

## **“GLOBAL BENCHMARKING DRIVES ENHANCED PERFORMANCE”**

Valued Shareholders,

It gives me immense pleasure to welcome you all to the 37<sup>th</sup> Annual General Meeting of your Company. On behalf of the Board of Directors, it is my privilege to thank you all for being present here for showing your trust on us and solidarity with your Company. The Directors' Report, Audited Accounts and Auditors' Report for the year ended March 31<sup>st</sup>, 2018 are with you, and with your permission, I take them as read.

Year 2017-18 has been a rewarding year for NALCO on all fronts. We have not only excelled in making profit, production, productivity and people engagement; we have also made exemplary contribution in promoting and putting focus on nature, nurture and future. Sustainability has now become a part of our key business processes. The year was a testimony to NALCO being a partner in progress and an industry leader in promoting inclusive growth and propagating happiness amongst people. NALCO has declared FY 2018 as the Year of Happiness.

Before I take up the agenda for today's meeting, I must also put on record that our long association with our shareholders has been an enriching experience. The place of pride that we enjoy is largely due to the trust you have been reposing on us. I avail this opportunity to share with you some of my thoughts on economic scenario of the country, the aluminium industry in particular and on your Company's present position, plans and prospects.

## **THE ECONOMY**

### **Global Economic Scenario:**

The global output is estimated to have grown by 3.7 percent in 2017, which is ½ percentage point higher than in 2016 as estimated by IMF. The cyclical upswing underway since mid-2016 has continued to strengthen. Some 120 countries, accounting for three quarters of the world GDP, have seen a pickup in growth in year-on-year terms in 2017, the broadest synchronized global growth upsurge since 2010. Global growth forecasts for 2018 & 2019 are 3.9 percent.

The improved global economic situation provides an opportunity for countries to focus policy towards long term issues such as low carbon economic growth, reducing inequalities, economic diversification and eliminating deep-rooted barriers that hinder development.

### **Indian Economic Scenario:**

2017-18 was a defining year for Indian economy. Major initiatives like demonetization, GST, IBC etc. brought the much needed structural changes; the Indian economy is expected to expand with resilience after the implementation of these reforms, though the growth seems to have taken a pause with 6.7 % in the year 2017-18 from 7.1 % in the previous year. IMF has forecast the Indian economy to grow at 7.4% in FY18 and further accelerate to 7.8% in FY19.

The projected growth is due to strong private consumption as well as fading transitory effects of the currency exchange initiative and implementation of GST. Over the medium term, growth is expected to gradually rise with continued implementation of structural reforms that raise productivity and incentivize private investment. In comparison, China growth rates have been pegged at 6.9% for 2017, 6.6% for 2018 & 6.4% for 2019.

The Indian economy is looking at brighter side ahead with revival of domestic demand in most sectors which has further boosted output of both manufacturing and services.

## **Market Scenario:**

### **Global Outlook: Alumina**

In the year 2017, the global production of alumina has been 124.4 MT registering a growth of 8.2% year-over-year and the consumption rose to 123.96 MT registering a growth of 7.6% year-over-year.

During the year 2018, global alumina market will experience short supply of around 0.7 MT due to multiple factors like production cut in China, demand pick up of smelters in China as well as Middle East, 30% drop in Brazilian export, etc. Thus the prices of alumina in 2018 will remain firm

### **Global Outlook: Aluminium**

The global aluminium production grew to reach 63.53 MT in 2017 from 58.98 MT in 2016 thereby registering a 7.7% growth. In comparison, the global aluminium consumption in 2017 was 63.62 MT as compared to 60.10 MT in 2016, registering a growth of about 5.9%. The deficit in the global market reduced from 1.12 MT in 2016 to around 0.09 MT in 2017. China continues to be the biggest producer and consumer of Aluminium with 57% of world production and 54% of world consumption.

The global production in 2018 is expected to be 66.2 MT as against the global demand of 66.5 MT with the market being deficit by 0.3 MT. The global production and consumption in 2018 will be affected by a number of factors such as the US sanctions against Rusal, US import tariffs, Blue Sky policy & quota replacement policy in China, possible trade wars between US & China and US & other countries, etc.

