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| <p>The Manager<br/>BSE Limited,<br/>Phiroze Jeejeebhoy Towers,<br/>Dalal Street,<br/><b>MUMBAI - 400 001</b><br/><b>Scrip Code : 532234</b></p> | <p>The Manager<br/>Listing Department<br/>National Stock Exchange of India Ltd.,<br/>Exchange Plaza, Bandra-Kurla Complex,<br/>Bandra East, <b>MUMBAI - 400 051</b><br/><b>Symbol : NATIONALUM</b></p> |
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**Subject: Investor Meet/Conference at Mumbai.**

Dear Sir,

Pursuant to Regulation 30(6) and Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015; we are to inform you that NALCO participated in Investor meet/conference, organised by B & K Securities India Pvt. Ltd. on 04.06.2018 at Mumbai. The summary of discussions in the said Investor meet/ conference is enclosed.

The aforesaid information is also disclosed on the website of the company at [www.nalcoindia.com](http://www.nalcoindia.com).

This is for your record and information.

Thanking you.

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

  
(N.K. MOHANTY)  
COMPANY SECRETARY

On 4<sup>th</sup> June 2018, Company has participated in B&K Conference (investors meet) at hotel Trident Mumbai. Representatives from various investors group have attended the meet. On behalf of the Company Mr.B K Dash, General manager (Finance)I/c was present in the meet. Some of the relevant questions and the answers related to performance of the Company deliberated in the conference are as follows:

**1. Capex target for 2018-19 with breakup of major items.**

The Company has a Capex target of Rs.1,100 crore for FY 2018-19 with major break up of Rs.482 crores for new projects which includes Rs.393 crore for 5<sup>th</sup> stream Alumina refinery. Apart from this about Rs. 58 crore is the target for equity contribution to JV primarily for caustic soda plant. Besides, Rs 560 crore is planned for AMR items.

**2. Present status and time line for operation of Utkal D & E Coal Block**

Lease deed for 284.24 Ac of land for D block has already been registered in April 2018. R&R plan for Utkal D&E have already been submitted to District Administration for approval. On obtaining all statutory clearance, Utkal D Mines is likely to be opened during Q3 19-20. Consultant has been appointed as Transaction advisor (TA) for selecting Mine Developer cum Operator (MDO).

**3. Annual Mining capacity of Coal Blocks**

Utkal D Coal block allotted to Nalco was earlier with OMC for which some of the activities have already been taken by OMC. The annual capacity from D block is about 2 million ton and for both D&E it is about 4.00 million ton.

**4. Expected cost of Coal from captive mines**

The exact cost implication shall be known after award of the MDO contract and logistic arrangements. However, the cost of coal from captive mines is expected to remain lower compared to present coal price. Moreover this will ensure assured coal availability to Nalco.

**5. Project cost of caustic soda plant under JV and assured quantity of Caustic soda from JVC .**

The project cost of the caustic soda plant is about Rs.2000 crore with debt equity of 70:30. Nalco being 40% JV partner has the equity target of Rs.240 crore of which Rs.101 crore has been paid. The plant capacity is of 2.70 lakh MT per annum of which about 50,000 MT is assured to Nalco. This will help the Company with regards to assured supply for a critical raw material.

**6. Present status and time line for caustic soda project**

Land for the project transferred in the name of GNAL. Selection of Caustic soda Cell technology provider finalised. Major packages such as plant engineering, Boiler- Turbine-Generator package and balance of plant package have been awarded. Ground breaking work of the project started in April 2018. The production is expected to commence in 2020.

**7. Funding pattern of CAPEX for 5<sup>th</sup> stream Alumina Refinery & Pottangi Mines and phasing of loan/borrowing for the project. Present status and target date of completion of the project?**

Total project cost is about Rs.5,540 crore which shall be partly funded through cash reserve and partly with borrowing. As of now, all statutory clearances received technology licensor and EPCM consultant finalised. All the basis engineering package deliverables submitted by the consultants. Ground breaking to start shortly. Expected completion date is April 2021.

As regards to Pottangi Mines, DGPS survey for revised mining lease area completed. Application for obtaining forest clearance submitted to MOEF. Target completion date of the project is April 2022.

**8. Bauxite reserve in Pottangi Mines and Annual production plan**

Bauxite reserve at pottangi Mines is expected to be about 70 million ton and the annual production is expected to be 3.2 million ton.

**9. Status of Gujarat Refinery project & NPCIL.**

The Gujrat Refinery project has been dropped. Board of Nalco as well as NPCIL have decided to close the JV Company NPCIL-Nalco power Company Ltd.

**10. New project taken up**

The company has signed an MOU with M/s NINL for a joint venture Company for production of Coal Tar Pitch with Annual Capacity of 20,000 MT. This project aims at backward integration to ensure assured availability of Coal tar Pitch for Smelter Plant.

In addition the Company shall set up two Wind Power Plant of 25 MW each in the state of Tamilnadu with total capex of about Rs. 350 crore and is expected to be commissioned in the FY 2018-19 .

