

We take pride in every stride towards
Aatmanirbhar Bharat



40TH ANNUAL REPORT
2020-21

नालको  **NALCO**
National Aluminium Company Limited
A Navratna CPSE



VISION

To be a Premier and Integrated
Company in the Aluminium value chain
with strategic presence in Mining
both domestic & global, Metals and Energy sectors

BOARD OF DIRECTORS

1.	Shri Sridhar Patra	Chairman-cum- Managing Director	w.e.f. 17.12.2019
2.	Shri Sanjay Lohiya, IAS	Part-time Official Director	w.e.f. 09.11.2020
3.	Shri Satendra Singh, IAS	Part-time Official Director	w.e.f. 05.08.2020
4.	Shri Radhashyam Mahapatro	Director (HR)	
5.	Shri M.P. Mishra	Director (P & T) & Director (Finance)- Additional Charge*	w.e.f. 01.11.2020
6.	Shri Bijay Kumar Das	Director (Production) & Director (Commercial) Additional Charge #	w.e.f. 01.12.2020
7.	Shri N. N. Sharma	Part-time Non- official (Independent) Director	up to 05.09.2020
8.	Smt. Achla Sinha	Part-time Non- official (Independent) Director	up to 07.09.2020
9.	Shri Upendra C. Joshi	Part-time Official Director	up to 09.11.2020
10.	Shri Sanjib Kumar Roy	Director (P&T)	up to 31.10.2020
11.	Shri V. Balasubramanyam	Director (Production) & Director (Finance)- Addl.Charge	up to 30.11.2020
12.	Shri Pradip Kumar Mishra	Director (Commercial) & Director (Finance)- Addl.Charge	up to 28.02.2021

GM & Company Secretary
Shri Nayan Kumar Mohanty

* Holding additional charge of Director (Finance) w.e.f. 01.03.2021.

Holding additional charge of Director (Commercial) w.e.f. 01.03.2021.

Registered Office & Corporate Office National Aluminium Company Limited

CIN: L27203OR1981GOI000920

NALCO Bhawan, Plot No. P/1,

Nayapalli, Bhubaneswar - 751 013, Odisha

Tel. : 0674-2303197

Email: company_secretary@nalcoindia.co.in

Website : www.nalcoindia.com

40th Annual General Meeting

Date & Time: Thursday, the 30th September, 2021 at 11.00 a.m.

Deemed Venue: NALCO Bhawan, P/1, Nayapalli,

Bhubaneswar - 751 013.

Mode: Video Conferencing/OAVM

THE YEAR AT A GLANCE

PARTICULARS	UNIT	2020-21
PHYSICAL		
Bauxite	MT	73,65,001
Alumina Hydrate	MT	20,85,500
Aluminium	MT	4,18,522
Power (net)	MU	6,440
Wind Power	MU	285
FINANCIAL		
Export Turnover	₹ in crore	5,162
Gross Sales	₹ in crore	8,869
Profit Before Tax	₹ in crore	1,317
Profit After Tax	₹ in crore	1,300
Earning	Per Share	6.97
Book Value	per Share	58.15
Dividend	₹ per share	3.50

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PROFILE OF DIRECTORS



Shri Sridhar Patra
Chairman-cum-Managing Director

Shri Sridhar Patra took over as Chairman-cum-Managing Director of the Company on 17th December, 2019.

Before his elevation to the position of CMD, Shri Patra was serving as the Director (Finance) of the Company. Prior to joining NALCO, Shri Patra was the Director (Finance) of THDC India Ltd.

He has an illustrious career and wide-ranging exposure spanning nearly three decades in various Public Sector Undertakings, including Odisha Mining Corporation Ltd. (OMC), Indian Rare Earths Ltd. (IREL), Mangalore Refinery & Petrochemicals Ltd (MRPL) and THDC India Ltd.

He has been successfully steering the Company during the COVID pandemic, steadfastly focusing on the 5Ps - Production, Productivity, Projects, People & Profitability. Amidst the most turbulent and challenging business environment, Shri Patra through his astute leadership, strong vision and strategic initiatives, has scripted the turnaround of the organisation during FY 2020-21, taking the Company on the path of growth, stability and business excellence.

Shri Sridhar Patra's empathetic leadership qualities with a strong sense of commitment for the society and social causes, have endeared him to the industrial fraternity, employees and stakeholders.

PROFILE OF DIRECTORS



Shri Sanjay Lohiya, IAS
Part-time Official Director

Shri Sanjay Lohiya, an IAS Officer of 1994 batch (Assam Meghalaya cadre) took over as Joint Secretary, Ministry of Mines in October, 2020 and currently he is serving as Additional Secretary, Ministry of Mines. He joined Indian Administrative Service (IAS) after graduating from Delhi University. He joined as Joint Secretary, Ministry of Mines before his elevation as Additional Secretary, Ministry of Mines. Before joining as Joint Secretary, Ministry of Mines, he held the post of Principal Secretary to Chief Minister, Govt. of Assam. He worked in various capacities in Government of Assam. He has already worked in Govt. of India as Director, PMO and subsequently as Joint Secretary, Ministry of Agriculture and Farmers' Welfare during 2011-2016. During his tenure in Govt. of Assam, he worked in various departments like Finance, Agriculture, and Urban Development in various capacities and has wide experience.



Shri Satendra Singh, IAS
Part-time Official Director

Shri Satendra Singh belongs to 1995 batch of Indian Administrative Service (IAS) from Jharkhand Cadre. He is currently working as Joint Secretary in the Ministry of Mines, Government of India, New Delhi.

Shri Singh served in various capacities in the State Government of Jharkhand. He has worked at the district level for Land Revenue Management District Administration. He had the opportunity to serve at the level of Director in the Department of Panchayati Raj/Local Self Government, Transport and Information Technology Departments, in Jharkhand. He served as Principal Secretary to Governor with Addl. charge as Secretary (Expenditure), Finance in the State before proceeding on Central Deputation.

Shri Singh has done B.E. in Electronics from University of Roorkee. He has participated in various short-term courses at the National and International level.

Shri Singh has abundant experience of working in government and public sector.

PROFILE OF DIRECTORS



Shri Radhashyam Mahapatro
Director (HR)

Shri Radhashyam Mahapatro joined the Company as Director (HR) w.e.f. 01.01.2020.

Shri Mahapatro has rich experience in Power, Oil and Coal Sectors in different capacities and successfully shouldered varied responsibilities. He is a physics graduate from Khallikote College, Berhampur, Odisha and did his Post Graduation in Industrial Relation & Labour Welfare from Berhampur University. Shri Mahapatro has handled many areas of HR functions. During his tenure in NHPC, Engineers India Limited and Central Coalfields Ltd, he was instrumental in the introduction of Productive work culture through Team Work.

Shri Mahapatro's areas of interest include improving productivity, human development, creation of employment through skill development, sports, culture and improvement of human dignity. He has passionately worked for reformation in administration to make it responsive to the need and aspirations of the communities. His forte includes transparency, leadership and teamwork.



Shri Manasa Prasad Mishra
Director (P & T) and Director (Finance)-Additional Charge

Shri Manasa Prasad Mishra joined the Company as Director (Projects & Technical) w.e.f. 01.11.2020.

Born on 19.07.1963, Shri M.P. Mishra completed his graduation in Mechanical Engineering from University College of Engineering, Burla, Odisha. He joined NALCO as a Graduate Engineer Trainee (GET) in 1984. During his long service association of three and half decades with NALCO, Shri Mishra has contributed significantly from Technology adoption to absorption in the field of Aluminium Technology. Shri Mishra has vast professional experience ranging from project execution to plant operation at Smelter & Power complex of NALCO and Business Development activities in Greenfield & Brownfield aluminium projects, renewable projects etc. Shri Mishra held the position of Executive Director at Smelter & Power Complex, Angul before taking over as Director(Projects & Technical).

Shri Mishra is a Member of National Council of Indian Institute of Metals (IIM), FIE of Institution of Engineers (India) and Aluminium Association of India.



Shri Bijay Kumar Das
Director (Production) and Director (Commercial) Additional Charge

Shri Bijay Kumar Das, has taken over as the Director (Production) of the Navratna CPSE National Aluminium Company Limited (NALCO) with effect from 01.12.2020. Prior to the new assignment, Shri Das was serving the Company as Executive Director (Projects) at Corporate Office, Bhubaneswar.

A graduate in Mechanical Engineering from NIT, Rourkela (Formerly REC), Shri Das began his career in NALCO as a 1st batch Graduate Engineer Trainee in 1984. He was posted in the Company's Captive Power Plant in Angul from inception of the project, where he held different key positions in O & M before taking over the challenging assignment of Business Development of the Company. He subsequently took over as General Manager (Corporate Planning & Strategic Management) to plan & strategise the growth path of the Company before being elevated to Executive Director (Projects).

During his long service association of more than three decades with NALCO, Shri Das has contributed significantly in O & M of Power Plant taking up various diversification initiatives, opening of new vista in Renewable Energy Projects and charting out growth plans for the company. With rich and varied experience of Shri Bijay Kumar Das joining as Director (Production), Board of Directors of NALCO has been further strengthened.

EXECUTIVE DIRECTORS



Shri R. S. Das
M&R Complex Head



Shri S. K. Patel
Executive Director(P&T)



Shri R. N. Mohapatra
Executive Director
(Commercial-Marketing)



Shri S. Samantaray
Executive Director
(Commercial-Materials)



Shri A. Panda
S&P Complex Head



Shri Somanath Hansdah
Chief Vigilance Officer



Shri N. K. Mohanty
General Manager & Company Secretary



CORPORATE OFFICE
NALCO, BHUBANESWAR



DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting before you the 40th Annual Report of your Company together with the audited financial statements (standalone and consolidated) and Auditors' Report for the financial year ended 31st March, 2021.

1.0 PERFORMANCE HIGHLIGHTS:

1.1 Physical Performance:

Production	Unit	2020-21	2019-20
Bauxite	MT	73,65,001	73,02,245
Alumina Hydrate	MT	20,85,500	21,60,500
Aluminium	MT	4,18,522	4,18,373
Electricity (Net)-CPP	MU	6,441	6,067
Wind Energy (Net)	MU	285	312

Your Company has achieved 73,65,001 MT of Bauxite production from its Captive Mines which is highest ever since inception surpassing the previous “Highest ever Annual Production” of 73,02,245 MT (FY 2019-20).

2.0 SALES PERFORMANCE:

A summary of sales achieved during 2020-21 is tabulated hereunder:

Description	Unit	Year ending 31.03.2021	Year ending 31.03.2020
Export			
Alumina	MT	11,84,680	12,40,704
Aluminium	MT	1,92,174	56,898
Domestic			
Alumina and Hydrate	MT	42,992	63,000
Aluminium	MT	2,30,643	3,38,864
Total Metal Sale	MT	4,22,817	3,95,761
Total Chemical Sale	MT	12,27,672	13,03,704

Due to outbreak of COVID-19 pandemic and subsequent nationwide lockdown, your Company increased its metal exports to counter the sluggish domestic metal market. This pandemic also affected sales of Alumina and Hydrate in domestic market.

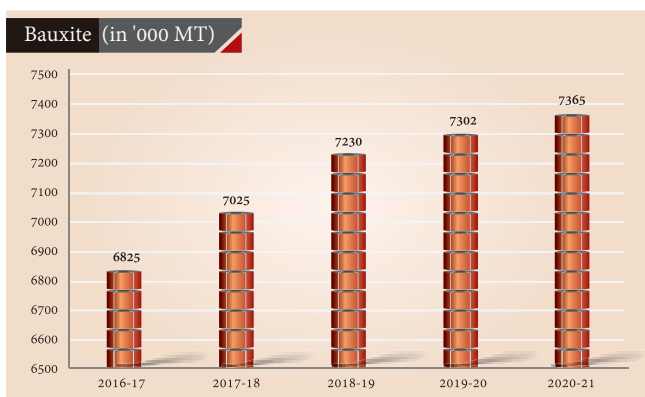
3.0 FINANCIAL PERFORMANCE:

The details of financial performance are given below:

₹ in crore

Particulars	2020-21	2019-20
Revenue from Operations	8,956	8,472
Other Income	147	273
Total Income	9,102	8,744
Cost of raw materials consumed	1,315	1,702
Power & Fuel	2,638	2,965
Employee benefits expenses	1,930	1,994
Other expenses*	1,296	1,327
Depreciation & amortization expenses	606	530
Total expenses	7,786	8,518
Profit Before Exceptional items	1,317	226
Profit Before Tax	1,317	226
Tax expenses	17	88
Profit After Tax	1,300	138

* Includes changes in inventories of finished goods and work-in-progress and finance costs.

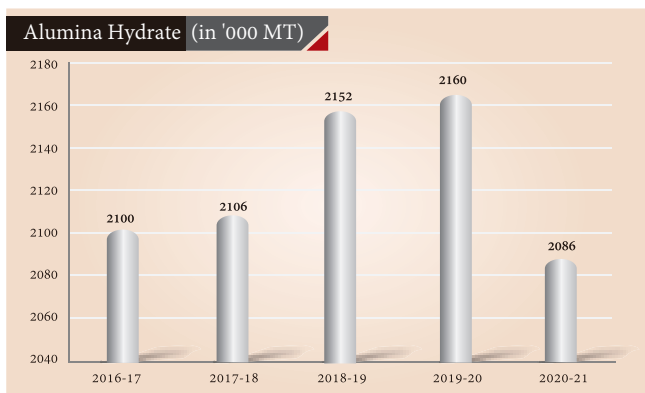


4.0 FUTURE OUTLOOK:

Market outlook for Alumina and Aluminium Industry is tabulated as under:

Particulars	Calendar Year 2019	Calendar Year 2020	Calendar Year 2021 (Projected)
Alumina			
Global Demand (Million MT)	123.26	126.77	130.65
Global Supply (Million MT)	123.85	127.01	131.88
Balance [Surplus/(Deficit)]	0.59	0.24	1.23
Aluminium Metal			
Global Demand (Million MT)	64.57	62.80	68.24*
Global Supply (Million MT)	63.22	64.76	68.19*
Balance [Surplus/(Deficit)]	(1.34)	1.96	0.05*
Price Trend	FY 2019-20	FY 2020-21	FY 2021-22 (till June, 2021)
LME Price (USD per MT)	1,749	1,802	2,399
Alumina Price Index (as % of LME Price)	17.3%	15.1%	11.5%

* Projected figures published by CRU for the period January-September, 2021 have been extrapolated to arrive at 2021 figures. (Source: CRU)



5.0 IMPACT OF COVID-19 PANDEMIC ON ITS BUSINESS:

- With onset of the COVID-19 pandemic and subsequent lockdowns enforced by Government from March, 2020, your Company operated with reduced manpower strength in its operating Units from April, 2020 to August, 2020.
- In spite of restriction in manpower mobilisation on account of COVID-19 pandemic, your Company has achieved Alumina Hydrate production of 20,85,500 MT in Alumina Refinery, which is 99% capacity utilisation & cast metal production of 4,18,522 MT in Smelter, which is 91% capacity utilisation.
- Your Company abided to all Government guidelines and directives, issued to prevent the spread of COVID-19 in all its operating Units. Despite the restricted working mechanism, your Company has put its best efforts to maximise its production and sales.

5.1 NALCO'S EMPATHETIC RESPONSE TO THE GLOBAL PANDEMIC:

As a responsible corporate citizen, your Company has been extending helping hand to fight against COVID-19. Major initiatives taken by the Company in FY 2020-21 are furnished as under:

- **Infrastructure Support:**
 - a) Your Company in collaboration with Government of Odisha has set-up a 200 bedded exclusive COVID-19 hospital at Nabarangpur District head quarter for treatment of the patients from the aspirational Districts of Koraput, Nabarangapur, Malkanagiri, Rayagda and Kalahandi.

- b) Your Company has set up two 50 bedded Covid Care Centres (CCC) near its operational areas at Angul and Damanjodi for treatment of the patients of the localities.
- c) Your Company in convergence with Government of Odisha, funded 150 bedded COVID Hospital at ESI Hospital, Banarpal, Angul District.
- d) Your Company supported the State Health Department by providing two Ventilator Ambulances for providing emergency care to critical COVID-19 patients.
- e) To strengthen the Cold Chain Equipment's (CCE) and Logistic infrastructure, one Refrigerated Truck has been procured and handed over to the State Immunization Cell for COVID-19 vaccination program. The Refrigerated Truck has a capacity of transporting 25,70,000 COVID vaccines (in doses).

- **Direct support to public at large:**

- a) Your Company handed over dry ration, cotton face masks, sanitizers to District Administrations for distribution in peripheral villages of your Company at Angul and Koraput District.
- b) Massive sanitization drive was carried out by your Company in peripheral villages.

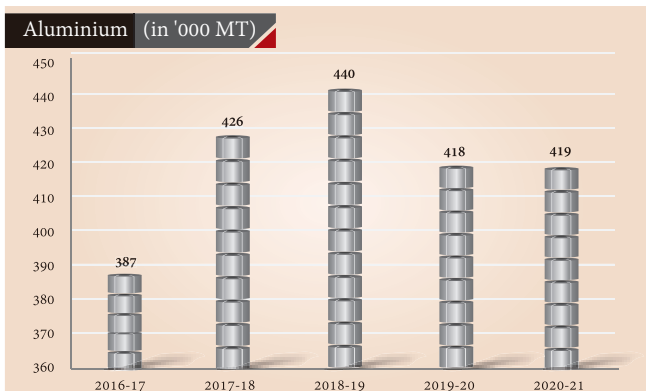
6.0 DIVIDEND AND APPROPRIATIONS:

Your Company being a Government of India CPSE, pays dividend in compliance with DIPAM's guidelines.

During the year, your Company has paid interim dividend @ ₹2.50 per equity share amounting in total ₹460.61 crore in two tranches.

The Board of Directors have recommended final dividend @ 20% i.e. ₹1 per equity share subject to approval of the shareholders in the ensuing Annual General Meeting.

The total dividend payout (including two tranches of interim dividend and final dividend) for financial year 2020-21 is ₹644.27 crore as against ₹279.84 crore during the previous year (₹3.50 per share in 2020-21 as against ₹1.50 per share in 2019-20).





Shri Pralhad Joshi, Hon'ble Union Minister of Parliamentary Affairs, Coal & Mines, inaugurating the 41st Foundation Day celebration of NALCO



Shri Pralhad Joshi, Hon'ble Union Minister of Parliamentary Affairs, Coal & Mines, addressing the employees at the 41st Foundation Day of NALCO



Launching of plantation drive on the occasion of 41st Foundation Day at Bhubaneswar



Celebrating Four Decades OF CORPORATE EXCELLENCE

One of the largest Integrated Alumina and Aluminium Complex In Asia. NALCO's presence encompasses the entire value chain from bauxite mining, alumina refining, aluminium smelting, power generation to downstream products.



- Lowest Cost Producer of Alumina in the World



- Lowest Cost Producer of Bauxite in the World



- 2nd Highest Net Foreign Exchange Earning CPSE



19th Edition of NALCO Foundation Day Lecture was held with the virtual presence of Hon'ble Governor of Nagaland Shri R.N Ravi as Chief Speaker



Shri Pralhad Joshi, Hon'ble Union Minister of Parliamentary Affairs, Coal & Mines, recognizing the contributions of family members of NALCO for significant philanthropic and socio-cultural activities



Presentation of Best Performing Employees Award at the 41st Foundation Day Celebrations



7.0 MOU PERFORMANCE:

Based on the audited accounts and physical achievements of other parameters, your Company’s provisional self-assessed score falls under “Excellent” rating for the year 2020-21, as per the Memorandum of Understanding (MoU) signed with the Government of India. The performance evaluation report, as approved by the Board of Directors, will be submitted to DPE through Ministry of Mines.

8.0 RAW MATERIAL SECURITISATION:

Panchapatmali Bauxite Mines (Central & North Block) and South Block have all statutory clearances with lease validity up to 16.11.2032 and 19.07.2029 respectively. Both the Mines are in operation.

Alumina Refinery Plant is having a Captive Steam and Power Plant (SPP).For sustainable supply of coal to SPP, your Company is having 1.341 Million MT Fuel Supply Agreement with CIL Subsidiaries. Shortfall quantity if any, are sourced through coal auction (Spot/Exclusive) route.

Aluminium Smelter Plant is having Captive Power Plant for sustainable power supply. The Captive Power Plant is a thermal power plant and requires around 6.6 Million MT coal per annum to meet the power generation as demanded by Smelter plant. For CPP, coal is sourced from the nearby coal mines of M/s. Mahanadi Coalfields Limited (MCL). Your Company is having Fuel Supply Agreement with MCL for 4.716 Million MT Coal and 0.89 Million MT Bridge Linkage coal MoU with MCL. Balance shortfall quantity are sourced through coal auction (Spot/Exclusive) route.

Your company got all statutory clearances including Mining Opening permission. All out efforts are being made to make Utkal-D Coal block operational followed by Utkal-E.

9.0 PROJECTS UNDER IMPLEMENTATION:

9.1 5th Stream of Alumina Refinery:

Your Company is in the process of setting up of 5th Stream in its existing Alumina Refinery which shall add 1.0 MTPY to its existing installed capacity of 2.275 MTPY (total capacity 3.275 MTPY), at a projected expenditure of ₹6,435.90 crore at December, 2018 price level, based on improved Medium Pressure Digestion technology of M/s. Rio Tinto Alcan International Limited (RTAIL).

The EPCM consultants have been appointed for Refinery and Steam & Power Plant. Detailed engineering by the EPCM consultant is under progress. Majority of the long lead packages have already been awarded. Contractors for awarded packages have mobilized at the site for commencement of construction work. Site enabling work and Pilling works are in progress. Due to social distancing and restrictions imposed by the Government on account of COVID-19 pandemic, project progress was affected during the year due to demobilization of workforce. With close persuasion and constant follow-up, manpower deployment by different agencies has improved.

9.2 Alternate sourcing of Bauxite for 5th Stream:

To feed bauxite to 5th Stream expansion of Alumina Refinery before commissioning of Pottangi Mines, sourcing of bauxite from existing Panchpatmali Mines South Block has been planned with a capital expenditure of ₹483 crore. M/s. DCPL has been engaged as the EPCM consultant for the project.



Flag off of refrigerated truck provided by NALCO to State Immunization Cell for safe transportation of COVID-19 vaccines



Vaccination drives for Covid-19 at NALCO Hospitals in Angul & Damanjodi





Exclusive COVID Care Centre has been set up with the support of NALCO in Saheed Laxman Nayak Hospital, Koraput

Order for major packages are awarded. Balance packages are in various stages of tendering. Contractors for all awarded packages have mobilized at the site for commencement of construction work.

9.3 25.5 MW Wind Power Project:

Your Company is in process of augmenting its wind power generation capacity to 223.90 MW by adding another wind power project of capacity 25.5 MW at Kayathar, Tamil Nadu at a capital expenditure of ₹163 crore through M/s. REGen Powertech Pvt. Limited. Substantial progress (65%) has been made on supply and erection of the equipment. However, the job is not

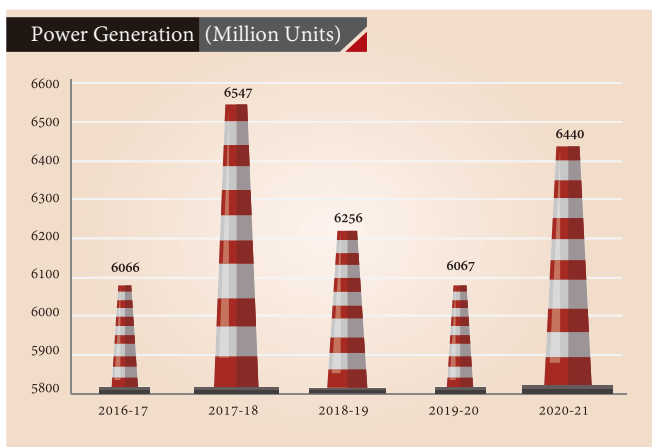
completed as the executing agency, M/s. REGen has been referred to NCLT by the creditors for Insolvency Resolution. Matter has been taken up with Insolvency Resolution Professional (IRP) and he is in the process of taking necessary action to complete & commission the project in a time bound manner in consultation with NCLT and CoC (Committee of Creditors). The resolution process is in advanced stage of completion and new resolution applicant is expected to take management control of company soon.

9.4 Pottangi Bauxite Mines:

Pottangi Bauxite Mines (75 Million Tonnes) has been reserved by Government of India in favour of your Company for meeting the bauxite requirement of 1 Million Tonne Alumina Refinery under expansion. The Mining Plan has already been approved. The Pre-project activities like obtaining Environmental Clearance and Forest Clearance for execution of Mining Lease and construction of 18 KM long Over Land Conveyor are underway. Important milestones like preparation of EIA and EMP report, conduction of Public Hearing, identification of Compensatory Afforestation land for diversion of forest land and engagement of consultant for selection of Technology of Over Land Conveyor have already been completed. The Mine is likely to be operational in the 4th quarter of FY 2023-24.

9.5 Utkal-D & Utkal-E Coal Block:

Utkal-D and Utkal-E Coal Blocks (175 Million Tonnes) have been allocated by Government of India as a part of raw material security to the existing operational Units at Captive Power Plant (CPP) and future expansion of your Company.



Shri Sridhar Patra, CMD, reviewing the expansion activities at the Panchpatmali Bauxite Mines

Your Company executed the Mining Lease of Utkal-D on 25.03.2021 after obtaining requisite regulatory clearances and completing land acquisition in the Mining Lease area. The Coal Controller has granted the Mine Opening Permission in May, 2021. The appointment of MDO and finalisation of Rehabilitation and Resettlement of Project displaced persons are underway. The activities for development of railway siding construction are under progress. The Pre-project activities for execution of Mining Lease of Utkal-E are in full swing. Action for acquisition of balance private land and Government land are being taken up through State Nodal agency, M/s. IDCO.

All out efforts are being made for operationalisation of Utkal-D Coal Block in FY 2022-23 and Utkal-E will be operationalized after obtaining all the statutory clearances thereafter.

9.6 Various Joint Venture Projects:

Your Company has invested in equity of various JV projects for backward integration as well as business diversification. Details of these projects and their status are provided in Management Discussion & Analysis Report.

10.0 CAPITAL EXPENDITURE (CAPEX):

The achievement in CAPEX is ₹988.85 crore during the year 2020-21, excluding investment in JV companies amounting to ₹36 crore.

11.0 RISK MANAGEMENT POLICY:

A Risk Management Policy has been formulated and approved by the Board of Directors and the same is available in the Company's website www.nalcoindia.com.

12.0 HUMAN RESOURCES MANAGEMENT:

12.1 Presidential Directives on SC/ST reservation:

Your Company fully complies with all applicable Presidential Directives and other guidelines in matters of reservation for SC/ST/OBC/EWS and other categories like the PWD and Ex-servicemen. Your Company has published an Equal Opportunity Policy for the PWD category in compliance with the RPWD Act, 2016. Out of total manpower strength of 5,805 as on 31.03.2021, there were 948 SCs (16.33%), 1,117 STs (19.24%), 802 OBCs (13.82%), 88 PWDs (1.52%) and 11 ESMs (0.19%) on roll. There were a total of 343 lady employees in your Company as on 31.03.2021.

12.2 Industrial Relations:

Your Company continued to maintain a conducive and cordial Industrial relation climate during the year 2020-21. The year 2020-21 passed off as yet another year with zero mandays loss on account of labour disputes. In spite of restrictions imposed by the Government due to the COVID-19 pandemic, a cordial Industrial climate was ensured through participative management. Compliance of applicable Labour Laws, adherence to Government Guidelines and consultative decision making, continued to remain the core strengths in dealing with employee benefits and welfare issues. As always, zero tolerance to indiscipline continued to remain the hallmark of your Company's IR philosophy.

12.3 Social Accountability 8000:

For creating and maintaining a decent workplace, your Company has adopted an International Standard, Social Accountability 8000 (SA-8000) since 2009-10. The Certification helped the Company in becoming more transparent in the areas of child labour, forced labour, safe and healthy work environment, working hours, remuneration, freedom of association, collective bargaining process, discrimination and disciplinary practices to all stakeholders including employees, owner, customers, suppliers and other interested parties.

Your Company has successfully completed the transition process to new version i.e. SA 8000:2014 Standard. All the Production Units including Corporate Office are certified to SA 8000:2014 Standard since 2017 (New Version)/in a process of Re-certification. Certification of all Production Units and Corporate Office are being renewed every 3 years.

13.0 CORPORATE SOCIAL RESPONSIBILITY (CSR):

13.1 Annual Highlights on CSR:

Your Company's CSR has proved through the years how a company can grow sustainably by contributing to the nation's economic development on the one hand and improving the quality of life of local communities and society at large on the other. Contributing to the society and working for the welfare of the underprivileged is ingrained within your Company's corporate values. Your Company has been doing constant endeavors to maximize the positive impact of its initiatives and ensure that, it reaches to all beneficiaries.

The Company has been following the mandates of the Companies Act, 2013 while considering CSR project. All the ideas and intended developmental actions have been evaluated against Schedule-VII of the Companies Act, 2013.

The initiatives are also taken up by consulting a wide range of stakeholders, including local people and local administration. The projects are prioritized as per the needs of the community and continuous monitoring is done to improve their impacts.

Your Company has spent ₹35.00 crore in the FY 2020-21 on various CSR projects against the mandated CSR obligation of ₹33.42 crore complying with the requirements of its CSR policy in line with the Companies Act, 2013. The Company has undertaken theme-based CSR activities on health and nutrition as per Department of Public Enterprises, Government of India OM dated 01.06.2020.

The thrust areas of implementation are Healthcare, Education, Drinking water, Rural development, Environmental sustainability and development of Iconic city, Puri. The Company has taken exemplary initiatives to fight the COVID-19 pandemic in the State of Odisha and other parts of the country by strengthening the health care system/facility to meet the increased demand in this critical juncture and also spreading awareness about the preventive measures among the vulnerable communities to combat the spread of the disease.

Your Company primarily focuses on identifying gaps in the existing system of delivery to society and intervening meaningfully with them, so as to create a long-term, sustainable impact rather than creating parallel system.

13.2 Important CSR initiatives undertaken by your Company during the year 2020-21 are:

- a) Various measures to combat COVID-19 pandemic.
- b) Various activities to promote violence free lives among women in the State of Odisha.
- c) Clean drinking water projects in operational areas.
- d) Total solar solutions in the peripheral villages of operational areas to ensure sustainability.
- e) Infrastructural activities such as construction of road facilities and community halls in different rural areas.

- f) Support to poor and meritorious girl students under the project 'NALCO ra Aliali Jhia'.
- g) Residential education to poor backward and tribal children from periphery villages of M&R Complex, Damanjodi.
- h) Operation of medical health units and OPD centres in the peripheral villages of Angul and Damanjodi.
- i) Various developmental and renovation activities in Iconic City, Puri.

A detailed report on CSR activities prepared in line with various applicable provisions of the Companies Act, 2013 is attached at **Annexure-I**.



14.0 VISIT OF PARLIAMENTARY COMMITTEE:

During the year 2020-21, a study visit of the Parliamentary Committee on Official Language at Delhi was undertaken.

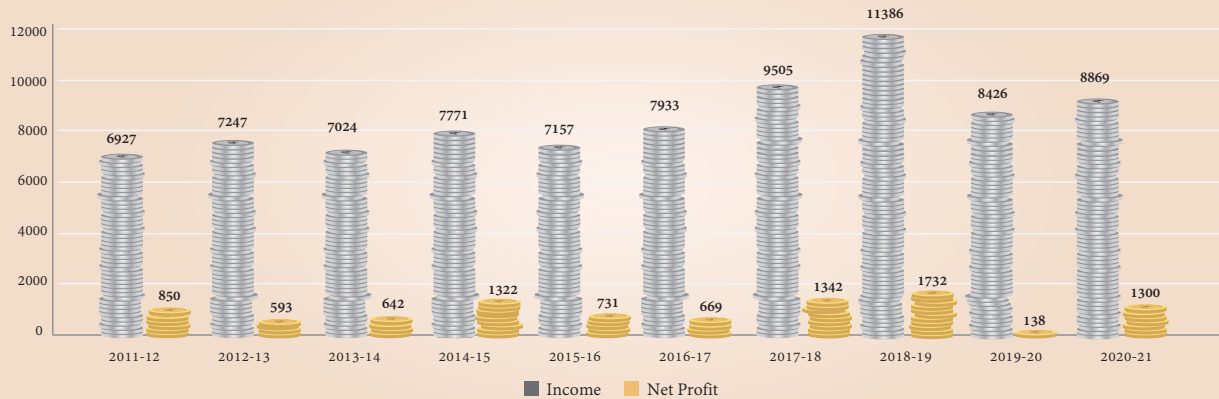
15.0 MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Management Discussion & Analysis Report in line with Regulation 34(3) read with Schedule-V of the SEBI (LODR) Regulations, 2015 is placed at **Annexure-II** to this report.

The report also contains:

- (a) Various initiatives undertaken to further business development.
- (b) The details in respect of adequacy of internal financial controls with reference to the financial statements and risk management practices.
- (c) Various initiatives taken up in the field of environment management at different units of your Company.

Financial Performance (₹ in crore)



16.0 INFORMATION TECHNOLOGY FOR DIGITAL TRANSFORMATION:

The digital world is pushing organisations to rapidly operate in new ways and re-define business models by adopting emerging technologies – making digitalization an imperative for sustenance in the new global business ecosystem.

Your Company has adopted SAP Enterprise Resource Planning (ERP) application which integrates business functions such as Sales & Distribution, Finance & Controlling, Materials, Human Resource and Production Planning to ensure uniform process and to improve information availability as single version of truth. E-procurement of goods and services are performed through SAP SRM, Central Public Procurement Portal and GeM. Vendor Purchase Order, Invoice and payment effected in GeM Portal has been integrated with the ERP. Centralized employee applications and employee self-service applications are part of the digital application ecosystem. Computerised Hospital Management System has been implemented for the Company hospitals at Angul and Damanjodi.

Invoice Reference Number (IRN) generated from the Invoice Register Portal was implemented from the 1st October, 2020 in the existing ERP Application. The e-Waybill was automated ensuring the invoices generated from the business have corresponding e-Waybill reference.

Governance and Monitoring: e-Office, a product of NIC, has been implemented in your organization since September, 2020 as a drive towards higher transparency, accountability and speed in management of proposals. This system also enables authorized users to act on files even beyond office premises using secured VPN access. For secure and ready

access to digitized documents, the e-office Knowledge Management System have been implemented.

Online web-based applications such as Capital Expenditure monitoring, Fund monitoring, Compliance Management System, Vendor Bill Tracking System and Contract Labour Management System are in use for the purpose of regular tracking and monitoring.

As a measure towards enhanced transparency, Online Vigilance portal and Complaint Management System have been implemented since December, 2020.

To tide over the crisis of COVID-19 while ensuring office productivity and individual wellbeing, your Company adopted a slew of digital measures such as e-Office, Cloud based desktop video conferencing, enhanced secure connectivity for Work From Home, email access from internet and enhancement of internet bandwidth. In line with Government guidelines, your Company's Annual General Meeting was conducted in virtual mode successfully on 30.09.2020.

Adding to the array of existing Mobile Apps for the stakeholders, a mobile App "Suraksha" has been introduced for onsite safety inspection reporting at plants.

IT Infrastructure: Your Company has the following IT infrastructure in place:

- In-house Data Center at Corporate Office, Bhubaneswar. Data Center uses server virtualization technologies and hosts all Centralized Applications including ERP. Disaster Recovery Data Center is located in a separate seismic zone. The in-house Data Center and the Disaster Recovery Center are certified for Information System Management System as per the requirements of ISO 27001:2013 standard.

- Plants and Offices are interconnected with dual MPLS circuits from different service providers for uninterrupted access to applications and services hosted at Corporate Data Center as well as from Internet. The WAN bandwidth has been enhanced to cater to the increased load triggered mainly by COVID-19 practices.
- Each location has Gigabit Ethernet LAN with Firewall and a 10 Gbps main backbone and the Corporate Data Center additionally has gateway protection solutions. Multichannel video conferencing solution has been installed for effective communications between all business units. This has been further enhanced to extend to desktops to support COVID-19 work practices.

17.0 TOTAL QUALITY MANAGEMENT:

17.1 Integrated Management System (IMS):

In all Units i.e. Mines, Alumina Refinery, CPP, Smelter and Port Facilities, Integrated Management System based on ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007/ISO 45001:2018 continued to be effectively implemented with regular external audits in remote mode, internal audits and Management Review Meetings. All Units successfully accomplished migration to the new ISO 45001:2018 standard. At the closure of F.Y. 2021, certification status of all the Units w.r.t. ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 remained valid.

17.2 Energy Management System (EnMS):

The EnMS continued to be effectively implemented with regular external audits in remote mode, internal audits and management review meetings in three units CPP, Smelter and Alumina Refinery which are included in the Perform, Achieve & Trade (PAT) scheme of Bureau of Energy Efficiency (BEE). Recertification Audit of Smelter to ISO 50001:2018 Standard was successfully completed in January, 2021. Also, upgradation of the EnMS at CPP and Alumina Refinery to the 2018 version of ISO 50001 was successfully accomplished.

17.3 Quality Circles:

Quality Circle activity continued to be encouraging during the year, in spite of the pandemic & restrictions. Number of active QCs in the organisation stood at 98. In the FY, total 21 quality circle projects were

completed whereas several more were in progress. 8 Quality Circles from different units of your Company participated in the National QC Convention organised by QCFI on virtual platform and out of this, 3 QCs were placed in the highest category of recognition i.e. “Par-Excellence” and 4 were adjudged as “Excellent”. In addition, 3 QCs participated in the CII Odisha state-level convention on virtual platform out of which 1 QC secured third position and participated in Eastern Region Final competition organized by CII.

17.4 Kaizen:

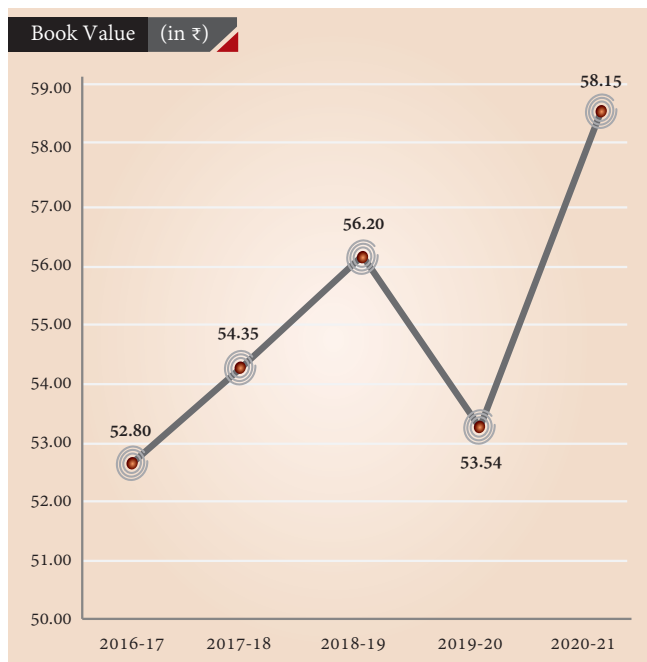
Propagation of Kaizen culture broke new heights in the year. As per Kaizen by small group activity-SGA scheme, total 1,377 Kaizens were completed in Smelter, 859 Kaizens were completed in Alumina Refinery, 807 Kaizens were completed in CPP and 250 Kaizens were completed in Mines Unit during the year.

17.5 Lean Six Sigma:

2 nos. Lean Six Sigma Green-belt projects at Alumina Refinery and 7 nos. Lean Six Sigma Green-belt projects at Mines were in progress.

17.6 Business Excellence:

- At Alumina Refinery, assessment for CII EXIM Bank Award-2020 was carried out by independent assessors during November, 2020 and the Unit bagged the prestigious CII-EXIM



Bank Business Excellence award for the year 2020 in the 'Platinum' Category during the CII-IQ National Quality Summit held in November, 2020 on Virtual Platform.

- At Panchpatmali Bauxite Mines, assessment was completed during October, 2020 and the Unit secured the prestigious "Gold Plus" category recognition in the CII EXIM Bank Award for Business Excellence 2020 in the National Quality Summit, organised by CII-IQ.
- At Smelter, assessment was completed for final CII-EXIM award in the month of October, 2020 and the Unit bagged "Gold Plus" category recognition in the prestigious CII-EXIM Bank Business Excellence Award 2020 in the National Quality Summit, organised by CII-IQ.

17.7 5S System Implementation:

At both Mines and Alumina Refinery, Surveillance Audits of 5S-Work Place Management were successfully conducted by M/s. QCFI, in addition to regular internal assessments and review meetings by Unit Management.

At both Smelter & CPP, plant-wide 5S Workplace Management System continued to be effectively implemented with regular internal assessments and review meetings by Unit Management.

18.0 IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY:

Your Company continues to comply with the provisions of the Official language and other guidelines issued by the Government agencies and statutory bodies from time to time. Your Company also holds the Chairmanship position of TOLIC, Bhubaneswar and Angul. Scheduled meetings have been organized at both the locations involving all its members of PSUs Office. In this regard, your Company's efforts have been appreciated in the meetings by the representatives of RIO, Government of India.

Progressive use of Official language for the FY 2020-21 conducted as follows:

- Salary Slip, Medical Slip, Medical Bill and Medical IOM facilitated in bilingual as an affirmative move towards implementation of official language.
- 08 nos. of Hindi Workshops were organized to motivate the employees for doing official work in Hindi.
- 25 employees passed the Pragya/Praveen exam under Hindi Teaching Scheme during May, 2020 and November, 2020 sessions.

- As an expert, TOLIC(U) Bhubaneswar member offices were facilitated with "Unicode" and "Tool techniques" for Hindi computing.
- Hindi Fortnight-2020 was celebrated in all the Production Units, Corporate Office and Regional Offices to promote the use of Hindi in official use. Several competitions were organized for the employees, employee's dependents and students during the Hindi Fortnight.
- A Workshop was organized on 1st September, 2020, by the Chairman Office, TOLIC (U), Bhubaneswar. Shri Nirmal Kumar Dubey, Office Head, Regional Implementation Office (East), Chief Speaker discussed about the various points of implementation with participants. The main aspect of the workshop was to familiarize with the tool "Kantash" to the Official Language employees of the member offices. Shri Shashipal Singh, Joint Director, CDAC, Pune attended as an expert. Notwithstanding, Shri Rajeev Kumar Rawat, Senior Hindi Officer, IIT Kharagpur was also present to discuss about the different translation tool available on internet.
- Meetings of Official Language Implementation Committee were held under the chairmanship of Chairman-cum-Managing Director of your Company for all the quarters of 2020-21.
- Meetings of TOLIC(U), Bhubaneswar were held during 2020-21 under the chairmanship of the Chairman, TOLIC (Chairman-cum-Managing Director of the Company).
- TOLIC(U), Angul meeting was held on 27th November, 2020 under the chairmanship of Executive Director (S&P), Angul.
- 'Sanginee' a quarterly magazine was published & released during the year 2020-21 by Rajbhasha cell.
- 'World Hindi Day' Week was celebrated across the Units/Offices of your Company.
- The inspection of the Regional Office, North by the Regional Implementation office-I, Delhi was successfully completed on 11.01.2021.
- The inspection by the "Committee of Parliament on Official Language" for Delhi office was successfully conducted on 20.01.2021.
- During October, 2020 to March, 2021, six programmes (Three competitions and three workshops) were organized by the Chairman office, TOLIC(U), Bhubaneswar in association with member offices.