### **Domestic Outlook: Aluminium**

The domestic production grew by 18% in 2017-18 over last FY to reach 3.38 MT. In comparison, the domestic consumption grew by nearly 10% during the corresponding period to reach 3.62 MlnT. The biggest contributor to domestic consumption has been Aluminium Scrap imports which was 1.12 MT in 2017-18

## **CMD's 37<sup>th</sup> AGM Speech**

figuring about 31% of the domestic consumption. Total imports have been more than 50% of the total domestic consumption.

The per capita consumption of aluminium in India is only 2.5 Kgs as against the World Average of 10 Kgs which implies there is a scope for increasing aluminium consumption with a high consumption multiple of 4. Increased urbanization & rising middle-class with disposable income along with Govt. efforts for Make in India, construction, transportation, rural electrification, housing for all, smart cities, introduction of electric vehicles (EVs) and the drive to move towards a low carbon economy is expected to increase domestic demand to 7 million tons in next 5 years i.e. in 2022-23. In short, domestic market will be a growing market with sunny days ahead for aluminium industry.

### **SCALING NEW HIGHS OF SUCCESS**

You will be pleased to know, since last three years, your Company has been registering continuous growth in all parameters of performance like production, productivity, profit and profitability. During the period, the Bauxite production increased from 63 lakhs MT to 70 lakhs MT, Alumina Hydrate from 19.5 lakhs MT to 21 lakhs MT, Aluminium from 3.7 lakhs MT to 4.26 lakhs MT, Net sales from Rs.6703 crore to Rs.9376 Crore, PAT from Rs.731 Cr to Rs.1342 Cr and dividend payment from 40% to 114%. To keep the plant & machinery in healthy condition, special drive is taken to enhance the Capex spending over last three years which reached more than a double figure of Rs.1080 Cr in 2017-18 from Rs.452 Cr in 2015-16.

The year 2017-18 is another remarkable year for your Company in physical as well as financial terms, setting the benchmarks even higher. I am happy to inform you that NALCO could not only withstand the vagaries of market but also doubled its profit. I must convey my appreciation to all of you for your unstinted support for achieving this excellent performance.

## Physical Performance

- Your Company has been rated as the lowest cost producer of alumina in the World consecutively for the 2 years i.e. 2016 & 2017 as per reports of Wood Mackenzie.
- Panchpatmali Bauxite mines rated as the 2nd lowest cost producer in the World in 2017 as per report of Wood Mackenzie; aiming to become the lowest in 2018.
- Bauxite Mines (North-Central block of Panchpatmali Mines) achieved 100% capacity utilization with transportation (production) of 68.25 lakh MT for second successive year.
- Bauxite transportation (production) from new mine i.e. South block of Panchpatmali Mines started in 4<sup>th</sup> quarter of FY 2017-18. Transportation from South block for the year is 2 lakh MT and combined transportation of both the Mines is 70.25 lakh MT, which is highest ever since inception.
- Alumina Refinery achieved 100% normative capacity (i.e. 21 lakh MT) for 2<sup>nd</sup> successive year with production of 21.06 Lakh MT Alumina Hydrate.
- Calcined Alumina production of 21.11 lakh MT during the year is also highest ever since inception registering a growth of 3.9 % over last year.
- Aluminium Smelter production is consistently increasing over the last 5 years and achieved highest cast metal production of 4.26 lakh MT (in last 5 years), registering a growth of 9.8 % over last year.
- CPP achieved 'Net Power Generation' of 6,547 MU, registering a growth of 7.9 % over previous year.
- Wind Power: 4 wind power units at different location of the Country generated 252 MU during the year against 206 MU last year, registering a growth of 22 %.

## **CMD's 37<sup>th</sup> AGM Speech**

### **Sales**

#### **Chemicals**

During the financial year 2017-18, your Company registered total Alumina sale of 13,37,416 MT, including export of 12,76,775 MT. This betters the corresponding figures of 12,94,900 MT and 12,43,103 MT respectively achieved during 2016-17.

#### **Metal**

The company achieved Aluminium metal sales of 4,26,316 MT during 2017-18, which is significantly higher than the sales figures of 3,85,518 MT achieved during 2016-17. This comprises of sales of 3,50,469 MT (an all-time record) in the domestic market and 75,847 MT in the overseas market. This resulted in an all-time low inventory of 1,502 MT at the end of Financial Year 2017-18.

