year Rs.1.25) per equity share of Rs.5/- each for the year 2015-16 and provided the liability for payment of proposed final dividend @ Rs.0.75 (previous year Rs.0.50) per equity share for the year. The total amount of dividend for the year is Rs.515.45 crore (previous year Rs.451.02 crore), which is subject to approval by the shareholders in the ensuing Annual General Meeting.

Note No.50: Change in Accounting Policy/ Practice

The employee benefit expenditure on account of contributions towards Nalco Employees' Benevolent Scheme, Nalco Retirement Welfare Scheme and Nalco Superannuation Gift Scheme were hitherto recognized on the basis of actual contributions made by the Company. The above items are henceforth considered as part of long-term employee benefits and liabilities are provided as per actuarial valuations. Had there been no such change, profit for the year would have increased by Rs.23.99 crore.

Note No.51: Buyback of Shares:

The Board of Directors in it's meeting held on 25th May 2016, have approved buyback of not exceeding 64,43,09,628 equity shares of the Company at a price of Rs. 44/- per share subject to approval of shareholders of the Company by way of a special resolution through Postal Ballot and all other applicable statutory approvals.

Note No.52: Regrouping of previous year's figures

Previous year's figures have been regrouped or rearranged wherever considered necessary to make them comparable.

Notes on Account

Note No.53: Related Party Disclosures

53.1 Related Parties

A) Joint Ventures

a) Angul Aluminium Park Pvt. Ltd.
b) NPCIL-NALCO Power Co. Ltd
c) GACL-NALCO Alkalies & Chemicals Pvt Ltd.

B) Co-venturer/ Investors in Joint Venture Company

a) Gujarat Alkalies & Chemicals Ltd.

C) Key Managerial Personnel:

i) Whole-time Directors

(a)	Shri Ansuman Das (upto 30.04.2015)	Chairman-cum-Managing Director
(b)	Dr. T K Chand (w.e.f. 27.07.2015)	Chairman-cum-Managing Director
(c)	Shri N R Mohanty	Director (Project & Technical)
(d)	Shri S C Padhy	Director (Human Resources)
(e)	Shri K C Samal	Director (Finance)
(f)	Ms. Soma Mondal	Director (Commercial)
(g)	Shri V Balasubramanyam	Director (Production)

ii) Others

(a)	Shri K N Ravindra	Executive Director-Company Secretary

D) Part-time Official Directors: (Nominee of Govt. of India):

(a) Dr. N K Singh, IFS (upto 22.12.2015)
(b) Shri R Sridharan, IAS
(c) Shri N B Dhal, IAS (w.e.f. 23.12.2015)

E) Part time non official (Independent) Directors:

(a) Shri Qaiser Shamim (upto 09.07.2015)
(b) Shri Sanjiv Batra (upto 09.07.2015)
(c) Shri S Sankararaman (w.e.f. 21.11.2015)
(d) Shri Pravat Keshari Nayak (w.e.f. 21.11.2015)
(e) Shri Maheswar Sahu (w.e.f. 21.11.2015)
(f) Shri Dipankar Mahanta (w.e.f. 21.11.2015)
(g) Prof. Damodar Acharya (w.e.f. 21.11.2015)

53.2 Related Party Transactions:

a) During the year the Company has made following transaction with the JVs / Co-venturere

Sl. No	Name of JV	Nature of Transaction	Current Year Rs in crore	Previous year Rs.in crore
1	GACL-NALCO Alkalies & Chemicals Ltd.	Equity Contribution	0.04	-
2	GACL-NALCO Alkalies & Chemicals Ltd.	Advance	0.23	-
3	Gujarat Alkalies & Chemical Ltd.	Purchase of Raw-materials	27.70	-

b) Remuneration to Key Managerial Personnel

(Rs. in Crore)

Sl No	Particulars	Current Year	Previous Year
1	Salaries	2.78	2.25
2	Contribution to Provident Fund	0.17	0.18
3	Medical Benefits	0.02	0.03
4	Other Benefits	0.03	0.04
	Total	3.00	2.50

c) Loans / advances due from Key Managerial Personnel:

(Rs. in Crore)

Sl No	Particulars	Current Year	Previous Year
1	Outstanding at the end of the year	0.06	0.10
2	Maximum amount due at any time during the year	0.10	0.20

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATIONAL ALUMINIUM COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **National Aluminium Company Limited** (hereinafter referred to as "the Company") and its jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's board of directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The board of directors of the Company and its jointly controlled companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of

their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

a) We did not audit the financial statements of the following jointly controlled entities of the Company, whose financial statements reflect proportionate total assets of Rs.0.03 crore as at 31st March, 2016, proportionate total revenues of Rs.* crore and proportionate net cash flows amounting to Rs.0.04 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Company's share of net loss of Rs.0.02 crore for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of these jointly controlled entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities is based solely on the reports of the other auditors. (* amount less than one lac).

(Rs. in Crore)

Name of the Jointly Controlled Entity	Assets	Revenues	Net Profit/ (Loss)	Net Cash Flow
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	0.02	0.00	(0.02)	0.04
NPCIL-NALCO Power Co. Ltd.	0.01	*	*	*

b) We did not audit the financial statements of Angul Aluminium Park Pvt. Ltd., a jointly controlled entity of the Company, whose financial statements reflect proportionate total assets of 9.84 crore as at 31st March, 2016, proportionate total revenues of 0.07 crore and proportionate net cash flows amounting to 9.72 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Company's share of net profit of Rs.0.04 crore for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of the above stated jointly controlled entity, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material for the purpose of preparing the consolidated financial statements.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act we report, to the extent applicable, that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e. Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India, and on the basis of the reports of the statutory auditors of its jointly controlled companies incorporated in India, and management certificate in respect of the unaudited entity, none of the director of these jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and its jointly controlled entities and the operating effectiveness of such controls, refer to our separate report in Annexure "A".
   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entities. Refer Note 20 to the consolidated financial statements.
      ii) The Company and its jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
      iii) There were no amounts that required to be transferred to the Investor Education and Protection Fund by the Company and its jointly controlled companies incorporated in India. Refer Note 17 to the consolidated financial .statements.

For ABP & Associates
Chartered Accountants
FRN – 315104E

(CA Niranjan Agrawalla)
Partner
Membership No. 087939

For Guha Nandi & Co.
Chartered Accountants
FRN – 302039E

(Dr. B. S. Kundu)
Partner
Membership No.051221

Place : Bhubaneswar
Dated : 28th May, 2016

ANNEXURE "A"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL ALUMINIUM COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **NATIONAL ALUMINIUM COMPANY LIMITED** (hereinafter referred to as ("the Company") and its jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 (two) jointly controlled entities of the Company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India and in so far as it relates to 1 (one) jointly controlled entity of the Company, which is a company incorporated in India, is based on the management's report.

For ABP & Associates
Chartered Accountants
FRN – 315104E

(CA Niranjan Agrawalla)
Partner
Membership No. 087939

For Guha Nandi & Co.
Chartered Accountants
FRN – 302039E

(Dr. B. S. Kundu)
Partner
Membership No.051221

Place : Bhubaneswar
Dated : 28th May, 2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL ALUMINIUM COMPANY LIMITED, BHUBANESWAR FOR THE YEAR ENDED 31 MARCH 2016

The preparation of consolidated financial statements of National Aluminium Company Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 May 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of National Aluminium Company Limited for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of National Aluminium Company Limited and its associate company NPCIL- NALCO Power Company Limited, but did not conduct supplementary audit of the financial statements of its associate company Angul Aluminium Park Private Limited for the year ended on that date. Further, section 139(5) and 143(6)(a) of the Act are not applicable to its associate company GACL-NALCO Alkalies Chemicals Private Limited being private entity for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

(Praveer Kumar)
Principal Director of Commercial Audit
& Ex-Officio Member Audit Board –I
Kolkata

Place : Kolkata
Date : 12 Jul 2016

NATIONAL ALUMINIUM COMPANY LIMITED

Consolidated Balance Sheet as at 31.03.2016

(Rs. in Crore)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	1,288.62	1,288.62
Reserves and surplus	2	11,627.88	11,508.80
Non-current liabilities			
Deferred tax liabilities (Net)	3	1,110.09	1,105.27
Other Long term liabilities	4	69.47	65.30
Long-term provisions	5	223.72	242.76
Current liabilities			
Trade payables	6	581.38	440.18
Other current liabilities	7	1,350.77	1,340.65
Short-term provisions	8	277.43	186.22
Total		**16,529.36**	**16,177.80**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	6,328.90	6,509.21
Intangible assets	9	138.61	136.21
Capital work-in-progress	10	662.14	550.01
Non-current investments	11	810.03	0.03
Long-term loans and advances	12	1,347.55	1,221.85
Other non-current assets	13	49.48	47.45
Current assets			
Current investments	14	66.00	950.00
Inventories	15	1,126.97	1,165.56
Trade receivables	16	235.21	120.82
Cash and Bank Balances	17	4,944.11	4,628.79
Short-term loans and advances	18	586.68	607.54
Other current assets	19	233.68	240.33
Total		**16,529.36**	**16,177.80**

The significant accounting policies and accompanying notes 1-56 form an integral part of the financial statements.

For and on behalf of Board of Directors

(CS. K N Ravindra)
Executive Director-
Company Secretary

(K C Samal)
Director (Finance)

(Dr. T K Chand)
Chairman-Cum-Managing Director

In terms of our report of even date attached.

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA.Niranjan Agrawalla)
Partner (M.No. : 087939)

For Guha Nandi & Co.
Chartered Accountants
FRN -302039E

(Dr. B S Kundu)
Partner (M.No. :051221)

Place : Bhubaneswar
Dated : 28th May,2016

NATIONAL ALUMINIUM COMPANY LIMITED

Consolidated Statement of Profit and Loss for the year ended 31.03.2016

(Rs. in Crore)

Particulars	Note No.	Figures for the current reporting period	Figures for the Previous reporting period
Revenue from operations	22	6,816.00	7,382.81
Other income	23	536.64	672.72
Total Revenue		**7,352.64**	**8,055.53**
Expenses:			
Cost of materials consumed	24	1,104.40	1,031.59
Power and Fuel	25	1,864.61	1,802.24
Changes in inventories of finished goods, intermediaries and work-in-progress	26	(8.99)	2.90
Employee benefits expense	27	1,361.37	1,377.91
Finance costs	28	1.21	-
Depreciation and amortization expense	29	424.09	413.66
Other expenses	30	1,556.60	1,462.16
Total expenses		**6,303.29**	**6,090.46**
Profit before exceptional items and tax		1,049.35	1,965.07
Exceptional items	31	(53.45)	(148.42)
Profit Before Tax		1,102.80	2,113.49
Tax expense:			
(1) Current tax		375.62	520.65
(2) Deferred tax		4.82	249.68
(3) Earlier Years		(8.67)	21.26
Profit / (Loss) for the period		731.03	1,321.90
Earning per Share			
(a) Profit After Tax		731.03	1,321.90
(b) Average Number of equity shares (Face value Rs.5/- each)		2,577,238,512	2,577,238,512
Earning per Share (Rs.) - Basic (a/b)		2.84	5.13
Earning per Share (Rs.) - Diluted (a/b)		2.84	5.13

The significant accounting policies and accompanying notes 1-56 form an integral part of the financial statements.

For and on behalf of Board of Directors

(CS. K N Ravindra)
Executive Director-
Company Secretary

(K C Samal)
Director (Finance)

(Dr. T K Chand)
Chairman-Cum-Managing Director

In terms of our report of even date attached.