**11. Reasons for sudden increase in the realisation of Alumina and aluminium**

Sales realisation is basically the outcome of demand and supply of the product in the global market. The recent increase in the price of Aluminium is primarily attributed to sanction imposed by USA against Russal. Similarly, the lower supply of Alumina is attributable to closure of Alumina Refinery in Brazil.

**12. Expected continuation of price hike.**

Being international political and environmental issues, it will be too optimistic to expect its effect in long run. However the effect may continue during Q1 and also partly in Q2 of FY 2018-19 especially on Alumina.

**13. Smelter segment negative EBITA. What is the reason?**

Higher segment transfer price of Alumina to Smelter due to increase in Alumina export price, production of metal lower than the Capacity due to availability of Coal at reasonable price and recent increase in the prices of inputs C P Coke, C T Pitch. Alf3, enhancement in the rate of electricity duty and increased Renewable Purchase Obligation has led to negative EBIDTA of Aluminium Segment on year to year basis.

**14. Plan for increase in Smelter Capacity:**

The Company has envisaged brown field expansion of Smelter Capacity of 0.6 million ton with projected capital outlay of Rs.9,600 crore with Captive Power Plant of 1320 Mw with capital outlay of Rs.7,920 crore. But the project is subject to assured coal availability or assured availability of uninterrupted power supply and being found feasible under expected market condition.

**15. Position of present long term contracts for sale of Alumina.**

At present the Company has not entered in to long term contract for sale of Alumina. Alumina is being sold on spot tender basis. With volatility in the Alumina sales price in the recent past the Company has been benefited out of price increase .The Company is keeping a constant watch over the market scenario.

**16. Coal source for CPP at present**

With existing scale of operation against a requirement of 6.3 million ton, source through FSA linkage coal is about 4.7 million tone, Bridge linkage another assured source with premium price by about 0.7 million ton and balance through e auction.

**17. Future liquidity position for next 2/3 years**

Present cash & bank balance is about 3000 crore. This may undergo a change depending on the cash profit, dividend payment and capex in the respective years.

**18. Production and sale targets for FY 2018-19**

The production of Alumina and Aluminium for FY 2018-19 is expected to be of same level as that of 2017-18 .

**19. Why the employee benefit expenditure has increased substantially in FY 2017-18 compared to 2016-17. At what level the employee benefit expenditure shall remain in 2018-19.**

Due to enhancement of ceiling limit for payment of gratuity by introduction of Payment of Gratuity ( Amendment )Act 2018, one time increase in gratuity liability has led to increase in expenditure by about 337 crore. In addition, pay revision of the employees are due wef 1.1.2017. Comparatively the expenditure is more by about 240 crore ( last year the effect was considered for Q4 only, Current year it is considered for all 4 quarters).

Employee benefit expenditure for next year shall be at least less by 337 crore the one time expenditure not to be repeated. However, due to reduction in employee strength due to superannuation may also have reduction in employee cost.

**20. Comparison of the cost of Aluminium of Nalco with other players**

Position of Nalco is strong with regards to cost of Alumina in Aluminium and also low depreciation and maintenance cost. However the capacity utilisation and consequential fixed overhead cost per unit, higher employee cost and composition of coal used in power generation at CPP makes a difference in the cost of production of Nalco and other players.

**21. Major input price increase during FY 2017-18 compared to 2016-17.**

In almost all raw materials including fuel oil, the prices have increased in range of 10% to 38%..

**22. Value added Aluminium products in Nalco.**

Nalco is already producing value added products i.e Rolled products, Wire Rod, Billets etc and also envisaging to set up another wire rod mill with a capacity of 60,000 MTPA to be operational by 2019-20. The Company is also planning to for production of extrusions, flat wire rod etc.

**23. Where do you find EBIDTA for FY 2018-19**

With existing sales realisation and without further increase in input prices it is expected the EBIDTA for 2018-19 at same level of 2016-17 or improvement.

**24. Wind power EBIDTA**

With existing realisation for sale of power as per PPA for the respective WPPs and the incentives and other benefits, EBIDTA of the WPPS are positive.

**25. Renewable Purchase Obligation – an increasing trend**

As per OERC notification, minimum quantum of electricity to be procured from renewable sources by the obligated entity as % of total consumption is 4.5% in 2016-17 to 7.5% in the year 2017-18, 9.5% in 2018-19 and 11% during 2019-20 and shall continue to increase to 10% by 2019-20.

**26. Pricing Mechanism in WPP.**

Price for sale of power is based on Power Purchase Agreement between the Company and Local DISCOMS. At Andhra Pradesh and Rajasthan it is average pool price, whereas at Maharashtra it is based on auction.

**27. Annual saving in future years on interest towards disputed water charges**

As compared to FY 2016-17, there is reduction by about 173 crore towards interest on disputed water rates.

**28. Higher dividend payout for FY 2017-18 and dividend in future years.**

The Company is paying higher dividends over the years. The future dividend shall depend upon the profit earning and commitments if any.