Inauguration of Mahatma Gandhi Marg at Nalconagar, Bhubaneswar on the occasion of Gandhi Jayanti on 2nd October 2020



Celebration of Republic Day at NALCO Corporate Office

- ‘Six-monthly’ in-house Hindi Magazine “Akshar” was published and released during the year 2020-21.

19.0 SPORTS:

- As a matter of policy to encourage young sports persons, your Company has been supporting young aspiring sports persons of National as well as State level. Sports persons of your Company have been encouraged to participate in various sports events of State level, National as well as International level. As a matter of pride, your Company also provides employment to promising sports persons of the state who have brought laurels in the respective sports fields.
- Your Company keeps regularly sponsoring various sports associations/federations/sports bodies for organizing sports events as well as to develop sporting infrastructure for promoting sports culture in the State. To promote sports activities, your Company has encouraged various young players as well as sports persons of the Company to participate in different state level, national level as well as international level tournaments & sports activities.
- As matter of pride to the Company, some of your Company’s sports persons have been selected as a member of various state/national level committees/associations to render their invaluable services:
 - Shri Debasis Mohanty, an Ex-cricketer of Indian National Cricket Team has been appointed as a member of All-India Senior Selection Committee Panel by BCCI.
 - Shri Shiv Sundar Das, an Ex-cricketer of Indian National Cricket Team has been appointed as

batting coach of Indian Women Cricket Team during the tour of the team to England and Australia in the year 2021.

- The Sports Authority of India (SAI) has nominated ace woman sprinter, Ms. Anuradha Biswal as a member of the Talent Identification Committee for the East Zone (Athletics) of the Khelo India Identification Programme, an initiative of the Ministry of Youth Affairs and Sports.

- Your Company has developed well infrastructure facilities for various sports activities at both the Complexes to promote and encourage sports culture for the employees and their families of the Company.

20.0 VIGILANCE:

Broad details of the vigil mechanism established in your Company are given below:

- Your Company has a well-established vigilance department headed by a Chief Vigilance Officer (CVO) who is appointed on deputation from Government of India. Other vigilance officers who assist the CVO are selected on deputation basis in consultation with and concurrence of CVO. Your Company has its vigilance set up at three locations i.e. Corporate Office at Bhubaneswar, S&P Complex at Angul and M&R Complex at Damanjodi.
- The vigilance functions are generally in the nature of preventive, punitive, surveillance and detection.

20.1 Functions of CVO:

The functions of CVO are as follows:

- Overall Vigilance administration of the Company.

Celebration of Constitution Day on 26th November 202039th Annual General Meeting on virtual mode

- Maintaining a good link with CVC and CBI besides organizing structured review meetings with CMD.
- Furnishing of various returns/reports to Ministry/CVC/CBI.
- Assisting CVC in selection of Independent External Monitors (IEMs) for I.P (Integrity Pact).
- Assisting management in formulation/updation of anti-corruption policies/measures.
- Assisting management in development of Integrity Index, ascertaining the fairness, transparency and equity in various domain functions and overall management.
- Organising training on vigilance awareness, vigilance administration, case studies etc.

20.2 Whistle Blower Policy:

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing to prohibit managerial personnel action. It protects employees wishing to raise a concern about serious irregularities within the Company. Details of the policy are available in your Company's website www.nalcoindia.com.

20.3 Corruption Risk Management Policy:

Corruption is a special category of risk. Corruption Risk Management policy of your Company has been

implemented to determine the key principles and requirement aimed at preventing corruption and compliance of anti-corruption law of India.

The policy reflects commitment of your Company and its management to high ethical standards at carrying on business in an open, transparent and honest ways aimed at improving corporate culture, compliance with the best practices in corporate governance and maintaining the business reputation in your Company.

20.4 Fraud Reporting:

During the year, no fraud by your Company or any material fraud on your Company by its Officers or Employees has been reported by the Auditors in their report under section 143(12) of the Companies Act, 2013.

Your Company has a Board approved Fraud Prevention Policy and the same is placed in the Company's website www.nalcoindia.com.

20.5 Online Data Updation on DoPT Portal:

In line with CVC and DoPT directives, your Company responded actively in regularly updating the data of the executives at AGM and above, on the web portal "<https://doptapp.nic.in/solve/>".

20.6 Outreach Activity:

Your Company has conducted Outreach Activity or Integrity Pledge Drive at various schools and colleges in and around the Company's Head Office at Bhubaneswar and plant complexes at Angul and Damanjodi wherein approx. 3,500 citizens have been undertaken Integrity Pledge.



Shri Satendra Singh, IAS, Joint Secretary, Ministry of Mines, GoI, and other distinguished guests visiting NALCO Smelter & Power Complex



NALCO signs MOU with Numaligarh Refinery Limited for supply of CP Coke

20.7 Online Vigilance Portal:

This portal has been developed to provide information about vigilance structure at your Company. Your Company’s different activities, practices or initiatives undertaken by the Vigilance Department provide scope both to lodge complaint and to check the status of the complaint in online mode.

21.0 RIGHT TO INFORMATION:

In order to address the provisions of Right to Information Act (RTI), one Appellate Authority, one Public Information Officer and nine Assistant Public Information Officers responsible for providing information sought by stakeholders, have been appointed.

The following are the details of the RTI applications and appeals during 2020-21:

	Requests	First Appeals
Under Process as on 01.04.2020	25	01
Received during the year (including cases transferred from other Public Authority)	282	50
No. of cases transferred to other Public Authorities	01	0
Decisions where requests/ appeals rejected	111	0
Decisions where requests/appeals accepted and settled	210	51
Under Process as on 31.03.2021	27	0

Third party Transparency Audit for the year 2020-21 of your Company is being carried out by M/s. National Productivity Council, New Delhi.

The RTI requests and appeals are received and replied through both physical and online mode. Your Company is aligned with online RTI portal of Department of Personnel and Training (www.rtionline.gov.in) with effect from January, 2017

22.0 LISTING IN STOCK EXCHANGES & PAYMENT OF LISTING FEES:

The equity shares of your Company continued to be listed on BSE Limited and National Stock Exchange of India Ltd., the premier Stock Exchanges of the country, having nationwide trading terminals. The listing fees for the financial year 2021-22 have been paid on time to the Stock Exchanges.

23.0 BUY-BACK OFFER:

During the year under review, the Board of Directors had approved the buy-back upto 13,02,79,083 (Thirteen Crore Two Lakh Seventy Nine Thousand Eighty Three) fully paid-up equity shares of face value of ₹5/- each (representing 7.83% of the total no. of equity shares in the paid-up share capital of the Company) at a price of ₹ 57.50/- per equity share each payable in cash for an aggregate consideration not exceeding ₹749.10 crore. The buy-back offer period was opened from 25.02.2021 to 10.03.2021 (10 working days) and buy-back process was completed within 49 days from the date of approval of the Board of Directors, in compliance with the provisions of the Companies Act, 2013 and SEBI Buyback Regulations, 2018. After completion of necessary formalities, final payment of ₹166.73 crore was disbursed to the eligible shareholders on 16.03.2021 and shares bought back were extinguished on 17.03.2021. Post buy-back, the paid-up share capital of the Company stood at ₹918.32 crore from ₹932.81 crore. The shareholding of Government of India post buy-back stood at 51.28% of total paid-up share capital.

24.0 SERVICES TO SHAREHOLDERS:

All matters relating to transfer/transmission of shares, issue of duplicate share certificates, payment of dividend,

de-materialization and re-materialization of shares and redressal of investors grievances are carried out by the Company's RTA i.e. M/s. KFin Technologies Pvt. Ltd. (Formerly Karvy Fintech Private Limited), Hyderabad. The Company has renewed the agreement with the RTA for 3 years w.e.f. 01.04.2020.

25.0 PAYMENT OF ANNUAL CUSTODY/ISSUER FEES TO DEPOSITORIES:

Annual connectivity fees and custody fees/issuer fees for the financial year 2021-22 have been paid on time to both M/s. National Securities Depository Ltd. and M/s. Central Depository Services (India) Ltd.

26.0 BUSINESS RESPONSIBILITY REPORT:

In line with Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, a Business Responsibility Report for 2020-21 describing various initiatives taken by your Company on social, environmental and governance perspective, is attached at **Annexure III** which forms part of this Annual Report.

26.1 Reports on Sustainable Development:

- The mandatory report on sustainability i.e. the Business Responsibility Report, addressing the economic, environmental, social & governance aspects as required by SEBI, is completed and published.
- In addition to above report, a stand-alone report is prepared on voluntary basis, aligned with Global Reporting Initiative (GRI) Standards Core option.
- In line with amendment made by SEBI, the Board of Directors in their meeting held on 28.06.2021 have approved the revised Sustainable Development Policy. The link of the policy is available in the Company's website and the same has been mentioned in the Business Responsibility Report (**Annexure-III**).

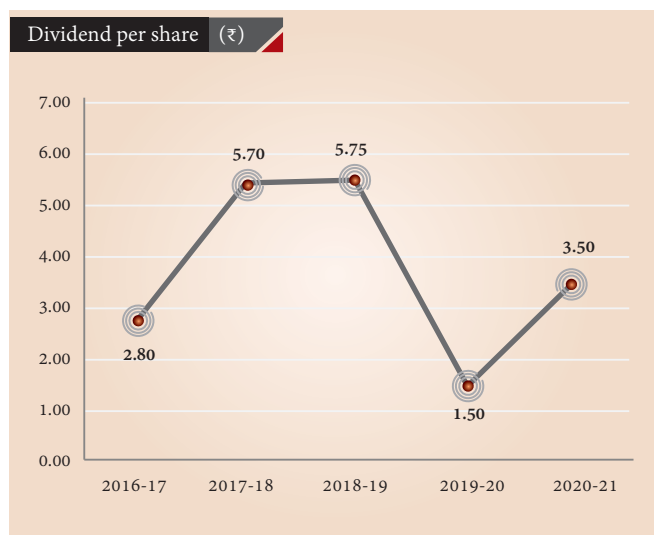
27.0 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

27.1 Research & Development:

- R&D trial for Development of AP2XN0 technology in Smelter plant for DC energy reduction in electrolysis process successfully completed on 30.01.2021 against MoU 2020-21 excellent target date of 01.03.2021.
- Your Company in its pursuit towards organizational growth through sustained

development process, product and technology through research, development and innovation activity has set up a world class research center named "NALCO Research & Technology Center (NRTC)" at Bhubaneswar, Odisha. The testing activities at NRTC has been started since 2019. This Research Center is equipped with all advance equipments like QEMSCAN (SEM-EDX), XRD, XRF, ICP-MS, Sedigraph, Laser Particle size analyser, UTM, DSC, TGA, ICP-OES, BET Analyzer, Potentiometer, OES, CHNS Analyzer, Metallurgical Microscope, Whiteness Index meter etc. R&D wing of NALCO Research and Technology Center is recognized by Department of Scientific & Industrial Research (DSIR), Government of India. Various samples from Mines, Refinery & Smelter plant are being carried out as per requirement of the plant. Testing of outside samples on chargeable basis has been started. During this financial year around 4,108 numbers of Pre-production drill bauxite samples from Mines, 2,352 numbers aluminium metal samples from smelter plant and other plant samples have been tested.

- In-house R&D unit at M&R and S&P complex along with NALCO Research & Technology Centre (NRTC), Bhubaneswar have been re-certified by Department of Scientific & Industrial Research (DSIR), Government of India till 31st March, 2024.
- Development of Integrated model through SysCAD software has been completed for all four phases at Alumina Refinery which also covers unit operation like Washing circuit, Evaporation circuit etc.
- Inline fully automated anode butt monitoring system in collaboration with JNARDDC, Nagpur has been successfully installed and commissioned at Rodding shop 2, Carbon Area of Smelter Plant which provides data, helpful for improving anode fabrication process, calculation of net carbon consumption, anode cycle optimization and improvement of electrolytic cell performance.
- Wi-Fi enabled sensor arrangement has been developed in collaboration with JNARDDC, Nagpur for the online measurement of anode current distribution of aluminium electrolysis



cell which would provide better understanding of cell phenomenon and thereby enhancing cell efficiency.

- One Patent has been granted on “A pyro/hydro metallurgical process for the recovery of alumina and calcium silicate from fly ash”.
- One paper on ‘Impact of quality changes in CP Coke on anodes used for aluminium production’ was published.
- Benefits derived as a result of the R&D (In-House & Collaborative):
 - 40 MV reduction in voltage was observed in newly developed AP2XN0 trial pots resulting in reduction of around 150 kwh/T DC Energy.
 - Data obtained from inline automated butt monitoring system would help in further improvement in anode fabrication process, minimization of bath contamination, calculation of net carbon consumption & anode cycle optimization.
 - Online Wi-Fi enabled sensor arrangement would provide vital information on pot parameters for individual pots, which helps in enhancing the cell current efficiency.
 - Use of integral model of Bayer circuit through SysCAD software helps in further optimization of process parameters.

- As on 31st March, 2021, 05 in-house projects and 23 collaborative projects are in progress.

27.2 The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required to be disclosed under the Companies Act, 2013 are given in the **Annexure-IV** to this report.

28.0 DIRECTORS’ RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis;
- The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29.0 CORPORATE GOVERNANCE:

A report on Corporate Governance in line with Regulation 34 read with Schedule-V of SEBI (LODR) Regulations, 2015 and DPE guidelines is prepared and placed at **Annexure-V** to this report.

The Statutory Auditors of the Company have issued a certificate on Corporate Governance which is appended to the Corporate Governance Report.

30.0 CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

The Policy on Related Party Transactions has been approved by the Board and placed in your Company's website which can be accessed at www.nalcoindia.com.

Your Directors draw the attention of the members to note no. 38 of the financial statements which sets out related party disclosures.

No contract has been entered with any related party during the year under report. However, a report in Form AOC-2 is attached at **Annexure-VI** to this report

31.0 DIRECTORS AND KEY MANAGERIAL PERSONNEL:

31.1 Directors:

The following changes took place in the Board of Directors of your Company since the last report:

31.1.1 Appointment:

- Shri Manasa Prasad Mishra was appointed as Director (P&T) w.e.f. 01.11.2020 and subsequently assigned with additional charge of Director (Finance) w.e.f. 01.03.2021.
- Shri Sanjay Lohiya, IAS was appointed as Part-time Official Director w.e.f. 09.11.2020.
- Shri Bijay Kumar Das was appointed as Director (Production) w.e.f. 01.12.2020 and subsequently assigned with additional charge of Director (Commercial) w.e.f. 01.03.2021.

31.1.2 Cessation:

- Tenure of Shri N. N. Sharma as Independent Director ended on 05.09.2020.
- Tenure of Smt. Achla Sinha as Independent Director ended on 07.09.2020.
- Shri S. K. Roy superannuated as Director (P&T) on 31.10.2020.
- Tenure of Shri Upendra C. Joshi, IRTS as Part-time Official Director ended on 09.11.2020.
- Shri V. Balasubramanyam superannuated as Director (Production) on 30.11.2020.

- Shri P. K. Mishra superannuated as Director (Commercial) & Director (Finance)-Addl. Charge on 28.02.2021.

31.1.3 Key Managerial Personnel:

In accordance of the provisions of the Act, the following are the Key Managerial Personnel of your Company:

- Shri S. Patra, Chairman-cum-Managing Director.
- Shri R. S. Mahapatro, Director (HR).
- Shri M. P. Mishra, Director (P&T) & Director (Finance) – Addl. Charge.
- Shri B. K. Das, Director (Production) & Director (Commercial) –Addl. Charge.
- Shri N. K. Mohanty, General Manager and Company Secretary.

31.1.4 Declaration of Independence by Independent Directors:

After completion of tenure of all Independent Directors, there are no Independent Director on the Board of your Company w.e.f. 08.09.2020. Hence, compliance related to declaration of independence by Independent Directors is not available.

31.1.5 Meetings of the Board:

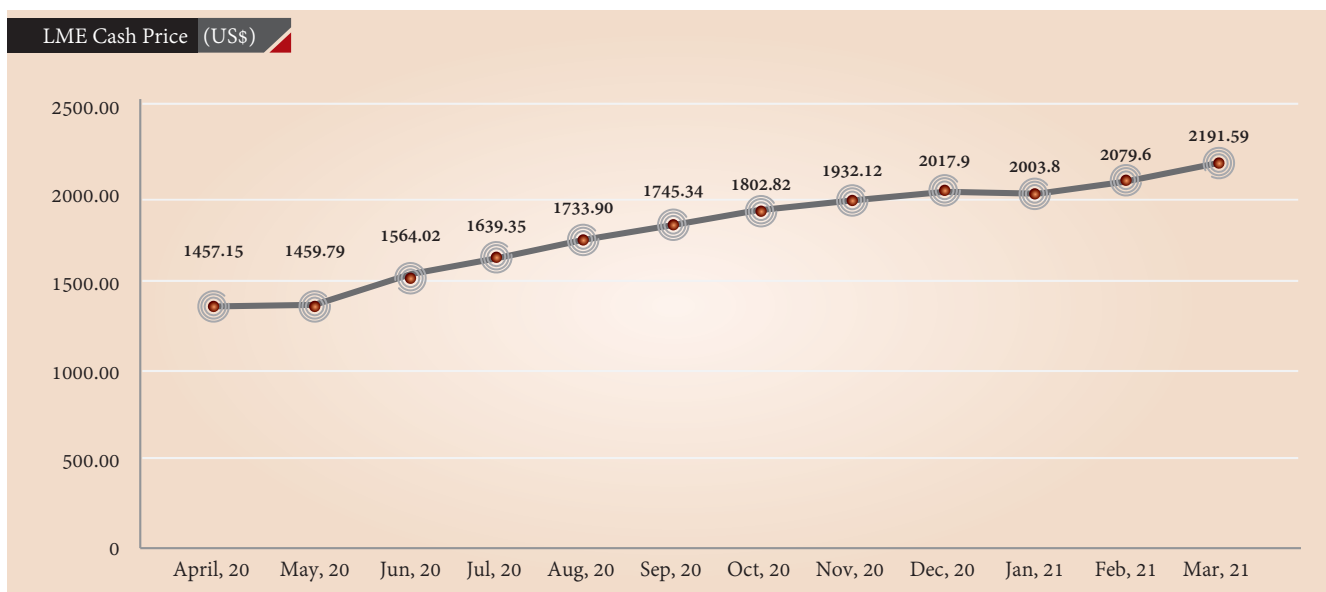
During the year, 8 (Eight) Board meetings were held. Details of the meetings are available in the report on Corporate Governance (Annexure-V) placed in this Annual Report.

31.1.6 Various Sub-committees of the Board:

The details of various Sub-committees of the Board including Audit Committee, their composition, terms of reference, details of meetings held are given in the Corporate Governance Report (Annexure-V) placed in this report.

32.0 ANNUAL RETURN:

In accordance with the Companies Act, 2013, the Annual Return for the financial year 2020-21 in the prescribed format is available in your Company's website at <https://nalcoindia.com/wp-content/uploads/2021/07/Draft-MGT-7-2020-21.pdf>



33.0 GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under report:

- Details relating to deposits covered under Chapter-V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares, sweat equity shares and ESOS to employees of the Company.
- Neither Chairman-cum-Managing Director nor the Whole-time Directors of the Company received any commission from the Company.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors also state that no disclosure or reporting is required in respect of the following areas as they are exempted for Government Companies by Ministry of Corporate Affairs vide notification dated 5th June, 2015 and notification dated 5th July, 2017.

- Company's policy on Director's appointment and remuneration including criteria for determining qualification, attributes, independence, etc. as per Section 134(3)(e) and Section 178(2),(3)& (4) of the Companies Act, 2013.

- Manner in which formal Annual Evaluation of performance of Board, its Committees and individual Directors has been carried out as per Section 134(p) of the Companies Act, 2013 read with Rule 8 (4) of Companies (Accounts) Rules.
- Ratio of remuneration of each Director to the median remuneration of the employee and other prescribed details as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules.

34.0 SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has in place a Policy on Prevention, Prohibition and Redressal of sexual harassment of Women at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment.

No case was reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 during the FY 2020-21.

35.0 PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in the note nos. 9 and 11 to Standalone Financial Statements 2020-21.

36.0 SUBSIDIARIES, JOINT VENTURE COMPANIES AND ASSOCIATE COMPANIES:

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each of the Joint Venture and Associates and their salient features are given in the note nos. 39 and 40 of the Consolidated Financial Statements for the year ended 31.03.2021 respectively. Salient features of JV/Associate companies in Form AOC-1 (Note 40) forms integral part of the consolidated financial statement of the Company.

37.0 AWARDS & ACHIEVEMENTS:

The Company for its stellar performance has been recognized by various reputed institutions/organisations. Some of those are as follows:

- PSE Excellence Award for Excellence in CSR from Indian Chamber of Commerce.
- Alumina Refinery of your Company was conferred with CII-EXIM Bank Platinum recognition for Business Excellence. Panchpatmali Mine & Smelter Plant won the Gold Plus award in their maiden attempts.
- Your Company's Alumina Refinery was awarded for "Best Environment Health and Safety practices in industry" from CII.
- Your Company has been awarded 'Certificate of Excellence' under the Public Sector category, at the National-level Odisha MSME Trade Fair 2021.
- Alumina Refinery conferred with 'Kalinga Safety Platinum award' for the year 2019.
- Your Company's CPP has been awarded as "Best Energy Efficient Power Plant-Coal (CPP)" in eastern region for the year 2020 by Mission Energy Foundation in virtual conference held on 19th February, 2021.
- Your Company's Smelter Plant won the "Best Productivity Excellence Award 2020" and your Company's CPP won the "Productivity Excellence Award 2020" in the competitions hosted by Odisha State Productivity Council (OSPC) to mark Productivity Week 2021.

38.0 COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE FINANCIAL STATEMENT OF THE COMPANY:

Annual Financial Statements both standalone and consolidated as approved by Board were submitted to

the office of Director General of Commercial Audit for their comments. The Comptroller and Auditor General of India has issued 'Nil' comments on the standalone and consolidated financial statements for the year ended 31.03.2021 vide letters both dated 25.08.2021, issued by the Office of Director General of Audit (Mines), Kolkata.

39.0 AUDITORS:

39.1 Statutory Auditors:

M/s. Patro & Co., Chartered Accountants and M/s. GNS & Associates, Chartered Accountants were appointed as Joint Auditors of your Company by the Comptroller and Auditor General of India for the financial year 2020-21.

The Statutory Auditors report on the Standalone and Consolidated Financial Statements have already been placed before the Board in its meeting held on 28.06.2021.

39.2 Cost Auditors:

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, Cost Audit is applicable to the Company for the financial year 2020-21.

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company have appointed M/s. Niran & Co., Cost Accountants, as the Cost Auditors for the financial year 2020-21, on recommendation of the Audit Committee.

Your Company will submit its Cost Audit Report to the Ministry of Corporate Affairs within the stipulated time period.

39.3 Secretarial Auditors:

M/s. Deba Mohapatra & Co., Practicing Company Secretaries were re-appointed for undertaking Secretarial Audit job of your Company for 2020-21 in terms of Section 204 of the Companies Act, 2013 and Rules made there under. The report of the Secretarial Auditors along with managements' explanation on observations of the Secretarial Auditors are enclosed as Annexure-VII to this report.

39.4 Internal Auditors:

Your Company has appointed the following Chartered Accountant firms for carrying out Internal Audit



Visit of Hon'ble Union Minister Shri Dharmendra Pradhan to NALCO supported Covid healthcare facility at ESI Hospital, Banarpal, Angul

functions of the Company for the financial year 2020-21:

- (a) M/s. Rao & Kumar - Mines & Refinery complex, Damanjodi & Port Facilities, Visakhapatnam.
- (b) M/s. B. N. Mishra & Co. - Smelter Division, Angul.
- (c) M/s. Tej, Raj & Pal - CPP Division, Angul and Coal Mines Division, Angul.
- (d) M/s. SRB & Associates - Corporate Office, Bhubaneswar.
- (e) M/s. MKPS & Associates - Western Regional Office, Mumbai.
- (f) M/s. Roy & Bagchi- Eastern Regional Office, Kolkata.
- (g) M/s. Raghavan & Muralidharan - Southern Regional Office, Chennai.
- (h) M/s. Bhatia & Bhatia - Northern Regional Office, New Delhi.

40.0 ACKNOWLEDGEMENT:

Your Directors acknowledge the excellent support extended by the Government of India particularly Ministry of Mines, DIPAM, DPE and other Ministries/Departments of the

Government of India, various Ministries/Departments of the Government of Odisha, various PSUs in Company's value-added chain, all stakeholders and investors and look forward for maintaining such mutually supportive business relationship in the coming years too.

Last but not the least, your Directors also place on record their deep sense of appreciation for the dedication and commitment shown by all employees/contractors and contract workers. The Board of Directors also endorse and appreciate the hard work demonstrated by the employees of all level, the trade unions and officers associations to keep the Plant/Units operational during COVID-19 pandemic situation. The Company's consistent growth was made possible due to belongingness, solidarity, co-operation and support received from all fronts.

For and on behalf of Board of Directors

(Sridhar Patra)

Place: Bhubaneswar

Date: 06.09.2021

Chairman-cum-Managing Director

ANNEXURE-I

ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR 2020-21

1. Brief outline on CSR Policy of the Company:

The philosophy of CSR is embedded in the business processes of the Company. Your Company, as a responsible corporate citizen, is committed to address the issues related to People, Planet and Profit for sustainable growth of its business. Its endeavour is to ensure inclusive growth of the marginalised sections of the society through its Corporate Social Responsibility (CSR) interventions in its sphere of operation. The CSR Policy of the Company has been formulated as per the provisions of the Companies Act, 2013 (Act). The Company has been spending 2% of its average net profit (calculated in accordance with the provisions of Section 198 of the Act) during the three immediately preceding financial years under different heads stipulated under Schedule VII of the said Act. The CSR initiatives from conception to their impact assessment is reviewed as per the approved CSR Policy of the Company. It also outlines the budget, expenditure, the geographical and technical scope of the projects for the Company. The monitoring of the projects forms a part of the Company's CSR Policy.

2. Composition of CSR Committee:

There were two Independent Directors viz. Shri N. N. Sharma and Smt. Achla Sinha on the Board of the Company at the beginning of the Financial Year. The tenure of these two Independent Directors ended on 05.09.2020 and 07.09.2020 respectively. The CSR & Sustainability Development Committee was in existence till 07.09.2020. The Committee could not be re-constituted as per the provisions of the Act, in absence of Independent Directors w.e.f 08.09.2020. The composition of the Committee till 07.09.2020 and attendance of the members in two meetings held during the year (on 19.05.2020 and 31.08.2020) are as detailed below:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri N. N. Sharma	Independent Director, Chairman	2	2
2.	Smt. Achla Sinha	Independent Director, Member	2	2
3.	Shri V. Balasubramanyam	Director (Production), Member	2	2
4.	Shri R. S. Mahapatro	Director (HR), Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.

- CSR Committee Composition web-link: There was no CSR & Sustainability Development Committee at the end of the financial year 2020-21. Hence the web link is not provided.
- CSR Policy web-link: <https://nalcoindia.com/wp-content/uploads/2019/04/CSR-Policy-2019.pdf>
- CSR projects approved by Board web-link: <https://mudira.nalcoindia.co.in:3443/CSR/CSRBudgetandExpenditure>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set-off in pursuance of Sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2018-19	NIL	NIL
2.	2019-20	NIL	NIL
3.	2020-21	NIL	NIL
	Total	NIL	NIL

6. Average net profit of the Company as per Section 135(5): ₹1,67,076.67 lakh

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹3,342.00 lakh

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

- (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹3,342.00 lakh.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ lakh)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3,500.00	NA	NA	NA	NA	NA

- (b) Details of CSR amount spent against ongoing projects for the financial year 2020-21: ₹904.66 lakh (Annexure-A).
 (c) Details of CSR amount spent against other than ongoing projects for the financial year 2020-21: ₹2,465.34 lakh (Annexure-B).
 (d) Amount spent in Administrative Overheads: ₹130.00 lakh
 (e) Amount spent on Impact Assessment, if applicable: NA
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹3,500.00 lakh
 (g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹ lakh)
(i)	Two percent of average net profit of the company as per Section 135(5)	3,342.00
(ii)	Total amount spent for the Financial Year	3,500.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	158.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: NA

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (₹ in lakh)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial year (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2017-18	NIL	2,901.40	NA	NIL	NA	NIL
2	2018-19	NIL	3,034.92	NA	NIL	NA	NIL
3	2019-20	NIL	3,971.35	NA	NIL	NA	NIL
Total		NIL	9,907.67		NIL		NIL

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year: ₹528.46 lakh (Annexure-C).

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
 (b) Amount of CSR spent for creation or acquisition of capital asset: Not applicable
 (c) Details of the entity or public authority or beneficiary under whose name, such capital asset is registered, their address etc.: Not applicable
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital assets): Not applicable

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable

Sd/-
 (R. S. Mahapatro)
 Director (HR)

Sd/-
 (Sridhar Patra)
 Chairman-cum-Managing Director

Note: In the absence of Independent Directors on the Board of the Company w.e.f 08.09.2020, the CSR & Sustainability Development Committee is not re-constituted. Hence, the above report is signed by Director (HR), being the Functional Head of CSR activities and Chairman-cum-Managing Director of the Company.

ANNEXURE-A

Details of CSR amount spent against ongoing projects for the financial year 2020-21.

(₹ in lakh)

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project	(8) Amount spent in the current financial Year	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6)	(10) Mode of Implementation – Direct (Yes/ No)	(11) Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration No.
1	Open Defecation Free (ODF) programme in 05 villages of S&P Complex, Angul	Item-i	Yes	Odisha	Angul	2018-22	50.00	50.00	0.00	No	NALCO Foundation	NA
2	Installation of Tube well in 15 periphery villages / School & institution of Damanjodi	Item-i	Yes	Odisha	Koraput	2018-21	4.17	2.01	0.00	No	NALCO Foundation	NA
3	Installation of Tube well in 10 villages of Pottangi	Item-i	Yes	Odisha	Koraput	2018-21	2.80	1.51	0.00	No	NALCO Foundation	NA
4	Water Supply Network Including Repair/ Renovation of Bore well at village Gopiballavpur	Item-i	Yes	Odisha	Angul	2018-21	5.36	5.36	0.00	No	NALCO Foundation	NA
5	Provision & installation of Aqua guard at different place of Damanjodi	Item-i	Yes	Odisha	Koraput	2019-21	1.00	0.84	0.00	No	NALCO Foundation	NA
6	Operation Battery operated vehicle from Jagannath Ballav Matha to Shri Jagannath Temple.	Item-i	No	Odisha	Puri	2018-22	85.00	84.55	0.00	No	NALCO Foundation	NA
7	Providing 12 Nos. of Clean water post in Various places of Puri.	Item-i	No	Odisha	Puri	2018-22	10.00	4.14	0.00	No	NALCO Foundation	NA
8	Security Watch & Ward at Gandhi Park, Puri.	Item-i	No	Odisha	Puri	2018-22	17.00	16.45	0.00	No	NALCO Foundation	NA
9	Electrification and renovation work at Gandhi Park and other places of Puri after cyclone FANI.	Item-i	No	Odisha	Puri	2018-22	49.00	48.89	0.00	No	NALCO Foundation	NA
10	Operation of Medical Health Unit (MHU) at peripheral villages of M&R Complex, Damanjodi, Potangi, S&P Complex, Angul and Utkal D & E Coal Block.	Item-i	No	Odisha	Angul & Koraput	Perpetual	150.00	150.00	0.00	No	NALCO Foundation	NA
11	Operation of OPD Centre at Angul	Item-i	No	Odisha	Angul	Perpetual	56.40	49.21	0.00	No	NALCO Foundation	NA
12	Supply of Drinking Water through tankers in the Peripheral Villages of S & P Complex, Angul during summer.	Item-i	No	Odisha	Angul	Perpetual	20.00	17.57	0.00	No	NALCO Foundation	NA
13	Supply of drinking water to devotees during Car Festival at Puri	Item-i	No	Odisha	Puri	Perpetual	20.00	0.00	0.00	No	NALCO Foundation	NA
14	Horticulture and maintenance work at Gandhi Park and Biraharekrushnapur at Puri	Item-i	No	Odisha	Puri	Perpetual	40.00	28.79	0.00	No	NALCO Foundation	NA

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project	(8) Amount spent in the current financial Year	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6)	(10) Mode of Implementation – Direct (Yes/ No)	(11) Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration No.
15	Construction of classrooms at Sri Ramakrishna Shishu Vidyamandir, Khalari	Item-ii	Yes	Odisha	Angul	2019-21	7.00	6.99	0.00	No	NALCO Foundation	NA
16	Construction of Multi-purpose hall and boundary wall & at Rajib Gandhi High School.	Item-ii	Yes	Odisha	Koraput	2019-21	20.00	19.99	0.00	No	NALCO Foundation	NA
17	Construction of dining hall at Thuria High school (Residential school)	Item-ii	Yes	Odisha	Koraput	2019-21	12.00	11.98	0.00	No	NALCO Foundation	NA
18	Construction of classroom at Kilar school	Item-ii	Yes	Odisha	Koraput	2019-21	6.00	5.92	0.00	No	NALCO Foundation	NA
19	Construction of classroom at Chougaon sevashram	Item-ii	Yes	Odisha	Koraput	2019-21	2.66	2.38	0.00	No	NALCO Foundation	NA
20	Construction of boundary wall at JP High school, Korada	Item-ii	Yes	Odisha	Angul	2019-21	10.00	9.43	0.00	No	NALCO Foundation	NA
21	Skill Development through NSDC at Angul, Koraput, Khurda and RPL training	Item-ii	Yes	Odisha	Khurda, Koraput, Angul	2016-21	35.19	0.00	0.00	Yes	NA	NA
22	Skill development & vocational training of youths belonging to poor, BPL families at Gwalior	Item-ii	No	MP	Gwalior	2016-21	3.30	0.00	0.00	No	NALCO Foundation	NA
23	Livelihood intervention through SHGs at Pottangi	Item-ii	Yes	Odisha	Koraput	2019-21	20.00	19.92	0.00	No	NALCO Foundation	NA
24	Youth Leadership Training programme (YLTP) through Art of Living at Damanjodi & Pottangi	Item-ii	Yes	Odisha	Koraput	2018-21	11.51	9.61	0.00	No	NALCO Foundation	NA
25	a) Supporting residential education to poor backward & tribal children from periphery villages of M & R Complex, Damanjodi & Pottangi. b) Travel reimbursement to KISS sponsored students, c) interaction programme & d) Supporting professional education of the sponsored children	Item-ii	No	Odisha	Koraput	Perpetual	150.00	95.80	0.00	No	NALCO Foundation	NA
26	Project- “ Nalcora Aliali Jhia” (Nalco ki Ladli): To provide financial support to girl students under BPL category from periphery villages of M & R Complex , Damanjodi & S&P Complex Angul, Sports event for Ladies and other competitions among ladies and their career counselling	Item-ii	No	Odisha	Angul & Koraput	Perpetual	21.00	18.38	0.00	No	NALCO Foundation	NA
27	Total Solar solution in peripheral villages of M&R Complex, Damanjodi & S&P Complex, Angul	Item-iv	Yes	Odisha	Koraput	2018-21	20.00	14.72	0.00	No	NALCO Foundation	NA

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project	(8) Amount spent in the current financial Year	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6)	(10) Mode of Implementation - Direct (Yes/ No)	(11) Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration No.
28	Support for plantation in and around Chandaka Damapara Wild Life Sanctuary	Item-iv	Yes	Odisha	Khordha & Cuttack	2019-23	85.71	83.71	0.00	Yes	NA	NA
29	Contribution towards promotion of traditional arts, music and handicraft	Item-v	No	Odisha	Koraput	Perpetual	30.00	0.00	0.00	Yes	NA	NA
30	Promotion of cultural excellence & CSR (institution of accolades, scholarship, etc.)	Item-v	No	Odisha	Koraput	Perpetual	30.00	0.00	0.00	Yes	NA	NA
31	Concrete road facility at Bhaluguda and Bhitrabhejaput	Item-x	Yes	Odisha	Koraput	2018-21	35.74	18.80	0.00	No	NALCO Foundation	NA
32	Construction of community hall in Durukaguda village	Item-x	Yes	Odisha	Koraput	2018-21	17.24	16.04	0.00	No	NALCO Foundation	NA
33	Construction of community hall in Modeiguda village	Item-x	Yes	Odisha	Koraput	2018-21	17.24	10.41	0.00	No	NALCO Foundation	NA
34	Construction of road from Mudeiguda to Nuaguda	Item-x	Yes	Odisha	Koraput	2018-21	11.81	11.29	0.00	No	NALCO Foundation	NA
35	Construction of BT road from Nuaguda to Ranganiguda 500 Mts	Item-x	Yes	Odisha	Koraput	2018-21	15.11	4.64	0.00	No	NALCO Foundation	NA
36	Construction of BT road from Malkarbandh to Maliput.	Item-x	Yes	Odisha	Koraput	2018-21	118.00	85.33	0.00	No	NALCO Foundation	NA
	Total						1,165.24	904.66	0.00			

ANNEXURE-B
Details of CSR amount spent against other than ongoing projects for the financial year 2020-21:

(₹ in lakh)

1 Sl. No.	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act	4 Local area (Yes/ No)	5 Location of the project		6 Amount spent for the project	7 Mode of implementation – Direct (Yes/ No)	8 Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration No.
1	Supports to PM care Fund	Item- i & viii	No	Pan India	—	500.00	Yes	NA	NA
2	Establishment of COVID-19 Isolation Facility/ Care Centre at Nabarangpur, Odisha	Item-i	yes	Odisha	Nabrangpur	380.02	Yes	NA	NA
3	Awareness campaign to fight against COVID-Distribution of Mask & Sanitizer & daily essentials	Item-i	No	Pan India	—	120.73	No	NALCO Foundation	NA
4	Support to Foundation for Innovation and Technology Transfer (FITI), IIT, Delhi for production of PPEs through start-ups to meet the requirement for frontline workers under COVID-19.	Item-i	No	Pan India	—	1.00	No	NALCO Foundation	NA
5	Support for Ventilator Ambulance to State Government	Item-i	No	Pan Odisha	—	116.00	Yes	NA	NA
6	Financial support to digital X-ray Machine to BMC hospital, Bhubaneswar	Item-i	No	Pan Odisha	—	0.00	Yes	NA	NA
7	Procurement of Refrigerated Truck for transportation of COVID- 19 vaccine in the State.	Item-i	No	Pan Odisha	—	33.89	Yes	NA	NA
8	Supply of Ambulance for shifting of sick prisoners for availing treatment in outside hospitals	Item-i	No	Pan Odisha	—	30.00	Yes	NA	NA
9	Support to Bisonouli Sarvodaya Gramodyog Seva Sansthan for undertaking the projects for prevention of COVID-19.	Item-i	No	Haryana	Nuh	5.00	No	NALCO Foundation	NA
10	Financial assistance for Asha Kiran Society for establishing a 4 bedded High dependency Unit at Koraput	Item-i	Yes	Odisha	Koraput	7.00	No	NALCO Foundation	NA
11	Installation of solar power based water purifier & cooler at different location of Bhubaneswar.	Item-i	Yes	Odisha	Koraput	9.00	No	NALCO Foundation	NA
12	Support for Mega Health Camps in Mayurbhanja district	Item-i	No	Odisha	Mayurbhanj	12.00	No	NALCO Foundation	NA
13	Support for Mega Health Camp at different parts of Odisha	Item-i	Yes	Pan Odisha		6.00	No	NALCO Foundation	NA
14	Support to District Administration, Visakhapatnam for distribution of wheel chair.	Item-i	Yes	Andhra Pradesh	Visakhapatnam	4.80	No	NALCO Foundation	NA
15	Support for Hearsay Van-Dadhichi Biman to Servants of the People Society (SOPS), Cuttack.	Item-i	Yes	Odisha	Cuttack	7.45	No	NALCO Foundation	NA
16	Financial support for cancer awareness programme to M/s Rotary Club, Bhubaneswar.	Item-i	Yes	Odisha	Koraput	2.50	No	NALCO Foundation	NA
17	Provision of water drainage system inside the Ambagaon village, Damanjodi.	Item-i	Yes	Odisha	Koraput	2.81	No	NALCO Foundation	NA

1 Sl. No.	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act	4 Local area (Yes/ No)	5 Location of the project		6 Amount spent for the project	7 Mode of implementation – Direct (Yes/ No)	8 Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration No.
18	Construction of community toilet, Ladies & gents, Bantala	Item-i	Yes	Odisha	Angul	4.99	No	NALCO Foundation	NA
19	Installation of RO Water post at Karamala, Puri	Item-i	Yes	Odisha	Puri	0.93	No	NALCO Foundation	NA
20	Installation of RO water post at Biswambhar Vidyapitha, Puri.	Item-i	Yes	Odisha	Puri	0.45	No	NALCO Foundation	NA
21	Installation of RO water post at Maa Ugratara Shaktipitha, Khorda.	Item-i	Yes	Odisha	Khordha	0.99	No	NALCO Foundation	NA
22	Installation of Cold Drinking Project at Bantala chhak, Angul	Item-i	Yes	Odisha	Angul	5.00	Yes	NA	NA
23	Installation of Cold Drinking water post at Daily market Angul Municipality	Item-i	Yes	Odisha	Angul	3.29	Yes	NA	NA
24	Installation of Cold Drinking water post at Regulated Committee of Marketing Society (RCMS) market, Angul	Item-i	Yes	Odisha	Angul	4.22	Yes	NA	NA
25	Installation of Cold Drinking water post at Womens college, NAC, Angul	Item-i	Yes	Odisha	Angul	4.14	Yes	NA	NA
26	Drinking Water Supply, Rajkishore Pada, NAC, Angul	Item-i	Yes	Odisha	Angul	4.16	Yes	NA	NA
27	Drinking Water Supply, Radharaman pada, NAC Angul	Item-i	Yes	Odisha	Angul	4.75	Yes	NA	NA
28	Drinking Water Supply to slum near Womens college, Angul	Item-i	Yes	Odisha	Angul	4.80	Yes	NA	NA
29	Sinking of Tube well, at ward no-18, Angul	Item-i	Yes	Odisha	Angul	0.90	Yes	NA	NA
30	Sinking of Tube well at ward no -19, Angul	Item-i	Yes	Odisha	Angul	0.90	Yes	NA	NA
31	Sinking of Tube well, Siba temple near Budhi Thakurani, Angul	Item-i	Yes	Odisha	Angul	0.90	Yes	NA	NA
32	Sinking of Tube well at ward No-15, Angul	Item-i	Yes	Odisha	Angul	0.90	Yes	NA	NA
33	Sinking of Tub well at ward no-18, Angul	Item-i	Yes	Odisha	Angul	0.90	Yes	NA	NA
34	Drinking Water Supply at Sishu Udyan Angul	Item-i	Yes	Odisha	Angul	3.80	Yes	NA	NA
35	Drinking Water Supply at Kalyani Mandap, Ward no- 12, Angul	Item-i	Yes	Odisha	Angul	3.68	Yes	NA	NA
36	Supply and installation of purified drinking water point at medical square on Grand road, Puri during Car festival-2019.	Item-i	No	Odisha	Puri	1.45	Yes	NALCO Foundation	NA
37	Renovation of view point Tower entrance gate & Miscellaneous repair work in Gandhi park, Puri.	Item-i	No	Odisha	Puri	3.69	Yes	NALCO Foundation	NA
38	Thematic wall painting on the outer wall of Gandhi park facing the sea at Puri.	Item-i	No	Odisha	Puri	3.36	Yes	NALCO Foundation	NA
39	Provision of Traffic Post at Grand Road, Puri	Item-i	No	Odisha	Puri	25.11	Yes	NALCO Foundation	NA
40	School education in Company funded schools for students other than Nalco employee dependants.	Item-ii	No	Odisha	Angul & Koraput	807.73	Yes	NA	NA
41	Repair of primary school of village Nandichood of Gopiballavpur	Item-ii	Yes	Odisha	Angul	2.94	No	NALCO Foundation	NA

