

## Press Release

### **Despite sluggish market, NALCO posts Rs 731 cr net profit in 2015-16 with Rs 515 cr dividend pay-out**

**Bhubaneswar, 28/05/2015:** At a time when 70% aluminium companies world over have reported loss, as also reduced production, and the aluminium industry is reeling under heavy pressure due to sluggish international market, National Aluminium Company Limited (NALCO), a Navratna PSU under Ministry of Mines, Government of India, has remained profitable by successfully handling the market downturn by becoming the lowest cost producer of alumina in the world and focusing on increased bauxite mining and alumina refining, besides effecting several cost reduction measures, particularly in metal production. It may be noted that while the average London Metal Exchange (LME) price per tonne of aluminium in FY14-15 was 1889 USD per tonne, it slumped to an average of 1592 USD in FY 15-16 i.e a fall of 16%.

According to the audited financial results for 2015-16, taken on record by the Board of Directors in a meeting held here on Saturday, during the 4<sup>th</sup> quarter NALCO has registered a net profit of Rs.208 crore, as compared to Rs.133 crore in the preceding quarter and Rs.355 crore during the corresponding quarter of the previous fiscal. Overall, during 2015-16, the company has posted a net profit of Rs.731 crore, compared to Rs. 1322 crore achieved during the previous year. The gross turnover of the company during 2015-16 has been Rs.7157 crore.

The NALCO Board also recommended a final dividend of 15% amounting to Rs.193.29 crore. Earlier, the company had declared an interim dividend of 25%, amounting to Rs.322.16 crore, on the paid-up equity share capital of Rs.1288.62 crore. The total dividend for 2015-16 works out to Rs.515.45 crore and including dividend distribution tax (DDT) it comes to Rs.620 crore.

The aluminium major has registered an all-time high production of 63,40,142 tonnes of bauxite in 2015-16 i.e. about 10% higher, and 19,53,000 tonnes of alumina i.e. about 6% higher than the corresponding figures of the previous fiscal. The company also produced 3, 72,183 tonnes of metal, registering an increase of 14% as compared to the corresponding figure of the previous year. During the year, power generation was up by 14% at 5841 million units, while the metal sale was higher by 14% at 3,72,424 tonnes, as compared to previous year.

Meanwhile, in a significant development, during the recent visit of PM to Iran, Dr. Tapan Kumar Chand, CMD, NALCO, signed an MoU with Vice Chairman of Planning Board, Govt of Iran to explore the possibility of setting up an aluminium smelter in Iran. A taskforce is being constituted taking experts from NALCO and its Iranian counterpart IMIDRO. Among other things, the MoU envisages tolling arrangement with existing smelters in Iran, for producing aluminium from NALCO's surplus alumina.

Besides, NALCO Board in a meeting held in New Delhi on last Wednesday, approved the proposal to buy back up to 64.43 crore shares i.e 25% of paid up equity share, at Rs.44 per share, for a total value of about Rs.2835 crore.