### **Financial Performance**

- In FY 2017-18, NALCO achieved highest net profit in last 10 years of Rs.1342 Cr against Rs.669 Cr in previous year.
- The Company has been rated as the 3rd Highest 'Net Foreign Exchange Earning CPSE' for the year 2016-17.
- The Net sales turnover for the year is Rs.9,376 Cr (highest ever since inception) registering a growth of 26 % over last year. Export earning of Rs. 4,075 Cr is also the highest ever since inception registering a growth of 12 % over last year.
- Contribution to Public exchequers: Till FY 2017-18, Rs.29,877 Cr towards taxes, duties, royalties, dividend etc. out of which Rs.23,410 crore paid to Central Govt. and Rs.6,467 Cr paid to State Govt.

### **DIVIDEND**

During the year the Company has paid interim dividend @ Rs.4.70 per equity share amounting in total Rs.908.48 Cr. The Board has also recommended a final dividend of Re.1.00 per equity share amounting to Rs.193.29 Cr. The total dividend



payout for the financial year 2017-18 works out to Rs.1101.77 Cr as against Rs.541.22 Cr during the previous year. The dividend payment has increased from 56% in the previous year to 114% during 2017-18.

### **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 with the Government of India for the financial year 2017-18.

### **NEW CORPORATE PLAN**

The Alumina-Aluminium market is fiercely competitive and it is essential to have a long term strategy to face the uncertain price fluctuations, changing regulations and policies. Your company has rolled out a new Corporate Plan with new vision and mission to achieve sustained growth in this new scenario. The plan envisages 3 years action plan, 7 year strategy and 15 year vision. The plan has laid down core and beyond core business initiatives along with functional initiatives to achieve the desired growth : double the revenue by 2024 and triple it by 2032.

### **CPSE CONCLAVE**

In CPSE Conclave, Hon'ble Prime Minister has given a clarion call to CPSEs to redefine their role in building a new India. NALCO has immediately responded to the call and has developed an action plan for bringing in transformative change in functioning of the company and enhancing its contribution in nation building.

### **INTEGRITY INDEX DEVELOPMENT**

Integrity is a key aspect ensuring transparency & accountability, enhancing competency and boosting the ethical values in an Organization. In this regard, a framework was envisaged by CVC in 2017-18 to measure integrity index in Public Organizations for ensuring probity. NALCO is one of the select CPSUs to have actively participated in development of integrity index.

### RAW MATERIAL SECURITY

- Mining Lease of Panchpatmali Bauxite Mine (Central & North Block) has been extended up to 16.11.2032 from existing 31.03.2020 by Government of Odisha.
- All regulatory clearances for opening of South Block, Panchpatmali Bauxite Mines has been obtained and the South Block Mine opened & operated w.e.f 22.05.2017. Mining lease is valid upto 19.07.2029.
- Your Company has been issued terms and conditions for grant of Mining Lease by Govt. of Odisha for Pottangi Bauxite Mines (75 MlnT) and the same have been accepted.
- The Fuel Supply Agreements for Unit 1 to 8, CPP, Angul (47.16 LMT), Alumina Plant, Damanjodi (5.47 LMT), TG-I to III of SPP, Damanjodi (3.26 LMT) were renewed for another 5 years w.e.f 1st May, 2018. The FSA amendments for renewal were signed on 27th April, 2018 with M/s. MCL. This ensures coal security for another 5 years for 55.89 LMT linkage coal from M/s. MCL.
- The existing Fuel Supply Agreement for TG-IV (1.01 LMT) was renewed for another 5 years w.e.f 23rd Dec., 2016. The FSA amendment was signed with M/s. MCL on in 17th Dec., 2016 with M/s. MCL.
- G-8 grade coal linkage (2 lakh MTPA) was booked through Linkage Auction from M/s. NCL for Refinery Plant, which is valid for a period of 5 years equivalent to 2.73 lakhs MTA of G-12 & G-13 grade coal and can be further extended to another 5 years. Fuel Supply Agreement for the same was signed on 21st July, 2017.
- Your Company is also going to participate for additional 2 LMT, G12 grade linkage coal in the Linkage Auction of Trench-IV scheduled in July/August, 2018 for SPP, Damanjodi.
- In addition to above, your Company is participating in the e-auction coal notified by the subsidiaries of CIL and SCCL for the shortfall quantity against the requirements.