1 Sl. No.	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act	4 Local area (Yes/ No)	5 Location of the project		6 Amount spent for the project	7 Mode of implementation – Direct (Yes/ No)	8 Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration No.
42	Support for Furniture & Sports materials to Bagdebi School, Angul	Item-ii	Yes	Odisha	Angul	1.50	No	NALCO Foundation	NA
43	Construction of 03 nos addl class room, Balaramprasad High School, Angul	Item-ii	Yes	Odisha	Angul	15.51	No	NALCO Foundation	NA
44	Construction of 03 nos of pukka class room, Satyabadi High School, Angul	Item-ii	Yes	Odisha	Angul	2.13	No	NALCO Foundation	NA
45	Construction of Barapada Primary School, Chhendipada	Item-ii	Yes	Odisha	Angul	3.00	No	NALCO Foundation	NA
46	Construction of Dubanali Primary school, Chhendipada	Item-ii	Yes	Odisha	Angul	4.00	No	NALCO Foundation	NA
47	Construction of UP School, Gadamandala, Chhendipada	Item-ii	Yes	Odisha	Angul	6.00	No	NALCO Foundation	NA
48	Construction of additional class room, Hulurisinga High school, Angul	Item-ii	Yes	Odisha	Angul	3.56	No	NALCO Foundation	NA
49	Construction of school building with toilets and other facilities at Ambagaon village (Damanjodi).	Item-ii	Yes	Odisha	Koraput	16.92	No	NALCO Foundation	NA
50	Face lifting of Anganwadi centre at Ambagaon village, Damanjodi.	Item-ii	Yes	Odisha	Koraput	1.96	No	NALCO Foundation	NA
51	Construction of 03 nos of addl. class room in Balramprasad High school, Angul	Item-ii	Yes	Odisha	Angul	3.95	No	NALCO Foundation	NA
52	Construction of 03 nos of pakka class room in Satyabadi High School, Badajorda, Talcher	Item-ii	Yes	Odisha	Angul	3.42	No	NALCO Foundation	NA
53	Construction of 03 nos of pakka class room in Satyabadi High School, Badajorda, Talcher	Item-ii	Yes	Odisha	Angul	5.51	No	NALCO Foundation	NA
54	Support for 10 students in Vrindaban Gurukul, Bhubaneswar.	Item-ii	Yes	Odisha	Khordha	7.20	No	NALCO Foundation	NA
55	Promoting violence free lives for women and girls in the state of Odisha	Item-iii	Yes	Pan Odisha	Khurda	3.00	No	NALCO Foundation	NA
56	Providing DG set at Gopinath Jew and Mahapurusha Achyutananda Petha, Nemalo, Salepur, Cuttack.	Item-v	No	Odisha	Cuttack	4.84	No	NALCO Foundation	NA
57	Financial support for Bronze statue of Utkalmani Pandit Gopabandhu Das by Samaj at Cuttack.	Item-v	No	Odisha	Cuttack	10.00	No	NALCO Foundation	NA
58	Renovation and construction of Panchasakha Mandap at Gop, Puri	Item-v	No	Odisha	Puri	21.74	No	NALCO Foundation	NA
59	Financial assistance for CRPF jawans martyred in Pulwama attack.	Item-vi	Yes	Odisha	Angul	2.00	Yes	NALCO Foundation	NA
60	Setting up Sports Complex in Dharwad district (Karnataka)	Item-vii	No	Karnataka	Dharwad	50.00	No	NALCO Foundation	NA
61	Provision of play ground in Ambagaon village Damanjodi	Item-vii	Yes	Odisha	Koraput	4.86	No	NALCO Foundation	NA

1 Sl. No.	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act	4 Local area (Yes/No)	5 Location of the project		6 Amount spent for the project	7 Mode of implementation – Direct (Yes/ No)	8 Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration No.
62	Construction of Club building (Maa Hingula Football Players Welfare Association) Balaramprasad, Angul.	Item-vii	Yes	Odisha	Angul	5.38	Yes	NALCO Foundation	NA
63	Construction of RCC road inside the Ambagaon village, Damanjodi	Item-x	Yes	Odisha	Koraput	14.61	No	NALCO Foundation	NA
64	Renovation of old community centre and construction of new community centre cum kalyan mandap in Ambagaon village Damanjodi	Item-x	Yes	Odisha	Koraput	9.44	No	NALCO Foundation	NA
65	Developmental activities in LSP Corridor (Lean-slurry project), Angul	Item-x	Yes	Odisha	Angul	29.20	Yes	NA	NA
66	Developmental activities in UTKAL D/E Coal Mines area, Chhendipada	Item-x	Yes	Odisha	Angul	2.55	Yes	NA	NA
67	Black topping of road from NALCO Thana Chhak to IAPL square via Canal Road , Angul	Item-x	Yes	Odisha	Angul	100.88	Yes	NA	NA
	Total					2,465.34			

ANNEXURE-C

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ in lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial year	Status of the Project- Completed/ Ongoing
1	-	Open Defecation Free (ODF) programme in 05 villages of S&P Complex, Angul	2017-18	5 years	491.13	50.00	253.41	Ongoing
2	-	Pipe water supply to village Girang	2018-19	4 years	313.00	0.00	200.00	Ongoing
3	-	Renovation of Pipe drinking water supply to 11 villages due to fluoride content in the water	2018-19	4 years	1050.00	0.00	248.66	Ongoing
4	-	Installation of Tube well in 15 periphery villages / School & institution of Damanjodi	2018-19	3 years	20.87	2.01	22.88	Completed
5	-	Installation of Tube well in 10 villages of Pottangi	2018-19	3 years	13.92	1.51	8.46	Completed
6	-	Water Supply Network Including Repair/ Renovation of Bore well at village Gopiballavpur	2018-19	3 years	20.36	5.36	20.36	Completed
7	-	Provision & installation of Aqua guard at different place of Damanjodi	2019-20	2 years	1.00	0.84	0.84	Completed
8	-	Operation Battery operated vehicle from Jagannath Ballav Matha to Shri Jagannath Temple.	2017-18	5 yrs.	648.00	84.55	226.48	Ongoing
9	-	Providing 12 Nos. of Clean water post in Various places of Puri.	2017-18	5 years	54.68	4.14	40.49	Ongoing
10	-	Electrification and renovation work at Gandhi Park and other places of Puri after cyclone FANI.	2019-20	2 years	49.00	48.89	48.89	Completed
11	-	Construction of classrooms at Sri Ramakrishna Shishu Vidyamandir, Khalari	2019-20	2 years	7.00	6.99	6.99	Completed
12	-	Construction of Multi-purpose hall and boundary wall & at Rajib Gandhi High School.	2019-20	2 years	20.00	19.99	19.99	Completed
13	-	Construction of dining hall at Thuria High school (Residential school)	2019-20	2 years	12.00	11.98	11.98	Completed
14	-	Construction of classroom at Kilar school	2019-20	2 years	6.00	5.92	5.92	Completed
15	-	Construction of classroom at Chougaon sevashram	2019-20	2 years	2.66	2.38	2.38	Completed
16	-	Construction of boundary wall at GP High school, Korada	2019-20	2 years	10.00	9.43	9.93	Completed
17	-	Skill Development through NSDC at Angul, Koraput, Khurda and RPL training	2017-18	4 years	260.02	0.00	221.68	Completed
18	-	Skill development & vocational training of youths belonging to poor, BPL families at Gwalior	2018-19	3 years	61.20	0.00	57.90	Completed
19	-	Livelihood intervention through SHGs at Pottangi	2018-19	3 years	20.00	19.92	19.92	Completed
20	-	Youth Leadership Training programme (YLTP) through Art of Living at Damanjodi & Pottangi	2018-19	3 years	22.86	9.61	20.96	Completed

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial year	Status of the Project- Completed/ Ongoing
21	-	Total Solar solution in peripheral villages of M&R Complex, Damanjodi & S&P Complex, Angul	2017-18	4 years	169.24	14.72	88.96	Completed
22	-	Support for plantation in and around Chandaka Damapara Wild Life Sanctuary	2019-20	4 years	352.00	83.71	257.14	Ongoing
23	-	Concrete road facility at Bhaluguda and Bhitrabhejaput	2018-19	3 years	61.91	18.80	44.97	Completed
24	-	Construction of community hall in Durukaguda village	2018-19	3 years	17.24	16.04	16.04	Completed
25	-	Construction of community hall in Modeiguda village	2018-19	3 years	17.24	10.41	17.02	Completed
26	-	Construction of road from Mudeiguda to Nuaguda	2018-19	3 years	23.00	11.29	33.51	Completed
27	-	Construction of BT road from Nuaguda to Ranganiguda 500 Mts	2018-19	3 years	21.00	4.64	10.53	Completed
28	-	Construction of BT road from Malkarbandh to Maliput.	2018-19	4 years	118.00	85.33	85.33	Ongoing
		Total			3,863.33	528.46	2,001.12	

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MANAGEMENT DISCUSSION & ANALYSIS REPORT

1.0 INDUSTRY STRUCTURE AND DEVELOPMENTS:

1.1 Alumina:

During the year 2020, total world production of Metallurgical Grade Alumina (MGA) was 127.01 Million Tonnes, registering an increase of about 2.55% compared to 123.85 Million Tonnes produced during 2019. Alumina consumption during 2020 was 126.77 Million Tonnes as against 123.26 Million Tonnes consumed during 2019, exhibiting a YoY increase of 2.85%. China was the major contributor in both production and consumption, having 53.98% share in production and 57.05% share in consumption of Alumina. World MGA demand is expected to be 130.65 Million Tonnes in 2021, representing a YoY increase of 3.06%. Overall, the Alumina market is expected to remain in surplus of 1.23 Million Tonnes in 2021 with an expected production of 131.88 Million Tonnes.

Total Alumina production in India during the Financial Year 2020-21 was 65.99 Lakh Tonnes, thereby registering a YoY decline of 0.55%. Out of this, your Company's contribution was 20.59 Lakhs (31.20%). During FY 2020-21, aluminium price rally has not been complimented with a corresponding increase in alumina prices, and alumina price remains weighed down by a well-supplied market and high alumina freight costs between Western Australia and China. This has caused contrasting fortunes in the margins between both industries. Freight rates have spiked this year due to several reasons, mainly the low availability of containers, congestion at ports, rising demand for consumer electronics and other white goods and delays caused by the Suez Canal blockage. The tight freight situation is expected to continue till Q4 (October-December, 2021), with congestion in containers to remain for the remainder of 2021.

World bauxite production during 2020 was around 359.76 Million Tonnes, which is 5.65% higher than 340.51 Million Tonnes produced in 2019. Global bauxite production during 2021 is expected to be around 391.53 Million Tonnes. China has continued to import enormous tonnages of bauxite. During 2020, 111.59 Million Tonnes of bauxite were imported by China, which were mainly sourced from Guinea, Australia and Indonesia. Guinea bauxite supply is expected to reach 94.5 Million Tonnes in 2021, up by 16.7 Million Tonnes compared to 2020 and up by 30.0 Million Tonnes compared to 2019 levels. Oversupply in the bauxite market remains ongoing due to sizable gains in bauxite production in Guinea, which is outpacing Chinese demand for bauxite imports.

1.2 Aluminium:

World production of Aluminium during the year 2020 was 64.76 Million Tonnes, registering a rise of 2.44% compared to production figures of 63.22 Million Tonnes achieved in 2019. At the same time, worldwide consumption of Aluminium shrank 2.74% from 64.57 Million Tonnes in 2019 to 62.80 Million Tonnes in 2020. The market, thus, registered a surplus of around 1.96 Million Tonnes during 2020. China was the largest producer as well as consumer during the year, contributing 56.67% share (36.70 Million Tonnes) of the world production and 60.14% (37.77 Million Tonnes) of the world consumption of Aluminium. China registered Aluminium production growth of 3.98% during 2020, while the rest of the world exhibited a meagre 0.48% growth in production. As far as Aluminium consumption is concerned, China's figures displayed a robust growth of 4.31% during 2020, while the rest of the world registered a contraction of 11.74%. During FY 2020-21, consumption of Aluminium in India fell by 7.92%.

The average LME Cash Settlement Price during the financial year 2020-21 was USD 1,802 per MT, rising 3.03% against the corresponding figure of USD 1,749 per MT during 2019-20. The price has gained further during the first quarter of FY 2021-22.

Estimated global Aluminium stocks at the end of Financial Year 2020-21 stood at 13.16 Million Tonnes, registering a growth of 4.86% against stocks of 12.55 Million Tonnes at the end of FY 2019-20.

In contrast to global market deficit of about 1.34 Million Tonnes in 2019, a market surplus of 1.96 Million Tonnes was recorded in 2020, mainly due to sharp drop in demand due to COVID-19 without any significant production cuts.

2.0 STRENGTHS AND WEAKNESSES:

2.1 Strengths:

Aluminium is the most abundant mineral on earth behind oxygen and silicon, making it the most abundant metal naturally found on the planet and the second-most used metal globally, behind only Iron. It is largely used as an alloy, even if the aluminium content is as high as 99%.

Aluminium is one of the most ubiquitous metals in the modern world, thanks to properties like high strength-to-weight ratio, high thermal and electrical conductivity, atmospheric corrosion resistance, workability and formability. These properties make it an ideal choice in applications as varied as the aerospace and construction industries, high-tech electronics, high voltage power lines and more. These characteristics, along with its high recyclability, help improve life-cycle management and reduce the overall economic and environmental impact of its application.

India is the third largest producer of Aluminium after China and Russia. India also holds a fair advantage in cost of production and conversion costs in alumina. Moreover, rise in infrastructure development and automotive production in the long term are encouraging developments in this sector within the country. The Indian aluminium industry mainly consists of primary aluminium, aluminium extrusions, aluminium rolled products and alumina chemicals. Apart from these, India also has a sizeable secondary aluminium sector, which deals with recycling of Aluminium metal. While extraction of primary Aluminium from its ore requires high energy consumption, its recycling involves only a fraction of this energy cost. Recycling of aluminium can be done over and over again, without any adverse impact on quality and performance.

The Aluminium industry meets the requirements of a wide range of industries including engineering, electrical and electronics, automobile and automobile components etc. The principal user segment of the aluminium industry in India continues to be the electrical and electronics sectors followed by automotive, transportation, building, construction, packaging, consumer durables, industrial and defence. 100% FDI is allowed in the mining sector under the automatic route to explore and exploit all non-fuel and non-atomic minerals. According to data released by Department for Promotion of Industry and Internal Trade (DPIIT), Indian metallurgical industries attracted Foreign Direct Investment (FDI) to the tune of US\$ 13.4 billion in the period April, 2000 to March, 2020 (Source: Aluminium Industry India - Sector Research & Analysis – Equity master).

2.2 Weaknesses:

Emergence of the COVID-19 pandemic during 2020 exposed some major weaknesses, not just in the Indian Aluminium industry, but globally. Major Aluminium consuming industries across the world reduced their Aluminium offtake drastically. The recovery in consumption levels of such industries in every country varied according to the country's ability to contain the virus. One of the major reasons for price recovery during the later part of 2020 was attributable to China's success in controlling the spread of virus and increase in its Aluminium consumption thereafter. However, in countries like India, Aluminium consumption is yet to reach the pre-covid levels.

Some of the other weaknesses that hound the Indian Aluminium industry are:

- (a) Most of the metal produced is being exported without any value addition in the absence of a robust Aluminium ecosystem, which could encourage development of a sizeable downstream industry.
- (b) Lack of investment in development of innovative products that could open avenues for Aluminium to be used in new applications or increase the usage of Aluminium in existing applications.
- (c) Multiple bottlenecks in logistics restrict free flow of raw materials to and finished goods from the production facilities. Investments in infrastructure development are desirable to mitigate this constraint.
- (d) Higher cost of production of metal due to dependence on coal-based power, which also comes with cost overheads like high electricity duty, coal cess etc. Also contributing to high cost are high import duties on critical raw materials like Aluminium Fluoride, CP Coke and Caustic Soda which puts domestic aluminium producers at a disadvantage.
- (e) High dependence on imported Aluminium scrap due to inadequate Aluminium scrap generation and handling infrastructure to cater to scrap requirements of Aluminium recyclers.

3.0 OPPORTUNITIES AND THREATS:

3.1 Opportunities:

Aluminium is a vital lightweight metal used in many areas of applications in both industrial and consumer sectors. On the industrial front, the metal is primarily used in machinery, electrical power transmission equipment, construction and transport. For India, the aluminium industry is considered a key player in boosting fuel and cost efficiency, especially in the transportation, electrical & electronics and building & construction sector. As per NITI Aayog report of 2018, aluminium will help India to achieve its CO₂ emissions target by adopting electric vehicles, which will improve the share of renewable energy to 40 per cent or more.

The per capita Aluminium consumption in India is around 2.7 kg, which is far below the global average of 11 kg (Source: Aluminium Industry India - Sector Research & Analysis – Equity master).

In future, India will require additional annual consumption of 16 Million Tonnes of aluminium, thus, making it the second-largest consumer in the world. Even at low consumption, aluminium contributes to 2% of Gross Domestic Product (GDP) in manufacturing sector (steel 12%, cement 9%) and this is expected to move up with consumption growth. This growth is critical for India’s industrial vision of achieving 25% of GDP from manufacturing by 2022. The aluminium industry also has a high direct and indirect employment multiplier creating close to 8,00,000 jobs in India. Plants are generally based in the hinterlands of the country and aid in generating peripheral employment and development of the region. Going forward, the sector will be a key contributor to the Government’s key flagship programs like Make in India, National Capital Goods Policy, Development of 100 smart cities and Government’s commitment to reach a 100 GW solar capacity by 2022 (Source: NITI Aayog Report, 2018).

In the short term, due to lockdown and recovery from COVID-19, domestic demand is likely to decline, due to slowdown in Transportation, Building & Construction, Industrial Equipment and Consumer Durables. Demand for aluminium is expected to pick up as the scenario improves for user industries like power, infrastructure and transportation. The Government of India’s “National Mineral Policy” is expected to bring more transparency, better regulation and enforcement, balanced socio-economic growth along with sustainable mining practices in the aluminium sector. Domestic demand is likely to remain robust driven by construction and packaging. The Indian Government has plans to invest over US\$ 1 billion in its “Make in India” initiative. The aluminium industry will benefit from this, as there is great demand to build new production facilities.

3.2 Threats:

A major threat to the Aluminium industry is its vulnerability in the face of unanticipated disruptions. Immediately upon the outbreak of COVID-19 pandemic and imposition of lockdowns across the world, global Aluminium demand fell flat, supply chains broke down and prices crashed rapidly. Although the prices have recovered since then, the possibility of re-emergence of COVID-19 or any other variant still remains.

Support to the industry by way of favourable Government policies also plays a crucial role in sustainability of the Aluminium industry. The Government has, w.e.f., 01.01.2021, discontinued its export incentive scheme – Merchandise Export from India Scheme (MEIS), which has been a major source of encouragement for all Indian exporters. The Remission of Duties and Taxes on Export Products (RoDTEP) scheme, which is supposed to replace the MEIS scheme, is yet to be implemented. This has an adverse impact on Aluminium producers in the country, who were already coming to terms with the sluggish domestic demand and were attempting to keep smelters running by exporting sizeable quantities. The year 2020 also signified challenges faced by domestic primary aluminium manufacturers while competing with duty-free or preferential duty based cheap imports.

Another threat includes crackdown by Governments against environmental hazards associated with discharge of effluents like red mud or air pollution due to coal based power plants. Some countries like China have already implemented such crackdowns, resulting in shutting down of significant smelting capacities. The threat of substitutes like improvised steel, PVC, engineered wood, glass, carbon fibre, composites etc. are also perennial in nature.

4.0 SEGMENT WISE PERFORMANCE:

Sl. No.	Particulars	Chemicals (Alumina)		Metal (Aluminium)		Un-allocable		Total
		₹ in crore	Share (%)	₹ in crore	Share (%)	₹ in crore	Share (%)	₹ in crore
1.	Revenue from operation	2,701.67	30.17	6,203.75	69.27	50.38	0.56	8,955.79
2.	PBT (Before exceptional items)	645.33	48.76	872.53	65.92	(194.26)	(14.68)	1,323.60
3.	Capital Employed#	2,733.88	27.57	3,707.49	37.39	3,475.62	35.05	9,916.99
4.	ROCE (%) (2/3)		23.60		23.53		(5.59)	13.35
5.	PBIT Margin (%) (2/1)		23.89		14.06		(385.63)	14.78

#Capital employed under “Un-allocable Common” includes cash balance and assets of Wind Power Plant and expansion units.

5.0 OUTLOOK FOR FUTURE:

5.1 International Outlook:

Chinese primary aluminium demand returned to pre-pandemic levels (and above) as soon as the second quarter of 2020, fuelled in part by Government stimulus and the number of COVID-19 cases being under control. This situation was also aided by a relative dearth of scrap. At that time, the rest of the world was in the depth of the crisis and it appeared likely to be a very long time before they would return to demand levels which had seemed normal just a few months earlier.

Some of the hardest hit countries were in western Europe, including Italy, Spain and the UK, while Germany and some Asian countries proved to be relatively resilient. However, outside China, the US led the recovery over the summer and into the autumn. Indeed, as the automotive sector picked up from September, it was noticeable that German consumption also improved.

A1Circle forecasts the demand for aluminium to rise briskly at around 7.5% during 2021 riding on the back of a high growth rate in China and a rebound in other major markets across the world. The demand for the metal is expected to be higher with improvements in global mobility and the release of pent-up demand as the year progresses.

While the industry has started working towards sustainable alternatives such as low carbon aluminium/green aluminium and innovating new technologies and alloys to bolster its position as the most sustainable metal in the world, aluminium produced through renewable energy sources is expected to gain importance.

On the end-user front, usage of aluminium is expected to resume to normal levels during 2021 as operations resume across various end-user sectors. The packaging sector is estimated to continue growing and buoy the aluminium demand, while the automobile industry is expected to reach pre-Covid levels during the third quarter of 2021.

Overall, Chinese demand continues to be firm, with rolling mills and extruders performing strongly. However, some are shying away from export business as the high SHFE (Shanghai Futures Exchange) aluminium price relative to the LME makes exports less profitable than domestic sales. The high SHFE price is also prompting consumers to delay purchases and keep inventories low.

In recent weeks most major extruders in both Europe and North America have reported a return to growth. Aluminium rolled producers have also seen a marked upturn. However, those affected by the aerospace sector are still creating a drag as the aviation industry remains firmly grounded. During the downturn, building and construction demand was generally most resilient along with demand for packaging and solar. At the other end of the spectrum, demand from transport in general, and aerospace, was the laggard. In the second half of last year, the upturn spread with offtake in beverage cans being particularly strong followed by the automotive sector. So far in 2021, automotive demand has played a key role in fuelling the demand for aluminium.

Another source of growth in demand for both European and US aluminium producers is the need to either replace imports or face anti-dumping duties. The European Commission has now announced substantial preliminary duties on rolled products (excluding auto body sheet and can sheet) into the EU from China. Indeed, in Europe at least, there is also concern of further measures and that this may be causing some consumers to shorten their supply chains to the region, a factor which has been compounded by freight rates which have escalated dramatically.

Overall, demand has returned to the level before the pandemic. This can be seen too by the premiums for ingot and almost all conversion fees for semi-fabricated product forms which are often even above pre pandemic levels. However, it is worth noting that prior to COVID-19 aluminium demand had already been suffering from a downturn for approximately a year.

5.2 Domestic Outlook:

As per RBI estimate (June, 2021), India's real GDP growth is likely to be 9.5 per cent in FY 2021-22. India's (GDP) growth will be largely dependent on the economic fallout of the pandemic and time taken to bring down the infection rates in the country.

A snapshot of Aluminium Production, Domestic Sales and Exports by Primary Producers, along with Aluminium consumption in India, is tabulated hereunder:

Description	2020-21	2019-20	Change (%)
Aluminium Production ('000 MT)	3,614.2	3,618.9	-0.13
Aluminium Domestic Sales ('000 MT)	1,347.3	1,548.4	-12.99
Aluminium Export Sales ('000 MT)	2,304.8	2,004.7	14.97
Aluminium Imports ('000 MT)	2,060.3	2,152.5	-4.28
Total Aluminium Consumption ('000 MT)	3,407.6	3,700.9	-7.92

(Source: (a) NALCO performance data, Primary Producers' data and (b) CRU Aluminium Monitor).

6.0 RISK AND CONCERNS:

During the year, 2nd wave of COVID-19, the global pandemic has brought new challenges to the human life and affected the economic substantially and Aluminium Industries was not an exception. Due to lockdown and restriction in movement, the activities at plant and offices of the Company got affected. At the beginning of the year, the lower LME and lower demand in domestic market affected their performance of the Company. Gradually, the industries performed better on improvement of the LME supported by the demand.

6.1 Risk Management:

The Company has a Risk Management Policy, which inter-alia incorporates guidelines issued by Government of India from time to time. Risk Management is undertaken as a part of normal business practice and that as separate tasks at set time. The Company has a Risk Management Committee at the Board level. The Committee reviews the exceptional Risk Reports and advise remedial measures from time to time. The risk mitigation measures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework. A periodical review is made to identify new risk areas along with mitigation plans. For the identified risks, the nominated risk officers maintain risk registers in prescribed format which are also overviewed by Internal Auditors of the Company and at senior management level. Deviations, if any, are reported to the Risk Management Committee.

7.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a well-established and adequate system of internal control commensurate with the size and nature of its business. The Company's Internal Control System has been designed to provide for:

- Compliance with applicable statutes, policies & procedures, rules & regulations and delegated authority.
- Adherence to applicable Accounting Standards and Policies.
- Proper recording of transactions & timely reporting.
- Effective use of resources and efficient operations.
- Safeguarding of assets.

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have overall responsibility for ensuring that the Company has implemented system and framework of Internal Financial Controls, which are adequate and operating effectively.

The Company has well-designed policies, procedures & guidelines in place to ensure control of its different areas of business operations and reporting. This includes delegation of powers, various manuals, rules, policies and guidelines formulated by the Company from time to time. The approved policies, procedures & guidelines are effectively and responsibly being used while executing the business of the Company. The Company has developed & implemented an Internal Financial Control framework duly approved by the Audit Committee which includes internally entity level policies/processes and operating level standard operating procedures primarily aiming at bringing awareness amongst the officials dealing with affairs of the Company to ensure adherence of the policies, procedures, guidelines designed and put in place for effective control. This provides the Directors with reasonable assurance regarding the adequacy and operating effectiveness of controls concerning reporting, operational and compliance risks.

Financial Statements are prepared in compliance with applicable Accounting Standards & based on the Significant Accounting Policies as adopted by the Company duly approved by the Audit Committee and the Board. These Policies apply uniformly across the Company. The Accounting Policies supported by standard operating procedures are reviewed and updated from time to time. The Company uses ERP Systems as a business enabler and also to maintain its Books of Account. The Standard Operating Procedures and transactional controls built into the ERP Systems ensure proper recording, approval mechanisms and maintenance of records. The systems, standard operating procedures and controls are reviewed by management from time to time.

To ensure adequate internal control over financial reporting, the Company has incorporated in its Internal Financial Control framework, a detailed checklist covering all relevant areas affecting financial reporting.

The Company has entrusted its internal audit function to external Chartered Accountants' Firms to carry out audits at all locations and functional areas. The Internal Auditors have access to all the information in the organization which has been largely facilitated by ERP implementation across the organizations. The observations of Internal Auditors arising out of audits are periodically reviewed at an appropriate level and compliances are ensured.

Material observations of Internal Auditors are submitted to the Audit Committee for its review, analysis, and advice to further strengthen the internal control system. Action Taken Report thereon is submitted to the Audit Committee periodically.

During the year, controls were tested and no reportable material weakness in design and effectiveness was observed as certified by Internal Auditors and as opined by Statutory Auditors in their report. The Company recognizes that the internal control framework needs to be regularly reviewed & revised to ensure that such systems are reinforced on an ongoing basis in consonance with changing business environment.

8.0 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

8.1 Financial Operation:

8.1.1 Revenue from Operation:

₹ in crore

Particulars	FY 2020-21	FY 2019-20	Change %
Export Turnover	5,162.94	3,510.92	47
Domestic Turnover	3,706.35	4,914.83	(25)
Turnover	8,869.29	8,425.75	5
Other Operating Income	86.50	46.09	88
Revenue from Operation	8,955.79	8,471.84	6

Increase in sales volume and average sales realization of metal during the current FY resulted in an increase in turnover from ₹ 8,425.75 crore to ₹ 8,869.29 crore as compared to previous financial year.

Sales turnover during the year has increased over the preceding year primarily due to an increase in Metal sales accompanied by increase in average sales realization of Aluminium.

Average sales realization of Aluminium has increased from ₹ 1,36,257 to ₹ 1,45,519 per MT and that of Alumina has decreased from ₹ 22,280 to ₹ 21,395 per MT as compared to the previous year. From the volume front, sales quantity of Alumina has decreased by 6% and volume of the Aluminium has increased by 7%.

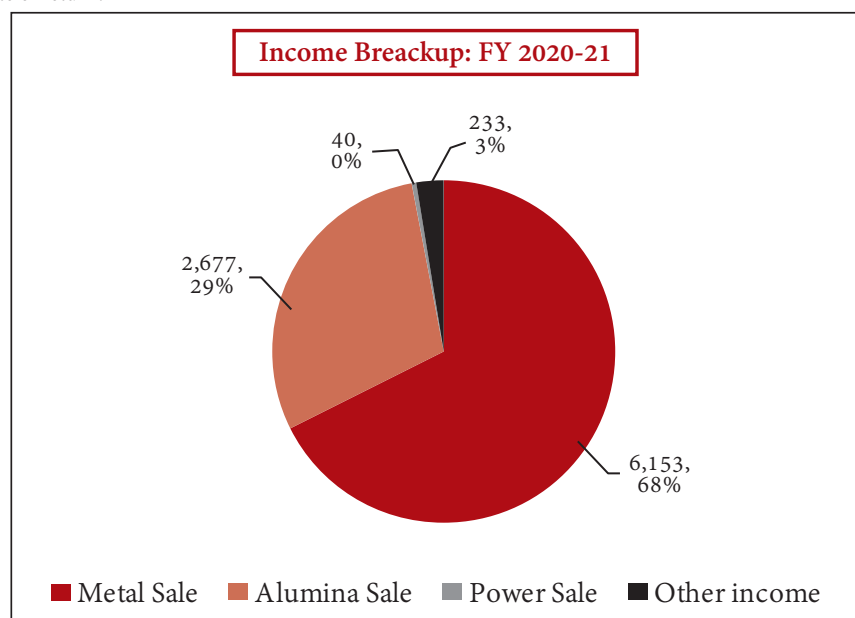
Other Operating Income during the year has increased from ₹ 46.09 crore to ₹ 86.50 crore as compared to the previous financial year. This increase in operating income by 88% is mainly due to higher export incentive caused by higher sales realization of Aluminium and higher incentive earnings on renewable power generated.

8.1.2 Other Income (Non-operating):

₹ in crore

Particulars	FY 2020-21	FY 2019-20	Change %
Other Income	146.6	272.58	(46)

Note: Other non-operating Income is lower as compared to the previous year mainly due to lower investible surplus accompanied by lower rate of return.



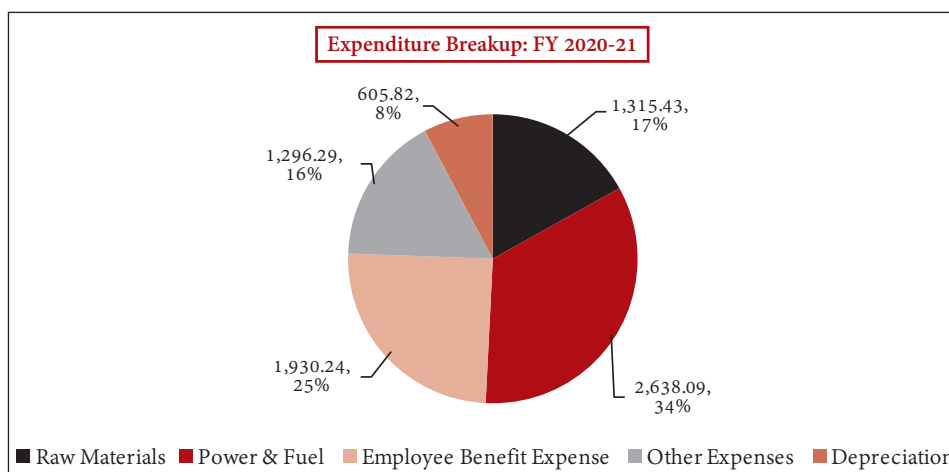
Note: Other income includes operating income i.e. export incentive and incentive on the generation of renewable energy and non-operating income i.e. income from investment in FD, Mutual Fund and other miscellaneous income.

8.1.3 Expenditure:

₹ in crore

Particulars	FY 2020-21	FY 2019-20	Change %
Raw Materials Consumed	1,315.43	1,702.48	(22.73)
Power & Fuel	2,638.09	2,964.60	(11.01)
Employee Benefit Expenses	1,930.24	1,994.07	(3.20)
Stock Accretion/Depletion	(5.76)	(365.23)	(98.42)
Other Expenses	1,294.97	1,686.69	(23.22)
Finance Cost	7.08	5.74	23.34
Depreciation	605.82	529.83	14.34
Total	7,785.87	8,518.18	(8.60)

- Decrease in Raw material and Power & Fuel expenses compared to the previous year is primarily attributable to decrease in the price of CP Coke, CT Pitch, Caustic Soda, and Coal and Fuel Oil.
- The decrease in employee benefit expenses by ₹ 63.83 crore is mainly attributable to superannuation of the employee and decrease in long term employees benefit liability based on actuarial valuation.
- The other expenses have decreased substantially as compared to the previous year due to decrease in Renewable Purchase Obligation resulted from reassessment based on the revision of the applicable rate from 11% to 3% and lower security expenses.
- Depreciation during the current year is higher due to addition of new assets.



Note: Other expenses includes repair & maintenance, consumption of stores and spares, other manufacturing expenses, general administrative expenses, stock accretion and depletion, finance cost and S&D expenses.

8.1.4 Profit After Tax and Earnings Per Share:

₹ in crore

Particulars	FY 2020-21	FY 2019-20
Profit before Tax	1,316.52	226.24
Tax Expenses	16.99	88.01
Profit After Tax	1,299.53	138.23
Earnings Per Share (of ₹ 5/- each)	6.97	0.74

8.1.5 Dividend Particulars:

Particulars	FY 2020-21*	FY 2019-20**
Interim Dividend (%)	50	30
Final Dividend (%)	20	-
Total (%)	70	30

*₹ 3.50 per share, **₹ 1.50 per share.

8.2 Financial Positions:

₹ in crore

Particulars	FY 2020-21	FY 2019-20	Change %
Assets			
Property, Plant & Equipment	8,748.34	8,351.70	5
Intangibles	487.57	559.77	(13)
Investments	561.63	332.26	69
Inventories	1,476.32	1,696.90	(13)
Trade Receivables	147.39	140.09	5
Cash & Bank	1,749.78	1,980.53	(12)
Loans	116.11	113.18	3
Other Financial Assets	11.24	10.53	7
Current Tax Assets	85.50	46.22	85
Other assets	1,326.70	1,318.44	1
Total	14,710.58	14,549.62	-
Equity & Liabilities			
Equity share capital	918.32	932.81	(2)
Reserve & Surplus	9,762.38	9,055.26	8
Deferred Tax Liability	893.72	1,060.61	(16)
Trade payable	977.27	795.62	23
Borrowings	46.11	12.31	275
Other Financial liabilities	385.95	474.55	(19)
Provisions	792.80	807.24	(2)
Other Liabilities	934.06	1,411.22	(34)
Total	14,710.58	14,549.62	-

- Increase in the carrying amount of Property Plant & Equipments is attributable to capitalisation of additional plant and machinery including Drive Rope of Conveyer and HEMMs at Mines, 4th phase ash mound at CPP, Leasehold Land at D & E Block and capitalisation of intangibles i.e. NPV, afforestation cost paid to GoO related to Mines etc. Further, there is an addition in the capital work-in-progress due to recognition of Enterprise Social Commitment (ESC) (a precondition for getting environmental clearance for upcoming 5th Stream at Refinery) and pre-project expenses for Bauxite Mines at Pottangi.
- Investment in Mutual Fund has increased by ₹ 193.37 crore and additional equity contribution of companies ₹ 36 crore made to the JV during the year.
- Trade receivable has increased due to an increase in bills remained unrealized both in Alumina & Aluminium. All amounts against the unrealized bills have been realized in the first week of April, 2021.
- The decrease in cash and bank balances is mainly due to payment of earmarked amount of differential electricity duty. The cash and bank balance at the reporting date comprises of deposits with the bank as short-term investments and amount deposited in the account designated for unpaid disputed electricity duty.
- Inventories has marginally increased due to increase in inventory of Alumina.
- Equity share capital has reduced due to buy-back of 2,89,85,711 number of equity shares during the year. Reserve & Surplus has increased on account of profit generated during the year.
- Trade Payables has increased due to year end liability on project activities at Refinery.
- Decrease in other liabilities during the year is primarily due to the payment of liability towards electricity duty and reassessment of Renewable Purchase Obligation based on revised percentage of obligation.

9.0 MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED:

9.1 Human Resources:

Manpower strength of the Company as on 31.03.2021 was 5,805 as against 6,203 at the last day of the previous year. The detailed breakup is given below:

Sl. No.	Position*	As on 31.03.2021	As on 31.03.2020
A	Executives	1,620	1,727
B	Supervisory	474	534
C	Skilled/Highly Skilled	3,201	3,425
D	Unskilled/Semi Skilled	510	517
Total		5,805	6,203

*Includes GETs/MTs/SOTs/JOTs

9.2 Training & Development:

In order to enhance the functional and behavioral competency of its employees and to align the individual need with the business objective of the organization towards increasing production and productivity as well as to improve business culture in the organization, there has been an unstinting effort by the Company to impart skill and behavioral training to its employees. In its commitment for corporate social accountability and good corporate governance, the Company also imparts skill development training to contract workers, apprentices, students from premier managerial and technical institutes.

As regards regular employees, the Company has imparted training to 3,384 employees with 4,379 training man-days during the year 2020-21 in spite of the covid pandemic lock down scenario existing during the 1st & 2nd quarter of the financial year. This includes, 48 executives were given virtual training from premier management institutions/organization like CII, ASCI, MDI (Murshidabad), AIMA & IIM (Lucknow). 895 apprentice trainees were engaged in the Company during the year 2020-21 which is 15.41% of employees strength (the employee strength employees as on March, 2021 is 5,805) of the Company. As a part of corporate responsibility and industry academic interface, 40 students from different technical and management institutes across the country had undergone summer internship program in various functional disciplines at Corporate Office during 2020-21 during the pandemic through virtual training mode. In-house skill development programs for security personnel, contract labours and trainees were also organized for 5,630 persons with man-days of 4,944.5 during FY 2020-21 across the Company. The Company has also given IGOT training as part of capacity development exercise in the Company and during 1st & 2nd quarter of COVID pandemic initial stage. The employees, medical staff and practitioners were trained in IGOT module available in the diksha.gov.in platform. In total 1,668 number of employees in the Company have been imparted IGOT training.

10.0 SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Particulars	FY 2020-21	FY 2019-20
PAT/ Net worth	12.17%	1.38%
EBIT/ Net sales	14.92%	2.75%
EBIT/ Capital employed*	13.35%	2.49%

*Capital employed = Net Fixed Assets (excluding CWIP) + Working Capital

11.0 CHANGES IN RETURN ON NET WORTH

Particulars	FY 2020-21	FY 2019-20	Change %
Operating Profit Margin	20.10	5.81	245.96
Return on Net Worth	12.17	1.38	781.88

Note: Increase in operating profit margin is due to higher realisation (in rupee term) of Metal and Alumina, lower raw material, coal and fuel prices. This has also contributed to higher return on Net Worth.

12.0 SAFETY, OCCUPATIONAL HEALTH & ENVIRONMENT:

As a responsible business organisation, your Company adopts zero tolerance to safety aspects and gives top most priority in all its activities to conserve and protect the environment for our future generation. The 4 R Principle (Reduce, Reuse, Recycle and Redesign) is given thrust for

minimising the impact to Environment on account of the Industrial activities by the Company. Priority is given to monitoring of Health status, to act proactively for wellbeing of employees in the company.

All production units are certified to International Standards on Environmental Management Systems (ISO 14001) as well as Occupational Health and Safety Management Systems (ISO 45001) affirming commitment to comply proactively with continual improvement. Further to have cleaner and greener surroundings in all its operating units, 5 S principle has been adopted and massive plantation is taken up in and around the plant.

As a responsible organisation, all production units including Townships at production units are operating with valid “Consent to Operate” under Air & Water Act, Valid Authorisation under different applicable Laws (Hazardous Waste Authorisation, Biomedical Waste Authorisation etc.), Valid Licenses under different applicable Laws (Factory Licences, Explosive licenses etc.) and valid NOC etc.

Your Company celebrated “Chemical Disaster Prevention Day”, “Road Safety Month”, “National Safety Week”, “World Environment Day”, “National Pollution Prevention Day”, “Earth Day”, “Ozone Day”, “Electrical Safety Week” etc. abiding all COVID-19 guidelines for promoting awareness of Safety, Health and Environment amongst the employees, workmen, suppliers etc.

The Unit specific major improvements taken up in the field of Safety, Occupational Health and Environment Management at all production units of your Company during the year are elaborated below:

12.1 BAUXITE MINES:

12.1.1 Safety and Occupational Health:

- Annual Mines Safety Week Celebration 2020-21 was successfully conducted from 08.02.2021 to 15.02.2021 at Bauxite Mines. Four other Mines of Zone-2 of Bhubaneswar region under DGMS, participated in the safety theme competition.
- Safety Gathering/Safety Talk are being conducted in every department on monthly basis.
- “NALCO Suraksha app” has been successfully implemented for reporting of online unsafe conditions, unsafe acts, near-miss, fire hazards etc.
- Onsite emergency plan has been prepared by M/s. Visiontek, Bhubaneswar.
- Successfully conducted Mock Drill in September, 2020 & December, 2020.
- Regular PME conducted for 406 employees following COVID-19 guidelines.

12.1.2 Environment:

- 1,10,231 nos. of trees were planted in and around Mines against the target of 1,10,000.
- 5,000 sq. mtr. of grass-turfing was carried out inside the Mines as per the target.
- 5,550 nos. of fruit bearing seedlings were distributed to local villagers to improve awareness about plantation among the villagers.
- A mango orchard has been developed at Mines.
- A Butterfly Garden was set up to improve biodiversity at Panchpatmali Bauxite Mine.
- Panchpatmali Bauxite Mine organised online Environment-cum-Mineral Awareness Programme-2020, amongst the school children of 4 nos. of periphery schools.
- Panchpatmali Bauxite Mine was awarded the CII ER SH&E Excellence Appreciation award -2019-20 in a function held at Kolkata by CII Eastern Region Office.
- 23rd Mines Environment and Mineral Conservation Week 2020-21 was observed at Mines during 22nd - 28th, February, 2021. Your Company being the host for organising the event of FY 2020-21.

