

PRESS RELEASE

**NALCO announces 40% dividend amounting to
Rs. 467 crore for 2015-16**

Bhubaneswar, 30/09/2016: In the 35th Annual General Meeting held here on Friday, the shareholders of National Aluminium Company Limited (NALCO), a Navratna PSU under Ministry of Mines, Govt. of India, have approved a total dividend payout of 40%, which works out to Rs.2 per equity share of Rs.5 each. Out of 40%, earlier 25% had been paid as interim dividend. The dividend declared is the highest since capital restructuring, done by issue of bonus share in March 2011. The total payout works out to Rs.467.13 crore, excluding applicable dividend distribution tax for 2015-16. Since inception, NALCO has paid a total of Rs.5678.92 crore as dividend, including Rs.4859.72 crore as share of Govt. of India, till interim dividend of 2015-16.

Speaking on the occasion, Dr. Tapan Kumar Chand, CMD, NALCO congratulated all the stakeholders on allocation of Pottangi Bauxite Mines in Koraput district of Odisha, a momentous decision on which the company's smooth operations and future plans greatly depend. Earlier, the company had been allotted Utkal D & E Coal Blocks in Angul, near its Smelter and Power Complex. "These resources would definitely usher in a secured future of the company for more than four decades. Moreover, we now received the happy tidings that bridge linkage has been provided from Coal India, for supply of coal to two units of NALCO's Captive Power Plant," said Dr. Chand.

According to Dr. Chand, the global aluminium production grew by 6.1% year-on-year (y-o-y) basis from 54.21 million tonnes in 2014 to 57.52 million tonnes in 2015, while global aluminium consumption grew only by about 4.0% y-o-y. China continued to be the world's largest producer and consumer of aluminium, constituting 54% of global output and 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%. "Global aluminium prices have displayed considerable volatility throughout 2015-16, with LME cash prices fluctuating between a high of USD 1919 per tonne in May 2015 to a low of USD 1424 per tonne in November 2015. The average LME cash settlement price for 2015-16 was USD 1592 per tonne, registering a fall of almost 16% from 2014-15 average of USD 1889 per tonne," Dr. Chand informed the stakeholders. "Despite severe sluggish market conditions, NALCO achieved a Profit After Tax of Rs.731 crore during the year," he added.

Reflecting on the domestic scenario, Dr. Chand, who happens to be the President of Aluminium Association of India, informed that the 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 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.

In the domestic market, with the Government's increased thrust on infrastructure, it is expected that aluminium offtake 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' programme, 100% rural electrification and indigenous space programmes are also expected to boost consumption of aluminium.

NALCO's Performance Highlights in 2015-16

- NALCO's Bauxite Mines at Panchpatmali, Korpaut, Odisha, achieved the highest-ever bauxite production of 63.4 lakh tonnes in 2015-16 as against 57.39 lakh tonnes achieved during the previous year, registering 10% growth.
- NALCO's Alumina Refinery at Damanjodi, Korpaut, Odisha, achieved the highest-ever alumina hydrate production of 19.53 lakh tonnes in 2015-16 as against 18.51 lakh tonnes achieved in the previous year, registering 6% growth. It is also commendable that according to the Wood Mackenzie Report, NALCO's Alumina Refinery has been ranked No. 1 among the lowest-cost producers of alumina.
- NALCO's Aluminium Smelter at Angul, Odisha, achieved cast metal production of 3.72 lakh tonnes in 2015-16 as against 3.27 lakh tonnes in previous year, registering about 14% growth.
- NALCO's Captive Power Plant at Angul, Odisha, achieved Net Power Generation of 5841 MU in 2015-16 as against 5131 MU in previous year, registering about 14% growth.
- Wind power generation by NALCO was 156 MU, while rooftop solar power generation was 0.19 MU in 2015-16.

NALCO has set a capex target of Rs.1021 crore for 2016-17, which includes projects like development of Utkal D & E Coal Blocks, Wind Power Projects of 50 MW each in Maharashtra and Rajasthan, addition of 5th stream in the existing Alumina Refinery at Damanjodi, Koraput, a 20 MW Solar Power Project in Madhya Pradesh, other expansion and modernization activities.

Meanwhile, the process of buyback of shares of NALCO, which was approved by the shareholders during July 2016 has been completed. Post buyback, the paid-up share capital of the company stands reduced to Rs.966.46 crore from Rs.1288.62 crore prior to buyback. The President of India shareholding has come down from 80.93% to 74.58% of the total paid-up capital as on date.