- Further, the Company got allocation of Coal mines Utkal-D & E from Govt. of India in the year 2016, with a permission to mine 4 million MT per annum to feed existing 2 units of CPP (Unit - 9 & 10) and 2 new proposed units (Unit - 11 & 12) for brownfield expansion. The reserve of Utkal D & E Coal mines will sustain 40 – 45 years at the rate of 4 million MT per annum.
- The Company is also planning to participate in the Coal block allotment process of Govt. of India, notified in the month of July, 2018 for brownfield expansion of Smelter and Power plant.
- The company is also planning to participate in auction of Bauxite Blocks for merchant mining.
- To secure supply of critical raw material like Caustic Soda, NALCO has formed a JV Company “GACL-NALCO Alkalies & Chemicals Pvt. Ltd.” with Gujarat Alkalies and Chemicals Ltd. (GACL) which is in advanced stage of project implementation.
- Your Company had also signed a MoU to form a JV Company with Neelachal Ispat Nigam Ltd. for production of CT Pitch and supply to NALCO Smelter. Finalization of the JV agreement is in process.

## **MAJOR PROJECTS UNDER IMPLEMENTATION**

### **New 1 MlnT Alumina Refinery**

Your Company is in the process of setting up of 5th Stream in its existing Alumina Refinery which shall add 1.0 MlnT per year to its existing installed capacity of 2.275 MlnT per year (total capacity 3.275 MlnT per year), at a projected expenditure of Rs.5,540 Cr, based on improved Medium Pressure Digestion technology of Rio Tinto Alcan International Limited (RTAIL).

All major statutory clearances like Environmental Clearance from MoEF & CC and Consent to Establish (CTE) from Odisha State Pollution Control Board have been obtained. Cumulative engineering works has progressed to the tune of 16%. Site

## **CMD's 37<sup>th</sup> AGM Speech**

activity comprising of survey and soil investigation started since December, 2017. Processes of awarding of long delivery contracts have started. New Refinery is likely to be commissioned by 2021-22.

### **Alternate sourcing of Bauxite for 5<sup>th</sup> Stream**

Sourcing of Bauxite for 5<sup>th</sup> Stream Expansion of Alumina Refinery has been envisaged from Pottangi Mines. However, supply of bauxite from Pottangi Mines is contemplated after the scheduled commissioning of 5<sup>th</sup> Stream expansion.

Hence, sourcing of bauxite from South Block of your Company's existing Panchpatmali Mines has been planned through setting up of a crushing & conveying system for which a capital expenditure of Rs.483 Cr has been projected.

Engagement of EPCM consultant for above project is under process.

### **Pottangi Bauxite Mines**

- Govt. of Odisha has issued terms and conditions for grant of Mining lease area of 697.979 Ha which has already been accepted by your Company.
- Expert appraisal Committee (EAC) of MoEF & CC recommended issuance of ToR for conducting EIA studies for grant of EC.
- Total compensatory afforestation land in lieu of Forest land of Pottangi Mines has also been allotted in form of 1660 Ha of degraded Forest land.
- Process is on to obtain FRA certificate. You will be happy to know that the Mining Plan for the Pottangi mines has already been approved and route survey work is in progress for overland conveyor.

### **Utkal D & Utkal E Coal Blocks**

Your company plans to open Utkal-D Coal Block in 1<sup>st</sup> phase. The status is as follows:

- Terms of Reference for execution of Mining Lease of Utkal-D and the process of transfer of land in lease area in favour of NALCO have been completed & the R&R Colony land transfer is in progress.
- Process of obtaining Forest Clearance and transfer of Environment Clearance for Utkal-D from prior allottee M/s OMC in favour of your Company is in progress.
- The Transaction Advisor (TA) M/s MECON has already completed substantial work for appointment of Mine Developer Cum Operator (MDO) for Utkal-D Coal Block by Jan'2019.
- Mine opening activities for Utkal – D is expected to start in 2<sup>nd</sup> half of 2019-20.
- Actions have also been initiated for obtaining approval of mining plan of Utkal-D & Utkal-E Coal Block (in combined form) from Ministry of Coal, GoI so that the mine opening of Utkal-E can be taken up after opening of Utkal-D in 1<sup>st</sup> phase.

### **Alloy wire rod Plant (Capacity: 60,000 TPA)**

- The Company is setting up an upgraded alloy wire rod facility of capacity of 40,000 TPA alloy wire rod or 60,000 TPA EC grade wire rod at an estimated cost of Rs. 131 Cr.
- The EPCM consultant for the same is appointed and tender for major packages are floated.
- Plant is likely to be commissioned in 2019-20.