12.2 ALUMINA REFINERY

12.2.1 Safety and Occupational Health:

- Total 2,201 nos. of contractor workers have undergone training through Contract Labour Management System (CLMS) and other site awareness training abiding all COVID-19 guidelines. Besides, sensitizing on safety awareness is done through regular tool box talk and area wise safety gathering abiding COVID-19 guidelines.
- “NALCO Suraksha app” is being implemented, as a part of 10 points action for identification of unsafe act/conditions and reporting/compliance through safety mobile app.

- For visitors, trainees, stakeholders etc., 2 nos. safety training Kiosks were installed in Alumina Refinery in March, 2021, as a part of basic requirement of safety awareness before entry to the Plant premises.
- 2 nos. of statutory mock drills were conducted. Apart from this, one evacuation drill was conducted in association with ODRAF team, CISF and local authorities.
- Annual EHS Magazine “Suraksha Kabach” 25th edition (Silver Jubilee) was released.
- Major awards received during the year:
 - Alumina Refinery was awarded 1st position in best practices in Safety, Health & Environment conducted by CII, Odisha Chapter.
 - Alumina Refinery was awarded Kalinga Safety Award (Platinum) in Odisha State Safety Conclave for the performance year-2019, organized by IQEMS in March, 2021.
 - Best Safety Officer of the State was awarded to Chief Safety Officer, Alumina Refinery for the performance, 2019 in Odisha State Safety Conclave organized by IQEMS in March, 2021.
- Regular PME conducted for 1,593 employees following all COVID-19 guidelines.

12.2.2 Environment:

- All statutory compliances and returns with respect to DF&B, SPCB, CPCB and MoEF & CC etc. are timely submitted.
- Statutory consents, like CTO of Alumina Refinery plant, CTO of Township (STP), CTO for bio-medical facility and Hazardous waste authorization order for Alumina Refinery were renewed during the year.
- Alumina Refinery has achieved 101.47% fly ash utilization during the year 2020-21.
- 18,785 nos. of saplings plantation done during the year against the target of 15,000 nos.
- Work order for STP-IV renovation is being awarded, in line with STP-III renovation that has been completed as per OSPCB guideline.
- Hazardous wastes such as used oil, discarded asbestos, empty chemical containers/barrels and spent resins are disposed through authorized agencies.

12.3 SMELTER PLANT:

12.3.1 Safety and Occupational Health:

- Factory license renewed for 05 years i.e. till 31.12.2025.
- M/s. Life Gear, Mumbai completed the survey work for providing life line and other infrastructure for safe working at height. Presentation with top management held on 02.03.2021.
- Interaction with Shift in-charges and Section in-charges of various departments conducted by Unit Head-GGM (Smelter) to sensitize safety aspects in 06 batches covering 246 participants abiding all COVID-19 guidelines.
- Regular safety gathering held for sensitization of the shop floor workers by abiding COVID-19 guidelines.
- Audio Visual SOP: 24 nos. of AV SOPs on various safety aspects of the departments have been prepared and uploaded for spreading awareness.
- Formation of departmental level safety bodies started in Potline (Oprn) for identification and immediate compliance of unsafe practices, the same shall be followed in other areas.
- Conventional open type bus bar replaced with DSL shrouded bus bar where ever not available.
- AAINAA (Advance Action in Industries to Abate Accidents) completed in 02 areas, totaling 04 nos. completed so far.
- Smelter adopted 03 nearby factories i.e. M/s. Indfab, NALCO Nagar, M/s. Omfed, Angul & M/s. Sakuntala Enterprise, Angul under the ambit of Safety Buddies and regular meetings held.
- An in-house mobile app was developed for instant recording and analysing of unsafe acts, unsafe conditions. This is in extensive use by all concerned officers throughout the plant.
- LOTO (Lock Out Tag Out) system has been implemented in all departments.

- 43 nos. of Job Safety Analysis (JSA) has been prepared for the critical jobs involving high consequence, high likelihood task hazards.
- In the fire safety front, a new DCP Fire Tender procured and taken to use on 01.03.2021.
- Traffic management squad checking is conducted regularly with speed checking of vehicles through radar gun. Besides, installation of ANPR (Automatic Number Plate Reading) CCTV camera at 08 locations inside smelter plant is underway to improve road safety w.r.t. speed limit.
- Audio Visual Alarm fitted in all Anode transport vehicle, Metal Transport Prime Mover (MTPM) & Crushed Bath Tanker Prime Mover (CBPM).
- Forklifts those are not fitted with reverse horn have been taken up area wise. The same has been completed in Carbon Area and Cast House.
- Anti-collision system based on radar technology put in one PTM and the trial testing was successful. Action is underway to provide in other PTMs in a phased manner.
- The installation and commissioning work completed for upgraded railway level crossing gate near LPG Godown & Carbon Area.
- Mutual aid scheme on fire fighting finalized on 20.03.2020 between Smelter Plant-NALCO, Captive Power Plant-NALCO, NTPC Limited-Talcher Thermal & Heavy Water Plant-Talcher.
- Safety performance has improved w.r.t. reporting near miss incidents and decrease in first aid incidents substantially over the previous years.
- PME conducted for 2,653 employees during the year abiding all COVID-19 guidelines.

12.3.2 Environment:

- Consent to operate and Hazardous Waste Authorization of Smelter were renewed during the year.
- Around 3,500 MT SPL Carbon Portion disposed to authorized re-processor M/s. Green Energy, Sambalpur for detoxification and subsequent recovery of energy value.
- Around 183.29 MT SPL Refractory portion disposed to common hazardous waste landfill at Jajpur for trial run.
- Disposal of hazardous waste such as asbestos waste (8 MT) and ladle cleaning residues (39 MT) started for the first time to common hazardous waste landfill at Jajpur.
- Disposal of discarded empty barrels (hazardous waste) started for the first time to M/s. Eco Resource Solution, Bhubaneswar.
- Installation of mechanized wheel washing system for the material transport vehicles at the exit gate completed and is under operation.
- Sale of 6,000 MT of legacy stock of dross to authorized re-processor completed.
- Disposal of legacy stock of induction furnace slag (hazardous waste) stored in old expansion project area started for the first time and is under progress.
- Third party hazardous waste audit of Smelter Plant and environmental audit of Secured Landfill completed.
- 2,93,475 KL of water re-used (highest since inception) after treatment during the year.

12.4 CAPTIVE POWER PLANT:

12.4.1 Occupational Health and Safety:

- Survey for height work safety (Fixing of Lifelines) has been carried out by M/s. Life Gear, Mumbai.
- Reflective Signage Boards were displayed at the conspicuous locations of the plant for Safety & Environment awareness.
- The 10 Point Action Plan issued by Directorate of Factories & Boilers, Odisha has been implemented in CPP for accident prevention. The points covered under the above action plans are Annual Safety Calendar, Safety Gathering and Advance Action in Industries to Abate Accidents (AAINAA -Model Work Place), Safety Mobile App, Safety Buddies, Safety Touch, Safety Hot Spots, Use of Technology, Mock Drill and Safety Compliance by Contractors.
- Safety Mobile App was implemented in CPP covering all areas. The inspection reports pertaining to unsafe acts/conditions are being generated through this App for early compliance.

- Traffic Management System has been implemented in CPP to create awareness among vehicle drivers with regard to controlling speed of the vehicles, parking of vehicles, loading/unloading of ash & coal trucks and to obey the traffic rules.
- Near-miss Reporting Award Scheme has been implemented in CPP to prevent unsafe acts/conditions.
- PME conducted for 1,077 employees abiding all COVID-19 guidelines.

12.4.2 Environment:

- Consent to operate (CTO) and Hazardous waste Authorisation were renewed during the year.
- M/s. NTPC consultancy wing has been engaged to prepare FR/DPR for implementation of FGD at CPP.
- M/s. CSIR-NEERI has been engaged for environment site assessment of ash pond on 05.03.2021.
- 1,85,70,280 cubic metre of ash pond overflow water was recycled and re-used which is highest in all time during year.
- Remote calibration facility for gaseous emission from Continuous Emission Monitoring Systems (CEMS) has been installed in all Unit-1 to 10 as prescribed by CPCB.
- Revamping of 1st 4 fields of ESP of Unit-5 has been carried out during annual overhauling in December, 2020 for improvement in stack emission.
- 2 nos. of online Mercury Analysers has been procured and installed at CPP for real time mercury measurement for compliance to statutory requirement.
- Digital display Board (Video wall) has been installed at the main gate of CPP for compliance to statutory requirement.
- Zero discharge has been achieved with respect to industrial effluent, ash pond overflow water and sewerage treatment plant treated water.
- Electro-chlorination system has been installed at STP in December, 2020 for upgradation of chemical dosing system for improvement in STP treated water quality.
- Seepage water recycle system of 300 m³/hr recycle capacity has been constructed at Ash Pond to re-use the seepage water in ash handling system.
- Upgradation of Exit Point Recycle system (equipped with settling pit & 2 x 200 m³/hr submersible pumps) have been commissioned in December, 2020 to achieve zero discharge with respect of storm water & surface run-off outside CPP boundary.
- A long term agreement has been made with M/s. Shree Cement, Athgarh on 26.08.2020 for supply of pond ash/fly ash.
- CPP, NALCO has planted 5,000 nos. of plants/trees in the year 2020-21. So far around 12.21 lakhs planted since its inception covering around 35.42% of total area.
- Lean Slurry Project (LSP) ash pipeline connectivity has been completed in December, 2020. Commissioning activities of LSP has been started subsequently. Ash slurry has been discharged in the mines void with two nos. of ash slurry headers on 26th February, 2021. Commissioning of other headers are in progress.

13.0 TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS AND FOREIGN EXCHANGE CONSERVATION:

The details pertaining to Technological conservation, Renewable energy developments and Foreign exchange conservation for the year 2020-21 are detailed at Annexure-IV of the Director's Report.

14.0 CORPORATE SOCIAL RESPONSIBILITY:

Initiatives taken by your Company towards Corporate Social Responsibility for the year 2020-21 are detailed at Annexure-I of the Director's Report.

15.0 COST REDUCTION MEASURES AND EFFORTS TO IMPROVE SPECIFIC CONSUMPTION OF CRITICAL RAW MATERIAL:

The cost of finished products is a critical parameter for sustaining in the competitive world market. Your Company has adopted many cost reduction measures which has contributed to the reduction of product cost and made your company more successful. The unit wise specific cost reduction measures adopted are indicated below:

15.1 Mines:

- Reconditioning of poly pulley hubs and idlers in crusher and conveyor section and its usage have resulted in cost saving of ₹ 112.53 lakhs.
- Rebuilding of the crushing segments of SMCP crusher for extension of their life in SMCP resulting in savings of around ₹ 121.83 lakhs.
- Reduction in diesel consumption in dumpers by use of fuel additive has resulted in savings of 42.66 KL of HSD amounting to around ₹ 17.18 lakhs.
- Reduction in diesel consumption by parking of vehicles at mining face has resulted in saving of 119.46 KL of HSD amounting to around ₹ 65.7 lakhs.

- Reduction in diesel consumption by enhanced usage of backhoe shovels in place of ripper dozers-wheel loader combination has resulted in savings of 76.93 KL of HSD amounting to around ₹ 42.31 lakhs.

15.2 Alumina Refinery:

- Upgradation of Conv-008 and Conv-009 drive to 37KW from 22KW capacity has resulted in savings of ₹ 77.56 lakh per annum.
- Elimination of moisture content in Ph.4 Instrument airline resulted in savings of ₹ 13.44 lakh per annum.
- Development an expanding Vendor base for procurement of PDS tank agitator gearboxes through competitive bidding in LTE mode in lieu of standardized procurement resulted in savings of ₹ 80 lakhs.

15.3 Smelter:

- Graphitization of cathode blocks for total 866 pots have been completed out of that 110 pots have been graphitized in 2020-21, resulted in reduction of specific Electrical Energy consumption in pot line @ 55 KWH/MT.
- Smelter has taken up a pilot project i.e. “Development of low energy cell technology for smelter plant (AP2XN)” with an objective to reduce specific energy consumption under the development co-operation agreement between Rio Tinto/Alcan, Canada and your Company. The trial has been completed in pot line #3 with reduction of energy in the range of 150 KWH/MT of specific DC energy consumption in the pot line.
- Installation of 2nd Anode slot cutting machine at Carbon Rodding Plant-II, so as to reduce specific electrical energy in pot line. This will reduce around 50mV drop and hence reduce DC energy consumption by 140 KWH/ton of hot metal & also improve process stability. The equipment is under installation stage.
- Replacement of reciprocating compressor with centrifugal compressor so as to reduce the specific energy consumption of compressed air, reduce the specific energy consumption by 0.02 KWH/NM³. The project is under execution stage.
- Energy Saving device in breaker assembly has been incorporated in 47 pots of pot line#4 with an objective to reduce consumption of compressed air @ 62% (average) by using the new energy saving type of cylinders.
- Replacement of old motors with Energy Efficient IE2/IE3 Motors: total 185 motors replaced in 2020-21 leading to saving of 2.506 MU energy due to use of IE3 motor.

15.4 Captive Power Plant (CPP):

A total eight cost reduction projects have been taken by different departments out of which three projects completed and balance are in various stages of completion.

Completed Projects:

- The old inefficient reciprocating compressors of Unit #1 to 6 (Total 9 nos.) has been replaced with energy efficient screw compressors, out of it, 2 nos. has been replaced in 2020-21. This has helped in reduction in Auxiliary Power Consumption.
- Renovation & Modernization of existing Air-Preheater in Unit-6 with advanced profile heating element and double sealing arrangement completed successfully. This has resulted in increase in boiler efficiency due to reduction in air leakage and increased heat transfer.
- Energy saving of 20,75,487 KWH was achieved through replacement of total 14,039 nos. LED fitting in place of conventional light fitting.

16.0 DISCLOSURE OF ACCOUNTING TREATMENT:

The financial statements of the Company have been prepared in accordance with Ind AS and relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on historical basis, except certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

All assets and liabilities have been classified as current or non-current as per company's operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets & liabilities.

17.0 CORPORATE PLAN:

The Corporate plan envisages 3 years action plan, 7 years strategy and 15 years vision to improve both bottom line and topline of the Company. It has identified functional and business initiatives to give the Company a competitive edge in order to overcome the impact of commodity cycle in the long run.

The new business initiative includes growth through expansion in core business, forward integration through value addition, downstream facilities, selective diversification and backward integration for raw material security. The identified functional and business initiatives are under various stages of implementation.

Your Company is currently undertaking brownfield expansion of its Alumina Refinery which will increase its capacity by 1 Million Tonne per annum. In Aluminium segment, your Company is exploring through JV with MCL for a 0.5 Million Tonne Greenfield Smelter-cum-Power Plant in addition to the 0.5 Million Tonne brown field expansion being taken up at existing plant.

18.0 BUSINESS DEVELOPMENT:

18.1 Caustic Soda Project in JV with M/s. Gujarat Alkalies and Chemicals Ltd. (GACL):

Your Company has formed a JV company named M/s. GACL-NALCO Alkalies & Chemicals Pvt. Ltd. (GNAL) with 40% equity participation with GACL to set up a 2.7 Lakh TPA Caustic Soda Plant along with 130 MW Captive Power Plant at Dahej in Gujarat to meet the Caustic Soda requirement of Alumina Refinery, as a part of raw material securitisation. Around 93% of the project activities have been completed. The Project is scheduled to be completed in November, 2021. Your Company has already released Rs.276 crore towards full equity contribution to the JV Company as promoter.

18.2 Angul Aluminium Park Pvt. Ltd. in JV with M/s. Odisha Industrial Infrastructure Development Corporation (IDCO):

Your Company and IDCO are developing Angul Aluminium Park for promotion of Aluminium downstream industries in Odisha with equity holding of 49% and 51% respectively. Your Company has already released Rs.16.22 crore towards full equity contribution to the JV Company. Internal infrastructure development of the Park is under progress. The Project is expected to be completed in the 4th quarter of FY 2021-22.

18.3 High End Aluminium Alloy Plant in JV with M/s. Mishra Dhatu Nigam Ltd. (MIDHANI):

Your Company and MIDHANI have formed a JV Company named M/s. Utkarsha Aluminium Dhatu Nigam Limited (UADNL) in August, 2019 for establishment of 60,000 TPA High End Aluminium Alloy Plant for application in Defence, Aerospace and Automobile Sectors as a part of import substitution and diversification with value added products. Your Company has released Rs.20 crore so far towards its share of equity contribution. The plant is being set up in Nellore district of Andhra Pradesh and is expected to be commissioned by FY 2024-25.

18.4 Acquisition of Strategic minerals in overseas in JV with M/s. Hindustan Copper Limited (HCL) and M/s. Mineral Exploration Corporation Limited (MECL):

Your Company has formed a JV Company named M/s. Khanij Bidesh India Limited (KABIL) with HCL and MECL in August, 2019 for acquisition of some strategic minerals in overseas locations to promote "Make in India" initiative of the Government of India. Study on 12 shortlisted minerals completed. KABIL has signed two Memorandum of Understandings (MoU) with JEMSE and YPF (Government Companies of Argentina) in July, 2020 and September, 2020 respectively to explore sourcing of lithium and other mineral assets. Your Company has released Rs.1 crore so far towards its share of equity contribution.

18.5 Aluminium Downstream Projects:

Your Company has prepared a Detailed Project Report (DPR) for establishment of Aluminium Downstream Projects including Rolled Product Unit and Foil Plant in Kamakhyanagar block of Dhenkanal district in Odisha. Government of Odisha has allocated 83.34 acres of land out of 152 acres. The 1st phase of the Project is expected to be completed within three years after obtaining requisite approvals and clearances.

18.6 Commercialization of Li-Ion cell technology:

Your Company is exploring to set up a Lithium-ion pilot project based on the Memorandum of Agreement (MoA) signed with ISRO in April, 2019 to utilize the ISRO know-how for the manufacture and sale of Lithium-ion cell in India. Efforts are being made to explore other avenues for this technology. On successful completion of pilot project, a joint venture company will be formed with a suitable Technology Partner.

19.0 ANCILLARY DEVELOPMENT:

Your Company continued its efforts for development of Ancillary Units and MSEs (Micro and Small Enterprises). Action taken during the year under review towards development of Ancillary Units & MSEs are as follows:

- (a) The procurement of products produced and services rendered by MSEs (Micro and Small Enterprises) of Odisha including Ancillary Units for FY 2020-21 stands at ₹ 373.82 crore (as against ₹ 360.84 crore of last FY). The total procurement of products produced and services rendered by MSE units (including those from outside Odisha) stands at ₹ 536.73 crore during FY 2020-21 (as against ₹ 484.51 crore during FY 2019-20) and it is 30.42 % of the total procurement of Goods and Services made by your Company against Government target of minimum 25%. For FY 2021-22, the target for procurement of products produced and services rendered by MSEs has been set at 25% of the total annual procurement for 2021-22 which is as per the PPP-MSE order.

- (b) Your Company was awarded “Certificate of Excellence” in Odisha MSME International Trade Fair, 2021 organized by MSME Deptt., Govt. of Odisha at Bhubaneswar held from 5th - 9th March, 2021.
- (c) The Sub-PLAC (Plant Level Advisory Sub-Committee) meeting for the year 2020-21 was conducted at M&R Complex, Damanjodi on 15.01.2021 in association with DIC, Koraput. However, similar Sub-PLAC meeting for the year 2020-21 could not be conducted at S&P complex, Angul due to the COVID pandemic.
- (d) “Buyer-Seller Meet for SC-ST Entrepreneurs” was conducted at S&P complex, Angul on 25.08.2020 on virtual mode. However, no buyer-seller meet could be held at M&R Complex, Damanjodi due to the outbreak of COVID-19.
- (e) The Company had organized two vendor development programs through virtual mode on 06.07.2020 and 16.10.2020 at M&R complex, Damanjodi.
- (f) Special efforts have been made for registration of women owned MSEs & SC/ST owned MSEs in association with National SC/ST Hub Office (NSSHO) & NSSHO have been requested to identify probable SC/ST owned MSEs for items required by your Company.
- (g) All MSE vendors (including Ancillaries) are being requested to onboard in GeM Platform. Also, as your Company is registered with RXIL (TReDS Portal) all MSE vendors (including Ancillaries) are being requested to register in TReDS Portal (RXIL) to avail the benefits extended to MSEs.
- (h) Your Company’s procurement data from MSEs (Micro and Small Enterprises) are being uploaded on a monthly basis in “MSME SAMBANDH” App of MSME Department, GOI.
- (i) Due to the outbreak of COVID-19, the Company could organize only 08 vendor meets (including MSEs & Ancillaries) in 2020-21. All the above meets were on virtual mode only.
- (j) NAMASYA (NALCO Micro & Small Enterprise Yogayog Application) APP has been launched by your Company on 13.07.2018 to facilitate the existing MSEs registered with your Company as well as MSEs not registered. The APP empowers MSEs with information about vendor registration process, items which can be supplied by them with technical specification, vendor development programmes and training programmes of your Company etc.

Procurement made by NALCO from MSEs			
Ministry of Mines/National Aluminium Company Limited - NALCO			
	(A)	Name of the Unit: Corporate Office, Bhubaneswar, Odisha Nodal Officer: Shri Bibhu Datta Mohanty, GGM (Materials) NALCO Bhawan, P/1, Nayapalli, Bhubaneswar- 751013 Mobile: 9437561995, e-mail: bibhu.mohanty@nalcoindia.co.in	
	(B)	Name of the Unit: Smelter & Power Complex, Angul, Odisha Nodal Officer: Shri Pravat Kumar Biswas, GGM (Materials) Smelter Plant, NALCO Nagar, Angul- 759145 Mobile: 9437083779, e-mail: pravat.biswas@nalcoindia.co.in	
	(C)	Name of the Unit: Mines & Refinery Complex, Damanjodi, Odisha Nodal Officer: Shri Bikash Kumar Panda, GGM (Materials) Alumina Refinery, NALCO, Damanjodi- 763008 Mobile: 9437045504, e-mail: bikash.panda@nalcoindia.co.in	
Sl. No.	Particulars	2020-21	2019-20
I	Total annual procurement (In value) (*) (In ₹ crore)	1,764.25	1,558.62
II	Total value of goods & services procured from MSEs (Including MSEs owned by SC/ST entrepreneurs) (In ₹ crore)	536.73	484.51
III	Total value of goods & services procured from only MSEs owned by SC/ST entrepreneurs (In ₹ crore)	8.22	13.77
IV	Total value of goods & services procured from only MSEs owned by women entrepreneurs (In ₹ crore)	16.498	3.50
IV	% of procurement from MSEs (Including MSEs owned by SC/ST & women entrepreneurs) out of total procurement	30.42	31.08
V	% of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	0.466	0.88
VI	% of procurement from only MSEs owned by women entrepreneurs out of total procurement	0.935	0.22
VII	Total number of Vendor Development programmes for MSEs	08	10
VIII	Whether Annual Procurement Plan for purchases from MSEs are uploaded on the official website	Yes	Yes
IX	Whether targets reported in Annual Report	Yes	Yes

* This value excluded procurement of Coal, Fuel Oil, Caustic Soda, ALF₃, Synthetic Flocculants, Steel, Cement, Bearings, Lubricants, Proprietary Items, Imported Items and Contracts for professional services/consultancy services/major turnkey contracts/contracts linked to specific technology.

20.0 NURSERY ACTIVITIES DURING 2020-21:

Your Company is operating total five nurseries i.e. three at S&P Complex and two at M&R Complex, including the one at Mines which is at a high altitude nursery. The nurseries raise various type of seedling for afforestation, ornamental use and fruit bearing seasonal variety seedlings and potted plants which also partially meet internal requirement for plantation.

The nursery at Mines is spread over an area of 3 acres and has a capacity of growing 2,00,000 seedlings at a time. 1,10,231 nos. of saplings have been planted at Mines during the year using seedlings grown at nursery of Mines. Besides growing seedlings for plantation in different areas, experimental plantation is undertaken every year at the nursery to assess the growth of various species. Free distribution of fruit bearing seedlings is also being done in peripheral areas to help the villagers to improve greenery of the region. During the year, 5,550 nos. of fruit bearing seedlings were distributed to the villagers. The nursery at Mines significantly contributes to the crucial afforestation activities of the backfilled mined out areas to preserve the natural topography. During this year, 17.59 hectares of reclaimed area was rehabilitated with plantation.

21.0 CAUTIONARY STATEMENT:

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, Government regulations and taxation, natural calamities over which the Company does not have any direct control.

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ANNEXURE-III

BUSINESS RESPONSIBILITY REPORT FOR 2020-21

Section A: General Information about the Company:

Sl. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Company	L27203OR1981GOI000920
2.	Name of the Company	National Aluminium Company Limited
3.	Registered address	NALCO Bhawan Plot No. P/1, Nayapalli Bhubaneswar -751013, Odisha, India
4.	Website	www.nalcoindia.com
5.	E-mail ID	investorservice@nalcoindia.co.in
6.	Financial year reported	FY 2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Bauxite Mines : Industrial Group Code 07292 Alumina Refinery : Industrial Group Code 20119 Aluminium Smelter : Industrial Group Code 24202 Electricity Generation : Industrial Group Code 35102
8.	List of three key products/services that the Company manufactures/provides	1. Alumina: <ul style="list-style-type: none"> • Calcined Alumina • Alumina Hydrate • Specialty Hydrates 2. Aluminium: <ul style="list-style-type: none"> • Standard Ingots • Sow Ingots • T-Ingots • Wire Rods • Billets • Flat Rolled Products (Coils, Sheets & Chequered Sheet) 3. Electricity.
9.	a) Number of International Locations	NIL
	b) Number of National Locations	a) Registered & Corporate Office, Bhubaneswar – 751013, Odisha. b) Mines & Refinery Complex, Damanjodi - 763008, Odisha. c) Smelter Plant, NALCO Nagar, Angul - 759145, Odisha. d) Captive Power Plant, Angul - 759128, Odisha. e) Wind Power Plants: <ol style="list-style-type: none"> i) Wind Power Plant-I : Gandikotta, Andhra Pradesh ii) Wind Power Plant-II : Ludarva, Rajasthan iii) Wind Power Plant-III : Devikot, Rajasthan iv) Wind Power Plant-IV: Jath, Maharashtra f) No. of Port Offices: 03 (Visakhapatnam, Kolkata, Paradeep) g) No. of Regional Offices: 04 (New Delhi, Mumbai, Chennai, Kolkata) h) Branch Office: 01 (Bengaluru) i) No. of Stockyards: 09 (Jaipur, Baddi, Kolkata, Chennai, Visakhapatnam, Bhiwandi, Vadodara, Delhi, Raipur).
10.	Markets served by the Company	During the FY 2020-21, the following Aluminium markets were catered to by the Company (in addition to India): Malaysia & Singapore. Calcined Alumina produced in excess of Company's own requirement is exported. During FY 2020-2021, the following Alumina markets were catered to by the Company (in addition to India): China, Egypt, Malaysia, Netherlands, Oman, Qatar, UK and UAE.

Section B: Financial Details of the Company:

Sl. No.	Particulars	Company Information
1.	Paid up Capital as on 31.03.2021	INR 9,18.32 crore
2.	Total Turnover	INR 8,869.29 crore
3.	Total Profit After Taxes	INR 1,299.53 crore
4.	Total spending on Corporate Social Responsibility (CSR) a) in INR: b) As a percentage of average Net Profit during the three immediately preceding financial years (%):	a) A sum of INR 35.00 crore was spent during the year on CSR activities. b) The actual expenditure on CSR activities indicated above is 2.09% of average Net Profit for the three previous Financial Years i.e. 2017-18, 2018-19 & 2019-20.
5.	List the activities, in which expenditure on CSR as mentioned above, has been incurred	<p>i) (a) Health outreach Program: Mobile Medical Units, Diagnostic & awareness building through Information, Education, Communication (IEC) activities and OPD center at S&P Complex.</p> <p>(b) Establishment of Covid Care Center at Nabarangpur.</p> <p>(c) Contribution to PM CARES Fund.</p> <p>(d) During COVID-19 pandemic, mask, food, dry ration were distribution along with awareness campaigns in and around the periphery villages and beyond.</p> <p>(e) Supported medical equipment to State administration like ventilator, digital x-ray machine and ambulances.</p> <p>ii) Sanitation programs: (a) Construction of House Hold Toilets under ODF initiative, Construction of School Toilets, under Swachh Vidyalaya Abhiyan. (b) Swachh Iconic City Project-Puri.</p> <p>iii) Drinking water programs- Providing safe drinking water to periphery villages of plants</p> <p>iv) Promoting education: a) Supporting formal education of tribal children of Koraput district in reputed residential schools, b) Supporting poor and meritorious girl students' for their education under "NALCO ki Ladli "scheme in line with GOI's "Beti Bachao, Beti Padhao" Abhiyan. c) Quality education to students of periphery area at Saraswati Vidya Mandir, Angul & Damanjodi.</p> <p>v) Providing employment enhancing training to unemployed youth.</p> <p>vi) Empowering women through strengthening of SHGs and promoting alternative livelihood sources.</p> <p>vii) Ensuring environmental sustainability, ecological balance through plantation and solar solutions.</p> <p>viii) Contribution towards protection of national heritage, culture and development of traditional arts and handicrafts.</p> <p>ix) Promotion of Rural Sports.</p> <p>x) Rural development activities in periphery villages and other areas.</p>

Section C – Other Details:

- Does the Company have any Subsidiary Company/Companies? No
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s). Not applicable
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No other entities i.e. suppliers, contractors etc. are involved in financing or in any other way in BR initiatives of NALCO. All the initiatives of Business Responsibility (BR) are totally self-driven.

Section D: Business Responsibility (BR) Information:**1. Details of Director/Directors responsible for BR:**

a) Details of Director/Directors responsible for implementation of BR Policy/Policies:

Sl. No.	Particulars	Details
1.	DIN Number	08984700
2.	Name	Shri B.K. Das
3.	Designation	Director (Production) & Director (Commercial)-Addl. Charge

b) Detail of the BR head:

Sl. No.	Particulars	Details
1.	DIN Number	08984700
2.	Name	Shri B.K. Das
3.	Designation	Director (Production) & Director (Commercial)-Addl. Charge
4.	Telephone Number	0674-2300660
5.	e-mail ID	dirprod@nalcoindia.co.in

2. Principle wise (as per National Voluntary Guidelines) BR Policy/Policies:

The Nine Principles are mentioned below:

Principle 1 (P1): Business should conduct and govern themselves with Ethics, Transparency and Accountability.**Principle 2 (P2):** Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**Principle 3 (P3):** Business should promote the wellbeing of all employees.**Principle 4 (P4):** Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**Principle 5 (P5):** Business should respect and promote human rights.**Principle 6 (P6):** Business should respect, protect, and make efforts to restore the environment.**Principle 7 (P7):** Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**Principle 8 (P8):** Business should support inclusive growth and equitable development.**Principle 9 (P9):** Business should engage with and provide value to their customers and consumers in a responsible manner.**a) Details of Compliance (in Y/N):**

The response regarding the above 9 National Voluntary Guidelines (NVG) principles (P1 to P9) is given below:

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for 9 NVG principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words) *	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online**	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent *audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Y indicates 'Yes'

* The Sustainable Development (SD) Policy addresses the essence of the nine NVG principles. The SD Policy is approved by the Board & signed by Chairman-cum-Managing Director and implementation of the same is done by operating Management Systems conforming to International Standards i.e. ISO 9001, ISO 14001, ISO 50001, OHSAS 18001 & the SA-8000 standard. Social, environmental, energy, occupational health & safety and quality & customer related issues related to sustainability got audited during periodic audit and recertification of SA-8000, EMS, EnMS. OHSAS & QMS, by external auditors of respective management system. Besides the spirit and intent of the NALCO Code of Conduct, Vision, Mission and Core Values statements, all applicable national and international laws as well as important resolutions of international conventions are captured in the different policies implemented by NALCO. In addition, policies adopted by NALCO for different thrust areas reflect the purpose and intent of the United Nation Global Compact, United Nations Development Programme (UNDP), United Nations Framework Convention on Climate Change (UNFCCC), International Organization for Standardization (ISO), International Labour Organization (ILO), United Nations Environment Programme (UNEP), GRI guidelines etc.

**Link of the SD Policy: <https://nalcoindia.com/wp-content/uploads/2021/08/Sustainable-Development-Policy-28.06.21.pdf>

A few other specific policies, Company manuals & documents which reinforce the essence & spirit of the nine NVG principles, are mentioned below:

NVG Principles	Policies, Manuals, Documents
Principle 1: Ethics, transparency & accountability	1. Code of Business Conduct and Ethics for Board Members and Senior Management: https://nalcoindia.com/wp-content/uploads/2018/12/CodeofConduct.pdf 2. Fraud prevention policy : https://nalcoindia.com/wp-content/uploads/2018/12/NALCOfraudpreventionpolicy.pdf 3. Whistle blower policy : https://nalcoindia.com/wp-content/uploads/2018/12/Whistleblowerpolicy_nalco.pdf 4. Delegation of Powers 5. Vigilance Manual 6. Marketing Guidelines 7. Purchase Manual: https://nalcoindia.com/wp-content/uploads/2019/03/purchasemanualupdated-upto-2017.pdf 8. Contracts Manual: https://nalcoindia.com/wp-content/uploads/2019/01/CONTRACT-MANUAL-2013-updated-till-15-03-2019.pdf 9. Stores Manual 10. Integrity Pact: https://nalcoindia.com/wp-content/uploads/2018/12/Integrity-Pact-Program.pdf
Principle 2 : Sustainability in life-cycle of product	Occupational Health & Safety Policy: https://nalcoindia.com/wp-content/uploads/2019/01/OHS-policy-14-10-2020.pdf
Principle 3: Employee well-being	HR Manual Social Accountability Policy: https://nalcoindia.com/wp-content/uploads/2019/01/Social_Accountability-Policy-English.pdf
Principle 4: Benefitting Stakeholders	Quality Policy: https://nalcoindia.com/wp-content/uploads/2019/01/Quality-Policy-14-10-2020-1.pdf Core Values “BEST”: https://nalcoindia.com/Company/vision-mission-values/
Principle 5: Promotion of human rights	Social Accountability Policy: https://nalcoindia.com/wp-content/uploads/2019/01/Social_Accountability-Policy-English.pdf
Principle 6: Environmental protection	Environment Policy: https://nalcoindia.com/wp-content/uploads/2019/01/Environment-Policy-14-10-2020.pdf
Principle 7: Responsible public policy advocacy	Core Values “BEST”: https://nalcoindia.com/Company/vision-mission-values/
Principle 8: Inclusive growth	CSR Policy: https://nalcoindia.com/wp-content/uploads/2019/01/CSR-Policy-2019.pdf
Principle 9: Customer value	Quality Policy: https://nalcoindia.com/wp-content/uploads/2019/01/Quality-Policy-14-10-2020-1.pdf

(b) If answer to Sl. No. 1 at 2 a), against any principle is 'No', please explain why: (Tick up to 2 options):

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

Since answer to the question at Sl. No.1 of 2(a) above is Yes for all the nine NVG principles, the questions at 2(b) are not applicable.

3. Governance related to Business Responsibility (BR):

3.1 Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

During F.Y. 2020-21, the CSR and SD Committee of the Board met twice i.e. on 19.05.2020 & 31.08.2020. The draft BR Report of 2019-20, was reviewed in the meeting held on 31.08.2020 and recommended for approval of the Board.

Further, there are no Independent Directors on the Board of the Company w.e.f 08.09.2020 and hence, the CSR and SD Committee was not re-constituted. A decision has been taken to place all agenda items related to CSR & SD Committee directly to the Board, till the Independent Directors are appointed and the CSR & SD Committee is re-constituted thereafter.

3.2 Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, Both Business Responsibility (BR) Report and Sustainable Development report are prepared annually & available in website.

Business Responsibility (BR) Report which is mandatory as per SEBI requirements, is prepared based on the National Voluntary Guidelines and is published on annual basis as part of Annual Report. The web link for 2019-20 Annual Report is:

https://nalcoindia.com/wp-content/uploads/2020/09/NALCO_-Annual-Report-2019-2020-1.pdf

A Sustainable Development (SD) Report is also prepared on annual basis, since 2011-12, as per GRI guidelines and made available in NALCO website under Sustainability template. The web-link for SD Report 2019-20 is

https://nalcoindia.com/wp-content/uploads/2021/05/NALCO-SD-Report-2019_20-Final-High-Res-Digitally-Signed.pdf

Section E : Principle-wise Performance:

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability.

1.1 Does the policy relating to ethics, bribery and corruption cover only the Company?

No.

Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, in pursuit of Ethics and transparency in the Company's every act and venture we have extended it to the Company's business partners, employees, service providers, suppliers and contractors. Our Contract Manual and Purchase Manual ensures fair deal in matter of contract and procurement while dealing with contractors and suppliers. Likewise, Marketing Manual provides procedure and guideline for fair and credible transaction in an International scenario. The Sustainable Development Policy, and Core Values reflect the Company's commitment towards integrity, ethical practices and transparency. The system is further augmented with "Fraud Prevention Policy", "Whistle Blower Policy", "Code of Business Conduct & Ethics for Board Members and Senior Management" "Code of Conduct for prevention of Insider Trading", CDA rules applicable to all executives, Certified Standing Order applicable to all other employees. Any malafide deviation in form of fraud, bribery, appeasement etc. in any business transaction attracts stringent action as per the Company's vigilance manual, CVC Guidelines, SEBI Guidelines, Code of Conduct and other applicable guidelines.

Integrity Pact is also implemented for all contracts of ₹ 50 lakh and above, in order to further bolster the transparency drive. Protection is extended to any outsider complaining under Public Information Disclosure and Protection of Informer (PIDPI) Scheme of Govt. of India.

1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

- i) 12 vigilance related stakeholder complaints were received during the year, including 4 complaints from bidder/contractor/vendor, while 5 complaints were pending at different stages of investigation from previous year. Out of these 17 complaints, 16 complaints were investigated and closed during the year while 1 complaint is pending at the end of year. Based on observed irregularity and violations, necessary action as per NALCO Vigilance Manual and CVC Guidelines are taken on deserving cases.
- ii) As regards to suppliers, 9 (nine) number of complaints were received in the Financial Year 2020-21. It is worth mentioning that all the 9 complaints were referred to IEMs and based on the feedback/recommendations of the IEMs all the 9 complaints have been resolved.
- iii) **Investor Complaints:**

In total, 1537 number of complaints were received during the F.Y. 2020-21 and all of them have been resolved satisfactorily. The detailed breakup of investor related complaints is given below:

Particulars	Pending from Prev. Year	Received during the year	Complaints resolved	Complaints pending
SCORES-SEBI	Nil	7	7	Nil
Stock Exchanges	Nil	6	6	Nil
Individuals	Nil	1,524	1,524	Nil
Total	Nil	1,537	1,537	Nil

- iv) No complaints regarding child labour/forced labour/involuntary labour; Discriminatory employment were received during 2020-21 and no complaints regarding above are pending as on 31.03.2021. No complaint regarding Sexual Harassment was received during 2020-21.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

2.1 List up to 3 of your products or services, whose design has incorporated social or environmental concerns, risks and/or opportunities.

The three major products are: Calcined Alumina, Aluminium and Electricity.

Environmental effect of the Company’s operations are examined through Environmental Impact Assessment and addressed by proper Environment Management Plan for all the three major products listed above. Mining of bauxite is done as per approved Mining Plan and mined out area is restored to original state by adopting appropriate Mine Closure Plan augmented with plantation. Aspect Impact Study, Hazard Identification & Risk Assessment and Emergency Management Plans are also instrumental in identification of some environmental and sustainability concerns, risks and opportunities and their mitigation.

The environment concerns, risks, opportunities for the Company’s products are addressed as outlined below at Table-A:

TABLE-A

Unit	Products	Environmental Concerns	Risks	Opportunities / Mitigation Measures
Alumina Refinery	Calcined Alumina	a. Air Pollution b. Water Pollution c. Land contamination	1. Air Pollution: i) Stack Emission ii) Dust in Calcined Alumina, Bauxite, Coal and Ash handling areas	1. Air Pollution: i) Electro Static Precipitators (ESPs) are provided in Boiler for collecting particulate matters from Flue Gas of Boiler. ii) ESP is provided in Calciners for collection of Alumina dust generated in calcinations process. iii) Bag filters and de-dusting system are provided in Alumina loading and unloading area to prevent dust emission. iv) Sprinkler and de-dusting system are provided in Lime handling area, Red Mud pond area, Ash, Coal and Bauxite handling areas to control fugitive emission.

Unit	Products	Environmental Concerns	Risks	Opportunities / Mitigation Measures
Alumina Refinery	Calcined Alumina		2. Water Pollution: i) Waste effluent. ii) Sewage & Waste water. iii) Surface Runoff water	2. Water Pollution: i) Effluents are treated in treatment facilities. ii) The waste water treatment, recycling and reuse is carried out for Ash pond over flow water and Red mud pond over flow water. iii) Return water from ash pond is reused for ash slurry making. iv) Red Mud pond return water is reused for caustic red mud washing. v) Sewage Waste water is treated in Sewage Treatment Plant and the same is reused for Horticulture purposes. vi) Surface runoff & storm water is stored in the Sabari Lake and disposed to outside after necessary treatment, if required.
			3. Land Contamination: i) Lime grit ii) Red mud iii) Ash	3. Land Contamination: i) Lime Grit is disposed to recyclers for Brick or other similar product manufacturing. ii) Red mud utilization for extraction of Iron concentrate and Gallium from Red mud is being explored. iii) Higher utilization of fly ash by motivating entrepreneurs for utilization of fly ash in areas such as: Manufacturing of fly ash bricks, cement, road construction, dyke making, filling up low lying areas etc.
Smelter	Aluminium	<ul style="list-style-type: none"> • Air pollution • Water pollution • Land contamination 	1. Air Pollution: i) Fluoride & particulate emission from the FTP/FTC stacks due to pot operation. ii) Generation of PFC during anode effect, detailed below*	1. Air Pollution: i) Fluoride emission is controlled by absorption of fluoride gas in alumina in FTPs & FTCs. Total fluoride emission is being maintained below norm of 0.8 kg per ton of Aluminum produced. Continuous laser based fugitive monitoring system is already installed in Pot Line-4 to monitor rooftop emission of fluoride and process is underway to install the same in Potlines-1 to 3. Also pneumatic transfer system of coke dust is under operation to minimize dust generation. ii) The Smelter plant is equipped with ALPSYS pot regulation system, which minimizes anode effect by timely dosing Alumina.
			2. Water Pollution: i) Generation of fluoride contaminated surface runoffs.	2. Water Pollution: i) Surface runoffs are collected in three HDPE lined holding pools through dedicated drains. The fluorinated surface runoff is treated in De-fluoridation plants. (Operated on Ion Exchange technology and latest Emrion Nano Technology). The treated water is then recycled for cooling, horticulture & other plant use. Garland drains around hazardous waste storage & handling area collect the contaminated surface runoff and transfers to holding pools for treatment.
			3. Land Contamination: Generation of Hazardous waste like: (i) SPL (ii) Dross (iii) Shot blasting waste etc.	3. Land Contamination: (i) SPL is stored in impervious lined engineered landfill & in concreted sheds to prevent land contamination. Carbon portion of SPL is segregated & is stored separately in concreted floor sheds for future utilization in energy recovery. Disposal of carbon portion of SPL to authorized re-processors is also undergoing. (ii) Aluminium Dross is recycled into the pots. Disposal of legacy stock of 6000 MT of dross completed. Disposal of another lot (1984 MT) of legacy stock is under progress. (iii) Shot blasting waste, Induction furnace slag, Rejected lining of furnace, ladle cleaning residue etc. is being disposed off in common Hazardous waste landfill at Sukinda, Jajpur.