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA.Niranjan Agrawalla)
Partner (M.No. : 087939)

For Guha Nandi & Co.
Chartered Accountants
FRN -302039E

(Dr. B S Kundu)
Partner (M.No. :051221)

Place : Bhubaneswar
Dated : 28th May,2016

NATIONAL ALUMINIUM COMPANY LIMITED

Consolidated Cash Flow Statement for the year 2015-16

(Rs. in crore)

	Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
A.	**Cash flow from Operating Activities :**				
	Net Profit before tax and Extraordinary Income		**1,102.80**		**2,113.49**
	Adjustments for :				
	Depreciation & Amortisation	424.09		413.66	
	Interest and financing charges	1.21		-	
	Provisions (Net)	63.01		61.01	
	Stores, Spares, Claims etc. written off	11.98		13.17	
	Dividend Income	(18.16)		(119.39)	
	Interest Income	(460.40)		(477.28)	
	Loss/(Profit) on sale of assets (net)	1.11		(0.24)	
			22.84		**(109.07)**
	Operating Profit before working capital changes		**1,125.64**		**2,004.42**
	Adjustments for :				
	Inventories	26.95		(1.26)	
	Trade & other receivables	(146.59)		199.33	
	Trade & other payables	200.72		(1,190.54)	
			81.08		**(992.47)**
	Cash generated from Operations		**1,206.72**		**1,011.95**
	Direct taxes paid (includes refund and deposits under protest)		(361.41)		(491.50)
	Net cash from operating activities		**845.31**		**520.45**
B.	**Cash Flow from Investing Activities:**				
	Purchase of fixed assets	(546.12)		(303.26)	
	(Purchase)/Sale of Investments	73.96		294.00	
	Dividend income from Mutual fund	18.16		119.39	
	Interest Income from Deposits, Loans and Advances	459.24		455.55	
	Net cash used in investing activities		**5.24**		**565.68**
C.	**Cash Flow from Financing Activities:**				
	Share Application money received	0.04			
	Grant Received	8.68			
	Interest and Financing charges	(1.21)		-	
	Dividends including dividend tax paid	(542.74)		(506.50)	
	Net cash used in financing activities		**(535.23)**		**(506.50)**
D.	**Net changes in Cash & Cash equivalents (A+B+C)**		**315.32**		**579.63**
E.	**Cash & Cash equivalents - Opening balance**		**4,628.79**		**4,049.16**
F.	**Cash & Cash equivalents - Closing balance (D+ E)**		**4,944.11**		**4,628.79**

Note:

a) Cash and Bank Balances under Current Assets at note 17 are Cash and Cash equivalents for the purpose of drawing Cash Flow statement. Therefore reconciliation statement required under para-42 of the Accounting Standard 3 is not furnished separately.

b) Cash and cash equivalents Rs.5.10 crore towards Unpaid dividend(Previous year Rs.5.00 crore) , not freely available for use by the Company.

c) Figures in brackets are cash outflow/income, as the case may be.

For and on behalf of Board of Directors

(CS. K N Ravindra)
Executive Director-
Company Secretary

(K C Samal)
Director (Finance)

(Dr. T K Chand)
Chairman-Cum-Managing Director

In terms of our report of even date attached.

For ABP & Associates
Chartered Accountants
FRN - 315104E

(CA.Niranjan Agrawalla)
Partner (M.No. : 087939)

For Guha Nandi & Co.
Chartered Accountants
FRN -302039E

(Dr. B S Kundu)
Partner (M.No. :051221)

Place : Bhubaneswar
Dated : 28th May,2016

NATIONAL ALUMINIUM COMPANY LIMITED

Consolidated Segmentwise Information

(Rs. in crore)

BUSINESS SEGMENTS	Chemicals		Aluminium		Unallocated Common		Total	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
A. Revenue								
External sales	**2,304.67**	2,559.44	**4,348.41**	4,644.25	**50.25**	58.21	**6,703.33**	7,261.90
Inter-segment transfers	**1,323.02**	1,325.48	**189.99**	163.10	**-**	-	**1,513.01**	1,488.58
Total Revenue	**3,627.69**	3,884.92	**4,538.40**	4,807.35	**50.25**	58.21	**8,216.34**	8,750.48
Less: Elimination							**(1,513.01)**	(1,488.58)
Net Revenue							**6,703.33**	7,261.90
B. Result								
Segment result	**875.47**	1,094.77	**(192.57)**	581.49	**(3.93)**	(10.94)	**678.97**	1,665.32
Exceptional items							**(53.45)**	(148.42)
Interest expense							**1.21**	-
Interest/ dividend income							**478.49**	596.59
Income taxes							**371.77**	791.59
Net Profit							**731.03**	1,321.90
C. Other Information								
Segment assets	**3,667.98**	3,531.75	**5,157.98**	5,371.62	**7,703.40**	7,274.43	**16,529.36**	16,177.80
Segment liabilities	**579.27**	467.87	**1,338.47**	1,300.00	**585.03**	507.23	**2,502.77**	2,275.10
Capital expenditure	**158.93**	201.39	**94.44**	110.77	**199.64**	(73.83)	**453.01**	238.33
Depreciation	**165.22**	159.17	**230.24**	224.87	**28.63**	29.62	**424.09**	413.66
Non-cash expenses (other than depreciation)	**13.18**	26.59	**56.17**	74.19	**0.82**	3.03	**70.17**	103.81

GEOGRAPHICAL SEGMENTS	India		Outside India			Total	
	Current Year	Previous Year	**Current Year**	Previous Year		**Current Year**	Previous Year
A. Revenue							
External sales	**3,456.46**	3,954.59	**3,246.87**	3,307.31		**6,703.33**	7,261.90
B. Other Information							
Segment assets	**16,354.89**	16,101.27	**174.47**	76.53		**16,529.36**	16,177.80
Capital expenditure	**453.01**	238.33	**-**	-		**453.01**	238.33

Note:

i) The Company has considered Chemicals and Aluminium as the two primary business segments. Chemicals include Calcined Alumina, Alumina Hydrate and other related products. Aluminium includes aluminium ingots, wire rods, billets, strips, rolled and other related products. Bauxite produced for captive consumption for production of alumina is included under chemicals and power generated for captive consumption for production of Aluminium is included under Aluminium segment. Wind Power Plant commissioned primarily to harness the potential renewable energy sources is included in the unallocated Common segment.

ii) India and Outside India are the two geographical segments. Since all production and other facilities are located in India, segment assets except export debtors are shown under one geographic segment i.e. India.

iii) Inter-segment transfer of Calcined Alumina is considered at average sales realization from export sales during the period less freight from Refinery to Port at Vizag plus export incentive. Transfer of power from Aluminium segment to Chemical segment is considered at the annual / periodic average purchase price of power from State Grid at Alumina Refinery.

iv) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities. Revenue, expenses, assets and liabilities, which relate to the enterprise as a whole and are not allocable on a reasonable basis, have been included under Unallocated Common segment.

Statement Containing Salient Features of The Financial Statement of Associate Companies / Joint Ventures (Form AOC-1)

Part "B": Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Joint Ventures		
	NPCIL-NALCO Power Company Ltd. [1]	Angul Aluminum Park Pvt. Ltd.[1]	GACL NALCO Alkalies & Chemicals Pvt. Ltd. [1]
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016*	31.03.2016
2. Shares of Associate/ Joint Ventures held by the company on the year end			
No.	26,000	990,000	40,000
Amount of Investment in Associates / Joint Venture (Rs.)	260,000	9,900,000	400,000
Extend of Holding %	26.00%	49.50%	40.00%
3. Description of how there is signficant influence	Note 2	Note 2	Note 2
4. Reason why the associate / joint venture is not consolidated	-	-	-
5. Networth attributable to share holding as per latest audited Balance sheet (Rs.)	144,485	11,629,048	245,200
6. Profit /(Loss) for the year			
i. Considered in Consolidation	1,700	422,186	(154,800)
ii. Not Considered in Consolidation	-	-	-

1. Names of associates or joint ventures which are yet to commence operations
2. Voting power as per Joint Venture Agreement

* The accounts of Angul Aluminium Park Pvt. Ltd. for the year 2014-15 and 2015-16 is approved by it's Board but yet to be audited.

(CS. K N Ravindra)
Executive Director-
Company Secretary

(K C Samal)
Director (Finance)

(Dr. T K Chand)
Chairman-Cum-Managing Director

Place : Bhubaneswar

Dated : 28th May,2016

Significant Accounting Policies

1. BASIS OF ACCOUNTING.

The financial statements are prepared under historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles in India,relevant provisions of the Companies Act, 2013 and applicable accounting standards prescribed under Sec. 133 of Companies Act, 2013.

2. USE OF ESTIMATES.

In preparing the financial statements, the estimates and assumptions that may have bearing on the amount of assets or liabilities or contingent liabilities reported as at the date of financial statements and/or the amount of income or expenses declared during the period, have been made. Variation with the actual is recognized in the year in which the same is crystallized.

3. CLASSIFICATION OF ASSETS AND LIABILITIES

Based on the nature of business, operating cycle of 12 months has been taken for the purpose of current and non-current classification of assets and liabilities. Accordingly, all assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013.

4. FIXED ASSETS.

4.1 All tangible fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment loss, if any. Cost includes all direct expenditure of acquisition net of CENVAT/VAT credit, attributable indirect expenses and borrowing cost, wherever applicable.

4.2 Expenditure on existing tangible assets towards renovation and modernization resulting in increased life and/or efficiency is added to the cost of related assets.

4.3 Expenditure on development of land including leasehold land is capitalized as part of cost of land.

4.4 Intangible Assets are stated at acquisition cost less accumulated amortization.

Mining Rights (including payments made to Government Authority towards restoration of land, forest, wildlife etc. in relation to the bauxite mines), User Right for Jointly Controlled Asset, ERP& RDBMS and other Software User Rights, License & Franchise (Technical Knowhow Right) and R&D knowhow are treated as intangible assets.

4.5 Machinery spares (insurance spares) that are specific to a fixed asset valuing more than Rs.1 lakh per unit are capitalized along with the fixed asset.

4.6 Fixed assets retired from active use and held for disposal are stated at net book value less provision for doubtful realization, if any, and considered as other current asset till the time of its disposal.

4.7 Components of Plant & Machinery having different useful lives are separately recognized. The cut-off value of each component for such separate recognition is Rs.1 Crore. Value of component with different useful life crossing the threshold limit when replaced is recognized as a separate component.

5. DEPRECIATION.

5.1 Depreciation on tangible fixed assets is provided on straight-line method over the useful life of the asset as prescribed in Schedule II of the Companies Act 2013 or life assessed by the Management whichever is lower.

5.2 In respect of the following assets, a higher rate of depreciation is considered based on the lower useful life ascertained by the Management. Depreciation and amortization method, useful life and residual value are reviewed periodically including at each financial year end:

a) Life of immovable fixed assets at Bauxite Mines is limited to the period up to which Bauxite reserve is available at respective block of mines.

b) Life of thermal power generation plant at CPP and Steam Power plant at Refinery is considered as 30 years and 25 years respectively.

c) Lives of Red Mud Pond & Ash Pond at Alumina Refinery and Ash Ponds at Captive Power Plant are based on their estimated remaining useful life, evaluated on the basis of technical estimates made periodically.

5.3 Fixed assets which are subject to componentization, comprises of main assets, componentized assets and remainders if any. Main assets have the life as prescribed under Schedule-II of the Companies Act 2013 or life assessed by the technical committee whichever is lower. Componentized assets having value of Rs.1 crore or above have the life as assessed by the Technical Committee whereas the remainders, if any, carry the life of main assets.

5.4 The residual values of plant & machinery, vehicles, mobile equipments, earth moving equipments, railway facilities, rolling stock and residential quarters are considered to be 5% of the original cost.For all other assets,the residual value is considered to be Nil as per technical estimation.

5.5 Intangible assets are amortized on a straight-line basis as follows

a) Software classified as intangible assets are amortized over a period of 3 years.

b) Mining Rights (i.e NPV and other incidental payments) is amortized over the period for which the mining right is available. Other incidental payments in connection thereto are amortized over a period of 20 years from the date of payment.

c) License for Technical Knowhow is amortized over 10 years from the date of capitalization of corresponding process plant.

d) User Right for cluster projects is amortized over 10 years from the date of commissioning.

5.6 Imbedded Assets at Port Facilities are depreciated at rates calculated on the basis of balance lease period of land belonging to the Port Authority on which these assets are installed.

5.7 Assets costing Rs.10,000/- or less individually are depreciated fully in the year in which they are put to use.

5.8 Subsequent expenditure related to an item of fixed asset is prospectively depreciated over the revised useful life of related asset.

5.9 Assets laid on land not owned by the Company are depreciated over a period of five years from the date on which the asset is ready for use.

5.10 Depreciation on value adjustment is provided prospectively.

6. BORROWING COST.

6.1 General and specific borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset until such time the assets are ready for their intended use.

6.2 Other borrowing costs are recognized as expenses in the period in which these are incurred.

7. IMPAIRMENT.

Carrying amount of cash generating units is reviewed at each Balance sheet date where there is any indication of impairment based on internal/external sources of information. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units.Impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

8. INVESTMENTS.

Investments that are readily realizable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are stated at cost or market value whichever is lower. Long-term investments are carried at cost, after providing for permanent diminution, if any, in the value of such investments.

9. INVENTORY.

9.1 Raw-materials, stores and spares are valued at cost net of CENVAT / VAT credit wherever applicable or net realizable value whichever is lower. Cost is determined by using moving weighted average price method on real time basis.

9.2 Stores and spares other than insurance spares held but not issued for more than 5 years are valued at 5% of the cost.

9.3 Shortage of coal up to 1% of the receipt quantity is treated as normal loss and beyond 1% is treated as abnormal loss.

9.4 Materials and other supplies held for use in the production (other than considered as non-moving) are valued at cost, if the finished productsin which they are used are sold at or above cost.

9.5 Finished goods, semi-finished goods,intermediary products and work in process including process scrap except anode butts and rejects are valued at lower of cost and net realizable value. Cost is generally determined by using moving weighted average price on real time basis, appropriate share of labour and related overheads. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

9.6 Scrap of various nature internally generated is valued at estimated net realizable value.

10. GOVERNMENT GRANTS.

10.1 Fixed assets acquired out of financial grant from Government are shown at cost.The grant-in-aid received is credited to subsidy reserve account. Depreciation on the corresponding asset is adjusted against subsidy reserve.