### **Brownfield Expansion of Smelter and Captive Power Plant**

Your Company is planning for brownfield expansion of Smelter at Angul by adding a 5th Potline (5 lakh MTPY) and upgradation of

## **CMD's 37<sup>th</sup> AGM Speech**

pot amperage of existing 4 Potlines from 180 KA to 220 KA ( about 1 lakh MTPY) along with expansion of CPP by addition of 2 units of 660 MW each. M/s. EIL and M/s. DCPL have been engaged for preparation of DPR for Smelter and CPP expansion respectively.

### **Angul Aluminium Park Pvt. Ltd.:**

To promote downstream & ancillary industries, NALCO is setting up Angul Aluminium Park in JV with IDCO at Angul, Odisha. Land acquisition and construction of boundary wall for the project already completed. The pricing mechanism for hot metal finalised.

### **Aluminium Downstream Projects:**

Your Company is also preparing Detailed Project Report (DPR) for establishment of Aluminium Downstream Projects like Alloy Wheel Plant, Extrusion Plant, Value added rolled products Plant and Foil Plant for which land have already been identified.

### **High End Aluminium Alloy Plant:**

NALCO has signed an MoU with Mishra Dhatu Nigam Ltd. (MIDHANI) in April, 2017 for establishment of High End Aluminium Alloy Plant in JV mode for Defence, Aerospace & Automobile Sectors.

Company has also floated EOI seeking technology supplier for making high end aluminium.

### **Greenfield Aluminium Smelter in Odisha:**

The Company is preparing a Pre-feasibility Report (PFR) for proposed Greenfield Aluminium smelter at Kamakhyanagar or any other suitable location in the State of Odisha along with site selection for proposed Aluminium downstream projects.

### **A game changing Business Model :**

Your Company has drawn up a game changing business model including operation of Utkal-D coal block, commissioning of 1 MlnT refinery, rolling out wire rods from new wire rod mill,

cashless model for MSMEs and commercial production of caustic soda plant in next two to three years to earn an additional net profit of around Rs.1,000 Cr in a year to elevate the company to a level of consistent profitability never before.

### **Strategic minerals assets in overseas: Increasing Geo-Strategic Presence**

NALCO, HCL and MECL, the three CPSEs under the Ministry of Mines, Government of India have signed an MoU in Sept, 2017 to set up a JV Company named Khanij Bidesh India Limited (KABIL) to identify, acquire, develop, process and make commercial use of strategic minerals in overseas locations for supply in India and thus boost “Make in India” initiative of Government of India.

### **RESEARCH & DEVELOPMENT**

- R&D Expenditure for the Year 2017-18 is more than the target of 1% of PAT-2016-17 in line with DPE guideline.
- During FY 2017-18, four (4) patents have been granted in the name of NALCO. Till date, total patent filed are 35 out of which Sixteen (16) granted and five (5) commercialized.
- The first of its kind in the world, Emrion Nano Technology based De-fluoridation Plant is running successfully in commercial scale, meeting the environments norm stipulated by OSPCB at Smelter Plant.
- New Product Development: The Company started commercial production of AA 3105 Alloy (having a composition of Aluminium, Manganese & Magnesium) in its Rolling Plant of Smelter Division to its existing product range. This alloy has wide application in manufacturing of Fan Blades.

### **INFORMATION TECHNOLOGY FOR DIGITAL TRANSFORMATION**

Your Company is leveraging Information Technology (IT) to augment the organization's quest for sustainable growth and

## **CMD's 37<sup>th</sup> AGM Speech**

continuous improvement in processes and business practices. Company has achieved 100% digital transaction in finance.

Adding a new dimension to the digital initiatives, your Company has launched Mobile Apps and Web-based applications for its stakeholders.

'NISARG' - NALCO Initiatives for Social Awareness and Responsible Growth. A vibrant App for Citizens at large on Nalco CSR activities.

'NAGINAA' - NALCO Grahak Information and Networking App for All – A feature rich App for Domestic Customers providing information such as Account Status, Despatch Plan, MOU calculation and product pricing information.

'Hamesha Nalconian' - True to its adage “Once a Nalconian always a Nalconian”, your Company has launched an App for its Retired Employees. The App provides features like Medical Reimbursement information, In-house e-magazine, important circulars & policies.

'NAMASYA' (NALCO Micro & Small enterprise Yogayog Application) - A mobile App (both in Hindi & English) for ease of doing business for the MSMEs has been launched.