Unit	Products	Environmental Concerns	Risks	Opportunities / Mitigation Measures
CPP	Electricity	<ul style="list-style-type: none"> Air Pollution Water Pollution Land Contamination 	1. Air Pollution i) Flue Gas from Boiler ii) Fugitive Dust from Coal and Ash Handling Area iii) Heat emission in flue gas to atmosphere	1. Air Pollution: i) Ash and other particulate matters are extracted by ESPs provided in flue gas path. ii) Dust Extraction and Sprinklers system are provided in Coal and Ash Handling areas to control fugitive dust. iii) Air Heater and Economisers are provided to recover heat from flue gas.
			2. Water Pollution i) Effluent Waste water ii) Sewage Waste water iii) Surface runoff water	2. Water Pollution: i) Effluent treatment plant is provided for treatment of industrial waste water. The treated water is used for ash slurry making. ii) Decanted water from ash pond is reused for ash slurry making. iii) Sewage Treatment Plant is provided for treatment of Sewage Waste water. The sewage waste water after treatment is reused for Horticulture & plantation purposes. iv) Rain water harvesting system & Surface runoff water is used in fire hydrant system for firefighting.
			3. Land Contamination: i) Mill Rejects ii) Ash iii) Scraps (Metallic and Non-metallic scraps)	3. Land Contamination: i) Mill Rejects is stored in demarcated low lying areas for disposal to authorized parties for reuse. ii) Both bottom ash and fly ash from ESPs are disposed to Ash pond in slurry form. Commissioning of the project for lean slurry disposal to Mines Void for reclamation of mined out area is in progress. Dry Ash is also used for low lying area filling, Stone quarries void filling, disposed to value added product manufacturer for ash brick making and use in Asbestos, cement etc. under a subsidy scheme. iii) The scraps are sold to recyclers.
Mines	Bauxite	<ul style="list-style-type: none"> Air Pollution Water Pollution Noise pollution Solid waste pollution Land Degradation 	1) Air pollution: i) Emission from heavy vehicles ii) Fugitive Dust emission during Bauxite mining, Handling including crushing in crusher and conveying in conveyor	1) Air pollution: i) Proper selection and maintenance of vehicles to minimize emission from vehicles. ii) Water spraying on haul roads and stock pile area with 6 nos of 28 KL mobile sprinkler and fixed sprinklers along haul road. iii) Suitable blast design and delayed blasting using NONEL detonators to minimise dust generation. iv) Implementation of dry fog system at Crusher and Conveyor to suppress dust & fully covered conveyor to prevent dust generation. v) Adoption of vacuum suction/wet drilling in all drill machines. vi) Peripheral barrier of 7.5 m width with plantation to retain dust particles.
			2) Water Pollution: i) Waste water from Mining, Canteen, Vehicle Washing and sewage from toilets	2) Water Pollution: i) In-situ peripheral barrier all around active mining area to prevent silt laden rain water to go out. ii) Check dams at strategic points to filter muddy water, if any, from mining areas. iii) Collection of rain water in mining area in sumps and percolation of collected water into ground. iv) Water from toilets treated in septic tanks and disposed in soak pits, canteen waste water treated in biological treatment unit, wash water from vehicle washing area treated in oil water separator. Treated water from canteen and vehicle wash area fully reused for dust suppression and plantation.

Unit	Products	Environmental Concerns	Risks	Opportunities / Mitigation Measures
Mines	Bauxite	<ul style="list-style-type: none"> Air Pollution Water Pollution Noise pollution Solid waste pollution Land Degradation 	3) Noise pollution: i) Noise during blasting and operation of heavy vehicles.	3) Noise pollution: i) Suitable blast design including delayed blasting using NONEL detonators to minimize the generation of noise. ii) Peripheral plantation to prevent propagation of noise. iii) Selection of suitable equipment generating less noise, provision of noise proof cabins in HEMMs and provision of PPEs to workers.
			4) Solid waste pollution: i) Overburden material from excavation of minerals.	4) Solid Waste Pollution: i) 100% reuse of top soil and overburden for back filling of mined out areas.
			5) Land Degradation: i) Excavation of overburden and ore material by blasting and use of machinery.	5) Land Degradation: i) Concurrent mining and backfilling of mined out areas. ii) Rehabilitation of mined out area with extensive plantation to convert the barren land into a forest.

* Anode Effect is the main cause of formation of PFC i.e. tetrafluoromethane (CF₄) and hexafluoroethane (C₂F₆) in electrolytic pots. With the aid of most advanced "ALPSYS" pot regulation system Perfluorocarbons (PFCs) emissions are effectively controlled by timely dosing alumina into the pot, thereby limiting frequency and duration of Anode effect. For the year 2020-21, the PFC emission from Smelter Pot line has been estimated using AP (Aluminium Pechiney) overvoltage method and their values are given below:

Type of PFC	Actual Emission
CF ₄ (kg/T Al)	0.0280
C ₂ F ₆ (kg/T Al)	0.0034

2.2 For each product, provide the following details in respect of resource use (energy, water, raw material) per unit of product (optional).

- i) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain.

The reductions achieved during the last fiscal are depicted in Table-B below:

TABLE-B

Specific Consumption per unit of production	Unit of Measurement	Norm	Previous Year (FY 2019-20)	Current Year (FY 2020-21)
Explosive consumption in Bauxite Mines	Gram/MT	100	57.9	69.72
Coal for steam generation in SPP of Refinery for hydrate production	Tonne/Tonne	0.642	0.636	0.638
Electrical energy in Alumina Refinery	KWH/Tonne	316	317.18	318
Aluminium Flouride Consumption in Smelter	Kg/MT	19	16.7	17.6
Net carbon consumption for hot metal in Smelter	Kg/MT	425	423	424.0
Alumina for Aluminium production	Tonne/Tonne	1.920	1.920	1.9197
Fuel oil consumption in CPP	ml/KWH	0.80	1.23	1.614
Coal consumption in CPP	Kg/KWH	0.815	0.806	0.856
Auxiliary Power Consumption in CPP	%	11.40	11.243	11.227

- ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year.

As a producer of primary aluminium products and alumina, we consistently maintain the quality of the Company's product for hassle free and energy efficient processing at consumers end. Being in the commodity sector, monitoring of energy and water use at consumers end is not feasible. But complaint status of customers gives us confidence that the Company's products are good up to the intended use at the customer end. More ever, enhanced use of aluminium in transport sector provides great opportunity for reduction in fuel/energy consumption. Being recyclable with low recycling energy requirement, aluminium metal once produced can be reused infinitely.

2.3 Does the Company have procedures in place for sustainable sourcing (including transportation)? Yes.

- a) If yes, what percentage of your inputs was sourced sustainably?

In NALCO, Policy & procedures are available for sustainable sourcing which are being adhered to in proper spirit in all the Company's procurement deals. All the Company's inputs are sourced sustainably as the same are being sourced from suppliers who comply to SA-8000

standards and environmental guidelines & committed to the Company's ethical standard. Sustainable Sourcing is the integration of social, ethical and environmental performance factors into the process of selecting suppliers. For social performance of suppliers, SA-8000 standard has been implemented & proper policy and value systems are in place. For maintaining ethics and transparency NALCO's Purchase Manual have adequate provisions in place. Besides, Integrity Pact of NALCO takes care of ethical performance factors. Integrity pact is both a signed document and approach to public contracting which commits a contracting authority and bidders to comply with best practice and ensures maximum transparency. Similarly, the suppliers are asked to comply with the environmental policy & guidelines of NALCO.

Further during transportation of hazardous materials, the suppliers are strictly instructed to:

- (i) Comply with applicable EHS legislations for manufacture, storage, transportation and possession of hazardous chemicals, inflammable liquid and gas cylinders.
- (ii) Provide Material Safety Data Sheet (MSDS) at the time of first consignment or whenever any update is there to the Company.
- (iii) Provide Transport Emergency (TREM) Cards to drivers for handling transportation emergencies.

Internal sourcing of Bauxite for Alumina Refinery is done from the Company's captive mine located nearby at Panchpatmali Hills by a state of art single haul cable belt conveyor which is covered for entire flight to prevent dust pollution. Aluminium Smelting requires huge electrical energy for which we have Captive Power Plant located near the Company's Smelter. Coal for power plant is sourced from coal mines located few kilometers away at Talcher by dedicated Merry-Go-Round railway system. Coal availability is ensured through long term Fuel Supply Agreement and Bridge Linkage. Any shortfall in coal supply is made up with procurement of coal through, e-auction route. Other major raw materials like Aluminium fluoride, Caustic Soda, CT Pitch & C P Coke etc. are procured through multiple vendors by competitive bidding. Our own railway siding at Budhapank, Angul, Port Facility at Vizag for export and import, Merry-Go-Round railway for coal transportation and cable belt conveyor for bauxite haulage to Refinery augment sustainability during transportation.

2.4 Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Ancillary Development Policy of the organization promotes development of local vendors. The Company has created MSE Facilitation Cells at both its Units to implement the Ancillary Development Policy as well as the PPP-MSE order of Govt. of India by providing guidance in Technical, Commercial areas to these vendors to improve their competitiveness. All the goods and services which can be offered by MSE/Ancillaries units are listed and displayed prominently and web hosted in the Company's website and incorporated in MSE App NAMASYA (NALCO Micro and Small enterprise Yogayog Application – Bi-lingual App for MSE) for wider circulation and awareness. Namasya is a mobile App for MSE Vendors which empowers MSEs with required information about vendor registration process, items which can be supplied by them with technical specification, vendor development programmes and training programmes of NALCO etc. The Company has provided display halls both at M&R and S&P complex for displaying the products which can be supplied by MSEs/Ancillaries. The product details along with technical knowhow for developing the product & information regarding annual requirement and last procurement price etc. are provided to Micro & Small entrepreneurs. The Company follows the guidelines of PPP-MSE Order and has reserved 4% & 3% of the total procurement for SC/ST owned MSEs and women owned MSEs respectively out of the target of minimum 25% of the total procurement from MSEs. Relaxation in tendering process i.e. waiver of EMD and tender fees etc. are extended to such units to encourage them to participate in bidding. Our Purchase Manual is suitably amended to extend purchase preference to MSE units quoting in the band of 15% of lowest quoted price for the products and service earmarked for them.

The procurement of products and services rendered by MSEs (Micro and Small Enterprises) of Odisha including Ancillary Units for FY 2020-21 stands at ₹373.82 crore (as against ₹360.84 crore of last FY). The total procurement of products produced, and services rendered by MSE units (including those from outside Odisha) stands at ₹536.73 crore during FY 2020-21 (as against ₹484.51 crore during FY 2019-20) and it is 30.42 % of the total procurement of Goods and Services made by NALCO against Govt. target of minimum 25%. For FY 2021-22, the target for procurement of products produced and services rendered by MSEs has been set at ₹441 Crore.

- NALCO was awarded "Certificate of Excellence" in Odisha MSME International Trade fair, 2021 organized by MSME Deptt., Govt. of Odisha at Bhubaneswar held from 5th-9th March, 2021.
- The Sub-PLAC (Plant Level Advisory Sub-Committee) meeting for the year 2020-21 was conducted at M&R Complex, Damanjodi

on 15.01.2021 in association with DIC, Koraput. However, similar Sub-PLAC meeting for the year 2020-21 could not be conducted at S&P complex, Angul due to the outbreak of Covid.

- “Buyer-Seller Meet for SC-ST Entrepreneurs” was conducted at S&P complex, Angul on 25.08.2020 on virtual mode. However, no buyer-seller meet could be held at M&R Complex, Damanjodi due to the ongoing scenario of Covid.
- The Company had organized two vendor development programs through Google meet on 06.07.2020 and 16.10.2020 at M&R Complex, Damanjodi.
- Special efforts have been made for registration of women owned MSEs & SC/ST owned MSEs in association with National SC/ST Hub Office (NSSHO) & NSSHO have been requested to identify probable SC/ST owned MSEs for items required by NALCO.
- All MSE vendors (including Ancillaries) are being requested to onboard in GeM (Government e Marketplace) Platform. Also, as NALCO is registered with Receivables Exchange of India Ltd. (RXIL), Trade Receivables Discounting System (TReDS) Portal, all MSE vendors (including Ancillaries) are being requested to register in TReDS Portal (RXIL) to avail the benefits extended to MSEs.
- NALCO’s procurement data from MSEs (Micro and Small Enterprises) are being uploaded on a monthly basis in “MSME SAMBANDH” App of MSME Department, Government of India.
- Due to the outbreak of Covid and lockdowns/shutdowns declared by Central Govt. & different State Govt., the Company could organize only 08 vendor meets (including MSEs & Ancillaries) in 2020-21. All the above meets were on virtual mode only.
- NAMASYA (NALCO Micro & Small Enterprise Yogayog Application) App has been launched by NALCO on 13.07.2018 to help the existing MSEs registered with NALCO as well as MSEs not registered. The App empowers MSEs with information about vendor registration process, items which can be supplied by them with technical specification, vendor development programmes and training programmes of NALCO etc.

2.5 Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste? Yes.

As a manufacturer of Aluminium Metal and basic aluminium products we do not venture into recycling of aluminium but aluminium is highly recyclable and compared with the production of primary aluminium, recycling of aluminium products needs as little as 5% of the energy and emits only 5% of the greenhouse gas.

So far as recycling of waste is concerned we recycle process waste, metal rejects and waste products, effluent & industrial drain water, decanted water from Ash pond and Red Mud Pond, overburden of mines to maximum possible extent. We also implement rain water harvesting, ground water charging and sewerage water treatment at the Company’s units. In the year 2020-21; 1,85,70,280 cubic metre water from CPP ash pond; 74,27,774 cubic meter water from Refinery ash pond and 34,43,254 cubic meter water from Refinery Red Mud Pond was recycled. Some of the Company’s achievements in this regard is presented in the Table below:

TABLE C: Recycling/ Reuse of waste during 2020-21

Unit	Utilisation	Percentage
Bauxite Mines	Overburden utilized for concurrent reclamation of mined out areas	100%
Alumina Refinery	Caustic Soda recycled from waste red mud	12.81%
	Ash utilization in Refinery	101.47%
	Recycling of Ash pond water	92.22%
	Recycling of Red Mud pond water	114.52%
Smelter	Recycling of Aluminium scrap	100%
	Aluminium dross recycled as input to process	61%
	Recycling of spent anode	100%
CPP	Ash utilisation in CPP	75.69%
	Recycling of Ash pond water	100%

Principle 3: Business should promote the wellbeing of all employees.

3.1 Please indicate the total number of employees:

As on 31.03.2021, the total strength of employees in regular employment is 5,805.

3.2 Please indicate the total number of employees hired on temporary/contractual/casual basis as on 31.03.2021:

No contractual/temporary/casual employees are engaged by NALCO. Job Contractors working in areas like hospitality, maintenance, sanitation, conservancy and project activities etc. have engaged 11,255 contract labours to discharge their contractual obligations.

3.3 Please indicate the number of permanent women employees:

As on 31.03.2021, total 343 permanent women employees are employed.

3.4 Please indicate the number of permanent employees with disabilities:

Total 88 nos. of differently-abled persons are on regular employment as on 31.03.2021.

3.5 Do you have an employee association that is recognized by management?

There are five Recognised Unions in NALCO, one each in Smelter, CPP, Refinery, Mines & Corporate Office.

Also 3 Officers Associations are functional in NALCO at S&P Complex, M&R Complex and Corporate Office.

3.6 What percentage of your permanent employees, is members of this recognized employee association?

The representation of employees in different recognized unions are given below:

Smelter – 44.83%, CPP – 52.69%, Refinery – 47.99%, Mines – 57.86% & Corporate – 76.23%.

3.7 Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The status is:

Sl. No.	Category	No. of complaints filed during the F.Y. 2020-21	No. of complaints pending as on 31.03.2021
1.	Child labour/ forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

3.8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Permanent Employees; Permanent Women Employees; Casual/ Temporary/ Contractual Employees; Employees with disabilities.

The status related to above training is placed below:

Category of employees	Present Strength	Persons undergone Safety and Skill Up-gradation Training	Percentage of persons undergone Safety and Skill Up-gradation Training
Permanent Employees (Excluding women & physically challenged employees)	5,374	626	11.65%
Permanent Women Employees	343	35	10.20%
Casual/ Temporary/ Contractual Employees	Nil	—	—
Employees with Disabilities	88	9	10.23%

- 11,255 contractual workers are engaged through different contractors out of which 5,630 contractual workers have undergone Safety & Skill Up-gradation Training i.e. 50.02%.
- In the financial year, organization of Safety and Skill Up-gradation Training was adversely impacted by the pandemic situation & related restrictions.

Principle 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

4.1 Has the Company mapped its internal and external stakeholders? Yes.

The mapping of the stakeholders is a technical process where all precautions are taken to map them correctly. The stakeholders are either internal i.e. Employees or external to the organization i.e. customers, suppliers, investors, Government and their representatives and committees, local communities, NGO's, civil society, statutory and regulatory authorities, service providers & job contract workers, industry associations etc. Amongst all the stakeholders, special attention is given to downtrodden and marginalized stakeholders. Their geographical location and level of vulnerability are considered while mapping the stakeholders. Besides, need assessment surveys are carried out for the targeted stakeholders and projects are designed for them accordingly. The intensity of being impacted is also counted for the conception of projects. The community engagement processes supported by exchange of ideas and concerns has emerged as a great tool in the identification of stakeholders, their needs and expectations. The comprehensive engagement mechanism which is based on mutual convergence, trust and benefit lead to the establishment of a relationship which is mutually enriching for both internal as well as external stakeholders. Our engagement and proactive dialogue with both of the Company's internal and external stakeholders has enabled us to make the Company's policies processes and products in line with their expectation.

4.2 Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders? Yes.

The Company has identified the disadvantaged, vulnerable and marginalized stakeholders. Socio-economic base-line survey is carried out in periphery area of the Company's plant and mines before considering the CSR projects. Prioritization of need is being undertaken in consultation with the intended stakeholders including community, administration and civil society. The vulnerability, marginality and level of their disadvantageous position are always been considered. It may be noted that the Company's plant and mines are situated in places where most of the people are Socio-economically in backward position. Their geographical locations have further made them more vulnerable. The Company strives to address the issues faced by the most disadvantaged, vulnerable and marginalized stakeholders and bring them to the mainstream. Our effort is not to miss any vulnerable and marginalised to have optimum impact.

4.3 Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

The following are some of the critical initiatives taken up by the Company to engage with the disadvantaged and vulnerable communities from the past years till date including some new activities taken up in the reported FY.

- a) **Door step Health service in peripheral village:** Healthcare facility to periphery villagers inclusive of basic medicines through Mobile Health Unit (MHU) & OPD centres.
- b) **Covid Management:** Distribution of Mask and soaps in periphery villages, ration to the labours, food packets to the COVID warriors, sanitization of villages.
- c) **Covid Care Hospital:** 200 bedded Covid care hospital with 24 hour diagnostic facility and ICU at Nabarangpur, a tribal dominated district of previously undivided Koraput district.
- d) **Indradhanush:** Residential education to tribal students of periphery villages of Damanjodi in collaboration with three reputed schools at Koraput and Bhubaneswar.
- e) **NALCO ki Ladli:** Financial assistance for perusing education to meritorious girl children belongs to BPL category from Koraput & Angul districts of Odisha.
- f) **Swatch Bharat Initiatives:** Swatch iconic shrine development, Swatch Vidyalaya & ODF villages towards cleanliness, hygiene and overall wellbeing.
- g) **Drinking water facility for the needy:** Provision of drinking water facility in peripheral villages of M&R Complex, Damanjodi, proposed Pottangi Bauxite Mines area, S&P Complex, Angul & Utkal-D & E Coal Block, Chhendipada.
- h) **Support to Skill India:** Youth leadership training program in the periphery villages of Damanjodi.
- i) **Rural infrastructure building:** Construction of roads, culverts, drains, shelter home, renovation and revamping of community centres and water bodies etc. in periphery villages.

- j) **Solar Solution:** Solar street lights and solar home solutions are installed in the inaccessible tribal dominated periphery villages of Damanjodi.
- k) **Women Empowerment:** Promoted alternative sources of livelihood of the tribal women from the periphery villages of Pottangi mines area. Violence against women addressed in the twin city of Cuttack and Bhubaneswar.
- l) **Disaster Management:** Relief support to the flood victims of Tikarpada, Angul.

Principle 5: Businesses should respect and promote human rights.

5.1 Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Human Rights principles are not only applicable for all the Company's employees, but these are also extended to contractors, suppliers and service providers of all the outsourced jobs. The Human Rights practices mandated vide applicable statutes i.e. Factories Act, 1948, Industrial Disputes Act, 1947, Mines Act, 1972, Contract Labour (R&A) Act, 1970, Payment of Gratuity Act, 1972 are followed strictly in the Company. Also, in the job contract conditions for Suppliers & Contractors, important human rights issues i.e. Child Labour Forced and Compulsory Labour, Discrimination, Disciplinary Practices, Wages & Work Schedule are suitably addressed vide SA 8000:2014 requirements in which the suppliers are controlled w.r.t. human right violation by following means:

- (i) By maintaining appropriate records of supplier/contractors commitment to social accountability.
- (ii) By establishing, maintaining appropriate procedure to evaluate and select suppliers/contractors taking into account their performance & commitment to meet requirement of SA-8000 standards.

5.2 How many stakeholder complaints have been received in the past financial year and satisfactorily resolved by the management?

No Human Right related stakeholders complaints are received during the past financial year. Status of other complaints from stakeholders are outlined at 1.2.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

6.1 Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

In the Company's firm commitment for environmental care and protection we expect reciprocation from all the Company's subsidiaries, partners and service providers. Suppliers and contractors should agree to abide by the Company's environment policy before award of any work to them and suitable clauses are introduced in the Company's NIT documents to that effect.

6.2 Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

We have adopted green energy initiatives like generation of wind power and solar power to limit emission of Green House gases and associated global warming as detailed below:

- Four Wind Power Projects: i) 50.4 MW at Gandikota, Andhra Pradesh, ii) 47.6 MW at Jaisalmer, Rajasthan, iii) 50 MW at Devikot, Rajasthan and iv) 50.4 MW at Jath, Maharashtra are in commercial operation.
- Three Roof-top Solar Photo-Voltaic Plants of capacity 160 KWp, 100 KWp & 320 KWp are operating respectively at Corporate Office & NALCO Township, HRD Centre of Excellence and NALCO Research and Technology Centre (NRTC) at Bhubaneswar.
- A study is being undertaken to assess the feasibility/viability of setting up roof top solar plants at various locations of NALCO at Damanjodi, Angul & Vishakhapatnam.
- During the year total 10,140 saplings are planted in different areas of S&P complex and 18,000 seedlings are distributed to villagers to improve green cover in the area.
- In Alumina Refinery, 18,885 trees are planted and 500 seedlings are distributed.
- In the Company's Panchpatmali Mines, total 1,10,231 saplings are planted during the year to rehabilitate mined out area and augment afforestation drive. Also 5,550 seedlings, mostly of indigenous fruit bearing species are distributed to peripheral villagers.

- Company is operating total five nurseries i.e. three at S&P Complex and two at M&R Complex, including the one at Mines which is a high altitude nursery. The nurseries raise various type of seedling for afforestation, ornamental use, and fruit bearing seasonal variety seedlings and potted plants which also partially meet internal requirement for plantation. The nursery at Mines is spread over an area of 3 acres and 1,10,231 nos. of saplings have been planted at Mines during the year using seedlings grown at nursery of Mines. Besides growing seedlings for plantation, experimental plantation is undertaken every year to assess the growth of various species. The nursery at Mines significantly contributes to the crucial afforestation activities of the backfilled mined out areas to preserve the natural topography. During this year, 17.59 hectares of reclaimed area was rehabilitated with plantation.

The wind power details are available in NALCO website and the weblink is: <https://nalcoindia.com/business/operation/wind-power-plants/>

6.3 Does the Company identify and assess potential environmental risks?

Yes, Potential environmental risks are identified through Comprehensive Environment Impact assessment, Aspect Impact Studies, Internal and external environmental audit observations, Hazard Identification & Risk Assessments and Emergency Management Plans etc. SSPD (Scale, Severity, Probability & Duration) criteria is adopted for evaluation of identified environmental impacts of the Company's vulnerable activities. Besides professional agencies are engaged to carry out EIA during expansion or modernization of Mines and production facilities. The environment concerns, risks, opportunities for the Company's products are addressed as outlined at para 2.1, Table-A.

6.4 Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?

Our 50.4 MW Wind Power Plant at Gandikota has obtained Host Country Approval (HCA) from National CDM Authority (NCDMA), Ministry of Environment and Forests, Govt. of India. The project activity has been validated by (UNFCCC) accredited Designated Operational Entity (DOE). Estimated amount of annual average GHG emission reductions is 85,927 tons of CO₂ equivalent.

Our 47.6 MW Wind Power Plant at Jaisalmer has obtained Host Country Approval from National CDM Authority (NCDMA), Ministry of Environment and Forests, Govt. of India. Estimated amount of annual average GHG emission reductions is 83,426 tons of CO₂ equivalent.

6.5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy? If yes, please give hyperlink for webpage etc.

Our recent initiatives on renewable energy are detailed below.

- **Wind Power Projects:** Apart from 50.4 MW at Gandikota, Kadappa, Andhra Pradesh, 47.6 MW at Ludarva, Jaisalmer, Rajasthan, 50 MW at Devikot, Jaisalmer, Rajasthan and 50.4 MW at Jath, Sangli, Maharashtra, another 25.5 MW Wind Power Project at Kayathar in Tuticorin dist., Tamilnadu is under installation.

The wind power details are available in NALCO website and the web link is <https://nalcoindia.com/business/operation/wind-power-plants/>

- **Rooftop Solar Projects:** Apart from installed 160 KWp at NALCO Corporate Office, 100 KWp at NALCO Nagar Township, 370 KWp at NALCO Research and Technology Centre (NRTC), Bhubaneswar and 40 KWp (2X20 KWp) at SPP, Refinery, NALCO has placed order for 100 KWp rooftop solar project at NALCO's Port Facility at Vizag. Another 130 KWp on-grid rooftop solar project at Mines, Damanjodi is under commissioning. Web Link-<https://nalcoindia.com/business/operation/solar-power/>

6.6 Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All emissions/waste generated by the operating units of the Company are within the permissible limits prescribed by CPCB/SPCB. The environmental statement containing such information is submitted to regulatory authority every year.

6.7 Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Two show cause notices received from SPCB, Odisha, related to the Company's Smelter plant are resolved satisfactorily as on end of Financial Year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

7.1 Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Yes, the major ones are:

1. Aluminium Association of India
2. Standing Conference of Public Enterprise (SCOPE), New Delhi
3. Federation of Indian Mineral Industries (FIMI), New Delhi.
4. National Safety Council, Mumbai
5. Confederation of Indian Industry (CII), New Delhi
6. Utkal Chamber of Commerce & Industries, Bhubaneswar
7. Engineering Export Promotion Council, Kolkata
8. Federation of Indian Export Organisation, New Delhi
9. International Chamber of Commerce, Delhi
10. Chemical and Allied Products Export Promotion Council, Kolkata
11. National Institute of Personnel Management, Kolkata
12. Indian Ceramic Society, Kolkata
13. Odisha State Productivity Council
14. All India Management Association

7.2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (E.g., Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).

Yes. Broad areas taken up for public good are:

- Fly ash utilization
- Water recycling and conservation
- Climate Change imperatives
- Conservation of Environment
- CSR and peripheral development
- Skill Development & Employment Generation
- Increased use of Aluminium in automobile, power transmission, construction and packaging sector
- Sustainable mining
- Energy, Water, Mineral conservation
- Safety, Health and ergonomics at workplace
- Economic Leadership for betterment of industries
- Development of downstream aluminium industries through Make in India scheme of Govt. of India
- Export policies formulation and export promotions

Principle 8: Businesses should support inclusive growth and equitable development

8.1 Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof:

Yes. Inclusive growth and equitable development are two cardinal principles of the Company's CSR Policy. The Company has constantly

been trying to establish a society which ensures development which is based on equity. NALCO believes, “growth is being all-inclusive”. No one can grow in isolation. Equitable and inclusive growth is the only acceptable business model which can be sustainable. The welfare of all stakeholders is embedded into the business process of the Company. All the CSR activities of the Company are driven towards one end i.e. spearheading happiness. Hence, all such activities that ensures a better quality life to all are given importance which ultimately contributes in mainstreaming the marginalised. Some such projects are NALCO Ki Ladli, Indradhanush, Covid care and Management, Solar Electrification, Women Empowerment, details of which are given in para 8.4.

8.2 Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The CSR activities of the Company are undertaken through: (i) Rehabilitation and Periphery Development Advisory Committees (RPDACs) (ii) NALCO Foundation (iii) Directly by NALCO.

- a) RPDAC: RPDAC is constituted by Govt. of Odisha for Angul Sector and Damanjodi Sector under the Chairmanship of respective Revenue Divisional Commissioners. Other Members of the Committee includes District Collector, Local MLAs, MPs, People’s representatives and representatives from NALCO. The list of projects from this Body are placed before CSR & SD committee and Board of Directors for detailed deliberation and consideration.
- b) NALCO Foundation: NALCO Foundation, the CSR arm of NALCO, which is registered under the India Trust Act, 1882 implement the CSR projects on behalf of the Company. The CSR projects are conceived and implemented through community engagement process thereby, establishing sustainable models at the grass root level. The Foundation further intervened in capacity building of youths, women, PRI members & other stakeholders.
- c) Some of the projects are also being executed by NALCO directly depending upon the nature and magnitude of the programme.

8.3 Have you done any impact assessment of your initiative?

The Company to measure the efficacy and effectiveness of the projects is undertaking Social Impact Assessment studies from time to time. Besides, the regular monitoring the impact assessment has resulted in the improvement of the projects in terms of their impact and process of implementation. As per the CSR policy of the Company, Impact assessment studies are undertaken for the critical projects implemented for a period of three or above years. Some of the studies undertaken so far is given below:

- i) A Social Impact Assessment (SIA) study on socio-economic contribution of NALCO in M&R Complex, Damanjodi was undertaken by M/s. I-Land Informatics Limited, Kolkata during February, 2005.
- ii) Socio Economic Survey of Periphery villages of S&P Complex, Angul was done by M/s. National Institute of Rural Development (NIRD), Hyderabad during December, 2008.
- iii) Social Impact Assessment of projects of NALCO Foundation was conducted by Central University of Odisha, Koraput during the year 2012.
- iv) Social Impact Assessment (SIA) of the CSR projects implemented by NALCO were carried out by the premiere institute, Utkal University, Bhubaneswar in 2017.
- v) An Impact Assessment Study was made with the support of Madras School of Social Work (MSSW), Chennai in 2019.

8.4 What is your Company’s direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

For the financial year 2020-21, a total amount of ₹35.00 crore has been spent in executing the above CSR activities.

The following projects are undertaken during the FY 2020-21:

A. HEALTH CARE SERVICES:

A.1 MHU Services and OPD services: In the reported year, around 70,000 patients in the periphery of the plant areas both at S&P complex, Angul and M&R complex, Damanjodi are treated through 8 MHUs. The intervention has been able to enrich quality of life of the vulnerable sections of the society by making basic health care facilities accessible to them.

A specialist OPD center has been operating at NALCO Township, providing free health consultation complete with free medicine to periphery villagers of S&P complex. In the FY 13,133 nos. of patients are treated in the specialist OPD.

- A.2. Covid Care & Management:** At M&R Complex, awareness camps were undertaken through MHUs to sensitise periphery villagers regarding basic hygiene like hand washing, use of mask, sanitiser, social distancing etc. to protect them from COVID pandemic. Besides, the Community awareness was created through Village Development Committees (VDCs) and Women Self Help Groups (SHGs). Activity wise the Company's actions to combat Covid and associated socio-economic conditions are described below:
- a) **Mask distribution:** As a preventive measure towards the spreading of Covid-19, more than 1 lakh face masks were distributed at the corporate level. At Damanjodi, around 47,000 masks and 32,000 soaps were distributed in and around the periphery blocks by NALCO & NALCO Foundation benefiting 7,500 families. Similarly, at Angul, 50,000 masks were procured which were been handed over to district administration for distribution by adhering to the protocols of the Govt
 - b) **Disinfecting the local peripheral areas:** In the periphery of S&P Complex, Girang, Kandasar, Kanyabeda, Balamprasad, Gotamara, Kukudang, Tentoi, Tentuloi, Kurudol, Ekagharia villages including Smelter and CPP hutting have been sanitized by spraying disinfectant.
 - c) **Distribution of food items and essentials:** At Bhubaneswar Municipal Corporation area, grocery items like rice, dal, sugar, oil, salt, soap, potato etc. are distributed among the labours to support them during lockdown. On request of District Administration, Angul, 1,000 nos. of ration kits were handed over to district administration for distribution to poor needy people. Also, snacks were distributed among on duty police & traffic personnel in collaboration with Commissionerate Police as a noble gesture.
 - d) **Awareness programme through Street plays:** Taking the awareness drive a step further, street plays were organized at the entrance of Lingaraj Temple in Bhubaneswar and at Gandhi Park, Puri by NALCO Mahila Samiti to create COVID awareness among the visitors and pilgrims.
 - e) **Vigilance Task Force:** At M&R Complex, a vigilance task force was formed to monitor the sensitive areas such as Park, Shopping mall, temples, churches, mosques & hospital etc.
 - f) **HAAT by SHGs at NALCO township, Damanjodi:** At NALCO Township, Damanjodi, vegetable haats are organized by Jaydurga producer group of Gelaguda village with the support of ORMAS to sell vegetables inside NALCO Township with twin purpose of supporting the earning of local women vendors and facilitating safe marketing for township residents.
 - g) Refrigerated Truck for the COVID-19 Vaccination Programme, ventilator ambulance and digital X-Ray machines for better health care service are given to the state administration.
 - h) Provisioning of 7 number of ambulances for the transportation of sick persons to the hospital from the prison across the state.
- A.3. Contribution to PM CARES Fund:** ₹5 crore was contributed to Prime Minister's Cares Fund for combating Covid pandemic and relief & assistance to needy persons during the pandemic.
- A.4. Setting up Covid Hospital at Nabarangpur:** A 200 bedded hospital has been set up at Nabarangpur, Odisha in collaboration with Govt. of Odisha with an estimated cost of ₹5 crore. The 200 bedded hospital is equipped with 10 bedded ICU and oximetry apart from the other quality medical facilities exclusively for treatment of COVID-19 patients. It has 24-hour diagnostic facility and is catering health care to the people of tribal dominated Nabarangpur district and other adjoining districts of southern Odisha, viz. Rayagada, Koraput, Malkangiri and Kalahandi. More than one thousand patients have availed the treatment facility in the reported year.
- B. SANITATION:**
- B.1. Open Defecation Free:** In line with the Swachha Bharat Mission & directives from IBM, NALCO had constructed total 1,025 IHHL units (Individual House Hold Latrines) in the remote villages of Damanjodi and Angul under Open Defecation Free (ODF) program out of which, 313 IHHL units are handed over to targeted beneficiaries in the reported year.
 - B.2. Swachh Vidyalaya Aviyon:** Under the SVA programme, NALCO has provisioned toilets in the government schools for health and hygiene of all students and convenience of girl students.

C. SAFE DRINKING WATER:

- C.1. Drinking water supply through Tankers in summer:** During summer safe drinking water was supplied at the doorstep of people from 26 periphery villages of S&P Complex through tankers in Banarpal, Angul & Chhendipada blocks in collaboration with the district administration and local authority.
- C.2. Pipe Water Supply:** To eradicate water scarcity around the Company's S&P operations and ensure availability of clean drinking water in ground & surface water contaminated zones, pipe water supply to different villages are being undertaken with the aid of district administration. MoU has been signed with Rural Water Supply and Sanitation (RWS&S) to undertake following projects:
- C.2.1** Pipe water supply to village Girang which will benefit 4,103 no. of villagers.
- C.2.2** Renovation of pipe drinking water to 11 fluoride contaminated areas: 4,386 no. of HHs from the 11 villages will be benefitted.
- C.2.3** Pipe water supply to 5 villages where surface water is contaminated, has already been completed.
- C.2.4** Water supply network including repair and renovation of bore well at village Gopiballavpur has been completed successfully in the reported year.
- C.3 Water Supply systems in 25 villages:** In the reported year, 21 tube wells have been installed in the periphery villages of Damanjodi and Pottangi in collaboration with RWSS, Koraput. Around three thousand HHs are benefitted out of this project.
- C.4. Installation of Solar power based water purifier and cooler:** Solar power based water purifier and cooler are installed in Bhubaneswar to ensure safe water and better health.

D. EDUCATION:

- D.1. Sponsoring residential education to poor, backward and tribal children from periphery villages of M&R complex, Damanjodi & Pottangi (Indradhanush):** Considering the widespread illiteracy in the periphery areas of Koraput, the Company emphasized on access to quality education in these areas and has started sponsoring poor students from year 2012-13 to residential schools at KISS, Bhubaneswar, Bikash Vidyalaya & Adarsha Vidyalaya, Koraput. Due to COVID lockdown, the closure of above institutions created problem for sponsored students which was tackled adopting some innovative approach in consultation with implementing partner, as described below:
- Motivation for online teaching:** Implementing partners and school authorities were suggested, sensitized and followed up to form a WhatsApp group comprising the students of class 10th and assist them in study by uploading chapters and also clarify their doubts online.
 - Distribution of text books to supported Students:** The implementing partners are advised to provide the textbooks as per the instruction of Govt. of Odisha, so that with textbooks the student can use the locked down period in a useful manner.
 - Facilitation of Doubt Clearing classes and Employee Social Responsibility (ESR):** For benefit of sponsored students the implementing partners were motivated to ensure proper learning by providing doubt clearing classes. Some employees of NALCO also started volunteering themselves in undertaking doubt clearing classes for students especially in the subjects like Mathematics and Science.
 - Achievements in HSC & Felicitation of Achievers:** Under Indradhanush programme, this year, 92% students have successfully completed their matriculation. The top 3 scorers among the students were awarded with Cash prize of ₹10,000/-, ₹7,000/- & ₹5,000/- respectively by Hon'ble Collector & DM Koraput & ED, M&R Complex, NALCO. Other scholars were felicitated with a token gift to encourage them for higher study. At S&P Complex, Best Matriculate Award was given to 21 best matriculates.
- D.2. NALCO Ki Ladli:** While complementing the "Beti Bachao, Beti Padhao" scheme of Government of India, NALCO has sponsored the education of girl students under the programme "NALCO Ki Ladli" from the periphery villages of both S&P and M&R Complex. Under the scheme, meritorious girls from BPL families have been provided with financial assistance which is expected to motivate them and improve their academic performance. The project also aims to check their drop out from school owing to poor financial condition. Till date, a total of 723 girls are supported. Apart from supporting financially, NALCO is also promoting

and encouraging the girl students through events such as sports, extra-curricular and co-curricular activities. At S&P Complex, annual sports meet for the ladies is being conducted every year for all around development of NALCO Ki Ladli.

D.3. Establishment of schools: For imparting quality education NALCO established schools like Saraswati Vidya Mandir and Delhi Public School with best of facilities. Along with employees' children, admission to eligible students of nearby areas came as a relief to the inhabitants of nearby communities. The schools established by the Company serves the educational requirement of the marginal communities irrespective of their engagement with the Company.

D.4. Infrastructural Support to Educational Institutions: Infrastructure is the minimum requirement to impart quality education. Towards this end, following infrastructural support are implemented under the Company's CSR initiatives:

- a) Construction of classroom in Shri Ramakrishna Sishu Vidyamandir, Khalari to spaciously accommodate all the 150 students studying in the school, out of which more than 70% students belongs to SC/ST community and 50% are from BPL category.
- b) Construction of boundary wall of G.P. High School, Korada.
- c) Construction of class rooms at Killar school and Chougan Sevashram.
- d) Construction of class rooms at Ambagaon Schools in Damanjodi.
- e) Construction of one class room-cum-hall at Rajiv Gandhi High School, Maliput.
- f) Construction of one dining hall at Thuria School.

E. LIVELIHOOD PROMOTION:

E.1. Women Empowerment through SHGs: Empowering the tribal women and enabling them to improve their food security, incomes and overall quality of life has been the objective of the Company's CSR. Towards this end, the villagers are facilitated in the formation of Community Based Organisations (CBOs) like SHGs (Self Help Groups) and VDCs (Village Development Committee). After formation of the CBOs the members have been trained & linked with organization like KVK, Sunabeda & ICAR, Sunabeda, ORMAS, OLM, financial institutes for promotion of sustainable agricultural practices, and alternative income generating activities. In recent time, through mushroom cultivation and jack fruit & pumpkin chip making SHGs are making good income and some of them have sold up to 300 kg jackfruit chip. This year also 14 SHGs are continuing mushroom production in 8 villages under financial and technical support from NALCO Foundation and earning handsome profit. Similarly, some SHGs have initiated pickle making, broom stick making, leaf plates making and selling after getting training and technical guidance.

E.2. Youth Leadership Program: NALCO Foundation partnered with Sri Sri University (Art of Living) to execute Youth leadership training program in periphery villages of Damanjodi & Pottangi.

F. ENVIRONMENTAL SUSTAINABILITY:

F.1. Solar Electrification program: NALCO Foundation has been promoting solar energy as green & renewable energy to address global warming and climate change, key threat to the Company's development and sustainability. In the reported year, 4 villages facilitated to become solar electrified.

F.2. Large scale plantation has been undertaken to restore the green coverage which was hugely damaged after the severe Cyclonic storm FANI. 60 thousand seedlings are planned to be planted and maintained for four years in the Chandaka region of Bhubaneswar.

F.3. Six number of ponds from the Chhendipada block have been renovated and revived. Villagers now are able to use the water for alternatives uses like bathing, cleaning and also for livelihood purposes like irrigation to nearby fields, fish cultivation etc.

G. INFRASTRUCTURE DEVELOPMENT PROJECTS:

In the remote areas and hilly terrain of Damanjodi the tribal population face extreme hardship due to poor road connectivity which dampen socio-economic progress of the area. Hence construction of roads and other infrastructures were taken up on priority for ease of communication and a means for prosperity in these area as listed below:

- G.1. Construction of BT road from Durkaguda school to Modeiguda (600 Mts).

G.2. Construction road from Modeiguda to Nuaguda (700 Mts) which also involves culvert.

G.3. Construction of Community Hall at Modeiguda and Durkaguda.

G.4. Construction road from Malkarbandh to Maliput which also involves culvert.

G.5. Construction of BT road from NALCO Thana Chowk to IAPL Square.

H. DISASTER MANAGEMENT:

During the year more than 600 families of 05 villages in Tikarpada area were affected by flood. District administration, Angul approached NALCO authority for relief assistance to the flood victims. Relief materials, 2,000 nos. of dry food packets containing chuda (flattened rice), sugar, biscuit packets and 1 ltr. mineral water were immediately procured from NALCO Employees Multi-Purpose Co-operative Society, NALCO Nagar and distributed to the people of 05 villages viz. Karadapada, Majhipada, Gaindi, Beherasahi and Tikarpada on 3rd September, 2020.

