



Independence Day Address

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Chairman-cum-Managing Director
Bhubaneswar

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***“Sujalaam sufalaam malayaj sheetalaam
sasyashyaamalaam maataram...Vande Mataram”***

**Esteemed Members of the NALCO Board of Directors,
Representatives of Unions and Associations,
State Govt, Central Govt & Statutory Authorities,
All Nalconians, Employees of Security Wing and CISF, their family members,
Residents of Periphery Villages,
Representatives of Mass Media,
Well-wishers of NALCO,
Ladies and Gentlemen!**

On this occasion of 70th Independence Day, I extend warm independence day greetings to all of you. I salute all the martyrs for their supreme sacrifice for independence : Saheed Bhagat Singh, Khudiram Bose, Chandrasekhar Azad, Bagha Jatin & many more. I extend our sincere gratitude to all the leaders and the freedom fighters of this great country who sacrificed their happiness for the cause of this great country.

India’s struggle for freedom has been unique in the world. Non violence and people power brought down the mighty colonial rule and showed to the whole world the strength of people movement. The biggest democracy was born with the words : “At the strike of the midnight hour when the whole world sleeps, India wakes up to freedom and life”.

Since 15th August 1947 to 15th August 2016, the journey of this great country has been the story of emergence of economic super power : a sub-continental size economy and a growing market, which every other country wish to access.

In making of this modern India with GDP Growth ahead of China, growth despite sluggishness in world economy, Central PSUs some time referred as commanding height of economy have made significant contributions. Amongst the CPSUs, Navratna Company NALCO has played a stellar role in bringing self-reliance in making the strategic metal Aluminium and has contributed immensely for the development of tribal dominated areas of Odisha.

In its 35 years of existence, the Navratna company has become a wonderful work place of 'ordinary people with extraordinary attitude'. Presently, while the world aluminium market is reeling under severe slowdown and is in slump cycle, with 70% aluminium smelters world over have reported loss, NALCO's financial parameters as well as physical performances are quite sound. NALCO has remained profitable all through by successfully handling the market downturn, by maximizing bauxite mining and alumina refining, adding new pots and augmenting production, besides effecting several cost reduction measures, particularly in raw material and energy consumption. You will be happy to know that your company has been declared by London-based Wood Mackenzie as the lowest cost producer of Alumina. Performance of NALCO during the financial year 2015-16 has been quite encouraging with a gross turnover of Rs.7,157 crore and net profit of Rs.731 crore. During the said financial year, NALCO has increased dividend payment to shareholders from 35% to 40%. NALCO's share price in the market has gone high from the level of Rs.36.55 paisa in July 2015 to Rs.47.50 paisa registering an increase of 30%. Market capitalization has improved from around Rs.9,000 crore to Rs.12,200 crore. The Price/Earning ratio has improved to 30.96. The market sentiment is for 80% buy, 0% sell and 20% hold.

This financial year till July, we have produced 23,18,371 metric tonnes of Bauxite (growth of 32.45 % over corresponding period of last year), our Alumina hydrate production was 6,49,200 metric tonnes (growth of 12.88 % over corresponding period of last year). We have produced 1,26,086 metric tonnes of Aluminium metal (growth of 7.52 % over corresponding period of last year). Our net power generation is 2058 MU (growth of 6.3 % over corresponding period of last year). There has been growth all around.

NALCO has been described as the only 'silver-lining' by India Today amidst the vagaries of international metal market. I congratulate Team NALCO, all Employees, Unions, Associations and all other stakeholders for their hard work and consistent effort in bringing such success. While our performance, despite the market downturn, has surprised industry leaders, we have also been referred to

as 'the Lone Warrior' by Business Outlook. There is a saying 'Fortune favours the Brave'. And this is aptly so in case of NALCO facing bravely the market blizzard and coming out successful. This could not have been possible without a concerted effort and an attitude to overcome challenges on the part of all employees. Of late, we have been trying to enthuse the Nalconians with one thought: "We cannot direct the wind blowing across the international aluminium market, but we can certainly adjust our sails." This message has been well received and heartily reciprocated across the organization. If EEPC Star Performer Award, Performance Excellence Award from Indian Institution of Industrial Engineering, OTV CSR Award, Odisha Inc Best Brand Award from Odisha Diary, the leading web portal of the State, Highest Export Award from CAPEXIL, India Pride Award from the Dainik Bhaskar Group, CSR Excellence Award from Institute of Quality and Environment Management Services and Emerging Global Brand Award from a leading web channel network Odisha Live received by the company are an indication, we are certainly moving in the right direction.

Within one year, we have added captive resources worth Rs.80,000 crore, including the Utkal D & E Coal Blocks with 200 million tonnes of coal at Angul and Pottangi Bauxite Mines having deposit of about 75.22 million tonnes. If we tap these resources in time, for next five decades, we shall have no resource crunch for our core functions. Here, I would like to express the collective gratitude of Nalconians to Govt of Odisha and Govt of India for their kind consideration and constant support.