A Portal for contract labour (CLMS) has been deployed to facilitate contractors to manage contract workers attendance, payments and statutory returns.

The IT practices are being aligned to meet the ISO 27001 standards covering the full arena of IT Security for IT infrastructure, Applications and Users.

## **SAFETY, OCCUPATIONAL HEALTH & ENVIRONMENT MANAGEMENT**

Your Company, being a responsible corporate citizen always gives utmost importance to Environment, Safety and Occupational Health and is committed to maintaining a safe, healthy & sustainable work environment across all its production units in compliance to the requirement of the



concerned statutes under Environment, Safety and Occupational Health regulations. While adhering to safety norms, your Company strives for continual improvement of personnel safety and health and the protection of the environment with the goal of zero accident, illness, incident, waste generation and emission.

All the units are operating with valid "Consent to Operate" under Air & Water Act for the existing capacities and all 4 operating units have valid Factory Licenses, as applicable.

Your Company has achieved plantation of 7.8 million trees out of which 133,226 saplings at its production units during the year.

ENERGY MANAGEMENT: Mines & Refinery Complex and Smelter & Power Complex were notified by M/s Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India as the two designated consumers in the PAT scheme. During the year, total 36,119 Energy Savings Certificates (ES certs) were issued by M/s BEE to our organization, for better performance than the assigned PAT Cycle1 targets through energy efficiency initiatives at both the complexes, as per the recommendations of BEE accredited energy audit firms.

## **HUMAN RESOURCE**

'People make things happen' is what NALCO believes in. The company is endowed with effective and efficient human capital – a blend of excellent resources- people with knowledge, talents, skills, abilities, attitude, aptitude, experience & intelligence, both individually and collectively. In the present competitive environment, it is the quality of people that determines the success and survival of an organization. Your company has realized this need and has taken up several measures to ensure a conducive work environment for its employees, with a view to enhance productivity.

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

### **Industrial Relations**

The conducive HR climate with 'Zero' tolerance to indiscipline supplemented the efforts to achieve outstanding financial and physical performances in 2017-18. The secret ballot election process for recognition of trade unions was conducted peacefully in all production units of your Company. The year was also marked by efforts to enhance employee well-being through providing career growth opportunities to a good number of executives stagnating for long years, resolving long pending employee issues like rationalization of pension contribution for executives, revision of Special Financial Package for non-executive employees of Mines, payment of revised bonus and enhanced wages to contract labour, improvement in quality of health care facilities at your Company's hospitals etc. Pay revision for executives of your Company was implemented in terms of the guidelines issued by the Government. HR interventions like HR Audit, Talent Management and Succession Planning etc. were taken up keeping in view the strategic HR needs of your Company.

### **CORPORATE SOCIAL RESPONSIBILITY: JOY OF GIVING**

Corporate Social Responsibility has been core to the philosophy of the Company. NALCO CSR policy is fully compliant with Companies' Act, 2013. The CSR expenditure for the year 2017-18 is Rs.29 Cr as against the target of Rs.27.88 Cr.

Some of the major CSR initiatives taken during the year are:

- **Education:**

- Reaching out to the underprivileged section of the society remotely located, through educational initiatives 'Indradhanush' - a scheme providing free residential education for 812 tribal children of Koraput district in 3 reputed schools in the State.
- Educating a girl child is empowering a family. You will be happy to note that the company is scaling up its successful

scheme of 'NALCO ki Ladli'- to a pan India level in collaboration with Kendriya Vidyalayas/Navodaya Vidyalaya/State Govt. schools to benefit the underprivileged girl children identified from every nook and corner of the country.

- **Health Care:**

- Company believes Health is Wealth. There are 2 full-fledged hospitals – One at Mines & Refinery Complex, Damanjodi and other at Smelter and Power Plant Complex, Angul. In addition, company has deployed 9 Mobile Health Units (MHUs) in peripheral villages to take health care to the door steps. In a year more than 1 lakh patients get treatment from this mobile units.
- A super specialist eye care centre at Angul for the benefit of peripheral villagers and villagers around is getting developed in association with Dr. L.V. Prasad Eye Institute.
- A 560 bedded Night Shelter in AIIMS, Bhubaneswar is getting constructed for patients and their attendants.

- **Swachh Bharat Abhiyan:**

- The company is an active driver for the Swachh Bharat Abhiyan. Apart from creating public awareness through mass campaigns, NALCO has also promoted a bilingual song on Swachhata. The Company has started to make the townships polythene free. 11 peripheral villages have been taken up to make them ODF, out of which 6 have been completed.