I. ICONIC CITY PROJECTS:

NALCO, being one of the corporate partners of the Government of India in the Swacch Iconic Place development programme, has participated in the work of developing Puri, the old and historical city famous for Lord Jagannath Temple, sea and scenic beauty, as a Swacch Iconic Place. In this direction, the following progress have been achieved in spite of the lockdowns and shutdowns:

- a) Repair, Restoration, Beautification and maintenance work at Gandhi Park were carried out along with deployment of security for watch and ward during the shutdown period.
- b) The Battery operated Vehicles for transportation of aged and handicapped persons have been operated between Shree Jagannath Temple and Jagannath Ballav Math of Puri, the parking place for visitors vehicles.
- c) NALCO has provided financial assistance to Shree Jagannath Temple Administration, Puri towards the Renovation of Museum and Upabana (Garden) inside Shree Jagannath Temple.
- d) NALCO has ensured the 12 nos. of RO based clean water post in various places of Puri which would benefit lakhs of devotees coming to Puri across the year.

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

All projects before being implemented are checked through the lens of need. The needs are being prioritized and the most critical needs are addressed first. Hence, importance is being given to the process adopted for need identification. Usually, the critical needs are identified and prioritized mutually. The needs are identified through the community engagement process and the communities involved are capacitated to prioritize their needs through the application of Participatory Rural Appraisal (PRA) tools. The involvement of the community from the conception generates greater ownership over the assets created. Further, the community based organisations (CBOs) like- Self Help Groups (SHGs), Village Development Committee (VDC), Youth Clubs, farmer's group etc. are being formulated, revived and strengthened through capacity building programs to work as the change agent and ensure positive transformation at the ground level. These change agents work towards increasing acceptance and adoption by the community. Further, sensitization workshops and village level meetings are organized from time to time leading to the strengthening of the mutual understanding between NALCO and targeted community which ultimately results in better adoption and sustainability.

Moreover, NALCO also explores the avenues of collaborations with Government bodies, NGOs and with other Programme Implementing Agencies (PIA) to implement community development initiatives in the thematic areas of health, education, livelihoods, rural development, environment (Plantation) and ethnicity for larger coverage and increased adoptability.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

9.1 What percentage of customer complaints/consumer cases are pending as on the end of financial year?

For complaint handling and redressal, a laid down procedure compliant to ISO 9001 requirements is in vogue. As per the procedure in force, complaints which may arise from time to time with regard to various issues such as payment, late delivery, quality, quantity or documentation etc. are resolved. Depending upon the nature of the complaint, NALCO's representatives from Regional Offices and/or

competent technical personnel from the plant visit the customer’s premises to examine the complaint and make on-the spot assessment. In the instances where a compensation/claim is made by the customer, a committee after all the necessary verification about claim, estimates the loss suffered by the party and recommend appropriate amount of compensation payable. The same is paid to the customer, after approval of competent authority as a onetime settlement. The customer complaints are also reviewed for improvement of the Company’s processes and products.

Status report on Customer Complaints as on 31.03.2021 is:

Complaints pending as on 31.03.2020	02
Complaints received during FY 2020-21	05
Complaints disposed during FY 2020-21	07
Complaints pending as on 31.03.2021	00
Percentage of Customer Complaints Pending on 31.03.2021	0%

9.2 Does the Company display product information on the product label, over and above what is mandated as per local laws? No.

Only the information mandated by law is provided on product label.

For Aluminium metal, the product grade, stack no., bundle no., net weight is displayed on the product label. In case of Rolled Products, name of the Company & production unit and place, Coil No., Grade, Size (Thickness X Width) in mm, Net Weight (in kgs.), Signature of the inspecting authority, Date of Packaging, No. of sub-stacks and total no. of sheets per packet (for Rolled sheets only) are displayed on the product label. In case of alumina, name and logo of the Company, product description, and product code are displayed on the packaging. In case of special product Hydrate, net weight/gross weight are also displayed.

9.3 Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof: No.

There is no litigation by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years.

9.4 Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes. Customer & consumer satisfaction and goodwill is a cherished motto of NALCO and the Company’s Marketing people keep it high on their professional agenda. Capturing the perception of customers and consumers on the Company’s products and associated service, is given top priority in the organization. Our Quality Policy explicitly declare that meeting the needs and expectations of the customer and consistently improving the Company’s system and work ethos is the key for achieving excellence in business. The Company collects feedback about the product and service both from formal and informal channels and constantly work on it to enhance the Company’s brand image. Customer satisfaction survey is conducted biannually every financial year for the two six-monthly periods ending September & March, in order to capture customers’ perceptions over the period. The average customer satisfaction Index over the year computed based on response obtained from customers, is above the target. Customer Satisfaction Index is taken as a sacrosanct marketing parameter whose trend is a basic indicator of the Company’s own performance in marketing front and is utilized to develop strategy for further market penetration.

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ANNEXURE-IV

REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

1.0 Conservation Of Energy:

1.1 The steps taken or impact on Conservation of Energy:

For sustainable operation of production units at a competitive manner, your Company has adopted many Energy Conservation Measures during 2020-21. The Unit specific projects details are indicated below:

1.2 Energy conservation measures adopted in different units are as under:

1.2.1 Bauxite Mines:

- 1.2.1.1 Reduction in diesel consumption in dumpers by use of fuel additive has resulted in savings of 42.66 KL of HSD.
- 1.2.1.2 Reduction in diesel consumption by parking of vehicles at mining face has resulted in saving of 119.46 KL of HSD.
- 1.2.1.3 Reduction in diesel consumption by enhanced usage of backhoe shovels in place of ripper dozers-wheel loader combination has resulted in savings of 76.93 KL of HSD.
- 1.2.1.4 For energy conservation, the balance jobs of replacement of conventional luminaries to energy efficient LED retrofits were completed by July, 2020. A total of 28 KW of luminaries have been replaced in 2020-21 which has potential of approx. 44 MWh annual energy saving.

1.2.2 Alumina Refinery:

- 1.2.2.1 Replacement of conventional profile heating elements with advanced profile heating elements in Unit #2 Boiler to increase Boiler efficiency due to increased heat transfer.
- 1.2.2.2 2,000 nos. of 70W lights for area illumination have been replaced with 40w LED lights, saving 4,02,100 KWH/annum.
- 1.2.2.3 70 nos. of old & low-efficiency ACs have been replaced with 3-star and above rated energy-efficient ACs, saving 4,36,000 KWH/annum.
- 1.2.2.4 16 nos. of old & multiple wound motors have been replaced with energy efficient IE2/IE3 LT motors, saving 63,300 KWH/annum.
- 1.2.2.5 In November, 2020, a Rooftop Solar Power Plant of 2 x 20 kWp capacity was commissioned at SPP of the Refinery, with a capital investment of ₹41.23 lakhs. Till March, 2021, 15,051 KWH green energy was generated.
- 1.2.2.6 Grinding media of Ball Mill – 004 is replaced with Hi-Chrome media to improve grinding efficiency and hence saving energy.

1.2.3 Smelter Plant:

- 1.2.3.1 Graphitization of cathode blocks for total 866 pots have been completed out of which 110 pots have been graphitised in 2020-21, resulted in reduction of specific electrical Energy consumption in pot line @ 55 KWH/MT.
- 1.2.3.2 One trial pilot project: “Development of low energy cell technology for smelter plant (AP2XN)” with an objective to reduce specific energy consumption under the development co-operation agreement between Rio Tinto/Alcan, Canada and your Company has been carried out with reduction of specific DC energy consumption around 150 KWH/MT in the pot line.
- 1.2.3.3 Replacement of old motors with Energy Efficient IE2/IE3 Motors: 185 motors replaced in 2020-21 leading to saving of 2.506 MU energy due to use of IE3.
- 1.2.3.4 High temperature burner with Recuperator was installed in melting furnace no. 2 of RPU to reduce HFO consumption by 96 kL/annum.
- 1.2.3.5 Hot Well Pumps of Cooling Tower-1(E) was replaced with Energy Efficient Pumps leading to energy saving of 7,36,560 kWh/annum.
- 1.2.3.6 The CII team recognized the effort of your Company and awarded the 1st runner up trophy as well as five-star energy conservation awards (Highest star) for large-scale categories of Energy Conservation Awards during 13th ENCON awards-2020 by CII-Easter Region at Kolkata.

1.2.4 Captive Power Plant:

- 1.2.4.1 Renovation & Modernization of existing Air-Preheater in Unit-6 with advanced profile heating element and double sealing arrangement has been completed successfully. This has resulted in increase in Boiler efficiency due to reduction in air leakage and increased heat transfer.
- 1.2.4.2 The old inefficient reciprocating compressors of Unit #1 to 6 (Total 9 nos.) have been replaced with energy efficient screw compressors, out of it 2 nos. have been replaced in 2020-21. This has helped in reduction in Auxiliary Power Consumption.
- 1.2.4.3 Energy saving of 20,75,487 KWH was achieved through replacement of total 14,039 nos. LED lights in place of conventional MV/SV lights.
- 1.2.4.4 CPP has been awarded as “Best Energy Efficient Power Plant – Coal (CPP)” in Eastern Region by Mission Energy Foundation in virtual conference held on 19th February, 2021.

1.3 Energy conservation projects proposed or in progress during 2020-21:

1.3.1 Bauxite Mines:

- 1.3.1.1 The water level monitoring system on industrial water storage tanks has been executed and is under observation while the same system for drinking water storage tank is in progress.
- 1.3.1.2 The above project shall support reduction of electrical energy consumption towards water consumption by a tentative amount of 41.06 MWh per year as well as reduction in industrial water consumption avoiding over flow from raw storage tanks.
- 1.3.1.3 Procurement of 130 KWp grid connected roof top solar plant has been completed and installation is under progress.

1.3.2 Alumina Refinery:

- 1.3.2.1 Replacement of Unit 4 Air Pre-Heater conventional profile heating elements with advanced profile heating elements.
- 1.3.2.2 Provision of VFD in Recirculating Pumps motors of Phase 1, 2 & 3 Digestion and Desilication.
- 1.3.2.3 Replacement of old & multiple rewound LT motors with IE2/ IE3 class motors.

1.3.3 Smelter Plant:

- 1.3.3.1 Installation of Main Ring Dampers at Anode Baking Furnace (ABF)-I to reduce Fuel oil consumption in Baking furnace.
- 1.3.3.2 Installation and commissioning of Anode Slot Cutting Machine at Rodding Shop-II under implementation so as to reduce specific DC energy consumption in Pots and to improve process stability.
- 1.3.3.3 Installation of Refrigerant type dryers in old compressor house (Two nos.) for energy saving.
- 1.3.3.4 Furnace 8 Solid metal charging door (SMCD) replacement for enhancement of thermal efficiency in Cast House-A.

1.3.4 Captive Power Plant:

- 1.3.4.1 Renovation & Modernization of 04 sets of existing Air-Preheater in Unit-2 to 5 with advanced profile heating element and double sealing arrangement.
- 1.3.4.2 Revamping of one Cooling Tower in Unit -1 to 5: Condenser vacuum will improve, which will result in reduction of heat rate and coal consumption.
- 1.3.4.3 Implementation of VVFD panel in cooling tower fans of #1 to #5: This will help in Reduction of power consumption cooling tower fans.

1.4 Steps taken by the company for utilizing alternate sources of energy:

- 1.4.1 Your Company is commercially operating the following Wind and Solar Generating Units:
 - 1.4.1.1 A 50.4 MW Capacity Wind Power Plant at Gandikota, Kadapa, Andhra Pradesh.
 - 1.4.1.2 A 47.6 MW Capacity Wind Power Plant at Ludarva, Jaisalmer, Rajasthan.

- 1.4.1.3 A 50.0 MW Capacity Wind Power Plant at Devikot, Jaisalmer, Rajasthan.
- 1.4.1.4 A 50.4 MW Capacity Wind Power Plant at Jath, Sangli, Maharashtra.
- 1.4.1.5 A 620 KWp Capacity Rooftop Solar PV plant at NALCO Bhawan, NALCO Nagar, NRTC and Refinery Buildings.
- 1.4.2 During the FY 2020-21, your Company has generated 295 MU from Wind Power and 0.52 MU from Solar Power including 15,051 kWh of roof top solar power plant of Refinery.
- 1.4.3 Action taken towards utilization of alternate sources of energy during 2020-21 & implementation during 2021-22:
- 1.4.3.1 A 130 KWp RT SPV Plant installed at Mines, which is to be commissioned shortly.
- 1.4.3.2 A 100 KWp RT SPV Plant at Port Facilities is under installation.
- 1.4.3.3 A 25.5 MW Wind Project under installation at Kayathar, Tamilnadu.

1.5 The capital investment on energy conservation equipments:

1.5.1 Bauxite Mines:

Sl. No.	Item	Investment (in lakh rupees)
1.	Use of fuel additive	8.6
2.	Replacement of conventional light fittings with LED lights	13.85
3.	Installation of Roof top Solar Power Plant (130 kWp)	73

1.5.2 Alumina Refinery:

Sl. No.	Item	Investment (in lakh rupees)
1.	Replacement of conventional heating elements with advanced profile heating elements in Boiler-2	42.36
2.	Replacement of existing IE1 class motors with IE2/IE3 class motors	45.77
3.	Replacement of conventional 70W light fittings with 40W LED lights	23
4.	Replacement of old and low efficiency ACs by 3 star and above rated energy efficient ACs.	14.65
5.	Installation of Roof top Solar Power Plant (2X20 kWp)	41.23

1.5.3 Smelter Plant:

Sl. No.	Item	Investment (in lakh rupees)
1.	Graphitization of Cathode blocks in 110 pots	10932.49
2.	Replacement of old motors with IE3 Motors	57.91
3.	Installation of high temperature burner with Recuperator in RPU	56.34
4.	Replacement of Hot well Pumps of Cooling Tower – 1 E by energy efficient pumps	15.45

1.5.4 Captive Power Plant:

Sl. No.	Item	Investment (in lakh rupees)
1.	Renovation & Modernization of existing Air-Preheater in Unit-6	593
2.	Replacement of two old reciprocating air Compressors was carried out with new energy efficient Screw Compressors	54
3.	Replacement of conventional MV/SV lights with LED lights	88.66

2.0 TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

Sl. No	Technology	Benefits thereof
1.	Replacement of conventional flat bottom Settlers/washers with High rate thickeners and Deep Cone washers.	Procurement and installation of HRT & DCW in place of Flat bottom Washers & Settlers for PH-1, 2&3 is in progress. The benefits of the changeover are: Smaller footprint area. Lower holding time and hence Low hydrolysis loss / heat loss. Higher underflow solids results in Lower soluble soda and Alumina loss.
2.	Pressure filtration for dry disposal of Red mud accepted after lab trials.	Under implementation (DPR Stage). The benefits are: Improvement in Red Mud slurry solids from present 56% to better than 75%. Minimum 36% reduction in soda lost with mud. Enhancement in the life expectancy of the Red Mud pond, will be estimated after further study.
3.	Addition of one more stage of Inter Stage Cooler in stream 4 precipitation.	Successfully implemented. Improvement in Liquor productivity.
4.	Development of in-line automated anode butt monitoring system to measure anode butt parameters.	System installed in carbon plant. Will help in process monitoring of anode butts.
5.	Development of a Wi-Fi enabled sensor arrangement for online measurement of anode current distribution of Aluminium electrolysis cell.	System is being utilized by user dept. Will help in inspection & monitoring of sick pots.

3.0 DETAILS OF TECHNOLOGY IMPORTED/UPGRADED DURING LAST 5 YEARS:

Sl. No.	Technology Imported/Upgraded	Year of import/Upgraded	Has Technology been fully absorbed	If not fully absorbed, area where this has not taken place, reasons therefor and future plans of action
1.	Medium Pressure Digestion for Bauxite	-	-	Under implementation for the expansion proposed.

4.0 EXPENDITURE ON R&D:

₹ in crore

Nature	2020-21	2019-20
Capital	0.79	2.76
Revenue	11.83	10.82
Total	12.62	13.55
R&D Expenditure as % of turnover	0.14	0.16

5.0 The foreign exchange earnings for the year 2020-21, ₹5,060.72 crore is as against ₹3,442.97 crore in 2019-20. The foreign exchange outgo for the year under report was ₹277.84 crore as against ₹520.30 crore in 2019-20.

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CORPORATE GOVERNANCE REPORT

1.0 PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance has a broad term which includes both societal and institutional aspect. Corporate Governance encourages a trust worthy, moral as well as ethical environment. It lays the foundation for transparency, disclosure, accountability and integrity. It is more of mind set than mere legislation which ensures good governance. Good governance from ethical business practises even when there is no legislation.

Good corporate governance promotes investor confidence which in turn capitalises the ability of an organisation. It helps in value addition to the stakeholders' expectation and helps in ensuring strong and balanced economic development. Corporate Governance plays a catalytic role in an organisation where shareholders exercise their rights and the organisation recognizes their rights.

2.0 BOARD OF DIRECTORS:

The Board got a pivotal role in the overall performance and visibility of the Company. An enlightened Board formulates vision, strategy and policy for the Company and reviews it periodically for its effectiveness. The Board believes in the inalienable rights of the shareholders as true owners of the Company and its role as trusteeship to the stakeholders.

2.1 Composition of the Board:

2.1.1 The sanctioned strength of the Board is as follows:

- (i) Six Full-time (Executive) Directors including Chairman-cum-Managing Director.
- (ii) Two Part-time Official Directors.
- (iii) Eight Part-time Non-official Directors

2.1.2 The composition of the Board as on 31st March, 2021, is as detailed below:

Sl. No.	Name of Director	DIN	Date of Appointment
Functional Directors			
1.	Shri Sridhar Patra Chairman-cum-Managing Director	06500954	17.12.2019
2.	Shri Radhashyam Mahapatro Director(HR)	07248972	01.01.2020
3.	Shri Manasa Prasad Mishra Director (P&T) & Director (Finance)-Addl. Charge*	08951624	01.11.2020
4.	Shri Bijay Kumar Das Director (Production) & Director (Commercial)-Addl. Charge#	08984700	01.12.2020
Part-time Official Directors\$			
5.	Shri Satendra Singh, IAS^	05195060	05.08.2020
6.	Shri Sanjay Lohiya, IAS@	07151125	09.11.2020

*Consequent upon superannuation of Shri S. K. Roy as Director (P&T), Shri Manasa Prasad Mishra was appointed as Director (P&T) w.e.f 01.11.2020 and subsequently was assigned with additional charge of Director (Finance) w.e.f 01.03.2021 upon superannuation of Shri P. K. Mishra, Director (Commercial) on 28.02.2021, who was earlier assigned with additional charge of Director (Finance) w.e.f 01.12.2020.

Consequent upon superannuation of Shri V. Balasubramanyam as Director (Production), Shri Bijay Kumar Das was appointed as Director (Production) w.e.f 01.12.2020 and subsequently was assigned with additional charge of Director (Commercial) w.e.f 01.03.2021, consequent upon superannuation of Shri P. K. Mishra, Director (Commercial) on 28.02.2021.

\$ Tenure of Dr. K. Rajeswara Rao, IAS and Shri Anil Kumar Nayak, Part-time Official Directors ended on 05.08.2020.

^ Shri Satendra Singh, IAS and Shri Upendra C. Joshi, IRTS were appointed as Part-time Official Directors w.e.f 05.08.2020.

\$ Tenure of Shri Upendra C. Joshi, IRTS, Part-time Official Director ended on 09.11.2020.

@ Shri Sanjay Lohiya, IAS was appointed as Part-time Official Director w.e.f 09.11.2020.

- 2.1.3 As on 31.03.2021, Non-executive Directors i.e. Part-time Official Directors constitute 33.33% of the total Board strength. There are no Part-time Non-official Directors and Woman Independent Director in the Board w.e.f 08.09.2020.
- 2.1.4 During the financial year 2020-2021, the composition of the Board was not in compliance with Section 149(4) of the Companies Act, 2013 (Act). The composition of the Board was not in compliance with the provisions of both Regulation 17(1) (a) and Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 (SEBI Regulations) throughout the financial year except the provision relating to having atleast one Woman Independent Director, which was in compliance upto 07.09.2020.
- 2.1.5 Penalties have been imposed by both NSE and BSE for above non-compliances. Administrative Ministry, being the appointing authority for appointment of Directors in a Government Company, was informed about the penalties imposed by BSE and NSE and requested them for early appointment of Independent Directors for compliance with the provisions of the Act and SEBI Regulations. Facts were placed before the Board of Directors, time to time and thereafter, the decisions of the Board of Directors were communicated to respective Stock Exchanges with a request to condone the penalties, since appointment of Directors is beyond the control of the Company. Further, based on the request of the company for condonation of the penalty for the fact that, the appointment of Directors is beyond the control of the Company, BSE vide their letter dated 19.04.2021, has waived the penalties imposed for the quarters ended 30.09.2020 and 31.12.2020. Continuous follow-up is being made with NSE for condonation of penalties imposed and also request is made to BSE for condonation of penalty imposed for quarters ended 30.06.2020 and 31.03.2021.

2.2 Board meetings and attendance of Directors:

- 2.2.1 The Board meets at regular intervals to discuss and decide the business strategies/policies and reviews the financial performance of the Company. The Board is mandated to review and consider the agenda items on matters set out in Regulation 17 read with Part-A of Schedule II of the SEBI Regulations.
- 2.2.2 The Board has constituted various Committees, some are statutory and some are non-statutory in nature, for discharging their functions more effectively.
- 2.2.3 Secretarial Standards, issued by the Institute of Company Secretaries of India (ICSI) are followed for convening the Board meetings, Committee meetings and General meetings.
- 2.2.4 Meetings are convened with approval of Chairman-cum-Managing Director/Chairman of the Committee by giving at least 7 day's advance notice. Agendas with detailed agenda notes are normally circulated at least a week before the scheduled date of meeting for meaningful and informed discussion in the meeting.
- 2.2.5 The meetings of the Board of Directors and Committee meetings are generally held at the Registered Office of the Company. During the year, one meeting of Board of Directors was held at Puri complying with the Office Memorandum of DPE to hold meeting in one of the 30 tourist places, identified by Govt. of India.
- 2.2.6 Eight Board meetings took place during the year under review. Meeting dates with attendance of Directors in the meetings are given below:

Board Meeting No. & Date	Board Strength	No. of Directors Present			Total Attendance	% of attendance to strength
		Functional	Part-time Official	Part-time Non-official (Independent)		
321st 26.06.2020	9	5	1	2	8	88.89
322nd 04.09.2020	9	5	1	2	8	88.89
323rd 11.11.2020	7	5	0	0	5	71.43
324th 18.11.2020	7	5	1	0	6	85.71
325th 27.01.2021	7	5	2	0	7	100.00
326th 12.02.2021	7	5	2	0	7	100.00

Board Meeting No. & Date	Board Strength	Functional	No. of Directors Present		Total Attendance	% of attendance to strength
			Part-time Official	Part-time Non-official (Independent)		
327th 15.03.2021	6	4	2	0	6	100.00
328th 23.03.2021	6	4	2	0	6	100.00

Notes:

- (a) The maximum gap between any two meetings was 69 days.
- (b) Necessary quorum was present in 321st and 322nd Board meetings. However, quorum (required number of Directors) without Independent Woman Director was present in balance of the meetings held during the year.

2.2.7 The table below shows the individual attendance of Directors in the Board meetings held during 2020-21, their attendance in the last Annual General Meeting, directorship in other Companies and membership and chairmanship in the Committees of other Companies:

Name & Designation	Board Meetings		Attendance at 39th AGM held on 30.09.2020	No. of other direct-orships	Membership in the Committees of other Companies	
	Held during the tenure	Attended			Memb-ership	Chairm-anship
Shri S. Patra Chairman - cum - Managing Director	8	8	Yes	2	Nil	Nil
Shri V. Balasubramanyam Director(Production)\$	4	4	Yes	Nil	Nil	Nil
Shri S. K. Roy Director(P&T)\$§	2	2	Yes	Nil	Nil	Nil
Shri P. K. Mishra Director(Commercial) & Director (Finance) – Adl. Charge&	6	6	Yes	Nil	Nil	Nil
Shri R. S. Mahapatro Director (HR)	8	8	Yes	Nil	Nil	Nil
Shri M. P. Mishra Director (P&T) & Director (Finance)-Adl. Charge*	6	6	NA	Nil	Nil	Nil
Shri B. K. Das Director (Production) & Director (Commercial) –Adl. Charge#	4	4	NA	Nil	Nil	Nil
Dr. K. Rajeswara Rao, IAS Part-time Official Director##	1	1	NA	Nil	Nil	Nil
Shri A.K. Nayak, IOFS Part-time Official Director##	1	0	NA	Nil	Nil	Nil
Shri Upendra C. Joshi, IRTS Part-time Official Director%	1	1	No	1	Nil	Nil
Shri Satendra Singh, IAS Part-time Official Director^	7	4	No	1	Nil	Nil
Shri Sanjay Lohiya, IAS Part-time Official Director@	6	5	NA	1	Nil	Nil
Shri N. N. Sharma Independent Director@@	2	2	NA	Nil	Nil	Nil
Smt. Achla Sinha Independent Director^^	2	2	NA	Nil	Nil	Nil

Note: In accordance with Regulation 26 of the SEBI Regulations, Membership(s) / Chairmanship(s) of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies have been considered.

- \$ Superannuated as Director (Production) on 30.11.2020.
- \$\$ Superannuated as Director (P&T) on 30.10.2020.
- & Superannuated as Director (Commercial) & Director (Finance)-Addl. Charge on 28.02.2021.
- * Appointed as Director (P&T) w.e.f 01.11.2020 and subsequently assigned with additional charge of Director (Finance) w.e.f 01.03.2021.
- # Appointed as Director (Production) w.e.f 01.12.2020 and subsequently assigned with additional charge of Director (Commercial) w.e.f 01.03.2021.
- ## Tenure as Part-time Official Director ended on 05.08.2020.
- % Appointed as Part-time Official Director w.e.f 05.08.2020 and ceased to hold office on 09.11.2020.
- ^ Appointed as Part-time Official Director w.e.f 05.08.2020.
- @ Appointed as Part-time Official Director w.e.f 09.11.2020.
- @@ Tenure as Independent Director ended on 05.09.2020.
- ^^ Tenure as Independent Director ended on 07.09.2020.

2.2.8 The number of Directorship(s) and Committee Membership(s) / Chairmanship(s) of all Directors is / are within the respective limits prescribed under the Act and the SEBI Regulations.

2.2.9 None of the Directors is related to any other Director on the Board of the Company.

2.3 Non-Executive Directors:

2.3.1 Part-time Official Directors and Part-time Non-official (Independent) Directors are the Non-executive Directors forming part of the Board.

2.3.2 While the Part-time Official Directors are nominated to the Board from the Administrative Ministry, the Part-time Non-official (Independent) Directors are appointed by the President of India.

2.3.3 Based on the disclosures made by the Independent Directors at the beginning of every financial year and in the opinion of the Board, the Independent Directors fulfill the conditions specified under the Act, SEBI Regulations and are independent of the management.

2.3.4 Formal letter of appointment is issued to each Independent Director on appointment as Director on the Board. The appointment letter inter-alia contains the role, function, duties and responsibilities of Independent Director in the Company. Appointment letters of Independent Directors are made available in the Company's website as and when any Independent Director is appointed in the Board. During the financial year 2020-21, no Independent Director was appointed on the Board of the Company.

2.3.5 During the year under review, no Independent Director has resigned from his/her post.

2.3.6 Acclimatization programme is conducted for the Independent Directors on their appointment on the Board. Independent Directors are nominated to attend orientation programmes being conducted by ASSOCHAM, CII, SCOPE and DPE to get themselves updated on changes/developments in the domestic/global scenario. The details of such programmes attended by the Independent Directors are available in the following link: https://nalcoindia.com/wp-content/uploads/2019/11/Familiarisation_Programme_for_Directors-14-11-2019.pdf

2.3.7 None of the Non-executive Directors hold any share in the Company.

2.3.8 Independent Directors are not entitled for stock option in the Company.

2.3.9 All Directors are covered under Directors and Officers (D&O) Insurance taken by the Company.

2.3.10 No Non-executive Director on the Board is above 75 years.

2.4 Chart/matrix setting out the skills/expertise/competence of the Board:

Your Company is a Government Company under the Administrative control of Ministry of Mines, Government of India. All Directors of the Company are appointed/nominated by the Administrative Ministry, based on the skills/expertise/competencies needed for the

Company. In view of this, the Board of Directors have not identified the list of core skills/expertise/competencies required by a Director in the context of Company's business, as required under SEBI Regulations.

2.5 Performance evaluation of Board members:

- 2.5.1 The manner of formal evaluation of the Board, Committees and individual directors which requires reporting in the Board Report is exempted for Government Companies, since directors are evaluated by the Administrative Ministry.
- 2.5.2 The requirement relating to performance evaluation of Board members under the Act is also exempted for Government Companies vide circular dated 05.06.2015, issued by the Ministry of Corporate Affairs (MCA).
- 2.5.3 Similar relaxation has also been given by DPE vide OM dated 20.06.2013 by withdrawing review of the performance of the Chairperson of the company after taking into account the views of all the directors from the scope of separate meeting of Independent Directors.
- 2.5.4 MCA further vide circular dated 05.07.2017 has exempted evaluation mechanism of non-Independent Directors and chairperson of Government Companies as specified in Schedule-IV of the Act.
- 2.5.5 There is no such relaxation/exemption to listed Government Companies under SEBI Regulations.

3.0 REMUNERATION OF DIRECTORS:

- 3.1 Your Company being a Government Company, the remuneration, benefits and Performance Related Payments (PRP) of Functional Directors are governed as per extant DPE guidelines. MCA has exempted Government Companies from formulating policy relating to remuneration of Directors, required under Section 178 of the Act.
- 3.2 All Functional Directors are members of New Pension Scheme (NPS).
- 3.3 Government nominee Directors are not entitled for any remuneration/sitting fees as per DPE guidelines.
- 3.4 Independent Directors are paid sitting fees of ₹30,000/- for attending each meeting of Board of Directors and ₹25,000/- for attending each meeting of Board constituted Committee including separate meeting of Independent Directors. The fees is within the statutory limit prescribed under Act.
- 3.5 Company makes necessary arrangements for the Directors to attend the meetings. Out-of-pocket expenses, if any, incurred by the Independent Directors for attending the meetings are reimbursed.
- 3.6 Functional Directors including Chairman-cum-Managing Director are appointed by the President of India for a period of 5 years from date of assuming charge or till date of superannuation or further orders of the Government of India, whichever is earlier. Part-time Official Directors are nominated by the Administrative Ministry and they continue office till further orders from the Administrative Ministry. Part-time Non-official (Independent) Directors are appointed by the President of India for a tenure of 3 years.
- 3.7 The Company has not issued any stock option during the year 2020-21.
- 3.8 There is no provision for payment of severance fees to any Director. Notice period is applicable as per extant DPE guidelines and specified in the appointment letter.
- 3.9 Details of remuneration of Functional Directors for the FY 2020-21 are given below:

Name	Remuneration for the year 2020-21 (₹)		
	All elements of remuneration	Other benefits	Total
Shri S. Patra Chairman-cum-Managing Director	48,72,253	6,854	48,79,098
Shri V. Balasubramanyam Director(Production)\$	54,06,893	38,17,118	92,24,011
Shri S. K. Roy Director(P&T)\$	36,60,245	34,51,031	71,11,276
Shri P. K. Mishra Director(Commercial) & Director (Finance) – Addl. Charge&	66,99,718	36,38,216	1,03,37,934

Name	Remuneration for the year 2020-21 (₹)		
	All elements of remuneration	Other benefits	Total
Shri R. S. Mahapatro Director (HR)	47,25,511	32,751	47,58,262
Shri M. P. Mishra Director (P&T) & Director (Finance)-Addl. Charge*	20,86,852	9,41,913	30,28,765
Shri B. K. Das Director (Production) & Director (Commercial) –Addl. Charge#	16,59,103	7,094	16,66,197

Note: Other benefits includes Gratuity, Performance Related Pay and Medical Benefits, as applicable.

\$ Superannuated as Director (Production) on 30.11.2020.

\$\$ Superannuated as Director (P&T) on 30.10.2020.

& Superannuated as Director (Commercial) & Director (Finance)-Addl. Charge on 28.02.2021.

* Appointed as Director (P&T) w.e.f 01.11.2020 and subsequently assigned with additional charge of Director (Finance) w.e.f 01.03.2021.

Appointed as Director (Production) w.e.f 01.12.2020 and subsequently assigned with additional charge of Director (Commercial) w.e.f 01.03.2021.

3.10 Details of sitting fees paid to the Independent Directors during 2020-21 are given below:

Name	Sitting Fees (₹)		Total (₹)
	Board Meetings	Committee Meetings	
Shri N. N. Sharma@@	55,500	1,61,875	2,17,375
Smt. Achla Sinha^^	55,550	1,85,000	2,40,500

Note: TDS was deducted from the amount paid as sitting fee.

@@ Tenure as Independent Director ended on 05.09.2020.

^^ Tenure as Independent Director ended on 07.09.2020.

4.0 VARIOUS COMMITTEES OF THE BOARD:

- 4.1 There are 10 Board level Committees out of which 7 Committees are statutory and 3 Committees are voluntary in nature. In absence of Independent Directors on the Board w.e.f 08.09.2020, re-constitution of Statutory Committees viz. Audit Committee, CSR & Sustainability Development Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee have not taken place, since then.
- 4.2 Voluntary Committees were constituted with a mix of executive directors and non-executive directors of the Board of Directors from time to time to focus on specific areas and to smoothen the decision making processes.
- 4.3 Secretarial Standards relating to Board meeting are equally applicable to Committee meetings.
- 4.4 The Terms of Reference of each Committee are approved by the Board.

5.0 STATUTORY COMMITTEES:

5.1. Audit Committee:

5.1.1 There were two Independent Directors on the Board of the Company at the beginning of the financial year. The tenure of these two Independent Directors ended on 05.09.2020 and 07.09.2020 respectively. The Committee could not be re-constituted as per the provisions of SEBI Regulations and the Act, in absence of Independent Directors w.e.f 08.09.2020. As the Audit Committee is not re-constituted, based on the decision of the Board, all matters which were required to be placed before Board based on recommendation of the Audit Committee, were directly placed before the Board.

5.1.2 Matter has been taken up with the Administrative Ministry for early appointment of Independent Directors for compliance with the provisions of SEBI Regulations. After appointment of Independent Directors, the Audit Committee would be reconstituted to comply with SEBI Regulations.

5.1.3 Prior to the above non-compliance regarding existence of Audit Committee w.e.f 08.09.2020, the Committee met twice during the year, i.e. on 26.06.2020 and 04.09.2020. The gap between these two Audit Committee meetings was 69 days.

5.1.4 The members of the Committee and meeting(s) attended by each member in the above said two meetings are as follows:

Member of Audit Committee	Category	Position	Meeting	
			Held	Attended
Smt. Achla Sinha^^	Independent	Chairperson	2	2
Shri N. N. Sharma@@	Independent	Member	2	2
Shri V. Balasubramanyam, Director(Production)\$	Functional	Member	2	2

^^ Tenure as Independent Director ended on 07.09.2020

@@ Tenure as Independent Director ended on 05.09.2020.

\$ Superannuated as Director (Production) on 30.11.2020.

5.1.5 Director (P&T), Director (Commercial) and Director (HR) were invitees to the Committee besides Director (Finance) who is a permanent invitee to the Committee.

5.1.6 Head of Internal Audit, representatives of Statutory Auditors and Cost Auditors are invited to the meetings on need basis.

5.1.7 The Company Secretary acts as Secretary to the Audit Committee.

5.1.8 In absence of Independent Directors, the position of Chairman was vacant on the date of 39th AGM held on 30.09.2020. Hence, Chairman of the Committee was not present during the 39th AGM.

5.1.9 The Terms of Reference of the Audit Committee are broadly as follows:

5.1.9.1 Powers of the Audit Committee:

- To investigate any activity within its Terms of Reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

5.1.9.2 Role of the Audit Committee inter-alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of cost auditors, fixation of audit fees and other terms of appointment.
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
- Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of Section 134(5) of the Act.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Qualifications in draft audit report.
- Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval.

- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments, if any.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- To review compliances with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and to verify that the system for internal control are adequate and are operating efficiently.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.

5.1.9.3 Mandatory review of the following information by Audit Committee:

- The Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions, submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the internal auditors / chief internal auditor, and
- Statement of deviation :
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchanges in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

5.1.9.4 The functions of Audit Committee also include:

- To check whether cost controls are adequate and commensurate with size of the operations.
- To study the areas where income can be increased and the areas where cost can be reduced.
- Management Information System on each of the above areas and give its recommendations to the Board.

5.2 Nomination and Remuneration Committee:

5.2.1 There were two Independent Directors on the Board of the Company at the beginning of the financial year. The tenure of these two Independent Directors ended on 05.09.2020 and 07.09.2020 respectively. The Committee could not be re-constituted as per the provisions of SEBI Regulations and the Act, in absence of Independent Directors w.e.f 08.09.2020. As the Committee is not re-constituted, based on the decision of the Board, all matters which were required to be placed before Board based on recommendation of the Committee, were directly placed before the Board.

5.2.2 The Terms of Reference of the Committee:

- Approval of the annual bonus/variable pay pool and policy for the distribution across the executives and non-unionized supervisors within the prescribed limit.
- Matters as contained in the Act and SEBI Regulations.

5.2.3 MCA vide notification dated 05.06.2015 and 05.07.2017 have exempted Government Companies from certain provisions viz. annual evaluation of the Board and individual directors, formulation of policy for determining qualification, positive attitudes, independence of directors and recommendation to the Board a policy for remuneration of Directors. However, no such exemptions have been provided by SEBI so far under SEBI Regulations.

5.2.4 No meeting took place during the year under review.

5.2.5 In absence of Independent Directors, the position of Chairman was vacant on the date of 39th AGM held on 30.09.2020. Hence, Chairman of the Committee was not present during the 39th AGM.

5.3 Stakeholders Relationship Committee

5.3.1 There were two Independent Directors on the Board of the Company at the beginning of the financial year. The tenure of these two Independent Directors ended on 05.09.2020 and 07.09.2020 respectively. The Committee could not be re-constituted as per the provisions of SEBI Regulations and the Act, in absence of Independent Directors w.e.f 08.09.2020. As the Committee is not re-constituted, based on the decision of the Board, all matters which were required to be placed before Board based on recommendation of the Committee, were directly placed before the Board.

5.3.2 The Committee monitors redressal of the investors' grievances pertaining to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of dividends and other related matters.

5.3.3 The Terms of Reference of the Committee:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates and general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

5.3.4 M/s. KFin Technologies Private Limited has been appointed as Registrar and Share Transfer Agent to consider and resolve all grievances of the shareholders received either directly or through SEBI, Stock Exchanges etc. Efforts are always made to ensure that the grievances are redressed to the satisfaction of the investors at the earliest possible time.

5.3.5 Shri N. K. Mohanty, General Manager & Company Secretary of your Company is designated as the Compliance Officer as required under Regulation 6(1) of the SEBI Regulations.

5.3.6 One meeting took place on 31.08.2020 during the year.

5.3.7 The composition of the Committee and attendance of each member in the meeting held on 31.08.2020 were as follows:

Name	Category	Position	Meeting	
			Held	Attended
Smt. Achla Sinha^^	Independent	Chairperson	1	1
Shri V. Balasubramanyam, Director(Production)\$	Functional	Member	1	1
Shri P. K .Mishra Director (Commercial)&	Functional	Member	1	1
Shri R. S. Mahapatro Director (HR)	Functional	Member	1	1

^^ Tenure as Independent Director ended on 07.09.2020.

\$ Superannuated as Director (Production) on 30.11.2020.

& Superannuated as Director (Commercial) & Director (Finance)-Addl. Charge on 28.02.2021.

5.3.8 In absence of Independent Directors, the position of Chairman was vacant on the date of 39th AGM held on 30.09.2020. Hence, Chairman of the Committee was not present during the 39th AGM.

5.3.9 Details of complaints received and redressed during the year 2020-21 are as follows:

Received From	Opening Balance	Received during the year	Resolved during the year	Closing Balance
SEBI	0	7	7	0
Stock Exchange	0	6	6	0
Individuals	0	1,524	1,524	0
TOTAL	0	1,537	1,537	0

Note: No. of complaints received constitute 0.49% of the total number of shareholders of the Company. All complaints were resolved within reasonable time frame.

5.3.10 Break-up of different types of complaints received and resolved during the year under review are given below:

Type of complaints	No. of complaints
Non-receipt of Securities	18
Non-receipt of Dividend	1496
Non-receipt of Annual Report	10
Total	1,537

5.3.11 During the year under review, the Company had sent letters to the shareholders at regular intervals requesting them to update their PAN, addresses and Bank particulars in the database for enabling the Company to provide effective services.

5.3.12 Further, Regulation 40 of the SEBI Regulations has been amended mandating listed companies not to process/effect transfer of physical shares w.e.f 01.04.2019 except for transmission and transposition cases. Keeping the provisions in view, the Company had advised the shareholders holding shares in physical form to get them converted into demat/electronic form.

5.4 Risk Management Committee

5.4.1 There were two Independent Directors on the Board of the Company at the beginning of the financial year. The tenure of these two Independent Directors ended on 05.09.2020 and 07.09.2020 respectively. The Committee could not be re-constituted as per the provisions of SEBI Regulations, in absence of Independent Directors w.e.f 08.09.2020.

5.4.2 The Terms of Reference of the Committee is as follows:

- Assisting the Board of Directors in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic, external environment risks and cyber security.
- Overall responsibility for monitoring and approving the risk policies and associated practices of the Company.

- Reviewing and approving risk disclosure statements in any public documents or disclosures.
- 5.4.3 The Committee reviews and monitors risk assessment plan, informs the Board periodically about the risk assessed and action required to be taken. Details of risks perceived are also given in the Management Discussion & Analysis Report.
- 5.4.4 Shri R. C. Joshi, GGM (Finance) has been designated as Chief Risk Officer of the Company w.e.f 03.06.2020.
- 5.4.5 One meeting took place on 25.06.2020 during the year.
- 5.4.6 The composition of the Committee and attendance of each member in the meeting held on 25.06.2020 were as follows:

Name	Category	Position	Meeting	
			Held	Attended
Shri N. N. Sharma@@	Independent	Chairman	1	1
Shri V. Balasubramanyam, Director(Production)\$	Functional	Member	1	1
Shri S. K. Roy, Director (P&T)\$§	Functional	Member	1	1

@@ Tenure ended as Independent Director on 05.09.2020.

\$ Superannuated as Director (Production) on 30.11.2020.

§§ Superannuated as Director (P&T) on 31.10.2020.

5.5 CSR & Sustainability Development Committee:

- 5.5.1 There were two Independent Directors on the Board of the Company at the beginning of the financial year. The tenure of these two Independent Directors ended on 05.09.2020 and 07.09.2020 respectively. The Committee could not be re-constituted as per the provisions of the Act, in absence of Independent Directors w.e.f 08.09.2020. As the Committee is not re-constituted, based on the decision of the Board, all matters which were required to be placed before Board based on recommendation of the Committee, were directly placed before the Board.
- 5.5.2 The Terms of Reference of the Committee is as follows:
- Overseeing peripheral development activities being under taken by the Company through the respective Rehabilitation and Periphery Development Advisory Committees (RPDAC) and proposed to be taken under MMDR Act.
 - NALCO Foundation.
 - Environment Protection & Pollution controls.
- 5.5.3 The Committee met two times on 19.05.2020 and 31.08.2020 during the year.
- 5.5.4 The composition of the Committee and attendance of each member in the above two meetings were as follows:

Name	Category	Position	Meeting	
			Held	attended
Shri N. N. Sharma@@	Independent	Chairman	2	2
Smt. Achla Sinha^^	Independent	Member	2	2
Shri V. Balasubramanyam, Director(Production)\$	Functional	Member	2	2
Shri R. S. Mahapatro Director (HR)	Functional	Member	2	2

@@ Tenure ended as Independent Director on 05.09.2020.