10.2 Revenue grants are recognized as income over the period to which these are related.

11. FOREIGN CURRENCY TRANSACTIONS.

11.1 All foreign currency transactions are recorded by applying the exchange rate as on the date of transaction.

11.2 Monetary assets and liabilities in foreign currency are restated at year-end exchange rates. Exchange difference on restatement is recognized in the statement of profit and loss.

12. FORWARD EXCHANGE CONTRACT.

Forward exchange contracts outstanding at the year-end relating to firm commitment and highly probable forecast transactions, loss due to exchange difference or arising on marking to market is recognized in the statement of profit & loss whereas gains are ignored.

13. REVENUE RECOGNITION.

13.1 Sales:

a) Alumina & Alumnium : Sales in the domestic market are recognized at the time of dispatch of materials to the buyers. Export sales are recognized on issue of Bill of Lading. Domestic Sales include excise duty and are net of rebate and price concessions and do not include value added tax (VAT).

b) Renewable Power: Sale of wind power is recognized on the basis of power transmitted to power distribution companies (DISCOMs) at the price notified by respective authorities. Solar power generated is consumed for captive use in office and township and hence not recognized as income as well as expenditure.

c) Thermal Power : Sale of power from CPP is considered on the basis of quantity supplied to state grids less wheeling to refinery at the price notified by appropriate authority.

13.2 **Receivables/ Incentives:**

a) Claims receivables are accounted for in the statement of profit and loss based on certainty of their realization.

b) Interest income on term deposits is recognized on a time proportion basis taking in to account the amount outstanding and the rate applicable.

c) Export incentives i.e.duty draw back and MEIS are recognized on accrual basis on the shipping quantity as per Bill of Lading / export invoice.

d) Income from Renewable Energy Certificates (REC) is recognized on the basis of power billed to DISCOMs at the weighted average of quoted prices of recognized power exchanges on the last trading day of the reporting period.

e) Generation Based Incentive (GBI) is recognized on the invoiced quantity at the applicable rate as per scheme.

f) If there is uncertainty in realization, revenue recognition is postponed.

14. LONG TERM EMPLOYEE BENEFITS.

14.1 Defined Contribution Plan: Contributions towards Provident Funds & Pension Scheme are charged to the statement of profit and loss of the period for which the contributions to the Funds are due.

14.2 Defined Benefit Plan: Liabilities towards gratuity, accrued leave, long service awards, post retirement medical and settling-in benefits, future payments to the legal heirs of deceased employees under the NEFFARS scheme, contribution towards welfare on superannuation (NRWS), benevolent contribution and expenditure on superannuation gift are made based on the actuarial valuation as at the end of the year and charged to statement of profit and loss after considering actuarial gains/losses.

14.3 Expenditure on voluntary retirement compensation is charged off in the year in which it is incurred.

15. PRIOR PERIOD /PREPAID ITEMS.

Income/ Expenditure relating to prior period and prepaid expenses not exceeding Rs.5 lakh in each case is treated as income/expenditure of the current period.

16. EXPENDITURE ON NEW PROJECTS.

Expenses for assessment of new potential projects incurred till and for the purpose of making investment decision are charged to revenue. Expenditure incurred for projects after investment decisions are accounted for under capital-work-in progress and capitalized subsequently.

17. EXPENDITURE ON RESEARCH AND DEVELOPMENT.

Expenditure incurred during research phase is charged to revenue when no intangible asset arises from such research.

Development expenditure except of capital nature is charged to statement of Profit and Loss in the year incurred after setting of incidental income, if any.

18. EXCEPTIONAL ITEMS.

Exceptional items are items of income and expenses within profit or loss from ordinary activities but of such size, nature or incidence whose disclosure is felt necessary for better explanation of the performance of the Company.

19. TAX EXPENSES.

Tax expenses for the period, comprising of current tax and deferred tax are included in the determination of net profit or loss for the period.

19.1 Current tax is measured at the amount expected to be paid to tax authorities in accordance with the prevailing taxation laws.

19.2 Deferred Tax expense or benefit is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets (DTA) are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such DTA can be realized.

19.3 Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

20. JOINT VENTURES.

Interest in a jointly controlled entity is accounted for as investment in accordance with Accounting Standard (AS) 13, "Accounting for Investments" with disclosures in line with Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures".

21. PROVISIONS AGAINST DOUBTFUL DEBTS AND RECOVERABLES.

Provision for doubtful debts and receivables are made where sums receivable from parties other than Govt. Dept. / Govt. Companies are not realized for more than 3 years. In the case of Government Departments / Government Companies, the same is made on case-to-case basis depending upon the merit of the case.

22. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS.

22.1 Provision for contingent liability is recognized when there is present obligation and it is probable that an out flow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. These are reviewed at end of each year and adjusted to reflect the best current estimate.

22.2 Liabilities of contingent nature are disclosed in the financial statement as contingent liabilities when there is a possible obligation or a present obligation that may, but probably will not, require any outflow of resources. No disclosure is made where likelihood of outflow of resources is remote.

22.3 Contingent assets are neither recognized nor disclosed in the financial statements.

(Rs. in crore)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Note 1 : Share Capital		
Share Capital		
Equity Share Capital		
AUTHORISED		
600,00,00,000 shares of par value of Rs.5/- each (Previous year 600,00,00,000 shares of par value of Rs.5/- each)	**3,000.00**	**3,000.00**
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
257,72,38,512 shares of par value of Rs.5/- each fully paid up (Previous year 257,72,38,512 shares of par value of Rs.5/- each fully paid-up)	**1288.62**	**1288.62**

a) The Government of India holds 208,57,82,622 equity shares (80.93%), Previous year 208,57,82,622 equity shares (80.93%) of the company.

b) Holding of equity shares of the company by Life Insurance Corporation of India is 17,73,16,005 (6.88%) previous year 18,82,51,981 (7.30%)

c) The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the general meetings of the company.

d) During the financial year 2010-11, the company has issued 128,86,19,256 equity shares as fully paid bonus shares. The bonus issue was made subsequent to splitting up of shares from the face value of Rs.10/- each into 2 equity shares of Rs. 5/- each in the said year. Other than the said bonus issue, the company has not issued/bought back any equity shares in the last 5 years.

Note 2 : Reserves and Surplus

a)	**General Reserve**				
	As per last balance sheet	11,503.98		10,829.90	
	Less: Adjustment towards asset value as per transitional provision of Schedule II of Companies Act 2013	-		105.92	
	Add: Transfer from Surplus	-		780.00	
	Closing balance		**11,503.98**		**11,503.98**
b)	**Surplus**				
	- Balance as at the beginning of the year	4.46		3.76	
	- Add: Profit after tax for the year transferred from statement of profit and loss	731.03		1,321.90	
	- Less: Transfer to General Reserve	-		780.00	
	- Less: Interim dividend #	322.16		322.16	
	- Less: Tax on interim dividend	65.58		64.41	
	- Less: Proposed final dividend #	193.29		128.86	
	- Less: Tax on proposed final dividend	39.35		25.77	
	- Less: Differential Tax (Surcharge & Cess) on Final Dividend for 2014-15"	0.47			
	Closing balance		**114.64**		**4.46**
c)	**Other Reserve**				
	Subsidy Reserve				
	- As per last balance sheet	0.36		0.24	
	- Add: Subsidy received	0.24		0.37	
	- Add: Grant in aid received	8.68		-	
	- Less: Transferred to depreciation	0.02		0.25	
	Closing balance		9.26		0.36
	Total :		**11,627.88**		**11,508.80**

Refer Note - 49

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 3 : Deferred Tax Liabilities (Net)				
Deferred Tax Liability :				
Difference in depreciation between books and income tax		**1,288.37**		**1274.58**
Less: Deferred Tax Assets				
Disallowances u/s 43B of the Income Tax Act,1961	2.81		8.32	
On retirement benefits expense	89.95		93.88	
Provision for doubtful debts,claims and others	85.52		67.11	
Closing balance		**178.28**		**169.31**
Total :		**1,110.09**		**1,105.27**
Note 4 : Other Long Term Liabilities				
Trade payables		**16.30**		**19.82**
Other liabilities				
Payable for capital expenditure	1.58		3.07	
Others	51.59		42.41	
Sub total :		**53.17**		**45.48**
Total :		**69.47**		**65.30**
Note No. 5 : Long Term Provisions				
Provisions for Employee Benefits :				
Leave encashment	181.62		214.08	
Post retirement medical benefits	6.07		6.57	
Settling-in- benefit	2.37		5.39	
Long service reward	7.67		6.69	
NEFFARS	7.31		10.03	
Retirement Gift	6.20			
Benevolent Fund	2.56			
Retirement Welfare Scheme	9.92			
Total :		**223.72**		**242.76**
Note 6 : Trade Payables				
Trade payables				
Micro and small enterprises #		1.26		2.85
Others		580.12		437.33
Total :		**581.38**		**440.18**

Refer Note - 48

(Rs. in crore)

Particulars		Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 7 : Other Current Liabilities					
Employee benefits payable			125.99		160.09
Statutory & Other Dues					
Electricity duty		20.92		13.43	
Water charges & interest thereon #		663.56		537.71	
Income Tax (TDS & TCS)		14.92		13.66	
Others		17.17		23.44	
	Sub total :		**716.57**		**588.24**
Creditors for capital expenditure					
Micro and small enterprises # #		0.86		0.20	
Others		311.40		361.78	
	Sub total :		**312.26**		**361.98**
Customers credit balances & advance from customers			121.61		151.74
Renewable Purchase Obligation # # #			25.99		18.43
Other payables			43.25		55.17
Unpaid dividend			5.10		5.00
	Total :		1,350.77		1,340.65

Refer Note - 47
Refer Note - 48
Refer Note - 37

Note 8 : Short Term Provisions					
Provisions for Employee Benefits :					
Gratuity		8.60		2.05	
Leave encashment		15.73		15.36	
Post retirement medical benefits		0.23		0.25	
Settling-in- benefit		0.37		0.60	
Long service reward		0.63		2.08	
NEFFARS		13.90		10.20	
Retirement Gift		0.72			
Benevolent Fund		1.38			
Retirement Welfare Scheme		3.21		-	
	Sub total :		**44.77**		**30.54**
Others :					
Provision for wealth tax		-		1.04	
Provision for Income Tax		0.02		0.01	
Provision for dividend		193.29		128.86	
Tax provision on dividend		39.35		25.77	
	Sub total :		**232.66**		**155.68**
	Total :		**277.43**		**186.22**

(Rs. in crore)

Note 9 : Fixed Assets

	Gross Block				Depreciation				Net Block	
	As on 01.04.2015	Addition / Adjustments	Deductions	As on 31.03.2016	As on 01.04.2015	For the Year	Deductions	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
A. TANGIBLE ASSETS										
Land										
Free Hold	71.33		-	71.33	-	-	-	-	71.33	71.33
Lease	12.80	10.97	-	23.77	2.58	5.38	-	7.96	15.81	10.22
Buildings	1,084.41	42.95	-	1,127.36	536.79	36.67	-	573.46	553.90	547.62
Railway Sidings	110.65	12.57	-	123.22	69.55	4.53	-	74.08	49.14	41.10
Plant and Equipments	13,563.99	158.54	(29.88)	13,692.65	7,806.17	345.83	(24.02)	8,127.98	5,564.67	5,757.82
Furniture and fixtures	32.51	3.00	(0.30)	35.21	26.01	2.04	(0.29)	27.76	7.45	6.50
Vehicles	46.20	0.35	(0.60)	45.95	33.76	2.97	(0.54)	36.19	9.76	12.44
Office equipments	50.01	3.60	(1.58)	52.03	42.14	4.48	(1.58)	45.04	6.99	7.87
Miscellaneous equipments	126.77	5.15	(0.97)	130.95	72.46	9.58	(0.94)	81.10	49.85	54.31
Total :	**15,098.67**	**237.13**	**(33.33)**	**15,302.47**	**8,589.46**	**411.48**	**(27.37)**	**8,973.57**	**6,328.90**	**6,509.21**
B. INTANGIBLE ASSETS										
Softwares	14.68	1.66	-	16.34	11.87	1.56	-	13.43	2.91	2.81
Mining Rights	138.67	13.39	-	152.06	30.95	7.34	-	38.29	113.77	107.72
User Right (Cluster Projects)	17.98	-	-	17.98	2.55	1.81	-	4.36	13.62	15.43
Licenses & Franchise	14.70	-	-	14.70	4.45	1.94	-	6.39	8.31	10.25
Total Intangible Assets :	**186.03**	**15.05**	**-**	**201.08**	**49.82**	**12.65**	**-**	**62.47**	**138.61**	**136.21**
Grand Total	**15,284.70**	**252.18**	**(33.33)**	**15,503.55**	**8,639.28**	**424.13**	**(27.37)**	**9,036.04**	**6,467.51**	**6,645.42**
Grand Total (Previous Year)	**14,858.13**	**428.09**	**(1.52)**	**15,284.70**	**8,066.19**	**574.48**	**(1.39)**	**8,639.28**	**6,645.42**	**6,791.94**