Recently, for 2016-17, we have signed an MoU with the Ministry of Mines for higher targets. As per the MoU, the target for revenue from operations, excluding excise duty, has been fixed at Rs.7100 crore. The MoU has also set higher targets for production of both alumina and aluminium as compared to the previous fiscal. NALCO has set an annual production target of 21.30 lakh tonnes of alumina and 3.85 lakh tonnes of aluminium. It may be mentioned that the company had produced 19.53 lakh tonnes of alumina and 3.72 lakh tonnes of aluminium in 2015-16. We have also set a Capex target of Rs.1021 crore, which includes projects like development of Utkal D & E Coal Blocks, Wind and Solar Power Plants of 170 MW, preliminary work for 1 million tonne capacity Refinery at Damanjodi, Angul Aluminium Park, Caustic Soda Plant and other modernization activities worth more than Rs.300 crore.

Achievement of these targets will call for dedicated work and continuous monitoring. The system of Dashboard Jobs and micro planning with milestones

have been introduced through computerized monitoring. NALCO is achieving excellence rating, there is need to sustain and promote it. This requires transformation to strong business orientation and business culture. HR department will be conducting a series of transformation workshops and other innovative measures for changing the mindset and bringing in a paradigm change. Recently, to strengthen our human capital, we have infused fresh blood, by recruiting new batches of Graduate Engineer Trainees. I hope, the young brigade would not only keep the organization contemporary in tune with the changing times but also be forward looking.

A New Business Model has been introduced to enable us to strengthen the company's business by leveraging its core competency in mining, metals and energy sectors, through modernization, Greenfield and Brownfield expansions, upstream and downstream integration. Besides, the model envisages diversification into green power, Independent Power Plants, caustic soda, rare metal like titanium, revenue from waste like recovery of iron from red mud waste and also developing new revenue segment that are immune to downturn in metal market. This will not only give a new dimension to our growth plans but also redefine business sustainability. We have charted a new course in our business path by signing an MoU with Govt of Iran to explore the possibility of setting up an aluminium smelter in that country. As a precursor, we are envisaging the tolling arrangement with existing smelters in Iran, for producing aluminium from NALCO's surplus alumina.

The transformation of NALCO that we are eyeing at can be attained through nurturing Talent, Teamwork and Technology. We have to think out-of-the-box. Companies, across the globe are excelling in the market with new ideas and innovations. If we go through the success stories of some reputed companies, we would be surprised by some interesting facts. For example, Uber, the world's largest taxi company owns no vehicle. Facebook, the world's most popular social media creates no content. Alibaba, the most valuable retailer has no inventory. Apple, with sales of over 200 million smart phones and tabs, does not own a factory. And, Whatsapp, with 3 billion messages a day, does not own a server. We, as a progressive company of the country, should redesign our thought processes, as also our modus operandi. In fact, we have taken up some initiatives to further our pace of progress, with new ideas. After leveraging the power of mass media, through a year-long rigorous Image Makeover exercise, we have simultaneously

entered the social media, with the belief that it would add to our brand image promotion.

Our Company is being referred to as the ‘Quintessence of Public Sector Power’ in the country by a reputed national magazine; we have to put in our best efforts to sustain this position. Recently, the Govt of India has entrusted us with a target to become the largest aluminium maker in the country by 2020 and top global player by 2030. Given the tough goings in the market, this seems quite a herculean task. This challenge itself would become an opportunity for us to stay ahead of the curve, not only at the national level but also in the international market.

Besides productivity and profitability, if we are to benchmark our credibility, good governance, corporate social responsibility and sustainability need to be focused. As a responsible corporate citizen, while remaining transparent and trustworthy, NALCO is working diligently in sync with the national agenda. While the country is also moving to attain transformation through reforms in the plans, policies and programmes, NALCO has proudly become an active partner in the path of progress. We have implemented some visionary programmes initiated by the Centre at our level, in a small yet effective manner. We have implemented ‘NALCO ki Ladli’ Scheme in line with the ‘Beti Bachao, Beti Padhao’ programme of Govt of India. We have also proved ourselves as one of the most successful PSU partners in implementing the Swachh Vidyalaya Abhiyan, besides continuing the flagship programmes of NALCO Foundation. For maintenance of the toilets constructed under the Abhiyan, we are going to involve the school children by instituting NALCO Gulgul-Kunmun Award. Recently, we have decided to take up iconic shrine the Jagannath Temple in Puri under Swachh Bharat Mission. The company shall undertake the cleanliness and sanitation work around the Lord Jagannath Temple as part of its CSR programme. We have also tried to do our bit in the fields of Skill India and Digital India. While our concerted and consistent efforts have been applauded by policy-makers and decision-takers, our own initiatives to promote empathetic welfare beyond CSR, have given a humane face to our corporate entity. This sense of empathy should permeate at all levels of our functioning. All our actions and activities should reflect that ‘we care.’ And this can be the most befitting tribute to our motherland.

I extend my thanks to all employees and their family members, Unions and Associations, Govt. of Odisha, Govt. of India particularly the Ministry of Mines, all

Stakeholders, Statutory Authorities, Mass Media and Well-wishers for their support in bringing success to the company.

With these words, I once again convey my best wishes to you and your family members.

Jay Hind!