^^ Tenure ended as Independent Director on 07.09.2020.

\$ Superannuated as Director (Production) on 30.11.2020.

5.6 Technology Committee:

- 5.6.1 Technology Committee was constituted in compliance with the requirements under the DPE guidelines.

5.6.2 The Committee monitors and pays special attention to the assessment of the Company's efforts to develop technology and acquiring and assimilating new technologies necessary to make it competitive and to its own R&D efforts for maintaining a sustained strength in the technological field and review specific consumption norms pertaining to Smelter, Refinery etc.

5.6.3 One meeting took place on 25.06.2020 during the year.

5.6.4 The composition of the Committee and meeting attended by each member in the meeting held on 25.06.2020 were as follows:

Name	Category	Position	Meeting	
			Held	Attended
Shri V. Balasubramanyam, Director(Production)\$	Functional	Chairman	1	1
Shri S. K .Roy Director (P&T)\$§	Functional	Member	1	1
Shri P. K. Mishra Director (Commercial) & (Finance) Addl. Charge &	Functional	Member	1	1
Shri M. P. Mishra, Director (P&T) & Director (Finance)-Addl. Charge*	Functional	Member	—	—
Shri B. K. Das, Director (Production) & Director (Commercial)-Addl. Charge#	Functional	Member	—	—

\$ Superannuated as Director (Production) on 30.11.2020.

§ Superannuated as Director (P&T) on 31.10.2020.

& Superannuated as Director (Commercial) & Director (Finance)-Addl. Charge on 28.02.2021.

* Appointed as Director (P&T) w.e.f 01.11.2020 and subsequently assigned with additional charge of Director (Finance) w.e.f 01.03.2021.

Appointed as Director (Production) w.e.f 01.12.2020 and subsequently assigned with additional charge of Director (Commercial) w.e.f 01.03.2021.

5.7 Share Transfer Committee:

5.7.1 Cases pertaining to issue of new share certificates in case of torn/ mutilated/defaced/lost/rematerialisation are approved by the Share Transfer Committee, consisting of all Functional Directors excluding Chairman-cum-Managing Director.

5.7.2 The Committee met six times on 18.06.2020, 10.07.2020, 27.11.2020, 15.12.2020, 08.01.2021 and 22.01.2021 during the year.

5.7.3 The composition of the Committee and attendance of each member in the meetings, as on 31.03.2021, were as follows:

Name	Category	Position	Meeting	
			Held during the tenure	Attended
Shri V. Balasubramanyam Director (Production)\$	Functional	Chairman	3	3
Shri S. K. Roy, Director (P&T)§§	Functional	Member	1	2
Shri P. K. Mishra Director (Commercial) & Director (Finance)-Addl. Charge-&	Functional	Member/Chairman	6	6
Shri R. S. Mahapatro Director (HR)	Functional	Member	6	6
Shri M. P. Mishra Director (P&T)\$	Functional	Member	4	3
Shri B. K. Das Director (Production)@	Functional	Member	3	3

\$ Superannuated as Director (Production) on 30.11.2020.

§§ Superannuated as Director (P&T) on 31.10.2020.

- & Attended 3 meetings as Member and 3 meetings as Chairman of the Committee (Designated as Chairman of the Committee upon superannuation of Director (Production) on 30.11.2020). Superannuated as Director (Commercial) & Director (Finance)-Addl. Charge on 28.02.2021.
- * Appointed as Director (P&T) w.e.f 01.11.2020 and subsequently assigned with additional charge of Director (Finance) w.e.f 01.03.2021.
- # Appointed as Director (Production) w.e.f 01.12.2020 and subsequently assigned with additional charge of Director (Commercial) w.e.f 01.03.2021.

6.0 NON-STATUTORY COMMITTEES (VOLUNTARY IN NATURE):

6.1 Human Resources Committee:

- 6.1.1 The policy decision on human resource management of the Company is vested with the Committee for their recommendation to the Board.
- 6.1.2 The Terms of Reference of the Committee is to study and recommend to the Board for approval, proposals in the following areas:
- Framing of rules and regulations and changes therein relating to recruitment, transfer, promotion, deputation and other conditions of service in respect of below Board level employees.
 - Wage structure and scales of pay of the non-executives and any changes therein.
 - Organization chart including manpower planning.
 - Any other reference made by the Board from time to time.
- 6.1.3 No meeting was held during the year.

6.2 Ethics & Corporate Governance Committee

- 6.2.1 This Committee looks into the ethical standard and good governance being practised in the Company.
- 6.2.2 The Terms of Reference of the Committee include:
- Practices of Corporate Governance at all levels and to suggest remedial measures, wherever necessary.
 - Provision of correct inputs to the media so as to preserve and protect the Company's image and standing.
 - Dissemination of factually correct information to the investors, institutions and public at large.
 - Interaction with existing and prospective FIIs and rating agencies, etc.
 - Establishing oversight on important corporate communication on behalf of the Company with the assistance of consultants / advisors, if necessary.
 - Institution of standardized channels of internal communications across the Company to facilitate a high level of disciplined participation.
 - Compliance of the following, formulated in terms of SEBI & DPE guidelines:
 - Code of Conduct for Senior Management
 - Insider Trading Regulations
 - Related Party Transactions
 - Vigilance Related Issues
 - Whistle Blower Policy
- 6.2.3 The Committee met once on 31.08.2020 during the year.
- 6.2.4 The composition of the Committee and attendance of each member in the meeting held on 31.08.2020 were as follows:

Name	Category	Position	Meeting held	Meeting attended
Smt. Achla Sinha^^	Independent	Chairperson	1	1
Shri S. K. Roy, Director (P&T)\$	Functional	Member	1	1

Name	Category	Position	Meeting held	Meeting attended
Shri P. K. Mishra Director (Commercial)&	Functional	Member	1	1
Shri R. S. Mahapatro Director (HR)	Functional	Member	1	1

^^ Tenure ended as Independent Director on 07.09.2020.

\$\$ Superannuated as Director (P&T) on 31.10.2020.

& Superannuated as Director (Commercial) & Director (Finance)-Addl. Charge on 28.02.2021.

6.3 Committee of Directors for Projects and New Ventures

6.3.1 This Committee looks into the project related activities and recommend investment in new projects.

6.3.2 The Terms of Reference of the Committee is to examine and make recommendation to the Board on new projects/capital expenditure on Joint Ventures:

- Appraisal and approval of the procedures and formalities in respect of various stages of new projects including preparation of DPR.
- To study and recommend to the Board, proposals for investment in new projects, in India and abroad, exceeding ₹10 crore each.
- Review the status of capital projects, costing over ₹100 crore each.

6.3.3 The Committee met once on 25.06.2020 during the year.

6.3.4 The composition of the Committee and attendance of each member in the meeting held on 25.06.2020 was as follows:

Name	Category	Position	Meeting	
			Held	attended
Shri S. Patra Chairman-cum-Managing Director	Functional	Chairman	1	1
Shri A. K. Nayak Part-time Official Director^	Government Nominee	Member	1	0
Shri V. Balasubramanyam Director (Production)\$	Functional	Member	1	1
Shri S. K. Roy Director (P&T) \$\$	Functional	Member	1	1
Shri P. K. Mishra Director (Commercial) & Director (Finance)-Addl. Charge-&	Functional	Member	1	1
Shri R. S. Mahapatro Director (HR)	Functional	Member	1	1
Shri M. P. Mishra Director (P&T)*	Functional	Member	0	0
Shri B. K. Das Director (Production)#	Functional	Member	0	0

^ Tenure ended as Part-time Official Director on 05.08.2020.

\$ Superannuated as Director (Production) on 30.11.2020.

\$\$ Superannuated as Director (P&T) on 31.10.2020.

& Superannuated as Director (Commercial) & Director (Finance)- Addl. Charge on 28.02.2021.

* Appointed as Director (P&T) w.e.f 01.11.2020 and subsequently assigned with additional charge of Director (Finance) w.e.f 01.03.2021.

Appointed as Director (Production) w.e.f 01.12.2020 and subsequently assigned with additional charge of Director (Commercial) w.e.f 01.03.2021.

7.0 SEPARATE MEETING OF INDEPENDENT DIRECTORS:

- 7.1 Separate meeting of Independent Directors is a requirement under the Act as well as SEBI Regulations.
- 7.2 Ministry of Corporate Affairs (MCA) have exempted certain areas viz. review of performance of Chairperson, non-independent directors and the Board as a whole from the scope of the meeting of Independent Directors for Government Companies.
- 7.3 The Committee assesses the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- 7.4 During the year, one meeting was held on 31.08.2020.
- 7.5 The attendance of Independent Directors in the meeting held on 31.08.2020 was as follows:

Name	Category	Position	Meeting held	Meeting attended
Shri N. N. Sharma@@	Independent	Chairman	1	1
Smt. Achla Sinha^^	Independent	Member	1	1

@@ Tenure ended as Independent Director on 05.09.2020.

^^ Tenure ended as Independent Director on 07.09.2020.

- 7.6 The Company Secretary facilitated convening and holding of the meeting on the request of the Independent Directors.
- 7.7 Minutes of the meeting was placed in the subsequent Board meeting for information of the Board.

8.0 GENERAL BODY MEETINGS:

- 8.1 Details of last three Annual General Meetings held:

Financial Year	AGM Date	Time	Special Resolution, if any	Venue
2017-18	29.08.2018	11:00AM	No	NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751 013
2018-19	18.09.2019	11:00AM	No	NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751 013
2019-20	30.09.2020	11:00 AM	No	Through Video Conferencing ("VC")/ Other Audio Visual means ["OAVM"] Deemed Venue: NALCO Bhawan, P/1, Nayapalli Bhubaneswar- 751 013

- 8.2 No Extra-ordinary General Meeting has taken place during last 3 years.
- 8.3 Due to the outbreak of COVID-19, the Ministry of Corporate Affairs, Government of India and the Securities and Exchange Board of India, has allowed companies to conduct Annual General Meetings through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") during the calendar year 2020, without the physical presence of members. Accordingly, the last Annual General Meeting was conducted through VC/OAVM.
- 8.4 Facility for joining the AGM through VC / OAVM and registration as speaker was provided to the eligible shareholders.
- 8.5 Remote e-voting facility was provided to the shareholders during the last Annual General Meeting (AGM) held on 30.09.2020. Members were provided with e-voting facility during the AGM, who could not exercise their vote through remote e-voting process.
- 8.6 No special resolution is proposed to be transacted through postal ballot in this Annual General Meeting.

9.0 MEANS OF COMMUNICATION:

- 9.1 The Company believes in sharing of material information and disclosure of results in time, as a measure of good corporate governance practice.
- 9.2 Unaudited financial results for the first three quarters were announced within scheduled time as per SEBI Regulations. Audited financial results for the fourth quarter and full year of the Company were announced within the extended time period, as announced by SEBI.

9.3 The results were disseminated to the Stock Exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre within scheduled time from conclusion of the Board meetings where the results were approved by the Board. Simultaneously, the results were uploaded in the Company’s website www.nalcoindia.com.

9.4 Extract of the results were published in English and Odia newspapers, detailed below:

Description of results	Date of meeting	Newspapers	Publication date
1 st Qtr.- (Apr-June, 2020)	04.09.2020	Business Line (English) and Samaja (Odia)	05.09.2020
2 nd Qtr.- (July-Sept., 2020)	11.11.2020	Financial Express (English) and Sambad (Odia)	12.11.2020
3 rd Qtr.- (Oct- Dec., 2020)	12.02.2021	Business Standard (English) and Dharitri (Odia)	13.02.2021
4 th Qtr. (Jan.–March, 2021 and year 2020-21)	28.06.2021	Economic Times (English) and Prameya (Odia)	29.06.2021.

9.5 The Company has adopted the e-communication practice to communicate to its shareholders. All kinds of letters/intimations/reports are sent to the registered e-mail ids of the shareholders who have registered their e-mail ids in the database. Shareholders who have not registered their e-mail ids are encouraged to register their e-mail ids for instant and better communication.

9.6 The Annual Report and other communique of the Company are hosted in the website in a user-friendly and downloadable form.

9.7 On-line access facilities has been provided in the “Investors’ service” page in the website for shareholders to ascertain status of encashment of their dividend as well as other related information from time to time.

9.8 During the year under review, interview with Chairman-cum-Managing Director by electronic media on Company’s financials, future expansion, diversification etc. were aired in various channels, from time to time.

10.0 GENERAL SHAREHOLDER INFORMATION:

10.1 Company Registration Details:

Corporate Identity Number (CIN)	: L27203OR1981GOI000920
Company’s PAN	: AAACN7449M
Company’s GST	: 21AAACN7449M1Z9
Date of Registration	: 7 th January, 1981
Financial Year	: 1 st April - 31st March
Registered Office of the Company	: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751 013, Odisha.

10.2 Annual General Meeting for the financial year 2020-21:

Keeping in view the ongoing COVID pandemic, MCA vide circular dated 13.01.2021 have allowed holding Annual General Meeting through Video Conferencing (VC)/Other Audio Visual Means (OAVM) till 31st December, 2021. Accordingly, the Annual General Meeting for this year is proposed to be held on Thursday, the 30th September, 2021 as detailed below:

Day and Date	Thursday, the 30 th September, 2021
Time	11.00 a.m.
Deemed Venue	NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751 013
Mode	Through VC/OAVM

10.3 Financial Calendar for 2021-22:

Events	Tentative Date
Unaudited Financial results for the first three quarters	Within 45 days of closure of respective quarter/extended time, if any, granted by SEBI.
Audited Financial results for the year including 4 th quarter results	Within 60 days from date of closure of the Financial Year//extended time, if any, granted by SEBI.
Annual General Meeting for the year ending March 31, 2022	By September, 2022

10.4 Dividend Policy:

The Company has formulated a Dividend Distribution Policy and the same is available in the Company's website in the following link: <https://nalcoindia.com/wp-content/uploads/2019/01/Dividend-Policy.pdf>

As per the guidelines issued by Department of Investment and Public Asset Management (DIPAM), every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of net-worth whichever is higher subject to maximum dividend permitted under the Companies Act, 2013.

10.5 Payment of Dividend:

10.5.1 During the year, the Company has paid interim dividend @ ₹2.50 per equity share amounting in total ₹460.61 crore in two tranches.

10.5.2 The Board of Directors have recommended final dividend @ 20% i.e. ₹1 per equity share subject to approval of the shareholders in the ensuing Annual General Meeting.

10.5.3 The total dividend payout (including two tranches of interim dividend and final dividend) for financial year 2020-21 is ₹644.27 crore as against ₹279.84 crore during the previous year (₹3.50 per share in 2020-21 as against ₹1.50 per share in 2019-20).

10.5.4 Dividend is subject to TDS in the hands of the shareholders w.e.f. 01.04.2020, as per Section 194 of the Income Tax, 1961. After declaration of the dividend, shareholders were advised to submit Form 15G/15H, as applicable to ensure that no TDS was deducted from their dividend income. M/s. KFin Technologies Pvt. Ltd., RTA of the Company also provided the following link to facilitate online submission of the Form 15G / Form 15H by the shareholders: <https://ris.kfintech.com/form15/>

10.6 Dividend history for past 5 years:

Year	Dividend per share (₹)	Payment date	Total Dividend (₹ in crores)	% of dividend to PAT
2015-16	(I)- ₹1.25	(I)-31.03.2016	467.13	63.90
	(F)- ₹0.75	(F)-25.10.2016		
2016-17	(I)- ₹2.80	(I)-23.03.2017	541.22	80.96
	(F)- Nil	(F)-NA		
2017-18	(I)- ₹4.70	(I)- 28.02.2018	1,101.77	82.07
	(F)- ₹1.00	(F)-24.09.2018		
2018-19	(I)- ₹4.50	(I)- 28.03.2019	1,072.73	161.49
	(F)- ₹1.25	(F)-14.10.2019		
2019-20	(I)- ₹1.50	(I)-06.03.2020	279.84	202.45
	(F)- Nil	(F)-NA		

Interim(I), Final(F)

10.7 Listing Details:

The listing details of NALCO shares are as follows:

Particulars	Stock Exchanges where shares are listed	
	BSE Limited	National Stock Exchange of India Ltd.
Address	Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI - 400 001	Exchange Plaza, Bandra-Kurla Complex, Bandra East, MUMBAI - 400 051
Scrip code	532234	NATIONALUM
Traded from	19.10.1992	28.04.1999
Stock code (ISIN)	INE 139A01034	INE 139A01034
Payment of Listing Fees for 2021-22	30.04.2021	30.04.2021

Annual Custody/Issuer fee for the year 2021-22 has been paid by the Company to NSDL and CDSL.

10.8 Market Price Data for Financial year 2020-21:

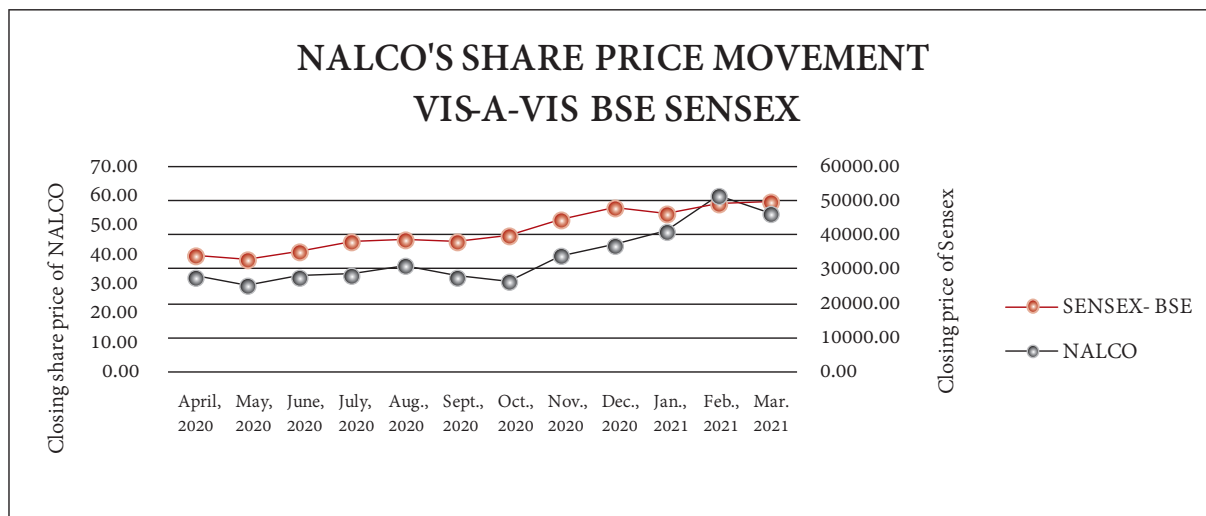
MONTH	SHARE PRICE (BSE) (Amount in ₹)			SHARE PRICE (NSE) (Amount in ₹)			MARKET CAPITALISATION (₹ in Crore)	
	H	L	Avg. Turnover	H	L	Avg. Turnover	BSE	NSE
April, 2020	35.35	27.55	492028	35.35	27.50	13181555	5820.70	5824.40
May	31.15	26.80	492508	30.80	26.75	9348168	5324.42	5322.56
June	34.90	29.35	1485600	34.90	29.30	19779099	5913.95	5915.82
July	37.50	31.25	825630	37.50	31.25	16338643	6320.65	6324.38
August	40.00	32.50	826829	40.05	32.50	15144424	6736.68	6742.28
September	38.00	30.00	704201	38.05	29.95	12660590	6376.62	6376.62
October	33.30	29.15	518480	33.30	29.10	11768462	5757.24	5753.51
November	40.20	29.95	919607	40.20	29.95	14154020	6443.78	6443.78
December	45.00	37.40	1694289	45.00	37.35	23739704	7854.18	7852.31
January,2021	50.00	42.90	1943148	50.00	42.90	29349300	8688.10	8691.83
February	61.20	47.35	2601318	61.25	47.30	30468859	9645.15	9652.61
March*	64.00	50.80	1505520	64.00	50.70	23947960	10514.54	10510.86

H=Highest, L=Lowest, Source: Websites of BSE &NSE

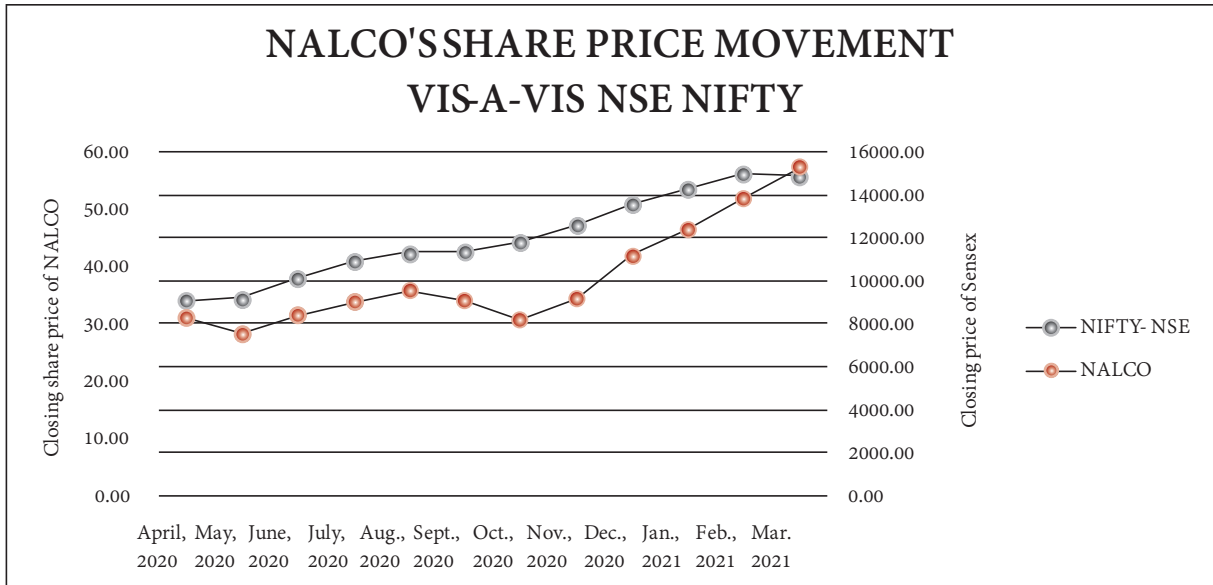
*The total number of outstanding paid-up equity shares reduced from 1,86,56,17,498 to 1,83,66,31,787 on 17.03.2021 due to Buy-back offer.

10.9 Performance in comparison to broad - based Indices:

BSE:



NSE:



10.10 Registrar and Share Transfer Agents:

There is a steady increase in shareholders base in the Company. To ensure efficient and effective services to the shareholders, the share registry activities have been outsourced to M/s. KFin Technologies Private Limited (Formerly Karvy Fintech Private Limited). M/s. KFin Technologies Private Limited carries out share related activities like transmission of shares, transposition of shares, issue of duplicate share certificates, deletion of name, change of address, bank particulars, issue of DDs in lieu of expired dividend warrants, reconciliation of dividend accounts with banks, taking care of IEPF related activities, registration of nominees, dematerialization/rematerialisation of shares etc. The contact details of M/s. KFin Technologies Private Limited is as follows:

M/s. KFin Technologies Private Limited.

Unit: National Aluminium Company Limited

KFin Technologies Pvt. Ltd.

Selenium Tower B, Plot 31 & 32,

Financial District, Nanakramguda, Serilingampally Mandal,

Hyderabad - 500 032, Telangana.

Toll Free No.: 1800 309 4001, Email: einward.ris@kfintech.com

10.11 Share transfer system:

Company Secretary has been authorized by the Board to approve all requests/cases relating to transfer/ transmission/transposition and dematerialization of shares. However, cases pertaining to issue of new share certificates in case of torn/ mutilated/ defaced/ lost/ rematerialisation are approved by the Share Transfer Committee, consisting of all Functional Directors excluding Chairman-cum-Managing Director. Transfer of physical shares have been stopped w.e.f 01.04.2019, in compliance to amended Regulation 40 of SEBI Regulations.

Half yearly compliance certificates, as required under Regulation 7(3) of SEBI Regulations, duly signed by the Company Secretary & Compliance Officer and Share Transfer Agent have been submitted to the Stock Exchanges within scheduled time limit. Besides, pursuant to Regulation 40(10) of SEBI Regulations, certificate from M/s. Deba Mohapatra & Co., Practicing Company Secretary on half yearly basis confirming that all certificates had been issued within thirty days of the date of lodgment for transmission/transposition, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies had been submitted to Stock Exchanges within stipulated time.

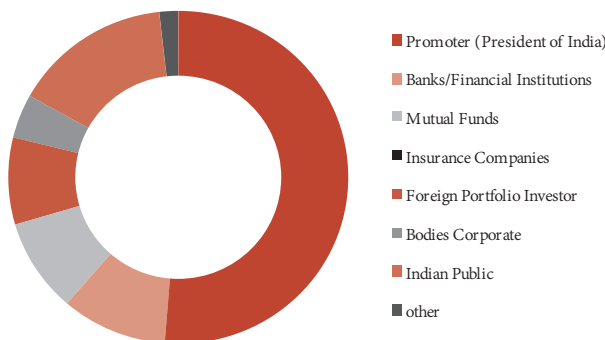
10.12 Shareholding pattern as on 31.03.2021:

Sl. No.	Category	No. of Shareholders	No. of shares	%age of shareholding
1.	Promoter (President of India)	1	94,17,93,011	51.28
2.	Banks/ Financial Institutions	44	18,56,95,649	10.11
3.	Mutual Funds	56	16,63,22,897	9.06
4.	Insurance Companies	2	1,600	0.00
6.	Foreign Portfolio Investor	150	15,38,50,192	8.38
6.	Bodies Corporate	1,503	7,80,64,722	4.25
7.	Indian Public	2,99,988	27,77,21,052	15.12
8.	Others	11,694	3,31,82,664	1.81
TOTAL		3,13,438	1,83,66,31,787	100.00

10.13 Promoter's holding has changed in the following manner during the year under review:

Name of promoter	No. of shares (Beginning of the Year)	% of holding	Decrease during the year	Date of Change	Mode	Share balance	% of holding
President of India	96,07,93,011	51.50	1,90,00,000	17.03.2021	Buy-back of shares	94,17,93,011	51.28

10.14 Category-wise shareholding as on 31.03.2021:



10.15 Distribution of shareholding as on 31.03.2021:

No. of shares	No. of Shareholders	% of shareholders	No. of shares	% of share capital
1-200	1,78,194	56.85	1,42,85,981	0.78
201-500	58,773	18.75	2,22,67,029	1.21
501-1000	33,425	10.66	2,79,15,953	1.52
1001-50000	42,344	13.52	18,03,75,966	9.82
50001-100000	311	0.10	2,21,36,425	1.21
100001 and above	391	0.12	1,56,96,50,433	85.46
TOTAL	3,13,438	100.00	1,83,66,31,787	100.00

10.16 Top 10 equity shareholders besides the promoter of the Company as on 31.03.2021:

Sl. No.	Name of shareholder	No. of shares	%of holding
1.	Life Insurance Corporation of India	10,41,04,003	5.67
2.	ICICI Prudential Equity Arbitrage Fund	6,14,34,544	3.34
3.	HDFC Life Insurance Company Limited	2,97,31,664	1.62
4.	Aditya Birla Sun Life Trustee Private Limited A/c	2,27,18,194	1.24
5.	The New India Assurance Company Limited	1,95,42,744	1.06
6.	Hindalco Industries Limited	1,83,85,327	1.00
7.	Renuka Investments & Finance Limited	1,64,18,964	0.89
8.	UTI-Mid Cap Fund	1,53,42,503	0.84
9.	Societe Generale - ODI	1,45,79,584	0.79
10.	Renukeshwar Investment and Finance Ltd.	1,28,14,264	0.70
TOTAL		31,50,71,791	17.15

10.17 Dematerialisation / Rematerialisation of listed shares & liquidity:

10.17.1 The shares of the Company are in compulsory dematerialised segment and are admitted with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).

10.17.2 Secretarial Audit Report for Reconciliation of the Share Capital Audit Report, obtained from Practicing Company Secretary, has been submitted within statutory period to Stock Exchanges on quarterly basis.

10.17.3 Total no. of shares held in physical and in dematerialization mode as on 31.03.2021:

	No. of Shares	% to total shares	No. of shareholders
Physical	18,31,792	0.10	2,465
Demat (Electronic):			
NSDL	1,66,34,55,360	90.57	1,40,690
CDSL	17,13,44,635	9.33	1,70,283
Total	1,83,66,31,787	100	3,13,438

10.17.4 During the year, 35 dematerialization requests involving 17,004 shares have been confirmed. No rematerialisation request was received during the year.

10.18 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on equity:

No GDRs/ADRs/Warrants or any Convertible instruments has been issued by the Company.

10.19 Equity Shares in Suspense Account:

No equity shares are lying in suspense account in terms of Regulation 34(3) and Schedule V, Part F of SEBI Regulations.

10.20 Transfer of unpaid/unclaimed dividend to IEPF:

In accordance with the provisions under the Act, an amount of ₹10,38,882/- pertaining to unclaimed interim dividend for financial year 2012-13 and an amount of ₹6,85,923/- pertaining to unclaimed final dividend for financial year 2012-13 have been transferred to Investor Education and Protection Fund, during the financial year 2020-21.

Shareholders can retrieve data relating to unpaid/unclaimed dividend from the website in the following link: <https://kosmic.karvy.com/IEPF/IEPFInfo.aspx>

10.21 Transfer of shares to IEPF:

10.21.1 In terms of Section 124(6) of the Act and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the shares in respect of which the dividend has not been encashed or claimed for a period of seven years or more, are required to be transferred to Investor Education and Protection Fund (IEPF) Authority account.

10.21.2 During the year, 29,173 shares of 100 shareholders were transferred to the demat account of IEPF Authority, opened with NSDL. Till the year ended 31st March, 2021, the Company has transferred 2,61,353 shares of 913 shareholders in compliance with the provisions of the Act. The detailed information of the shares transferred to IEPF is available in the link <https://nalcoindia.com/wp-content/uploads/2021/01/Shares-Transferred-to-IEPF-4-1-2021.pdf>

10.21.3 Shares and/or dividend transferred to IEPF can be claimed back from IEPF Authority by submitting application in Web Form IEPF-5. The procedure for claiming the shares/dividend from IEPF Authority and Form IEPF-5 is provided in the following link <http://www.iepf.gov.in/IEPF/corporates.html>

10.22 Commodity price risk or foreign exchange risk and hedging risk:

The Company does not have exposure on commodity hedging and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is treated as Nil. However, Nil report as per prescribed SEBI format is given below:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
Nil	Nil	Nil	Nil	Nil	Nil	Nil	

10.23 List of credit ratings obtained by the entity along with any revision thereto:

During the year, M/s India Ratings has affirmed your Company's rating, instrument wise as follows:

Instrument Type	Rating/Outlook
Short-Term Bank Facilities	IND A1+
Long-Term Bank Facilities	IND AAA/Stable

The above ratings have been re-affirmed by the rating agency with their rating action publication of 18.02.2021.

11.0 OTHER DISCLOSURES:

11.1 The Company has formulated a Policy on Related Party Transactions which is available in the following web link: <https://nalcoindia.com/wp-content/uploads/2018/12/NEW-RPT-NALCO.pdf>

Related parties and related parties transactions are disclosed in note no.38 of both standalone financial statements and consolidated financial statements of the Company for the financial year 2020-21. There were no material transactions with any related party during the financial year. The related party transactions in the prescribed Form AO C -2 forms part of the Directors' Report.

11.2 The Company has complied with all the requirements of SEBI Regulations, the Act and DPE Guidelines on Corporate Governance except to the extent stated elsewhere in this report. The Company has not received any stricture and no penalty was imposed by SEBI or any other Statutory Authority for non-compliance of any matter related to the capital markets during last three years. However, both the Stock Exchanges i.e. BSE and NSE have levied penalties for non-compliance of various provisions of SEBI Regulations for different quarters, mainly on composition of the Board and other Statutory Committees, in the absence of Independent Directors. The Company, being a Central Government Company, appointment of Independent Directors is done by the Govt. of India and the same is beyond the control of the Company. Both the Stock Exchanges have been requested to waive the penalties. BSE, vide their letter dated 19.04.2021 have waived the penalties for the quarters ended 30.09.2020 and 31.12.2020.

11.3 As a measure of vigil mechanism, the Board had approved 'Whistle Blower Policy' and 'Fraud Prevention Policy' for directors and employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The policy also safeguards against victimization of employees, who avail the mechanism.

It is also affirmed that no personnel of the company had been denied access to the Chairman, Audit Committee. Both the policies are available in Company's website in the following link: https://nalcoindia.com/wp-content/uploads/2018/12/Whistleblowerpolicy_nalco.pdf and <https://nalcoindia.com/wp-content/uploads/2018/12/Nalcofraudpreventionpolicy.pdf>

11.4 The Company does not have any subsidiary as on date. Hence, the Company has not framed any policy for determining material subsidiary.

11.5 The Company has a Currency Hedging Policy in place, which is reviewed considering changes in the regulatory provision, if any and market dynamics. However, the Company does not have any hedging policy on sales.

11.6 The Company has not raised funds through preferential allotment or qualified Institutional Placement during the year under review.

11.7 The Company has obtained a Certificate from M/s. Deba Mohapatra & Co., Practising Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies either by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other Statutory Authorities. The said certificate forms part of this report.

11.8 During the year, there is no such instance where the Board has not accepted any recommendation of any Committee which is mandatorily required.

11.9 The Company has paid ₹73 Lakhs during the year towards fees and expenses for all services rendered by the Statutory Auditors.

11.10 During the year, no case was reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

11.11 The web links for different policies have been provided under respective heads.

- 11.12 Compliance certificate obtained from the Statutory Auditors of the Company regarding compliances of conditions of corporate governance forms part of this report.
- 11.13 Insider Trading Code:
- 11.13.1 The Board has laid down a robust Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in line with the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 11.13.2 The objective of the code is to ensure that no insider of the Company derives any benefit or assist others to derive any benefit on basis of any unpublished price sensitive information he is possessing, before it is made public.
- 11.13.3 Company Secretary is the Compliance Officer for this code.
- 11.13.4 The Board has also approved code of Conduct to regulate, monitor and report trading by its employees and other connected persons.
- 11.13.5 Insiders are entitled to formulate trading plan subject to certain conditions as enumerated in the Insider Trading Code and approval of the Compliance Officer. The trading plan is to be implemented mandatorily.
- 11.13.6 Designated Persons and their immediate relatives are not allowed to trade in securities when the trading window is closed. Permission of Compliance Officer is required to deal in securities beyond limits specified in the code. All Directors/ Designated Employees are required to disclose their transaction to the Stock Exchanges where Company's shares are listed within stipulated time when value of such transaction exceeds the threshold limit prescribed under the code.
- 11.13.7 The code is displayed on the Company's website at <https://nalcoindia.com/wp-content/uploads/2019/01/AMENDED-COPP.pdf>
- 11.14 Code of Conduct:
- 11.14.1 The company has devised a Model Code of Business Conduct and Ethics ('the Code'), applicable to all the Board Members and the Senior Management (one level below the Board of Directors) of the Company. The Code is available in Company's website in the link:<https://nalcoindia.com/wp-content/uploads/2019/01/CodeofConduct.pdf>
- 11.14.2 All Directors on their induction to the Board are provided with copy of the Code which they acknowledge receipt of the same. Further, all the members of the Board and senior management personnel affirm the code on annual basis at the beginning of the financial year.
- 11.15 Declaration by the Chairman-cum-Managing Director as required under Schedule V of SEBI Regulations:

DECLARATION

The members of the Board and Senior Management Personnel have affirmed compliance of the Code of Conduct for Board members and senior management personnel for the financial year ended on March 31, 2021.

Sd/-

(S. Patra)

Chairman-cum-Managing Director

11.16 **CEO/CFO Certification:**

The CEO/CFO certificate under Regulation 17(8) of SEBI Regulations, duly signed by Shri S. Patra, Chairman-cum-Managing Director and Shri M. P. Mishra, Director (P&T) & Director (Finance)-Addl. Charge was placed before the meeting of the Board of Directors held on 28.06.2021.

11.17 **Disclosure under DPE guidelines:**

11.17.1 No expenditure has been debited in the books of accounts not related to business.

11.17.2 No expenditure is incurred which are personal in nature and incurred for the Board of Directors and top management.

11.17.3 Details of administrative expenditure and office expenses as a percentage of total expenses vis-à-vis financial expenses and

reasons for increase are as follows:

(₹ in crore)

Particulars	2020-21	2019-20
Administrative and office expenses	103.23	124.14
Total expenses	7,785.87	8,518.18
Administrative and office expenses as a % of total expenses	1.33	1.46
Financial expenses	7.08	5.74

11.17.4 The Company is submitting self-appraisal reports on compliance of the guidelines on Corporate Governance, prescribed by the Dept. of Public Enterprises (DPE) on quarterly basis. The Company is rated 'Very Good' as per the self-appraisal report for the financial year 2020-21. The self-appraisal report for 2020-21 can be accessed in the website at <https://nalcoindia.com/wp-content/uploads/2021/04/For-Quarter-ended-31.03.2021.pdf>

11.17.5 The Company has complied with the presidential directives, received during the year and during last three years.

11.17.6 The Company is complying with all the requirements of the DPE Guidelines on Corporate Governance except with regard to composition of Board and Statutory Board level Sub-committees.

12.0 NON-MANDATORY REQUIREMENTS:

The status of compliance with discretionary requirements under Regulation 27(1) read with Part-E of Schedule-II of SEBI Regulations are as under:

- The Company has been getting unqualified audit report from Statutory Auditors and C&AG for last several years which indicate a regime of unqualified financial statements.
- The Internal Auditors report to the Chief Internal Auditor of the Company and in turn, the Chief Internal Auditor reports to the Audit Committee.

13.0 PLANT LOCATIONS OF THE COMPANY:

Registered & Corporate Office : NALCO Bhawan Plot No. P/1, Nayapalli Bhubaneswar – 751013, (Odisha)	Smelter Plant Nalco Nagar Angul - 759 145, (Odisha)
Mines & Refinery Mines & Refinery Complex Damanjodi - 763 008 Dist.-Koraput, (Odisha)	Captive Power Plant Angul - 759 122, (Odisha)
Port Facilities Opposite Ore Handling Complex Port Area, Visakhapatnam-530035, (Andhra Pradesh)	Jaisalmer 47.6 MW Wind Power Plant National Aluminium Company Limited Village - Ludarva, Kahela, Khadero-Ki-Dhani, Tawariya, Chatrel Division/Taluk/District - Jaisalmer Rajasthan – 345001
Gandikota 50.4 MW Wind Power Plant National Aluminium Company Limited Village - Gandikota Division - Prodattur Taluka – Jammalmadugu, District – Kadapa, Andhra Pradesh	Sangli 50.4 MW Wind Power Plant National Aluminium Company Ltd. Village-Mendhigiri, Taluk-Jath Dist.- Sangli, Maharashtra- 416404
Jaisalmer 50 MW Wind Power Plant National Aluminium Company Limited Village –Devikot, Tehsil-Fatehgarh Division/Taluk/District – Jaisalmer Rajasthan- 245009	Kayathar 25.5 MW Wind Power Plant National Aluminium Company Limited Village- Onamakulam, Tehsil- Kayathar District- Tuticorin, Tamil Nadu- 628303
PORT FACILITIES	

Visakhapatnam Opp. Ore Handling Complex, Port Area, Vi sakhapatnam - 530 035 Andhra Pradesh	Paradip (Port Office) 'V' Point, Badapadia, Paradip - 751 142
REGIONAL OFFICES	
Eastern Region 1st Floor, J K Millenium Centre, 46-D, Chowringhee Road, Kolkata - 700 071	Western Region 215, T.V. Industrial Estate, S.K. Ahire Marg, Worli, Mumbai - 400 030
Northern Region Core - 4, 5th Floor, South Tower, District Centre, Scope Minar, Laxmi Nagar, Delhi - 110 092	Southern Region 3E, Century Plaza, 560, Anna Salai, Teynampet, Chennai-600 018
BRANCH OFFICE	
Bengaluru Ground Floor, Jal Bhavan, No. 5 & 6, 1st Stage, 1st Phase, BTM Layout, Bannerghatta Main Road, Bengaluru - 560 029	
STOCK YARDS	
Bhiwandi M/s. National Aluminium Company Limited C/o. NSIC Limited, 183/5 Indian Corp. Compound, Mankoli Naka, Mumbai Nasik Road, Thane, Maharashtra, Bhiwandi - 421 302.	Kolkata M/s. National Aluminium Company Limited C/o. Balmer Lawrie & Company Limited, WH, 1-Sonapur Road, Kolkata - 700 088, West Bengal,
Jaipur M/s. National Aluminium Company Limited C/o. Om Prakash Agarwal, Khasra 9/2/3, 9/2/4 & 16/12, Gram Nimeda, Near Bindyaka Industrial Area, Sirsi Road, Jaipur - 302012, Rajasthan.	Visakhapatnam M/s. National Aluminium Company Limited NALCO Port Facilities, Port Area, Visakhapatnam - 530 035, Andhra Pradesh,
Baddi M/s. National Aluminium Company Limited C/o. NSIC Limited, Village : Dharampur, P.O. : Baddi, Tehsil : Nalagarh, Dist. : Solan - 173205, Himachal Pradesh	Chennai M/s. National Aluminium Company Limited C/o. NSIC Ltd., Plot No. A12, CMDA Truck Terminal, Ponniamanmedu Post, Madhavaram, Chennai - 600 110.
Vadodara M/s. National Aluminium Company Limited C/o. Central Warehousing Corporation, 1B, Central Warehouse, Near Ranoli Flyover, Ranoli, Karachiya, Vadodara, Gujarat - 391350.	New Delhi M/s. National Aluminium Company Limited C/o. Supreme Road Transport Pvt. Ltd., Khasra 46/15/1, Village Tikri Kalan, Netaji Subash Vihar, New Delhi 110041
Raipur M/s. National Aluminium Company Limited C/o Ekta Enterprises, Monet Road, Mandir Hasaud, Raipur, Chhattisgarh - 492101	

14.0 ADDRESS FOR CORRESPONDENCE:**14.1 Compliance Officer:**

GM & Company Secretary
National Aluminium Company Ltd.
NALCO Bhawan, P/1, Nayapalli, Bhubaneswar- 751013
E-mail: company_secretary@nalcoindia.co.in

14.2 Registrar and Share Transfer Agent:

M/s. KFin Technologies Private Limited
Unit: National Aluminium Company Limited
KFin Technologies Pvt. Ltd.
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana.
Toll Free No.: 1800 309 4001
Email: einward.ris@kfintech.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
National Aluminium Co Ltd
Nalco Bhawan, Plot No P/1,
Nayapalli, Bhubaneswar -751013, Odisha

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of M/s. National Aluminium Company Limited having CIN- L27203OR1981GOI000920 and having its Registered Office at NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar-751013, Odisha (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this certificate, in accordance with the Regulation 34(3) read with Para-C Sub Clause 10(i) of Schedule V the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Shri Sridhar Patra	06500954	01.09.2018
2.	Shri Radhashyam Mahapatro	07248972	01.01.2020
3.	Shri Manasa Prasad Mishra	08951624	01.11.2020
4.	Shri Bijay Kumar Das	08984700	01.12.2020
5.	Shri Satendra Singh, IAS	05195060	05.08.2020
6.	Shri Sanjay Lohiya, IAS	07151125	09.11.2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deba Mohaptra & Co.
Company Secretaries

Place: Bhubaneswar
Date: 28.05.2021
UDIN: F009393C000389278

Sd/-
CS Anchal Agarwal, Partner
FCS No. 9393, CP No. 10548

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
National Aluminium Company Limited
Bhubaneswar

1. This certificate is issued in accordance with the terms of our engagement letter dated 28.07.2021.
2. We have examined the compliance of conditions of Corporate Governance by National Aluminium Company Limited ("the Company") for the year ended 31st March, 2021, as stipulated in Regulations 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations'), as amended.