Note :

1. The cumulative impairment provision included in cumulative value of depreciation in buildings & structures is Rs.4.39 crore (previous year Rs. 4.94 crore)
2. The cumulative impairment provision included in cumulative value of depreciation in plant and equipments is Rs.28.6 crore (previous year Rs. 31.40 crore)
3. The impairment provision included in depreciation in buildings & structures is Rs.(0.55) crore (previous year Rs. (0.55) crore)
4. The impairment provision included in Depreciation in Plant and equipments is Rs.(2.80) crore (previous year Rs. (2.80) crore)
5. Gross Block includes the following capital expenditure represented by assets laid on land not owned by the company.
   a) Buildings - Rs.6.32 Crore (previous year Rs.6.32 Crore), Cumulative Depreciation Rs. 6.32 Crore (previous year 6.32 Crore)
   b) Railway Sidings - Rs.4.45 Crore (previous year Rs.4.45 Crore), Cumulative Depreciation Rs. 4.45 Crore (previous year 4.45 Crore)
   c) Plant and Equipments - Rs.16.18 Crore (previous year Rs.16.18 Crore), Cumulative Depreciation Rs. 16.18 Crore (previous year 16.18 Crore)
6. Title deeds have been executed for free hold land acquired through State Government, except for land measuring 66.92 acres. Process of conversion of freehold land for Industrial use has been taken- up with Revenue Authorities.
7. Leasehold land includes 1576.10 acres of land in respect of which lease deeds are yet to be executed. However, the Company has been permitted by the concerned authorities to carry on its operations on the said land.
8. Registration formalities in respect of office space for 6,459 Sq.ft purchased from Kolkata Municipal Development Authority valuing Rs.5.50 crore in kolkata is under progress.
9. Land includes 43.75 Acres at Refinery applied for surrender.

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 10 : Capital Work - in - Progress				
Capital Work - in - progress at cost	561.80		478.90	
Less: Doubtful Realisation	0.79		-	
Sub total :		**561.01**		**478.90**
Construction materials including in transit (at cost)		43.55		47.49
Expenditure during construction pending allocation (Note 10.1)		57.58		23.62
Total :		**662.14**		**550.01**
Note 10.1				
EXPENDITURE DURING CONSTRUCTION				
Pending allocation (openning balance)		**23.62**		**65.66**
Add : Expenditure during the year				
Technical consultants fee and know how	0.14		(0.08)	
Startup & commissioning	8.06		-	
Other expenses	5.55		1.41	
Depreciation	0.02		0.10	
	13.77		**1.43**	
Less : Income during the year				
Income out of trial operation	4.40		-	
Net expenditure during the year		**9.37**		**1.43**
Total expenditure		**32.99**		**67.09**
Less : Allocated to fixed assets		10.16		8.72
Less: Transferred to/(from) claim #		(34.75)		34.75
Balance carried forward		**57.58**		**23.62**

Refer Note no.44

Note 11 : Non-Current Investments

Trade Investments & Unquoted	No.of Units in '000		No.of Units in '000	
Equity Investments				
Equity Shares in Bhubaneswar Stock Exchange Ltd		0.03		0.03
Equity Shares in Excel Services Ltd		*		*
Other Investments & Quoted (Refer Note 11.1)		810.00		-
Total :		**810.03**		**0.03**
Aggregate amount of Unquoted Investments		0.03		0.03

* Amount is less than one lakh

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 11.1 : Other Investments & Quoted				
(Long Term Investment with Maturity more than 12 months from the balance sheet date)	**units in '000**		**units in '000**	
(Face Value of Rs.10 each.)				
SBI SDFS-366 Days-Series-A-22	50,000	50.00		
SBI SDFS-366 Days-Series-A-24	50,000	50.00		
SBI SDFS-366 Days-Series-A-27	30,000	30.00		
SBI SDFS-366 Days-Series-A-28	50,000	50.00		
SBI SDFS-366 Days-Series-A-31	40,000	40.00		
SBI SDFS-366 Days-Series-A-32	35,000	35.00		
SBI SDFS-366 Days-Series-A-34	25,000	25.00		
SBI SDFS-366 Days-Series-A-35	50,000	50.00		
UTI FTIF SERIES XVIII – X	20,000	20.00		
UTI FTIF SERIES XVIII- XII	40,000	40.00		
UTI FTIF SERIES XVIII- XIII	40,000	40.00		
UTI FTIF SERIES XIX- I	25,000	25.00		
UTI FTIF SERIES XIX-III	75,000	75.00		
UTI FTIF SERIES XIX – IV	25,000	25.00		
UTI FTIF SERIES XIX- VI	50,000	50.00		
UTI FTIF SERIES XIX- VIII	35,000	35.00		
UTI FTIF SERIES XIX-IX	100,000	100.00		
UTI FTIF SERIES XIX – X	10,000	10.00		
UTI FTIF SERIES XIX-XI	60,000	60.00		
Total		**810.00**		**-**
Aggregate amount of Quoted Investments		810.00		-
Aggregate amount of Quoted Investments market value		943.28		-

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 12 : Long term Loans and Advances				
Capital Advances				
Unsecured, considered good #	386.87		255.28	
Doubtful	0.50		0.50	
Less : Allowances for doubtful realisation	0.50		0.50	
Sub total :		**386.87**		**255.28**
Other loans and advances				
Loans to Employees				
Secured,considered good	61.80		65.29	
Unsecured, considered good	14.96		28.58	
Sub total :		**76.76**		**93.87**
Loans to others				
Secured,considered good		**0.21**		**0.27**
Deposits (undisputed,unsecured,considered good)				
Customs,Excise,Sales Tax ,Port Trusts etc.	15.65		15.49	
Other Government Authorities	1.32		1.44	
Others	6.98		4.98	
	23.95		21.91	
Deposits (disputed,unsecured,considered good)				
Customs,Excise,Sales Tax ,Railways,Port Trusts etc.	221.05		204.66	
Income Tax Authority ##	638.71		645.86	
	859.76		**850.52**	
Deposits (disputed,unsecured,considered doubtful)				
Customs,Excise,Sales Tax ,Railways,Port Trusts etc.	0.43		0.43	
Less : Allowances for doubtful realisation	0.43		0.43	
	-		-	
Sub total :		**883.71**		**872.43**
Total :		**1,347.55**		**1221.85**

Includes an amount of Rs. 151 Crore paid by the Company to Gujarat Mineral Development Corporation Ltd (GMDC) towards upfront payment while bidding for a new project for establishing Alumina Refinery and Aluminium Smelter with supply of Bauxite by GMDC in the state of Gujarat.
Refere Note : 46

Note 13 : Other Non Current Assets				
Long Term Trade Receivables				
Trade Receivable (Doubtful)	37.11		37.11	
Less : Allowances for doubtful realisation	37.11		37.11	
Sub total :		-		-
Interest Accrued on				
Loans to employees				
Secured, considered good	37.42		36.47	
Unsecured, considered good	11.93		10.89	
Sub total :		**49.35**		**47.36**
Loans to others				
Secured ,considered good	0.13		0.09	
Sub total :		**0.13**		**0.09**
Total :		49.48		47.45

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 14 : Current Investments				
(Long Term Investment with Maturity less than	**units in '000**		**units in '000**	
12 months from the balance sheet date)				
(Face Value of Rs.10 each.)				
UTI FTIF Series XVIII Plan- V			45,000	45.00
UTI FTIF Series XVIII Plan- VIII			40,000	40.00
UTI FTIF Series XVIII Plan- X			20,000	20.00
UTI FTIF Series XVIII Plan- XII			40,000	40.00
UTI FTIF Series XVIII Plan- XIII			40,000	40.00
UTI FTIF Series XIX Plan- I			25,000	25.00
UTI FTIF Series XIX Plan- III			75,000	75.00
UTI FTIF Series XIX Plan- IV			25,000	25.00
UTI FTIF Series XIX Plan- VI			50,000	50.00
UTI FTIF Series XIX Plan- VIII			35,000	35.00
UTI FTIF Series XIX Plan- IX			100,000	100.00
UTI FTIF Series XIX Plan- X			10,000	10.00
UTI FTIF Series XIX Plan- XI			60,000	60.00
SBI SDFS-366 Days-Series-A-20			50,000	50.00
SBI SDFS-366 Days-Series-A-22			50,000	50.00
SBI SDFS-366 Days-Series-A-24			50,000	50.00
SBI SDFS-366 Days-Series-A-27			30,000	30.00
SBI SDFS-366 Days-Series-A-28			50,000	50.00
SBI SDFS-366 Days-Series-A-31			40,000	40.00
SBI SDFS-366 Days-Series-A-32			35,000	35.00
SBI SDFS-366 Days-Series-A-34			25,000	25.00
SBI SDFS-366 Days-Series-A-35			50,000	50.00
BOI AXA FMP Series 14			5,000	5.00
Investment in Mutual Funds				
BOI AXA Liquid Fund Direct Plan-Dividend-LF-DD ***(Face Value Rs. 1002.6483 Each)***	110	11.00		
Canara Robeco Liquid Direct Daily Dividend ***(Face Value Each Rs. 1005.5000 Each)***	109	11.00		
IDBI Liquid Fund Direct Plan Daily Dividend ***(Face Value Rs. 1001.8202 Each)***	110	11.00		
SBI PLF- Dir Plan Daily Dividend ***(Face Value Rs. 1003.2500 Each)***	110	11.00		
Union KBC Liquid Fund Daily Dividend **(Face Value Rs. 1000.6506 Each)**	110	11.00		
UTI Money Market Fund ***(Face Value Rs. 1003.3854 Each)***	110	11.00		
Total		**66.00**		**950.00**
Aggregate amount of Quoted Investments		66.00		950.00
Aggregate amount of Quoted Investments market value		66.04		1,021.06

(Rs. in crore)

Particulars		Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 15 : Inventories					
Raw materials		79.30		98.06	
Add :In transit		33.78		19.99	
	Sub total :	113.08		118.05	
Less: Doubtful Provision		0.07		-	
			113.01		**118.05**
Work in progress		216.50		202.22	
Intermediaries		103.24		108.01	
Finished goods		136.37		136.90	
			456.11		**447.13**
Stores & spares		389.40		448.76	
Add :In transit		12.28		21.19	
	Sub total :	401.68		469.95	
Less: Doubtful Provision		0.80		-	
			400.88		**469.95**
Coal & fuel oil		133.80		128.47	
Add :In transit		23.17		1.96	
			156.97		**130.43**
	Total :		**1,126.97**		**1,165.56**

Note 16 : Trade Receivables					
Unsecured,considered good					
- Outstanding for a period exceeding					
6 months from the date they are due		23.79		12.37	
- Others		211.42		108.45	
	Total		**235.21**		**120.82**

Note 17 : Cash and Bank Balances					
Cash and Cash Equivalents					
Balances with banks					
In current account		38.17		3.69	
Cash in hand including stamps		0.13		0.14	
	Sub total :		**38.30**		**3.83**
Other Bank Balances					
Unpaid Dividend Account*		5.10		5.00	
Term deposits having maturity more					
than 3 months but less than 12 Months		4,900.71		4,619.96	
	Sub total :		**4,905.81**		**4,624.96**
	Total:		**4,944.11**		**4,628.79**

* Amount due for credit to Investors Education and Protection Fund at the end of the current year (nil) (previous year nil).