- **Iconic Shrine Project:**

- NALCO has been given the task of Iconic Shrine Project Puri by Govt. of India and 22 projects have been taken up in Puri, out of which temple LED illumination, Open Air theatre near slum dwelling, thematic wall painting of both sides of VIP road, deployment of electric vehicles (EVs) for

## **CMD's 37<sup>th</sup> AGM Speech**

pilgrims & park at Gandhi Ghat near seashore for eco-tourism have been completed and other projects are under different stages of implementation.

- **Skill India:**

- In a move to create skilled manpower and make unemployed youth job ready, Centre of Excellence for Skill Development with Heavy mining equipment simulator facility and training are being established at Bhubaneswar and Damanjodi.
- Skill training has already been imparted to 1110 candidates in company's operational areas, out of targeted 1620 as per MOU signed with NSDC.
- Skill training also has been imparted to 564 unemployed youths out of targeted 2000 at Angul, Damanjodi, Bhubaneswar and Vizag area through two skilling partners.
- The above initiatives have resulted in employment of 710 local youths in various job roles like retail, health care, etc.

- **Digital India initiatives:**

- To promote digital initiative of GoI, your company promoted cashless transaction in 5 peripheral villages of Angul and 1 peripheral village of Koraput. To facilitate the process the company also distributed Point-of-sale (POS) machines at different places.

## **BOARD OF DIRECTORS**

Your Board has been strengthened with induction of Dr. K. Rajeswara Rao, Additional Secretary, Ministry of Mines & Shri Anil Kumar Nayak, Joint Secretary, Ministry of Mines, Part-time Official Directors w.e.f 19.02.2018 & 27.03.2018 respectively and Shri Pradip Kumar Mishra as Director (Commercial) w.e.f 23.04.2018. Their appointment is being

## **CMD's 37<sup>th</sup> AGM Speech**

regularized in this meeting in terms of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

With this induction, your Company is fully compliant with the Listing Regulations and DPE guidelines relating to composition of the Board of Directors.

### **CORPORATE GOVERNANCE**

NALCO always endeavors to adhere to good corporate governance practices and emphasizes on the commitment to value and ethical business conduct. The effort on the part of NALCO is not only to win the trust of the stakeholders but to retain the same on a sustainable manner.

NALCO is adhering to the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 and the guidelines on Corporate Governance for CPSEs prescribed by Department of Public Enterprise (DPE).

### **AWARDS & ACCOLADES**

The company has won laurels from different quarters for its achievements in different functions. While the legion of such awards and accolades are many, a glimpse of some major awards are as under :

- SCOPE Award for excellence in Institutional Category and for CSR from the then Hon'ble President of India.
- Five Star Rating for Panchpatmali Bauxite Mines by Ministry of Mines for 2nd consecutive year.
- National Energy Conservation Award in Aluminium Sector for the year 2017 from Bureau of Energy Efficiency (BEE).
- Smelter plant awarded as "Emerging Leader in Operational Excellence" from CII.
- Bharat Ratna Sri Atal Bihari Vajpayee Awards for Innovation' by Rethink India.

## **CMD's 37<sup>th</sup> AGM Speech**

- Dun & Bradstreet Award for Excellence in Export Performance.

### **ACKNOWLEDGEMENT**

On behalf of the Board of Directors, I take this opportunity to place on record my gratitude & deep appreciation of our esteemed customers, suppliers, bankers and consultants for their continued support. I sincerely thank Govt. of India, particularly the Ministry of Mines, Ministry of Coal, Ministry of Environment & Forest and Department of Public Enterprises for their unstinted support and valuable guidance. I thankfully acknowledge the support extended by the Comptroller & Auditors General of India, Indian Railways, Government of Odisha, Mahanadi Coalfields Ltd, Auditors and other Government agencies. I would also like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company on growth path. I also feel privileged to put on record that our long association with all our shareholders has been quite meaningful and valuable. The place of pride that we enjoy today is largely due to the trust you have been reposing on us. I sincerely acknowledge the support and co-operation of my colleagues and thank my fellow Nalconians and their families for their untiring efforts in achieving yet another year of success for your Company.

Bhubaneswar  
August 29, 2018

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

---

**Note:** This does not purport to be a record of the proceedings of the Annual General Meeting.