(Rs. in crore)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
Note 18 : Short term Loans and Advances				
Other loans & Advances				
Secured , considered good				
- Loans to employees	16.99		17.17	
- Loans to Others	0.11		0.08	
Sub total		**17.10**		**17.25**
Unsecured, considered good				
- Loans to employees	17.04		19.27	
- Advances to employees	23.88		23.14	
- Advances to vendors	319.40		286.47	
- VAT credit receivable	15.62		15.95	
- Cenvat credit receivable	170.77		200.73	
- Claims receivable from customs, excise and railway authorities	2.55		4.14	
- Prepaid expenses	4.18		3.89	
- Others	16.14		36.70	
Sub total		**569.58**		**590.29**
Unsecured, considered doubtful				
- Advances to employees	38.84		31.20	
- Advances to vendors	2.44		2.39	
- VAT credit receivable	133.05		87.69	
- CENVAT credit receivable	3.99			
- Claims receivable from customs, excise and railway authorities	7.74		3.48	
- Others	2.90		2.67	
	188.96		127.43	
Less : Allowances for doubtful realisation	188.96		127.43	
Sub total		-		-
Total :		**586.68**		**607.54**
Note 19 : Other Current Assets				
Interest accrued on				
Unsecured, considered good				
Bank deposits	169.79		173.19	
Loans to employees	2.17		0.60	
Other loans and advances	0.64		0.44	
	172.60		174.23	
Secured, considered good				
Loans to employees	6.74		5.97	
Sub total		**179.34**		**180.20**
Export incentive claims		**27.44**		**23.82**
Generation Based Incentives on power from renewable sources		**5.67**		**4.82**
Gold medalion on hand		**0.06**		**0.06**
Non trade receivables				
Unsecured, considered good	1.34		0.73	
Unsecured , considered doubtful	0.32		0.44	
Less : Allowances for doubtful realisation	0.32		0.44	
Sub total		**1.34**		**0.73**
Insurance claims	11.22		11.96	
Less : Allowances for doubtful realisation	6.40		6.45	
Sub total		**4.82**		**5.51**
Scraps & unserviceable materials	14.80		25.08	
Less : Allowances for doubtful realisation	0.21		0.41	
Sub total		**14.59**		**24.67**
Fixed assets awaiting disposal	4.95		4.91	
Less : Allowances for doubtful realisation	4.53		4.39	
Sub total		**0.42**		**0.52**
Total :		**233.68**		**240.33**

(Rs. in crore)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Note 20 : Contingent Liabilities not provided for		
Claims against the company not acknowledged as debts :		
1. Sales tax	411.52	445.60
2. Excise duty	102.05	83.35
3. Customs duty	5.77	5.77
4. Service tax	2.35	2.26
5. Income tax	688.36	1,079.37
6. Entry tax and Road tax	288.67	214.46
7. Land acquisition and interest there on	43.49	43.83
8. Stamp duty	205.97	211.64
9. Demand from Dept. of mines Govt. of Odisha	136.30	90.05
10. NPV and related demand under mining lease	93.10	106.04
11. Claims of contractor's suppliers & others	159.41	163.27
12. Employee state insurance	0.32	0.32
13. Provident fund commissioner	-	0.05
Total :	**2,137.31**	**2,446.01**

Claims against the company not acknowledged as debts includes:

a. Demand from various statutory authorities towards Income Tax, Sales Tax, Excise Duty, Customs Duty, Service Tax, Entry Tax and other government levies. The company is contesting the demand at appellate authorities. It is expected that the ultimate outcome of these proceedings will be in favour of the Company and will not have any material adverse effect on the company's financial position and results of operation.

b. Claims of contractors for supply of material/services pending with arbitration/ courts those have arisen in the ordinary course of business. The company reasonably expect that these legal actions when ultimately concluded and determined will be in favour of the Company and will not have material adverse effect on the company's results of operation or financial condition.

Note 21 : Capital and other commitments

a) Capital Commitments		
Estimated amount of contracts on capital account and not provided for, remaining to be executed.	685.71	207.54
b) Other Commitments		
The company has imported capital goods under the Export promotion capital goods scheme(EPCG) of the Govt. of India at concessional rates of duty under the scheme to fulfill quantified exports for duty saved Rs.6.95 crore(previous year Rs.8.90 crore).	41.68	53.41
Total :	**727.39**	**260.95**

(Rs. in crore)

Particulars		Figures for the current reporting period		Figures for the Previous reporting period	
Note 22 : Revenue From Operations					
Sale of Products					
(i) Export :					
Alumina		2,198.27		2,470.22	
Aluminium		1,048.60		837.09	
		3,246.87		3,307.31	
(ii) Domestic :					
Alumina		119.92		100.42	
Aluminium		3,734.23		4,299.86	
Electricity		55.51		63.03	
		3,909.66		4,463.31	
	Turnover (Gross)	**7,156.53**		**7,770.62**	
(iii) Less : Excise Duty					
Alumina		13.52		11.20	
Aluminium		439.68		497.52	
		453.20		**508.72**	
	Turnover (Net)		**6,703.33**		**7,261.90**
Other Operating Revenue					
(i) Export Incentives					
Alumina		43.78		64.81	
Aluminium		38.52		14.60	
		82.30		79.41	
(ii) Incentives on Renewable Energy		30.37		34.94	
(iii) Own manufactured goods internally used /capitalised		-		6.56	
	Sub total :		**112.67**		**120.91**
	Total		**6,816.00**		**7,382.81**
Note 23 : Other Income					
Interest Income on:					
Bank deposits *		435.80		456.03	
Loans to employees		9.97		11.27	
Income tax refund		13.86		9.55	
Others		0.77		0.43	
	Sub total :		**460.40**		**477.28**
Income on Investments:					
Net Gain /(Loss) on					
Dividend plan investments		5.19		18.77	
Long term investments		12.97		100.62	
	Sub total :		**18.16**		**119.39**
Net gain/ (loss) on foreign exchange translation & transactions			**5.98**		**13.40**
General scrap income			**6.52**		**22.95**
Miscellaneous income			**44.28**		**40.05**
Adjustments pertaining to earlier years			**1.30**		**(0.35)**
Total :			**536.64**		**672.72**

*Includes Income Tax Deducted at source Rs.43.62 Crore (Previous year Rs.46.29 Crore)

(Rs. in crore)

Particulars	Figures for the current reporting period			Figures for the Previous reporting period		
Note 24 : Cost of Materials Consumed						
Raw materials	**Quantity(MT)**			**Quantity(MT)**		
Caustic Soda	207,312	585.26		190,491	536.39	
C.P.Coke	145,387	302.64		124,310	282.48	
C.T.Pitch	34,395	94.97		29,075	109.98	
Aluminium Flouride	6,760	50.69		5,597	39.31	
Lime	54,127	41.03		50,231	36.83	
Others		29.81			26.60	
Total :			**1,104.40**			**1,031.59**
Note 25 : Power and Fuel						
Coal		1,285.27			1,052.61	
Fuel oil		398.22			612.84	
Duty on own generation		172.68			121.50	
Purchased power		1.89			2.14	
Power transmission charges		6.55			5.74	
Sub total :		1,864.61			1,794.83	
Adjustments pertaining to earlier years		-			7.41	
Total :			**1,864.61**			**1,802.24**
Note 26 : Changes in inventories of finished goods,intermediaries and work-in-process						
Finished Goods						
Opening stock	**Basic**	**Excise Duty included ***		**Basic**	**Excise Duty included**	
Bauxite	4.83	-		8.62	-	
Chemical	94.32	4.87		97.84	1.90	
Aluminium	28.53	4.35		21.79	3.20	
	127.68	9.22		128.25	5.10	
Less:Closing stock						
Bauxite	7.73	-		4.83	-	
Chemical	93.81	6.06		94.32	4.87	
Aluminium	25.98	2.79		28.53	4.35	
	127.52	8.85		127.68	9.22	
(Accretion)/Depletion	0.16	0.37	**0.53**	0.57	(4.12)	**(3.55)**
Net (Accretion)/Depletion - (A)			**0.53**			**(3.55)**
Intermediaries						
Opening stock						
Anodes	103.49			114.50		
Others	4.52			4.03		
	108.01			118.53		
Less:Closing stock						
Anodes	96.08			103.49		
Others	7.17			4.52		
	103.25			108.01		
(Accretion)/Depletion	4.76		**4.76**	10.52		**10.52**
Net (Accretion)/Depletion - (B)			**4.76**			**10.52**
Work in Process						
Opening stock	202.22			198.15		
Less:Closing stock	216.50			202.22		
(Accretion)/Depletion	(14.28)		**(14.28)**	(4.07)		**(4.07)**
Transfer from Trial Operation			**-**			**-**
Net (Accretion)/Depletion - (C)			**(14.28)**			**(4.07)**
Total (A+B+C) :			**(8.99)**			**2.90**

* Excise duty included on stock held at plant and stockyards.

(Rs.in Crore)

Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
Note 27 : Employee Benefit Expenses				
Salaries and wages	1,104.56		1130.86	
Contribution to provident, pension and gratuity fund	189.10		177.71	
Staff welfare expenses	67.71		69.34	
Total :		**1,361.37**		**1,377.91**

Long term employee benefit obligations (as per AS-15) included in note 27 above

	Gratuity	Leave Encash-ment	Post Retirement Medical Benefit	Settling-in - Benefit	NEFFAR Scheme	Long Service Reward	Nalco Benevolent Fund Scheme	Nalco Retirement Welfare Scheme	Nalco Super-annuation Gift
Amount Recognised in Balance Sheet:									
Present value of obligation	**298.02**	**197.34**	**6.30**	**2.74**	**21.21**	**8.30**	**3.94**	**13.13**	**6.92**
	293.76	*229.44*	*6.82*	*5.98*	*20.22*	*8.77*			
Fair value of plan asset	**289.43**	**-**	**-**	**-**	**-**	**-**			
	291.71	-	-	-	-	-			
Funded status[excess/(short)]	**(8.59)**	**-**	**-**	**-**	**-**	**-**			
	(2.05)	-	-	-	-	-			
Net liability recognised	**8.59**	**-**	**-**	**-**	**-**	**-**			
	2.05	-	-	-	-	-			
Amount Recognised in Profit & Loss Account:									
Current service cost	**28.46**	**62.38**	**-**	**5.37**	**-**	**0.51**	**3.94**	**13.13**	**6.92**
	26.97	*59.26*	-	-	-	*0.52*			
Interest cost	**22.58**	**13.37**	**0.40**	**0.46**	**-**	**0.63**			
	20.96	*13.41*	*0.47*	*0.63*	-	*0.69*			
Expected reurn on plan asset	**23.33**	**-**	**-**	**-**	**-**	**-**			
	22.23	-	-	-	-	-			
Net actuarial (gain)/loss	**(19.12)**	**16.74**	**2.57**	**(8.61)**	**0.99**	**0.12**			
	(18.26)	*20.46*	*1.81*	*(2.23)*	*0.66*	*0.38*			
Expenses recognised	**8.59**	**92.49**	**2.97**	**(2.78)**	**0.99**	**1.26**	**3.94**	**13.13**	**6.92**
	7.44	*93.13*	*2.28*	*(1.60)*	*0.66*	*1.59*			
Movement of Net Liability Recognised in Balance Sheet:									
Opening net liability	**2.05**	**229.44**	**6.82**	**5.98**	**20.22**	**8.77**	**-**	**-**	**-**
	(5.39)	*198.78*	*7.30*	*8.05*	*19.56*	*9.99*			
Expenses recognised	**8.59**	**92.49**	**2.97**	**(2.78)**	**0.99**	**1.26**	**3.94**	**13.13**	**6.92**
	7.44	*93.13*	*2.28*	*(1.60)*	*0.66*	*1.59*			
Benefits paid	**-**	**124.59**	**3.49**	**0.46**	**-**	**1.73**			
	-	*62.47*	*2.76*	*0.47*	-	*2.81*			
Contributions	**2.05**	**-**	**-**	**-**	**-**	**-**			
	-	-	-	-	-	-			
Closing net liability	**8.59**	**197.34**	**6.30**	**2.74**	**21.21**	**8.30**	**3.94**	**13.13**	**6.92**
	2.05	*229.44*	*6.82*	*5.98*	*20.22*	*8.77*			

Note :

1. Figures in italics pertain to previous year.
2. Gratuity is a post employment funded defined employee benefit plan
3. Other benefits are un-funded defined employee benefit plan

(Rs.in Crore)

Particulars	Figures for the current reporting period	Figures for the Previous reporting period
Note 27 : Employee Benefit Expenses Cont..		
A. Actuarial Asumptions		
Mortality table	IALM-(2006-08) ULT	IALM-(2006-08) ULT
Discount rate	8.00%	8.00%
Return on plan assets	8.00%	8.00%
Rate of escalation in salary	6.00%	6.00%
Superannuation Age	60 Years	60 Years

The estimates of future salary increases considered in actuarial valuation,take account of inflation,seniority, promotion and other relevant factors,viz. supply and demand in the employment market.Further the expected return on plan asset is determined considering several applicable factors mainly the composition of plan assets held,assessed risk of asset management and historical returns from plan assets.

B. Investment Details of Plan Assets

	Rs.in Crore	%	Rs.in Crore	%
Insurer managed fund	289.33	99.97%	291.62	99.97%
Others	0.10	0.03%	0.09	0.03%
Total :	**289.43**	**100.00%**	**291.71**	**100.00%**
C.Actual Return on Plan Assets	**Rs.18.74 Crore**		**Rs.34.39 Crore**	

D. General description of various defined benefit schemes are as under

(i) **Provident Fund :** The Company pays fixed contribution to Provident Fund at predetermined rates, to a separate trust,which invests the funds in permitted securities.On contributions, the trust is required to pay a minimum rate of interest, to the members, as specified by Govt.of India. Where the trust is unable to pay interest at the declared rate for the reasons that the return on investment is less or for any other reason,then the deficiency shall be made good by the company.

(ii) **Pension Fund :** The Company pays fixed contribution to the trustee bank of PFRDA,which in turn invests the money with the insurers as specified by the employee concerned.The company's liability is limited only to the extent of fixed contribution.

(iii) **Gratuity :** Gratuity payable to employees as per The Payment of Gratuity Act subject to a maximum of Rs.10,00,000/.The gratuity scheme is funded by the Company and is managed by a separate trust.The liability for gratuity under the scheme is recognised on the basis of actuarial valuation.

(iv) **Post Retirement Medical Benefit :** The benefit is available to retired employees and their spouses who have opted for the benefit.Medical treatment as an inpatient can be availed from the company's hospital/Govt.Hospital/ hospitals as per company's rule.They can also avail treatment as out patient subject to ceiling limit of expenses fixed by the Company.The liability under the scheme is recognised on the basis of actuarial valuation.

(v) **Settling-in- Benefit :** On superannuation /retirement/termination of service, if opted for the scheme, the transfer TA is admissible to the employees and / or family for the last head quarters to the hometown or any other place of settlement limited to distance of home town. Transport of personal conveyance shall also be admissible.The liability for the same is recognised on the basis of actuarial valuation.

(vi) **Long Service Reward :** The employee who completes 25 years of service are entitled for a long service reward which is equal to one month basic pay and DA.The liability for the same is recognised on the basis of actuarial valuation.

(vii) **NEFFARS :** In the event of disablement/death,the Company pays monthly benefit to the employee/ nominee at their option and on deposit of prescribed amount as stipulated under the scheme upto the date of notional superannuation.The liability for the same is recognised on the basis of actuarial valuation.

(viii) **Leave Encashment :**The accumulated earned leave,half pay leave & sick leave is payble on separation, subject to maximum permissible limit as prescribed in the leave rules of the company.During the service period encashment of accumulated leave is also allowed as per company's rule.The liability for the same is recognised on the basis of actuarial valuation.

(ix) **NALCO Benevolent Fund Scheme :** The objective of the scheme is to provide financial assistance to families of the members of the scheme who die while in employement of the company. As per the scheme there will be contribution by members @ Rs.30/- per member per death, in the event of death of a member while in the service of the company and matching contribution by the Company .

(x) **NALCO Retirement Welfare Scheme :** The objective of the scheme is to provide financial assistance as a gesture of goodwill for post retirement support to employees retiring from the services of the company. As per the scheme the recovery from each employee member would be Rs. 10/- per retiring member. The Company would provide equivalent sum as matching contribution.

(xi) **Superannuation Gift Scheme :** The objective of the scheme is to recognise the employees superannuating or retiring on medical ground from the services of the company. The scheme includes a gift item worth of Rs. 25000/- per retiring employees to be presented on superannuation/ retirement.

(Rs. in crore)

Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
Note 28 : Finance Cost				
Interest Expense				
Interest on short term loans	1.21		-	
Applicable net (gain)/loss on foreign currency transaction and translation				
Adjustment to interest cost	-		-	
Total :		**1.21**		**-**

Note 29: Depreciation and Amortisation Expenses

Depreciation for the current year	423.60		414.02	
Less :Transfered to Capital Account	0.02		0.10	
Less : Transferred from Subsidy Reserve	0.02		0.26	
Sub total		**423.56**		**413.66**
Adjustment pertaing to earlier years		**0.53**		**-**
Total :		**424.09**		**413.66**

(Rs. in crore)

Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
Note 30 : Other Expenses				
Repairs and Maintenance				
Repairs to building	44.98		33.83	
Repairs to plant & machinery	127.84		138.39	
Repairs to others	18.83		20.70	
Sub total		**191.65**		**192.92**
Consumption of Stores & Spare Parts etc.				
Stores & spares*	280.86		299.07	
Consumables	113.66		120.77	
Sub total		**394.52**		**419.84**
Other Manufacturing Expenses				
Royalty & Cess	93.14		90.53	
Water charges	24.18		24.13	
Contribution to DMF & NMET #	36.31		-	
Others	62.64		48.56	
Sub total		**216.27**		**163.22**
Freight and Forwarding Expenses				
Incoming materials	97.30		77.59	
Outgoing materials	155.50		123.96	
Sub total		**252.80**		**201.55**
Rent		**3.52**		**3.38**
Rates & Taxes		**2.76**		**5.53**
Insurance		**8.75**		**8.13**
Payment to Auditors				
As Auditors	0.20		0.20	
For Taxation matters	0.04		0.04	
For Company law matters	0.16		0.16	
For reimbursement of expenses	0.14		0.13	
Sub total		**0.54**		**0.53**
Payment to Cost Auditors		**0.02**		**0.04**
Security & fire fighting expenses		**90.31**		**84.69**
CSR expenses		**27.17**		**19.31**
Miscellaneous				
Administrative and general expenses	104.91		71.20	
Interest on disputed Govt.dues & others	140.22		166.75	
Selling & distribution expenses	26.82		20.02	
Write off of Inventories, Claims etc	11.98		13.17	
Provisions	63.01		61.01	
Others	19.16		20.71	
Sub total		**366.10**		**352.86**
Adjustments Pertaining to earlier years		**2.19**		**10.16**
Total :		**1,556.60**		**1,462.16**

* Not included in Repairs & Maintenance

Refer Note : 40

(Rs. in crore)

Particulars	Figures for the current reporting period		Figures for the Previous reporting period	
Note 31 : Exceptional Items				
Power & Fuel expense		-		(0.74)
Other Expense/ Income*		(53.45)		(147.68)
Total :		**(53.45)**		**(148.42)**

* Refer Note 41 for details of nature of income in the current reporting period. The figures of previous reporting period includes write back of liability towards interest on disputed electricity for Rs.253.21 Crore and reversal of claims towards T&T loss for Rs.105.53 Crore pertaining to earlier years.

Note 32 : Expenditure incurred in Foreign Currency				
Professional & consultation fees	10.53		5.24	
Other expenses	0.39		1.14	
Total :		**10.92**		**6.38**

Note 33 : Earnings in Foreign Currency				
Export of goods calculated on FOB basis	2,953.17		3,159.48	
Other income(despatch money claim)	1.56		1.23	
Exceptional Items	53.45		-	
Total :		**3,008.18**		**3,160.71**

Note 34 : Value of Imports calculated on CIF basis				
Raw materials	107.02		114.78	
Coal	40.14		107.89	
Components & spare parts	52.44		76.00	
Capital goods	35.03		5.11	
Total :		**234.63**		**303.78**

Note 35 : Value of Raw Materials, Spare parts & components consumed during the year

	Value	%	Value	%
a) Raw Materials:				
Imported	124.30	11.25	139.22	13.50
Indigenous	980.10	88.75	892.37	86.50
Total :	**1,104.40**	**100.00**	**1,031.59**	**100.00**
b) Spare parts and components:				
Imported	62.61	15.87	102.95	24.52
Indigenous	331.91	84.13	316.89	75.48
Total :	**394.52**	**100.00**	**419.84**	**100.00**

Notes to the Consolidated Financial Statements

Note 36 : Joint Ventures

Pursuant to compliance of Accounting Standard-27, relevant disclosures relating to interest in joint ventures are as follows:

a) Details of name, country of incorporation and ownership interest

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership	
		Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
i) NPCIL-NALCO Power Company Ltd.	India	26.00%	26.00%
ii) Angul Aluminum Park Pvt. Ltd.	India	49.50%	49.50%
iii) GACL NALCO Alkalies & Chemicals Pvt. Ltd.	India	40.00%	-

Note: GACL-NALCO Alkalies & Chemicals Pvt. Ltd. was formed on 04.12.2015.

b) Aggregate amount of company's interest in Joint Ventures as per accounts is as under.

(Rs. In crore)

Particulars	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
i) NPCIL-NALCO Power Company Ltd.		
Equity and Liabilities		
Shareholders Fund	0.01	0.01
Non Current liabilities	-	-
Current liabilities	*	*
Assets		
Non Current Assets	-	-
Current Assets	0.01	0.01
Income	*	*
Expenses	*	*
ii) Angul Aluminium Park Pvt. Ltd.		
Equity and Liabilities		
Shareholders Fund	1.16	1.12
Grant in Aid	8.68	
Non Current liabilities	1.21	-
Current liabilities	0.04	0.01
Assets		
Non Current Assets	0.53	0.28
Current Assets	10.56	0.85
Income	0.07	0.08
Expenses	0.01	0.01
iii) GACL-NALCO Alkalies & Chemicals Pvt. Ltd.		
Equity and Liabilities		
Shareholders Fund	0.02	-
Non Current liabilities	-	-
Current liabilities	0.29	-
Assets		
Non Current Assets	0.28	-
Current Assets	0.04	-
Income	-	-
Expenses	0.02	-

* Amount is less than one lakh

Note No.37: Renewable Purchase Obligation (RPO)

In terms of Notification dated 1st August 2015 issued by the Odisha Electricity Regulatory Commission (OERC), the Company has the obligation to generate power equal to 3% (previous year 6.5%) of its total consumption from renewable sources comprising 0.5% (previous year 0.25%) from Solar Renewable Source, 2.5% (previous year 1.8%) from Non-solar Renewable Source and 0% (previous year 4.45%) from Co-generation.

a) Company has fulfilled its non-solar obligation through wind power generation for the current year and also part obligation for previous years. Provision has been made for accumulated non-solar obligation amounting to Rs.2.75 Crore (previous year Rs.4.21 crore) towards 18,297 (previous year 28,080) numbers of Non-solar REC valued @ Rs.1,500 (previous year Rs.1,500) per REC.

b) In respect of Solar Renewable Source, the Company has accumulated liability of Rs.23.24 crore (previous year Rs.14.22 Crore) towards 66,413 (previous year 40,637) numbers of Solar REC valued @ Rs.3,500 (previous year Rs.3,500) per REC due to non-fulfillment of the obligation to generate required quantum of power. The liability has been provided for.

Note No.38: Performance Related Pay

Consequent upon finalization of Performance Related Pay (PRP) of Executives for the year 2012-13 and 2013-14, the liability provided in excess in earlier years on this account amounting to Rs.26.60 crore is written back. The reduction of estimated liability of PRP for the years 2012-13 and 2013-14 is primarily attributable to determination of the profit before tax without considering income from surplus fund as per clarification by the Department of Public Enterprises (DPE) of the Govt. of India.

Note No.39: Renewal of Bauxite mining lease

Renewal of Bauxite mining lease (North & Central Block for 1315.264 Ha and South Block for 528.262 Ha) has been sanctioned upto 31.3.2020. For renewal of lease the Company paid stamp duty amounting to Rs.6.11 crore and Rs.1.00 crore respectively, which is capitalized as part of lease-hold land to be amortized over the respective lease life. The amount disclosed as contingent liability towards the demand made by Govt. of Odisha is correspondingly reduced on payment of the above stamp duty.

Note No.40: Contribution to DMF & NMET

In terms of The Mines and Minerals (Development and Regulation) Amendment Act, 2015 and as per the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 & Mines and Minerals (Contribution to National Mineral Exploration Trust) Rules 2015 framed thereunder and notified on 17th September 2015 by the Ministry of Mines, Government of India, effective from 12th January 2015 the Company is liable to contribute to the District Mineral Foundation (DMF) & National Mineral Exploration Trust (NMET) sums equal to 30% and 2% respectively of its royalty expenses. Accordingly a sum of Rs.34.04 crore and Rs.2.27 crore (including Rs.6.10 crore and Rs.0.41 crore for earlier period) have been recognized as expenses in the current year and taken as liability towards contribution payable to DMF & NMET respectively.

Note No.41: Exceptional Item

The Company has received an amount of Rs.53.45 crore (USD 8.05 million) from M/s Peak Chemicals towards final settlement of risk and cost claim on them due to non-supply of Caustic Soda. The income is recognized as exceptional item.

Note No 42: Impact of ICDS

Income Tax Computation and Disclosure Standards (ICDS) issued by CBDT and made effective from FY 2015-16 have been considered for the purpose of computing tax expenses. However, there is no impact on tax liability of the Company on account of introduction of ICDS.

Note No.43: CSR Expenditure

In terms of Sec 135 of the Companies Act 2013 the CSR obligation of the Company for the year 2015-16 is Rs.26.24 crore against which, the Company has spent Rs.27.17 crore on various CSR activities

Note No 44: Allocation of Coal Mines

i. The Ministry of Coal, Govt. of India, allotted Utkal D & E coal blocks to Nalco in accordance with the provisions of the Coal Mines (Special provisions) Act 2015 and has directed the Nominated Authority to execute the allotment order in favour of the Company on 11th September 2015.

ii. The allotment agreement has been executed by and between the Govt. of India and Nalco in respect of said Utkal D&E coal blocks. As per the terms of allotment agreement, the Company has paid fixed amount of Rs.8.21crore and 1st installment (50%) of the upfront amount of Rs.18.11 crore to the Govt. of India. These are considered as capital advance.

iii. The Company is in the process of acquiring lease-hold and free-hold land required for carrying out mining activities at Utkal D&E coal blocks and has so far paid Rs.91.57 crore to Odisha Industrial Development Corporation towards acquisition of land and to other Govt. agencies for development of infrastructural facilities. The title deed and possession is yet to be passed on to the Company, pending which the amount paid is treated as capital advance.

iv. The amount of Rs.39.34 crore spent till date for development of coal blocks including Rs.34.75 crores spent till the date of earlier de-allocation and expenditure thereafter during deallocation period pursuant to decision of Hon'ble Supreme Court, is included in expenditure during construction under capital work-in-progress.

Note No.45: Leases

a) The Company is operating its mining activities at Panchpatmali bauxite mines based on lease granted by Government of Odisha. In connection with the lease, the Company has paid NPV and other related claims, which is capitalized as intangible assets under Mining Rights and amortized on straight line basis as per Accounting Policy of the Company.

b) The Mining lease is subject to payment of surface rent and dead rent on the land acquired by the Company. The Company has spent an amount of Rs.0.27 crore (previous year Rs.0.26 crore) towards surface and dead rent, which is charged to the statement of profit and loss.

c) The Company performs its port operations on the land taken on lease from Vizag Port Trust. The amount paid towards lease rent Rs.2.63 crore (previous year Rs.2.53 crore) is charged to the statement of profit and loss.

Note No.46: Deposit with Income Tax Authority

The Company has paid demands made by the Income Tax Authority from time to time although disputed in appeal. The aggregate amount of disputed demand is Rs.702.06 crore (previous year Rs. 653.48 crore) which is treated as deposit with income tax authority. Disputes involving demand of Rs.52.14 crore relate to AY 2003-04 & 2006-07 and are pending before Hon'ble Orissa High Court. Disputes involving balance demand amount of Rs.649.92 crore pertain to AY 2005-06 & AY 2007-08 to AY 2013-14 and are lying either before CIT (Appeals) or Income Tax Appellate Tribunal.

Note No.47: Liability for Interest on Water Charges

The Water Resources Department, Government of Odisha, having territorial jurisdiction over the Government water sources raised claims on the Company for water charges and interest on unpaid water charges in terms of The Orissa Irrigation Rules, 1961. While the Company has cleared water charges dues, payment of interest, although provided for, is pending for settlement.

Note No.48: Dues payable to Micro, Small and Medium Enterprises

Dues payable to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure pursuant to said Act is as under.

(Rs. in crore)

		As at 31st March 2016	As at 31st March 2015
i)	Principal amount due	2.12	3.05
ii)	Interest on principal amount due	Nil	Nil
iii)	Interest and principal amount paid beyond appointment day	Nil	Nil
iv)	The amount of interest due and for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the amount of interest specified under MSME Development Act 2006.	Nil	Nil
v)	The amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSME Development Act 2006.	Nil	Nil

Note No.49: Dividend for the year

Company paid interim dividend @ Rs.1.25 (previous year Rs.1.25) per equity share of Rs.5/- each for the year 2015-16 and provided the liability for payment of proposed final dividend @ Rs.0.75 (previous year Rs.0.50) per equity share for the year. The total amount of dividend for the year is Rs.515.45 crore (previous year Rs.451.02 crore), which is subject to approval by the shareholders in the ensuing Annual General Meeting.

Note No.50: Change in Accounting Policy/ Practice

The employee benefit expenditure on account of contributions towards Nalco Employees' Benevolent Scheme, Nalco Retirement Welfare Scheme and Nalco Superannuation Gift Scheme were hitherto recognized on the basis of actual contributions made by the Company. The above items are henceforth considered as part of long-term employee benefits and liabilities are provided as per actuarial valuations. Had there been no such change, profit for the year would have increased by Rs.23.99 crore.

Note No. 51: First Time Consolidation of Joint Ventures

For the first time the consolidated financial statements i.e the Balance sheet as on 31.03.2016, Statement of Profit and Loss for the year 2015-16 and Cash Flow Statement for the year 2015-16 is presented. As per AS 21, on the first occasion that consolidated financial statements are presented, comparative figures for the previous period need not be presented. However, for a better presentation and comparison, the previous year's figures has been made out from the accounts of the joint ventures.

Note No. 52: Accounts of the Joint Ventures

The consolidated financial statements for the year 2015-16 are prepared based on the accounts of JV companies. The accounts of M/s. NPCIL-NALCO Power Company Limited and GACL-NALCO Alkalies & Chemicals Pvt. Ltd. have been audited where as the accounts of Angul Aluminium Park Pvt. Ltd. is approved by the Board but yet to be audited. However, it's impact on consolidated financial statement is not material.

Note No. 53: Extracts of Proportionate Financials of Joint Ventures

(Rs. In Crores)

Name of the Joint Venture Company	Assets as on 31.03.2016	Revenues for the year 2015-16	Profit/(Loss) for the year 2015-16	Net Cash Flow during the year 2015-16
NPCIL-NALCO Power Company Ltd.	0.01	*	*	*
Angul Aluminium Park Pvt. Ltd.	9.84	0.07	0.04	9.72
GACL NALCO Alkalies & Chemicals Pvt. Ltd.	0.02	-	(0.02)	0.04

* Amount is less than one lakh.

Note No.54: Regrouping of previous year's figures

Previous year's figures have been regrouped or rearranged wherever considered necessary to make them comparable.

Note No.55: Buyback of Shares

The Board of Directors in it's meeting held on 25th May 2016, have approved buyback of not exceeding 64,43,09,628 equity shares of the Company at a price of Rs. 44/- per share subject to approval of shareholders of the Company by way of a special resolution through Postal Ballot and all other applicable statutory approvals.

Note No.56: Related Party Disclosures

56.1 Related Parties

A) Joint Ventures

a) Angul Aluminium Park Pvt. Ltd.
b) NPCIL-NALCO Power Co. Ltd
c) GACL-NALCO Alkalies & Chemicals Pvt Ltd.

B) Co-venturer/ Investors in Joint Venture Company

a) Gujarat Alkalis & Chemicals Ltd.

C) Key Managerial Personnel:

i) Whole-time Directors

(a) Shri Ansuman Das (upto 30.04.2015)	Chairman-cum-Managing Director
(b) Dr. T K Chand (w.e.f. 27.07.2015)	Chairman-cum-Managing Director
(c) Shri N R Mohanty	Director (Project & Technical)
(d) Shri S C Padhy	Director (Human Resources)
(e) Shri K C Samal	Director (Finance)
(f) Ms. Soma Mondal	Director (Commercial)
(g) Shri V Balasubramanyam	Director (Production)

ii) Others

(a) Shri K N Ravindra	Executive Director-Company Secretary

D) Part-time Official Directors: (Nominee of Govt. of India):

(a) Dr. N K Singh, IFS (upto 22.12.2015)
(b) Shri R Sridharan, IAS
(c) Shri N B Dhal, IAS (w.e.f. 23.12.2015)

E) Part time non official (Independent) Directors:

(a) Shri Qaiser Shamim (upto 09.07.2015)
(b) Shri Sanjiv Batra (upto 09.07.2015)
(c) Shri S Sankararaman (w.e.f. 21.11.2015)
(d) Shri Pravat Keshari Nayak (w.e.f. 21.11.2015)
(e) Shri Maheswar Sahu (w.e.f. 21.11.2015)
(f) Shri Dipankar Mahanta (w.e.f. 21.11.2015)
(g) Prof. Damodar Acharya (w.e.f. 21.11.2015)

56.2 Related Party Transactions:

a) During the year the Company has made following transaction with the JVs / Co-venturers

Sl. No	Name of JV	Nature of Transaction	Current Year Rs in crore	Previous year Rs.in crore
1	GACL-NALCO Alkalies & Chemicals Ltd.	Equity Contribution	**0.04**	-
2	GACL-NALCO Alkalies & Chemicals Ltd.	Advance	**0.23**	-
3	Gujarat Alkalies & Chemical Ltd.	Purchase of Raw-materials	**27.70**	-

b) Remuneration to Key Managerial Personnel

(Rs. in Crore)

Sl No	Particulars	Current Year	Previous Year
1	Salaries	2.78	2.25
2	Contribution to Provident Fund	0.17	0.18
3	Medical Benefits	0.02	0.03
4	Other Benefits	0.03	0.04
	Total	**3.00**	2.50

c) Loans / advances due from Key Managerial Personnel:

(Rs. in Crore)

Sl No	Particulars	Current Year	Previous Year
1	Outstanding at the end of the year	0.06	0.10
2	Maximum amount due at any time during the year	0.10	0.20

5 YEARS PERFORMANCE AT A GLANCE - PHYSICAL

Sl	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
1	**Production:**					
	Bauxite	63,40,142	57,39,120	62,92,677	54,19,391	50,02,626
	Alumina Hydrate	19,53,000	18,51,000	19,25,000	18,02,000	16,87,000
	Aluminium	3,72,183	3,27,070	3,16,492	4,03,384	4,13,089
	Power (net)	5,841	5,131	4,989	6,076	6,200
	Wind Power	156	175	144	14	-
2	**Export Sales:**					
	Alumina	11,74,224	11,84,595	13,09,473	9,44,117	7,92,552
	Aluminium	94,671	60,752	1,01,243	1,44,161	98,399
3	**Domestic Sales:**					
	Alumina ,Hydrate and Other Chemicals	45,702	40,048	33,288	40,605	50,253
	Aluminium	2,77,753	2,65,328	2,18,420	2,58,941	3,17,517
	Power (Net)	31	28	27	26	16
	Wind Power	156	175	144	14	-

5 YEARS PERFORMANCE AT A GLANCE - FINANCIAL (Rs. Crore)

Sl	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
A	**Income Statement :**					
1	Exports	3,247	3,307	3,719	3,410	2,569
2	Domestic Sales	3,910	4,464	3,305	3,837	4,358
3	Gross Sales (1+2)	7,157	7,771	7,024	7,247	6,927
4	Less : Excise Duty	454	509	375	438	427
5	Net Sales (3 - 4)	6,703	7,262	6,649	6,809	6,500
6	Other Income :					
7	Operating	113	121	132	107	112
8	Non-operating	537	673	558	511	542
9	Operating expenses	5,879	5,677	5,847	6,010	5,467
10	Operating Profit (5+7-9)	937	1,706	934	906	1,145
11	Exceptional Items	(54)	(148)	49	-	22
12	Earning before interest, dep. & taxes (EBIDT)(10+8 -11)	1,528	2,527	1,443	1,417	1,665
13	Interest & Financing charges	1	-	-	7	1
14	Earning before dep. & taxes (EBDT) (12-13)	1,527	2,527	1,443	1,410	1,664
15	Depreciation and Amortisation	424	414	525	505	467
16	Profit before Tax (PBT) (14-15)	1,103	2,113	918	905	1,198
17	Provision for Tax	372	791	276	312	348
18	Net Profit (PAT) (16 - 17)	731	1,322	642	593	850
B	**Balance Sheet :**					
19	Equity Capital	1,289	1,289	1,289	1,289	1,289
20	Reserves & Surplus	11,618	11,508	10,834	10,644	10,426
21	Networth (19+20)	12,907	12,797	12,122	11,933	11,715
22	Loans	-	-	-	-	-
23	Net Fixed Assets	6,468	6,645	6,792	6,629	6,612
24	Working Capital	5,625	5,501	3,949	3,411	4,193
25	Capital Employed (23+24)	12,093	12,146	10,741	10,040	10,805
C	**Ratios :**					
26	Operating Profit Margin (OPM) (%) (10 / 5*100)	13.98	23.50	14.05	13.31	17.62
27	Net Profit Margin (%) (18 / 5 *100)	10.91	18.21	9.65	8.71	13.07
28	Return on Capital Employed (ROCE) (%) (18/25*100)	6.04	10.89	5.98	5.91	7.86
29	Return on Networth (RONW)(%) (18/21*100)	5.66	10.33	5.29	4.97	7.25
D	**Others :**					
30	Book value per share of Rs.5 each (in Rs.)	50.08	49.65	47.04	46.30	45.46
31	Earnings per share (in Rs.)	2.84	5.13	2.49	2.30	3.30
32	Dividend per Share (in Rs.)	2.00	1.75	1.50	1.25	1.00

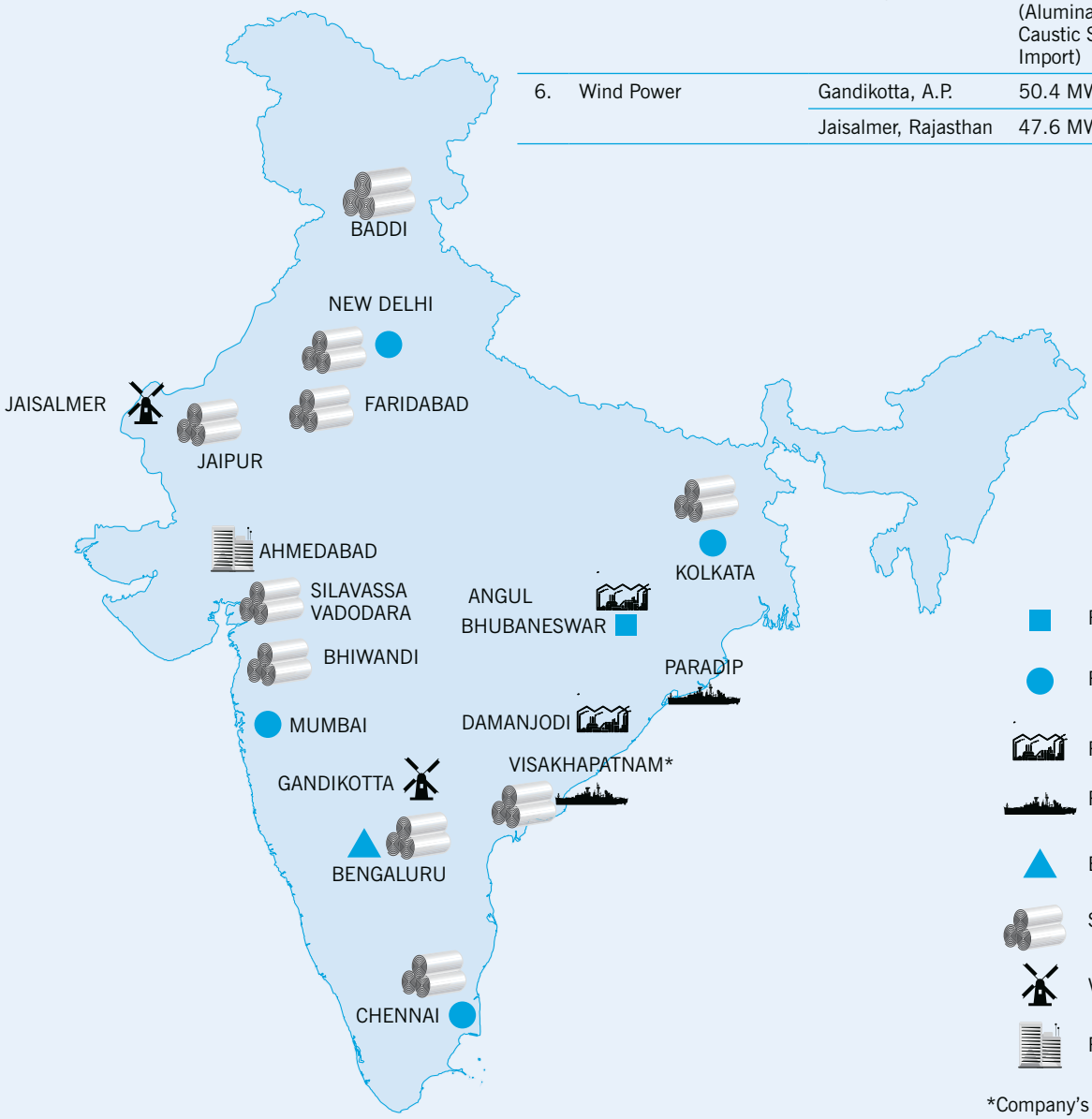
Reconciliation of Published Quarterly(Reviewed)Financial Results and Annual (Audited) Financial Results for the year 2015-16

(Rs.in crore except sl.no. 11 and 12)

Sl. No.	Particulars	1st Quarter (Reviewed)	2nd Quarter (Reviewed)	3rd Quarter (Reviewed)	4th Quarter (Reviewed)	Total of four Quarters	Full Year (Audited)	Variances
1	2	3	4	5	6	7	8	9
1	Gross Turnover	1583.31	1892.89	1723.79	1956.54	7156.53	7156.53	-
	Less:Excise Duty	113.21	112.49	107.82	119.68	453.20	453.20	-
	Net Sales	1470.10	1780.40	1615.97	1836.86	6703.33	6703.33	-
2	Other Income	151.93	160.71	143.32	193.28	649.24	649.24	-
3	Total Expenditure Excl.Depreciation	1268.75	1475.79	1498.93	1635.70	5879.17	5879.17	-
4	Depreciation & Provision	99.01	107.27	104.60	113.21	424.09	424.09	-
5	Profit Before Tax & Exceptional Items	254.27	358.05	155.76	281.23	1049.31	1049.31	-
6	Exceptional Items	-	-	(53.45)	0.00	-53.45	-53.45	-
7	Profit Before Tax	254.27	358.05	209.21	281.23	1102.76	1102.76	-
8	Provision for Tax	90.83	131.91	75.72	73.29	371.75	371.75	-
9	Net Profit(PAT)	163.44	226.14	133.49	207.94	731.01	731.01	-
10	Paid up Equity Share Capital	1288.62	1288.62	1288.62	1288.62	1288.62	1288.62	-
11	Earning per Share (Rs.) (Not annualised)	0.63	0.88	0.52	0.81	2.84	2.84	-
12	Aggregate of non-promotor Shareholding: Number of Shares	491,455,890	491,455,890	491,455,890	491,455,890	491,455,890	491,455,890	
	Percentage of Shareholding	19.07	19.07	19.07	19.07	19.07	19.07	

NALCO'S VARIOUS PRODUCTION UNITS, THEIR LOCATION & INSTALLED CAPACITIES

1.	Bauxite Mines	Panchpatmalli	68,25,000 TPY
2.	Alumina Refinery	Damanjodi	22,75,000 TPY
3.	Smelter Plant	Angul	4,62,000 TPY
4.	Captive Power Plant	Angul	1,200 MW
5.	Port Facilities	Visakhapatnam	14,00,000 TPY (Alumina Export / Caustic Soda Lye Import)
6.	Wind Power	Gandikotta, A.P.	50.4 MW
		Jaisalmer, Rajasthan	47.6 MW



*Company's own Port facilities

OFFICES AND CUSTOMER CONTACT CENTRES

REGD. & CORPORATE OFFICE

NALCO Bhawan
Plot No. - P/1, Nayapalli
Bhubaneswar - 751 013 (Odisha)
Phone : 0674-2301988 to 2301999
Fax : 0674-2300550/2300470/
2300521/2300640

UNITS

1. Mines & Refinery
Mines & Refinery Complex
Damanjodi - 763 008
Dist. : Koraput (Odisha)
Phone : 06853-254515/254550/254251
Fax : 06853-254361/254214

2. Captive Power Plant
Dist. : Angul (Odisha)
PIN : 759 122
Phone : 06764-220158
Fax : 06764-220646

3. Smelter Plant
NALCO Nagar - 759 145
Dist. : Angul (Odisha)
Phone : 06764-220110
Fax : 06764-220738/220206

PORT FACILITIES

Visakhapatnam
Opp. Ore Handling Complex
Port Area, Visakhapatnam - 530 035
Andhra Pradesh
Phone : 0891-2561433/2561435
Fax : 0891-2561598
E-mail : gmport@nalcoindia.co.in

Paradip (Port Office)
'V' Point
Badapadia
Paradip - 751 142
Phone : 06722-221286
Fax : 06722-221286
E-mail : nalco_paradeep@nalcoindia.co.in

REGIONAL OFFICES

1. Eastern Region
1st Floor, J K Millenium Centre
46-D, Chowringhee Road,
Kolkata - 700 071
Phone : 033-662244510-34
Fax : 033-22810393/22878936
E-mail : rmeast@nalcoindia.co.in

2. Western Region
215, T.V. Industrial Estate
S.K. Ahire Marg, Worli, Mumbai - 400 030
Phone : 022-24939288/89
Fax : 022-24950500
E-mail : bbsinghbabu@nalcoindia.co.in

3. Northern Region
Core - 4, 5th Floor, South Tower,
District Centre, Scope Minar,
Laxmi Nagar, Delhi - 110 092
Phone : 011-22010793-94, 22010801
Fax : 011-22010800/22010790/792
E-mail : pradyumna.pradhan@nalcoindia.co.in

4. Southern Region
3E, Century Plaza, 560, Anna Salai,
Teynampet, Chennai-600 018
Phone : 044-24344162/24349157
Fax : 044-24343495
E-mail : rmsouth@nalcoindia.co.in

BRANCH OFFICE

Bengaluru
Ground Floor, Jal Bhavan, No. 5 & 6,
1st Stage, 1st Phase, BTM Layout,
Bannerghatta Main Road,
Bengaluru - 560 029
Phone : 080-26637297/26637083/
26637084
Fax : 080-26530148
E-mail : nalbir@nalcoindia.co.in

STOCK YARDS

1. Bhiwandi
National Aluminium Company Limited
C/o. NSIC Limited, Godown No. 42/57, Indian
Corp. Compound, Mankoli Naka, Mumbai
Nasik Road, Thane, Maharashtra
Bhiwandi - 421 302,
Phone: 02522-320047

2. Kolkata
National Aluminium Company Limited
C/o. Balmer Lawrie & Company Limited
WH, 1-Sonapur Road,
Kolkata - 700 088, West Bengal,
Phone: 033-24506840

3. Bengaluru
National Aluminium Company Limited
C/o. M/s. Container Corporation of India
Limited, Warehouse No. 3, Whitefield Road,
Benguluru - 560 066, Karnataka
Phone : 080-28451327/28
Fax : 080-28451329

4. Jaipur
National Aluminium Company Limited
C/o. Central Warehousing Corporation
Central Warehouse,
SP-1296, Sitapura Industrial Area
Tonk Road, Jaipur - 302 022, Rajasthan
Phone : 0141-2770226
Fax : 0141-2770817

5. Silvasa
National Aluminium Company Limited
C/o. NSIC Limited
Godown : Shalimar Enterprises Corporation
80/4, Dayat Falia Road,
Amli (Piparia), Silvasa - 396 230
(U.T. of Dadra Nagar Haveli)
Phone : 0260-2641436

6. Faridabad
National Aluminium Company Limited
C/o. NSIC Limited
India Garage Equipment,
Plot No. 51, Sec-6
Faridabad, Haryana - 121 003
Phone : 0129-4102430

7. Visakhapatnam
National Aluminium Company Limited
NALCO Port Facilities
Port Area, Visakhapatnam - 530 035
Andhra Pradesh
Phone : 0891-2721032

8. Baddi
National Aluminium Company Limited
C/o. NSIC Limited
Village : Dharampur
P.O. : Baddi, Tehsil : Nalagarh,
Dist. : Solan - 173205, Himachal Pradesh
Phone : 0179-5657895

9. Chennai
National Aluminium Company Limited
C/o. NSIC Limited,
Nafed Ware Housing Complex,
Ponniammanmedu Post, Madhavaram,
Chennai - 600 010, Tamil Nadu
Phone : 044-25530310/320/327/433

10. Vadodara
C/o. NSIC Limited
Godown No. 1C/2, Central Warehousing
Corporation, Near Ranoli Flyover, Karachiya,
Vadodara, Gujarat - 391350
Phone : 0265-2240101

11. New Delhi
C/o. Balmer Lawrie & Co. Ltd.
Appollo Flege Integrated Logistics Pvt. Ltd.
Khasra No. 93, Village: Bamnoli,
P.O.: Dhulsiras, New Delhi-110077
Phone: 011-65356735

ELECTRONIC CLEARING SERVICE MANDATE FORM

(Please fill in the information in CAPITAL LETTERS. Please TICK wherever it is applicable)

1. Regd. Folio No. : | | | | | | | | | | |

2. First Shareholder's Name: Shri/Smt./Kum./M/s. _____

_____

3. First Shareholder's Address: _____

_____

_____

_____ Pin Code | | | | | | |

4. Particulars of Bank:

Bank Name | | | | | | | | | | | | | | | | | | | | | | | | | |

Branch | | | | | | | | | | | | | | | | | | | | | | | | | |

Address | | | | | | | | | | | | | | | | | | | | | | | | | |

Branch Code (9 Digits MICR Code appearing on the MICR Band of the cheque. | | | | | | | | | |

Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled)

Account Type

SB | | CA | | CC | |

Account Number

| | | | | | | | | | | | | | | | | | | | | | |

5. Date from which the mandate should be effective :

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected for reasons due to incomplete or incorrect information, I shall not hold National Aluminium Company Limited responsible. I also undertake to advice any change in the particulars of my account to facilitate updation of records for purpose of credit of the amount through NECS (Credit Clearing).

Place :

Date :

_____

Signature of Shareholder(s)

NOTE : In case the shareholder is not in a position to enclose a self-attested photocopy of a blank cheque, a certificate from the Bank as under may be furnished.

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp :

Date:

Signature of the Authorised Official from the Bank

National Aluminium Company Limited, Nalco Bhawan, Nayapalli, Bhubaneswar - 751 013
INDIA, Tel. 0674-2300677 / 2301988-99, www.nalcoindia.com

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Global Reach

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OUR NEW BUSINESS MODEL

नालको NALCO

National Aluminium Company Limited

A Navratna PSU under Ministry of Mines (Government of India)

www.nalcoindia.com

CIN - L27203OR1981GOI000920

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