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. The responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirement of the Regulations and based on the relevant records and documents maintained by the Company for the purpose of compliance of the conditions of corporate governance, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations for the year ended 31st March, 2021.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Regulations for the year ended 31st March 2021, except for the following:
 - A. As on 31.03.2021, Non-executive Directors i.e. Part-time Official Directors constitute 33.33% of the total Board strength as against requirement of not less than 50% of the total Board Strength (Regulation 17 (1)(a) of the Regulations)
 - B. The Company did not have requisite no. of Independent Directors at any point of time. Further, there were no Independent Directors on the Board w.e.f. 08.09.2020 including at least one woman independent director and the position remained vacant till 31.03.2021 (Proviso to Regulation 17 (1)(a) and Regulation 17 (1)(b) of the Regulations).
 - C. In absence of Independent Directors on the Board w.e.f. 08.09.2020, the meetings of the Board held on 11.11.2020, 18.11.2020, 27.01.2021, 12.02.2021, 15.03.2021 and 23.03.2021 were with minimum no. of directors required for quorum but without presence of an independent director. (Regulation 17 (2A) of the Regulations).
 - D. The Audit Committee met two times during the year as against requirement of four times (Regulation 18 (2) of the Regulations). No member of the committee had accounting or related financial expertise (Regulation 18 (1) (c) of the Regulations) and the Chairperson was not present at the Annual General Meeting (Regulation 18 (1) (d) of the Regulations) as required under the provisions of the Regulations. Further, in absence of Independent Directors w.e.f. 08.09.2020, the Audit Committee has not been re-constituted as required under the provisions of the Regulations (Regulation 18 (1) (a), 18 (1) (b) of the Regulations). Based on the decision of the Board, all matters which are required to be placed before the Audit Committee for recommendation to the Board were directly placed before the Board.

- E. In absence of Independent Directors w.e.f. 08.09.2020, the Nomination and Remuneration Committee has not been re-constituted (Regulation 19 (1), 19 (2) of the Regulations) and the committee has not met at least once during the year (Regulation 19 (3A) of the Regulations) and the chairperson was not present at the Annual General Meeting (Regulation 19 (3) of the Regulations) as required under the provisions of the Regulations. Based on the decision of the Board, all matters which are required to be placed before the Nomination and Remuneration Committee for recommendation to the Board were directly placed before the Board.
- F. Similarly, in absence of Independent Directors on the Board w.e.f. 08.09.2020, the Stakeholders Relationship Committee has not been re-constituted (Regulation 20 (2), 20 (2A) of the Regulations) and the chairperson was not present at the Annual General Meeting (Regulation 20 (3) of the Regulations) as required under the provisions of the Regulations. Based on the decision of the Board, all matters which are required to be placed before the Stakeholders Relationship Committee for recommendation to the Board were directly placed before the Board.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Patro & Co.
Chartered Accountants
FRN: 310100E

(CA Ambika Prasad Mohanty)
Partner
Membership No.: 057820
UDIN:21057820AAAAGL8957

For GNS & Associates
Chartered Accountants
FRN: 318171E

(CA Rajesh Kumar Pahadi)
Partner
Membership No.: 058221
UDIN:21058221AAAAAL6585

Place: Bhubaneswar
Date: 26th August 2021

ANNEXURE-VI**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a) Name(s) of the related party and nature of relationship:	NIL.
(b) Nature of contracts/arrangements/transactions:	Not Applicable.
(c) Duration of the contracts / arrangements/transactions:	Not Applicable.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable.
(e) Justification for entering into such contracts or arrangements or transactions:	Not Applicable.
(f) Date(s) of approval by the Board:	Not Applicable.
(g) Amount paid as advances, if any:	Not Applicable.
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	Not Applicable.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship:	NIL.
Nature of contracts / arrangements / transactions:	Not Applicable.
Duration of the contracts / arrangements / transactions:	Not Applicable.
Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable.
Date(s) of approval by the Board, if any:	Not Applicable.
Amount paid as advances, if any:	Not Applicable.

For and on behalf of the Board of Directors

Sd/-

(Sridhar Patra)

CHAIRMAN-CUM-MANAGING DIRECTOR

FORM NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2020-21

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
National Aluminium Company Limited
NALCO Bhawan, Plot No. P/1, Nayapalli
Bhubaneswar – 751013 (Odisha)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **National Aluminium Company Limited** (hereinafter called ‘the Company’) for the financial year ended **31st March, 2021**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act), and Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) viz:-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
 - b. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
 - d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable during the year under review.**
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable during the year under review.**
 - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable during the year under review.**
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable during the year under review.**

- i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (vi) The other laws as may be applicable specifically to the Company are:
 - a. The Mines Act, 1952;
 - b. Mines & Minerals (Development & Regulation) Act, 1957, as amended;
 - c. The Explosives Act, 1984;
 - d. The Environment Protection Act, 1986;
 - e. The Forest Conservation Act, 1980;
 - f. The Water (Prevention & Control of Pollution Act), 1974;
 - g. The Air (Prevention and Control of Pollution) Act, 1981;
 - h. Indian Boilers Act, 1923.
 - i. Motor Vehicle Act, 1988
 - j. Public Liability Insurance Act, 1991
 - k. National Environmental Tribunal Act, 1995
 - l. National Environment Appellate Authority, 1997
 - m. Energy Conservation Act, 2001
 - n. National Green Tribunal Act, 2010
 - o. Indian Forest Act, 1947
 - p. Wildlife Protection Act, 1972
 - q. Orissa Forest Act, 1972
 - r. Forest (Conservation) Act, 1980
 - s. Bio-Diversity Conservation Act, 2002
 - t. Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006
 - u. Factories Act, 1948
 - v. Indian Electricity Act, 2003
 - w. National Disaster Management Act, 2005
 - x. Orissa Industries (Facilitation) Act, 2004
 - y. Right to Information Act, 2005
 - z. Panchayats (Extension in Scheduled Areas) Act, 2006

(The New laws as may be applicable specifically to the Company are from sl nos. a to z)

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:-

(A) Composition of Board:

During the financial year under review, the Board of Directors of the Company comprised of the following Directors:

LIST OF DIRECTORS DURING THE FINANCIAL YEAR				
Sl. No	Name of the Director	Position Held	Date of Appointment	Date of Cessation
WHOLE-TIME DIRECTORS:				
1	Shri Sridhar Patra	Chairman-cum-Managing Director	17.12.2019	—
2.	Shri Radhashyam Mahapatro	Director (HR)	01.01.2020	—
3.	Shri Manasa Prasad Mishra	Director (P&T) and Director (Finance)- Addl. Charge	01.11.2020	—
4.	Shri Bijay Kumar Das	Director (Production) & Director (Commercial)- Addl.Charge	01.12.2020	—
5.	Shri V. Balasubramanyam	Director (Production)	01.01.2015	30.11.2020
6.	Shri Sanjib Kumar Roy	Director (P&T)	03.02.2017	31.10.2020
7.	Shri Pradip Kumar Mishra	Director (Commercial) & Director (Finance) -Addl. Charge	23.04.2018	28.02.2021
PART-TIME OFFICIAL DIRECTORS:				
1.	Shri Satendra Singh, IAS	Director	05.08.2020	—
2.	Shri Sanjay Lohiya, IAS	Director	09.11.2020	—
3.	Dr. K. RajeswaraRao, IAS	Director	19.02.2018	05.08.2020
4.	Shri Anil Kumar Nayak	Director	27.03.2018	05.08.2020
5.	Shri Upendra C. Joshi	Director	05.08.2020	09.11.2020
PART-TIME NON-OFFICIAL (INDEPENDENT) DIRECTORS:				
1.	Shri Nagendra Nath Sharma	Director	06.09.2017	05.09.2020
2.	Smt. Achla Sinha	Director	08.09.2017	07.09.2020

Note:

- Consequent upon superannuation of Shri S. K. Roy as Director (P&T) on 31.10.2020, Shri Manasa Prasad Mishra was appointed as Director (P&T) on 01.11.2020. Subsequently, he was assigned with additional charge of Director (Finance) w.e.f 01.03.2021 upon superannuation of Shri P. K. Mishra, Director (Commercial) on 28.02.2021, who was earlier assigned with additional charge of Director (Finance) w.e.f 01.12.2020.
- Consequent upon superannuation of Shri V. Balasubramanyam as Director (Production) on 30.11.2020, Shri Bijay Kumar Das was appointed as Director (Production) on 01.12.2020. Subsequently he was assigned with additional charge of Director (Commercial) w.e.f 01.03.2021, consequent upon superannuation of Shri P. K. Mishra, Director (Commercial) on 28.02.2021.
- Subsequent to the cessation of office of two Part-time Non-official (Independent) Directors w.e.f 05.09.2020 and 07.09.2020 respectively, there is no Independent Director on the Board w.e.f 08.09.2020, till end of the financial year.

As regards to the requirements under SEBI Regulations, the composition of the Board was not in compliance with the provisions of both Regulation 17(1) (a) and Regulation 17(1) (b) of SEBI Regulations during the whole financial year.

Non-compliances:**Under Companies Act, 2013:**

As per proviso to Section 149(1)(b) of the Companies Act, 2013, every listed company shall have at least one Woman Director on the Board. Further as per Section 149(4) of the Companies Act, 2013, 1/3rd of the total strength of the Board should be Independent Directors. During the year under review, the Company did not have requisite no. of Independent Directors at any point of time. Further, there is no Independent Director on the Board w.e.f 08.09.2020 including at least one woman director and the position remained vacant till 31.03.2021.

Accordingly, the composition of the Board is not in compliance with the provisions under Section 149(1) and 149(4) of the Companies Act, 2013.

Under SEBI (LODR) Regulations, 2015 (The Regulations):

As per the Regulation 17(1) (a) of the Regulations, not less than 50% of the Board of Directors shall comprise of Non-Executive Directors.

Further, as per Regulation 17(1) (b) of the Regulations, if the listed company does not have a regular Non-Executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors.

As on 31.03.2021, Non-executive Directors i.e. Part-time Official Directors constitute 33.33% of the total Board strength. The Company did not have requisite no. of Independent Directors at any point of time. Further, there were no Independent Directors on the Board w.e.f 08.09.2020 including at least one woman director and the position remained vacant till 31.03.2021.

Accordingly, the composition of the Board is not in compliance with the provisions under Regulation 17(1)(a) and Regulation 17(1)(b) of the SEBI (LODR) Regulations, 2015.

Penalties imposed by Stock Exchanges

Penalties have been imposed by both NSE and BSE for non-compliances with various provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Administrative Ministry, being the authority for appointment of Directors in a Government Company, was informed about the penalties imposed by BSE and NSE and requested them for early appointment of Independent Directors for compliance with the provisions of the Act and SEBI Regulations. Facts were placed before the Board of Directors from time to time and thereafter, the decisions of the Board of Directors were communicated to respective Stock Exchanges with a request to condone the penalty, since appointment of Directors is beyond the control of the Company.

(B) Board Meetings:

During the financial year under review, eight (8) meetings of the Board of Directors i.e. 321st to 328th were held on 26.06.2020, 04.09.2020, 11.11.2020, 18.11.2020, 27.01.2021, 12.02.2021, 15.03.2021 and 23.03.2021 respectively.

Adequate notices were sent to all the Directors for the Board Meetings. Agenda and detailed notes on agenda were sent in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items placed before the meetings for the meaningful participation at the meetings.

All decisions at the Board Meetings were carried out with majority and recorded in the minute book maintained for the purpose as per the provisions of the Act.

Non-compliances

As per provisions under SEBI Regulations, the quorum for every Board meeting shall be one-third of the total strength or three Directors whichever is higher including at least one Independent Director.

In absence of Independent Directors on the Board w.e.f 08.09.2020, the meetings of the Board held on 11.11.2020, 18.11.2020, 27.01.2021, 12.02.2021, 15.03.2021 and 23.03.2021 were without valid quorum.

(C) Separate Meeting of Part-Time Non-official (Independent) Directors:

As per the provisions of Section 149(8) read with Clause VII of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors i.e. 7th meeting of Part-time Non-official (Independent) Directors of the Company was held on 31.08.2020. The Meeting of Independent Directors was held with the presence of following Independent Directors:

1. Shri N. N. Sharma – Chairman of the Meeting
2. Smt. Achla Sinha

(D) Statutory Committees of the Board:

Due to non-availability of Independent Directors on the Board w.e.f 08.09.2020, the Company has not reconstituted the Statutory Committees, i.e. Audit Committee, Nomination and Remuneration Committee, CSR & Sustainability Development Committee and Stakeholders Relationship Committee, as the composition of these Committees need minimum number of Independent Directors.

(i) Audit Committee:

The Committee met 2 times during the year, i.e. on 26.06.2020 and 04.09.2020. The maximum time gap between two Audit Committee meetings was 69 days.

Director (Finance) [In absence of Director (Finance), the director holding additional charge of finance for whole of the year] is permanent invitee to the Committee.

Adequate Notice for the Audit Committee Meetings were sent to all the Members of the Committee. Agenda and detailed notes on agenda were sent in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Audit Committee Meetings were carried out with majority and recorded in the minutes book maintained for the purpose as per the provisions of the Act.

There are no independent directors on the Board w.e.f 08.09.2020. Hence, the Audit Committee has not been re-constituted as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. Based on the decision of the Board, all matters which are required to be placed before the Audit committee for recommendation to the Board are directly being placed before the Board.

Non-compliances:

The Chairman of the committee did not have accounting or related financial expertise as required under the provisions of the Act and SEBI Regulations.

The Committee did not meet minimum four times during the year under review, as required under the Act and SEBI Regulations.

(ii) CSR & Sustainability Development Committee:

The Committee met two times on 19.05.2020 and 31.08.2020 during the year.

Adequate Notice for the CSR & Sustainable Development Committee Meetings were sent to all the members of the Committee.

Agenda and detailed notes on agenda were sent to all the members of the Committee well in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the CSR & Sustainable Development Committee Meetings were carried out with majority and recorded in the minutes book maintained for the purpose as per the provisions of the Act.

There are no independent directors on the Board w.e.f 07.09.2020. Hence, the CSR & Sustainable Development Committee has not been re-constituted as per the provisions of the Companies Act, 2013. Based on the decision of the Board, all matters which are required to be placed before the CSR & Sustainable Development Committee for recommendation to the Board are directly being placed before the Board.

(iii) Nomination and Remuneration Committee:

There are no independent directors on the Board w.e.f 07.09.2020. Hence, the Nomination and Remuneration Committee has not been re-constituted as per the provisions of the Act and SEBI Regulations. Based on the decision of the Board, all matters which are required to be placed before the Nomination and Remuneration Committee for recommendation to the Board are directly being placed before the Board.

No meeting of Nomination and Remuneration Committee took place during the year under review.

Non-compliance:

As per provisions under SEBI Regulations, the committee should meet at least once in every year. However, the committee has not met during the year under review.

(iv) Stakeholders Relationship Committee:

During the financial year under review, one meeting took place on 31.08.2020.

Adequate Notice for the Stakeholders Relationship Committee meeting was sent to all the members of the Committee. Agenda and detailed notes on agenda were sent to all the members of the Committee well in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Stakeholders Relationship Committee meeting were carried out with majority and recorded in the minutes book maintained for the purpose as per the provisions of the Act.

There are no independent directors on the Board w.e.f 07.09.2020. Hence, the Stakeholders Relationship Committee has not been re-constituted as per the provisions of the Act and SEBI Regulations. Based on the decision of the Board, all matters which are required to be placed before the Stakeholders Relationship Committee for recommendation to the Board are directly being placed before the Board.

(v) Risk Management Committee:

The Committee met once on 25.06.2020 during the year.

Adequate Notice for the Risk Management Committee Meeting was sent to all the Members of the Committee.

Agenda and detailed notes on agenda was sent to all the members of the Committee well in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Risk Management Committee meeting were carried out with majority and recorded in the minutes book maintained for the purpose as per the provisions of the Act.

(vi) Technology Committee:

The Technology Committee of the Company comprised of the following Directors:

1. Director (Production)
2. Director (P & T)
3. Director (Commercial)
4. Director (Finance)

During the year under review, one (1) meeting of the Technology Committee meeting was held on 25.06.2020.

Adequate notice for the Technology Committee meeting was sent to all the members of the Committee. Agenda and detailed notes on agenda was sent to all the members of the Committee well in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Technology Committee meeting were carried out with majority and recorded in the minutes book maintained for the purpose as per the provisions of the Act.

(E) Other Committees Constituted by the Board**(i) Human Resource (HR) Committee:**

The Human Resource (HR) Committee of the Company comprised of the following Directors:

1. Director (P & T)
2. Director (HR)
3. Director (Finance)

No meeting of the Human Resource (HR) Committee was held during the year under review.

(ii) Committee of Directors (COD) for Projects & New Ventures:

The COD for Projects and New Ventures of the Company comprised of the following Directors:

1. Chairman-cum-Managing Director

2. Joint Secretary, Ministry of Mines, Part-Time Official Director
3. Director (Production)
4. Director (P & T)
5. Director (HR)
6. Director (Commercial)
7. Director (Finance)

During the financial year, one Committee meeting of CoD for Projects & New Ventures was held on 25.06.2020.

Adequate notice for the Committee of Directors (COD) for Projects & New Ventures meeting was sent to all the members of the Committee. Agenda and detailed notes on agenda were sent to all the members of the Committee well in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Committee of Directors (COD) for Projects & New Ventures meeting were carried out with majority and recorded in the minutes book maintained for the purpose as per the provisions of the Act.

(iii) Ethics and Corporate Governance Committee:

The Ethics and Corporate Governance Committee of the Company comprised of the following Directors:

1. Director (P & T)
2. Director (HR)
3. Director (Commercial)

During the year under review, one meeting of Ethics and Corporate Governance Committee was held on 31.08.2020.

Adequate notice for the Ethics and Corporate Governance Committee Meetings was sent to all the members of the Committee. Agenda and detailed notes on agenda were sent to all the members of the Committee well in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Ethics and Corporate Governance Committee meetings were carried out with majority and recorded in the minutes book maintained for the purpose as per the provisions of the Act.

(F) Maintenance of Statutory Records:

All Statutory Registers, Records and other Registers as prescribed under various Provisions of the Companies Act, 2013, the Depositories Act, 1996 and the Rules made there under were kept and maintained properly with all necessary entries made therein. Provisions of these Acts were duly complied with during the period under report.

(G) Filing of Statutory Returns:

All provisions of the Act and other statutes were duly complied with regard to filing of various Forms and Returns with MCA/Registrar of Companies within the prescribed time limit with payment of requisite/prescribed fees.

All documents/intimations under various Statutes/Listing Regulations/ Business Rules were also regularly filed with the Stock Exchanges and Depositories (NSDL and CDSL) within the prescribed due dates.

(H) Registrar and Share Transfer Agent:

M/s. KFin Technologies Private Limited, Hyderabad is the Registrar and Share Transfer Agent (RTA) of the Company.

As per the records, M/s. KFin Technologies Private Limited has been re-appointed as Registrar and Share Transfer Agent (RTA) of the Company for a further period of 3 years w.e.f 01.04.2020.

(I) Physical Transfer/Transmission/Transposition/Issue of Duplicate Shares:

The Company has outsourced its share registry activities to the RTA M/s. KFin Technologies Private Limited, Hyderabad. Issue of new Share Certificates in case of torn/mutilated/defaced/lost and also against Rematerialisation are done with approval of Share Transfer Committee (STC), whereas transmission and transposition of shares are done with the approval of Company Secretary, who has been authorized by the Board of Directors for the same.

(J) Buyback of Shares:

The Board of Directors in their 325th Meeting held on 27.01.2021 had approved the buy-back upto 13,02,79,083 fully paid-up equity shares of face value of ₹5/- (representing 6.98% of the total no. of equity shares in the paid-up share capital of the company) at a price of ₹57.50 per equity share payable in cash for an aggregate consideration not exceeding ₹749,10,47,273/-. The buyback process was completed in compliance with the provisions of the Companies Act, 2013 and SEBI Buyback Regulations, 2018. In total, 2,89,85,711 shares were bought back and extinguished on 17.03.2021. Post buyback, the paid-up share capital of the Company stood at ₹18.32 crores from ₹932.81 crores. The shareholding of Govt. of India post buyback reduced from 51.50% to 51.28% of total paid-up share capital.

(K) Declaration & Payment of Dividend:

The Board of Directors in their meeting held on 18th November, 2020 had approved payment of 1st interim dividend @ ₹0.50 per share (10% on Face value of ₹ 5 each) on the paid-up equity share capital of ₹ 932.81 crores for the financial year 2020-21. Accordingly, dividend was paid to the eligible shareholders on 16.12.2020.

Further, the Board of Directors of the Company in their meeting held on 15th March, 2021 had approved payment of 2nd interim dividend @ ₹2.00 per share (40% on Face value of ₹5/ each) for the financial year 2020-21 on the reduced paid-up equity share capital of the Company. Accordingly, dividend was paid to the eligible shareholders on 31.03.2021.

All the provisions of the Companies Act, 2013, Secretarial Standard and SEBI Regulations relating to the declaration and payment of dividend to the shareholders have been complied with, by the Company.

(L) Redressal of Investors' grievances:

All complaints/grievances relating to share transfers, transmissions, demat/remat of shares, issue of duplicate shares certificates, payment of dividend etc. were attended and resolved within a reasonable time limit.

During the financial year under review 1,537 complaints were received by the Company i.e. 1,524 complaints were received from the Investors, 6 complaints were received from Stock Exchanges & 7 complaints were received from SEBI and all of them were resolved within a reasonable time period.

(M) Transfer of unpaid/unclaimed dividend to Investor Education and Protection Fund:

Pursuant to Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, dividend entitlements which remained unclaimed or unpaid for 7 (seven) consecutive years are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Government of India.

During the financial year under review, an amount of ₹10,38,882/- pertaining to unclaimed interim dividend for financial year 2012-13 and an amount of ₹6,85,923/- pertaining to unclaimed final dividend for financial year 2012-13 have been transferred to Investor Education and Protection Fund on 26.05.2020 and 05.11.2020 respectively.

(N) Transfer of shares to IEPF:

Pursuant to Section 124(6) of the Act read with Rule 6 of IEPF Rules, the Company is required to transfer shares in respect of which dividend has not been paid/claimed for 7 (seven) consecutive years or more to the Demat Account of IEPF Authority.

During the financial year under review, 29,173 shares of 100 shareholders were transferred to the demat account of IEPF Authority, opened with NSDL.

Further during the year under review, the Company sent individual notices and advertised in the newspapers intimating shareholders to encash/claim their Unpaid dividend who have not claimed/ encashed their dividend for seven consecutive years on basis of final dividend 2012-13 and interim dividend 2013-14.

(O) Compliance of applicable Laws:

We report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that on the basis of documents and explanations provided by the Management of the Company, adequate systems and processes commensurate with its size and operations exist in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Deba Mohapatra & Co.
Company Secretaries

Place: Bhubaneswar
Date: 28.05.2021
UDIN:F009393C000389355

Sd/-
CS Anchal Agarwal, Partner
CP No.10548, FCS No. 9393

(This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report)

ANNEXURE A

To
The Members,
National Aluminium Company Limited
NALCO Bhawan, Plot No. P/1, Nayapalli
Bhubaneswar – 751013 (Odisha)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, followed by the Company provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Deba Mohapatra & Co.
Company Secretaries

Sd/-

CS Anchal Agarwal, Partner
CP No.10548, FCS No. 9393

Place: Bhubaneswar
Date: 28.05.2021
UDIN:F009393C000389355

Management’s explanation on a the qualifying remarks of Secretarial Auditor:

The qualifying remarks, reported by the Secretarial Auditor in their report for the Financial Year ended 31st March, 2021 and the explanations of the management are tabulated below:

Sl. No.	Qualifying remarks of Secretarial Auditor	Management’s explanation
1.	<p>Composition of Board:</p> <p>As per proviso to Section 149(1)(b) of the Companies Act, 2013, every listed company shall have at least one Woman Director on the Board. Further as per Section 149(4) of the Companies Act, 2013, 1/3rd of the total strength of the Board should be Independent Directors. During the year under review, the Company did not have requisite no. of Independent Directors at any point of time. Further, there is no Independent Director on the Board w.e.f 08.09.2020 including at least one woman director and the position remained vacant till 31.03.2021.</p> <p>Accordingly, the composition of the Board is not in compliance with the provisions under Section 149(1) and 149(4) of the Companies Act, 2013.</p> <p>As per the Regulation 17(1) (a) of the Regulations, not less than 50% of the Board of Directors shall comprise of Non-Executive Directors.</p> <p>Further, as per Regulation 17(1) (b) of the Regulations, if the listed company does not have a regular Non-Executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors.</p> <p>As on 31.03.2021, Non-executive Directors i.e. Part-time Official Directors constitute 33.33% of the total Board strength. The Company did not have requisite no. of Independent Directors at any point of time. Further, there were no Independent Directors on the Board w.e.f 08.09.2020 including at least one woman director and the position remained vacant till 31.03.2021.</p> <p>Accordingly, the composition of the Board is not in compliance with the provisions under Regulation 17(1)(a) and Regulation 17(1)(b) of the SEBI (LODR) Regulations, 2015.</p>	<p>The Company had two Independent Directors (including one Woman Independent Director) at the beginning of the financial year and the tenure of these two Independent Directors ended on 05.09.2020 and 07.09.2020 respectively.</p> <p>President of India is the appointing authority for Directors as per the Articles of Association of the Company.</p> <p>Matter has been taken up with the Administrative Ministry for early appointment of requisite no. of Independent Directors including Woman Director for compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.</p>
2.	<p>Board Meetings:</p> <p>As per provisions under SEBI Regulations, the quorum for every Board meeting shall be one-third of the total strength or three Directors whichever is higher including at least one Independent Director.</p> <p>In absence of Independent Directors on the Board w.e.f 08.09.2020, the meetings of the Board held on 11.11.2020, 18.11.2020, 27.01.2021, 12.02.2021, 15.03.2021 and 23.03.2021 were without valid quorum.</p>	<p>There were only two Independent Directors on the Board, at the beginning of the financial year. These two Independent Directors ceased to hold their office w.e.f 05.09.2020 and 07.09.2020 respectively. There was valid quorum in the Board meetings held on 26.06.2020 and 04.09.2020. Though the required number of directors was present in the subsequent meetings in the year, but quorum did not have any independent director.</p> <p>President of India is the appointing authority for Directors as per the Articles of Association of the Company.</p> <p>Matter has been taken up with the Administrative Ministry for compliance with the requirements under SEBI (LODR) Regulations, 2015.</p>

Sl. No.	Qualifying remarks of Secretarial Auditor	Management's explanation
3.	<p>Audit Committee:</p> <p>The chairman of the committee did not have accounting or related financial expertise as required under the provisions of the Act and SEBI Regulations.</p> <p>The committee did not meet minimum four times during the year under review, as required under the Act and SEBI Regulations.</p>	<p>There were only 2 Independent Directors on the Board at the beginning of the financial year against the requirement of 7 Independent Directors. None of these 2 Independent Directors were having accounting or related financial expertise as required under the provisions of the Act and SEBI Regulations.</p> <p>With the available two Independent Directors, two Audit Committee meetings were held on 26.06.2020 and 04.09.2020.</p> <p>These 2 Independent Directors ceased to hold office w.e.f 05.09.2020 and 07.09.2020 respectively. In absence of Independent Directors, the Audit Committee could not be re-constituted and hence requisite no. of meetings of Audit Committee could not be held.</p> <p>President of India is the appointing authority for Directors as per the Articles of Association of the Company.</p> <p>Matter has been taken up with the Administrative Ministry for early appointment of requisite no. of Independent Directors for compliance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.</p> <p>After appointment of Independent Directors, the Audit Committee would be reconstituted to comply with the provisions of the Companies Act as well as SEBI Guidelines.</p>
4.	<p>Nomination and Remuneration Committee:</p> <p>As per provisions under SEBI Regulations, the committee should meet at least once in every year. However, the committee has not met during the year under review.</p>	<p>There were only 2 Independent Directors on the Board at the beginning of the financial year. After cessation of office of these 2 Independent Directors from the Board w.e.f 05.09.2020 and 07.09.2020 respectively, the Nomination & Remuneration Committee could not be re-constituted and hence the meeting of Nomination and Remuneration Committee could not take place.</p> <p>President of India is the appointing authority for Directors as per the Articles of Association of the Company.</p> <p>Matter has been taken up with the Administrative Ministry for early appointment of requisite no. of Independent Directors for compliance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.</p>

For and on behalf of Board of Directors

Sd/-

(Sridhar Patra)

Chairman-cum-Managing Director

Place: Bhubaneswar

Date: 06.09.2021

Financial Statements for the year 2020-21

INDEPENDENT AUDITORS' REPORT

To the Members of

National Aluminium Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of National Aluminium Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit, and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have identified in the current year are as follows:

Key Audit Matter	How the matter was addressed in our audit
1. Carrying value of property, plant and equipment including intangible assets and capital work-in-progress	
<p>Property, plant and equipment totalling ₹ 7317.28 crore (2019-20 : ₹ 7174.54 crore) as disclosed in Note 5A, capital work-in-progress (Note 6) ₹ 1431.06 crore (2019-20 : ₹ 1177.16 crore) and intangible assets (Note 7) totalling ₹ 343.18 crore (2019-20 : ₹ 310.23 crore) represent significant balances recorded in the statement of financial position.</p> <p>The Company describes the significant accounting policies in respect of property, plant and equipment, capital work-in-progress and intangible assets in Note 3.4, 3.5 & 3.6.</p> <p>The evaluation of the recoverable amount of these assets requires significant judgement in determining the key assumptions supporting the expected future cash flows of the business and the utilisation of the relevant assets.</p> <p>There are a number of areas where management judgement impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation profiles. These include the decision to capitalise or expense costs; the asset life review including the impact of changes in the Company's strategy; and the timeliness of capitalisation, determination or the measurement and recognition criteria for assets retired from active use.</p>	<p>Our audit procedures relating to the carrying value of property, plant and equipment including intangible assets and capital work-in-progress included the following:</p> <ul style="list-style-type: none"> We evaluated the assumptions made by management in the determination of carrying values and useful lives to ensure that these are consistent with the principles of Indian Accounting Standards (Ind AS) 16 <i>Property, Plant and Equipment</i> and Ind AS 38 <i>Intangible Assets</i>. We assessed whether the carrying values and the useful lives were reasonable by challenging management's judgements through comparing the useful lives prescribed in Schedule II to the Companies Act 2013 and the useful lives of certain assets as per the technical assessment of the management. We compared the useful lives of each class of asset in the current year to the prior year to determine whether there were any significant changes in the useful lives of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry. We assessed whether indicators of impairment existed as at 31st March, 2021 based on our knowledge of the business and the industry. We tested the controls in place over the property, plant and equipment and intangible assets, evaluated the appropriateness of capitalisation policies, performed tests of details on costs capitalised and assessed the timeliness of capitalisation including decapitalisation of assets retired from active use and the application of the asset life. In performing these substantive procedures, we assessed the judgements made by management including the nature of underlying costs capitalised; the appropriateness of asset lives applied in the calculation of depreciation and amortisation; and in assessing the need for accelerated depreciation/amortisation, if required, in the context of impairment. <p>Based on the above procedures, we found management's assessment in determining the carrying value of the property, plant and equipment and intangible assets are to be reasonable.</p>

Key Audit Matter	How the matter was addressed in our audit
<p>2. Valuation of employees' defined benefit obligations and other long-term benefits</p>	
<p>The Company has recognised long-term employee benefit liabilities of ₹ 475.38 crore (2019-20 : ₹ 471.20 crore) and defined benefit obligations (net of plan asset against funded gratuity obligation) of ₹ 207.81 crore (2019-20 : ₹ 239.76 crore) and described them in Note 3.16 (Significant Accounting Policies) and Notes 22 and 31 (long-term and post-employment benefits).</p> <p>The valuation of employee benefit obligations is dependent on market conditions and assumptions made. The key audit matter specifically relates to the following key assumptions like discount rate, inflation expectations and life expectancy assumptions. The setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third party actuary.</p>	<p>Our audit procedures relating to the valuation of employees, defined benefit obligations and other long-term benefits included the following:</p> <ul style="list-style-type: none"> • In testing the valuation, we have examined the reports of external actuarial specialists to review the key actuarial assumptions used, both financial and demographic, and considered the methodology utilised to derive these assumptions. • We evaluated the assumptions made by management and the actuary to ensure that these are consistent with the principles of Ind AS 19. • Furthermore, we have examined the sensitivity analysis on the key assumptions in valuing the defined benefit obligations. <p>Based on the above procedures, we are satisfied that the methodology and assumptions applied in relation to determining the liabilities are acceptable.</p>
<p>3. Ascertainment, disclosure and provisioning in respect of contingent liabilities</p>	
<p>As described in Note 4.2.5 (Provisions and Contingent Liabilities) the Company disclosed in Note 25 contingent liabilities of ₹ 2153.49 crore (2019-20 : ₹ 2561.82 crore). The Company has material uncertain tax matters, both direct and indirect, under dispute involving aggregate demand of ₹ 1220.94 crore (2019-20 : ₹ 1602.70 crore) which require significant judgment to determine the possible outcome of these disputes.</p> <p>Additionally, the Company has other on-going legal matters relating to various claims by the Government of Odisha or other agencies constituted by the State Government and by contractors/suppliers involving an aggregate demand of ₹ 932.55 crore (2019-20: ₹ 959.13 crore) which require application of management judgement in order to determine the likely outcome.</p>	<p>Our audit procedures relating to the ascertainment, disclosure and provisioning in respect of contingent liabilities included the following:</p> <p>We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to disclosure and provisioning of contingent liabilities in accordance to Ind AS 37 <i>Provisions, Contingent Liability and Contingent Assets</i>.</p> <p>Regarding direct and indirect tax contingent liabilities, we undertook following principal audit procedures:</p> <ul style="list-style-type: none"> • Assessment of the process and relevant controls implemented to identify tax litigations and pending administrative proceedings. • Assessment of assumptions used in the evaluation of potential tax risks performed by the tax department of the Company considering the legal precedence and other rulings in similar cases. • Discussion with the management regarding the status of the most significant disputes and inspection of the key relevant documentation. • Analysis of opinion received from tax experts where available. • Review of the adequacy of the disclosures in the notes to the financial statements. <p>In assessing the potential exposures of the Company in respect of other contingent liabilities, we have:</p> <ul style="list-style-type: none"> • assessed the design and implementation of controls in relation to the monitoring of known exposures; • referred Board and other meeting minutes to identify areas subject to Company consideration; • consulted with the Company's internal legal advisors in understanding on-going and potential legal matters impacting the Company; • reviewed available legal opinions from experts; and • reviewed the proposed accounting and disclosure of actual and potential legal liabilities. <p>Based on the above procedures performed, we opined as a whole that the accounting and disclosures in relation to the on-going legal matters are appropriate.</p>
<p>4. Advances and deposits in respect of tax matters under litigation continuing as assets</p>	
<p>As at 31st March, 2021, other assets (Note 14) includes recoverable claims of direct and indirect tax deposits (net of provision) including VAT and Cenvat credits amounting to ₹ 573.47 crore (2019-20 : ₹ 570.28 crore) which are pending adjustment/adjudication.</p> <p>Significant judgement is required in assessing the nature of these exposures and their accounting and disclosure requirements.</p>	<p>Our audit procedures relating to the advance and deposits in respect of tax matters under litigation continuing as assets included the following:</p> <ul style="list-style-type: none"> • We obtained from management details of completed tax assessments and demands and appeal orders of the appellate authority. • We involved our internal experts to challenge the management's underlying assumptions in estimating the tax liability and the possible outcome of the disputes. • Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. • Additionally, we have considered opinions of legal and tax experts, wherever available, to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution. <p>Based on the above procedures performed, we are in agreement with the management's determination of the claim amount considered recoverable.</p>

Key Audit Matter	How the matter was addressed in our audit
5. Valuation of deferred tax assets and liabilities	
<p>The Company has disclosed in Note 23 deferred tax liability (net of deferred tax asset) as on 31st March, 2021 ₹ 893.72 crore (2019-20 : ₹ 1060.61 crore).</p> <p>The Company operates in activities which involves application of multiple income tax provisions.</p> <p>The assessment of the valuation of deferred tax assets/liability, resulting from timing differences, and provisions for uncertain tax positions is significant to our audit as the calculations are complex and depend on sensitive and judgmental assumptions. These include, amongst others, long-term future profitability and local fiscal regulations and developments.</p>	<p>Our audit procedures relating to the advance and deposits in respect of tax matters under litigation continuing as assets included the following:</p> <ul style="list-style-type: none"> • Ascertained the completeness and accuracy of the deferred tax assets/liabilities and recognizing uncertain tax positions. • We challenged and tested the Management's assessment of the recoverability of the deferred tax assets, and the probability of future cash outflows in respect deferred tax liabilities identified by the Company. • We also assessed the applicable local fiscal regulations and developments, in particular those related to changes in the statutory income tax rate and of the statutes of limitation, as these are key assumptions underlying the valuation of the deferred tax assets/liabilities. • We analysed the tax positions and evaluated the assumptions and methodologies used by the Company. • In addition, we also focused on the adequacy of the Company's disclosures as per Ind AS 12 <i>Income Taxes</i> on deferred tax assets/liabilities and assumptions used. <p>Based on the above procedures performed, we are satisfied that the methodology and assumptions applied in relation to determining the deferred tax assets and liabilities are acceptable.</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information contained in the Company's Annual Report but does not include the financial statements and our report thereon. These reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information mentioned and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action, if required.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In compliance to directions of the Comptroller and Auditor General of India u/s. 143(5) of the Act, we give in **Annexure "B"** to this report a statement on the matters specified therein.

3. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Government of India.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "C"**.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

The provision of section 197 read with Schedule V of the Act, relating to managerial remuneration is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has pending litigations, the liabilities in respect of which is either provided for or disclosed as contingent liabilities – Refer Note 25 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Patro & Co.
Chartered Accountants
FRN: 310100E

For GNS & Associates
Chartered Accountants
FRN: 318171E

(CA Ambika Prasad Mohanty)
Partner
Membership No.: 057820
UDIN: 21057820AAAAFE5944

(CA Gokul Chandra Das)
Partner
Membership No.: 086157
UDIN: 21086157AAAACF3773

Place: Bhubaneswar

Date: 28th June, 2021

ANNEXURE “A”

ANNEXURE TO THE INDEPENDENT AUDITORS’ REPORT ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 OF NATIONAL ALUMINIUM COMPANY LIMITED

(Referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our Report of even date)

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All movable assets of the Company are physically verified by the management every year. The frequency of verification, in our opinion, is reasonable. No material discrepancies were noticed on such verification conducted during the year.
Non-movable assets have been physically verified by the management at an interval of three years, which, in our opinion, is reasonable having regard to the size and nature of assets of the Company.
No material discrepancies between book records and physical assets have been noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the Company. Out of 8047.26 acres of freehold land and 11004.06 acres of leasehold land held by the Company, title/lease deeds in respect of 64.15 acres of freehold and 1697.71 acres of leasehold land are pending execution of title documents in favour of the company. However, the Company has been permitted by the concerned authorities to carry on its operation on the said land
Registration formalities in respect of office space for 6459 sft. in Kolkata is also not completed. (Refer Note 5.A)
- ii. Inventories, except stocks relating to stocks-in-transit, have been physically verified during the year by the management for this purpose. The frequency of verification is reasonable. The discrepancies noticed on physical verification between physical stocks and book records in case of shortages have been properly dealt with in the books of accounts while excesses have been ignored.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clauses (iii) (a), (b) & (c) of paragraph 3 of the Order are not applicable.
- iv. According to information and explanation given to us, section 185 of the Act regarding loans to directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act with respect to the loans and investments made.
- v. According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and provisions of sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder.
- vi. We have broadly reviewed the books and records maintained by the Company as specified by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of manufacturing activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues with the appropriate authorities and there are no undisputed statutory dues as at 31st March, 2021 outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the disputed statutory dues that have not been deposited for matters under dispute and pending disposal before various authorities are stated below:

Sl. No.	Nature of Statute	Nature of Disputed Statutory dues	Period to which the amount relates to	Forum where the dispute is pending	Gross disputed amount (₹ Crore)	Amount deposited under protest/adjusted by Tax authorities (₹ Crore)
1	Income Tax Act, 1961	Income Tax/TDS/Interest	2002-03, 2003-04, 2004-05, 2005-06	High Court	22.06	61.77
			2016-17	Commissioner of Income Tax (Appeals)	50.74	20.54
			2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16	Asst. Commissioner /Deputy Commissioner of Income Tax	89.90	396.65

2	Central Excise Act, 1944	Central Excise	2007-08 to 2013-14	High Court	397.58	0.10
			1999-2000 to 2014-15	Tribunal	7.47	0.39
			2007-08 to 2015-16	Appellate Authority	5.40	0.19
3	Finance Act, 1994	Service Tax	2007-08 to 2016-17	Tribunal	5.07	1.96
			2007-08 to 2017-18	Appellate Authority	7.67	1.19
4	Customs Act, 1962	Customs Duty	2000-01 to 2012-13	Tribunal	102.77	1.95
			2012-13	Appellate Authority	1.70	0.32
5	The Orissa VAT Act, 2004	VAT	2005-06 to 2009-10	Tribunal	12.60	2.17
			2016-17 to 2017-18	Appellate Authority	0.05	0.00
6	The Orissa Sales Act, 1947	OST	1995-96 to 2002-03	High Court	1.63	0.37
			1992-93 to 2004-05	Tribunal	1.00	0.64
			2003-04	Revisionary Authority	1.08	1.80
7	The Orissa Entry Tax Act, 1999	Entry Tax	1999-00 to 2010-11	High Court	12.89	6.06
			1999-00 to 2013-14	Tribunal	131.52	54.06
			2004-05 to 2014-15	Revisionary Authority	33.47	5.14
			1999-00 to 2014-15	Appellate Authority	43.48	4.97
8	The Central Sales Act, 1956	CST	1991-92	High Court	3.49	3.49
			1992-93 to 2008-09	Tribunal	277.52	77.84
Total					1209.90	641.60

- viii. According to the information and explanations given to us, except bill discounting arrangement with banks, the Company does not have any loans or borrowings from any financial institution, banks, Government or debentures holders. The Company has not defaulted in repayment of the loans obtained under the bill discounting facility.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The provision of section 197 read with Schedule V of the Act, relating to managerial remuneration is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable. The details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with any director or persons connected with him as specified in section 192 of the Act.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Patro & Co.
Chartered Accountants
FRN: 310100E

For GNS & Associates
Chartered Accountants
FRN: 318171E

(CA Ambika Prasad Mohanty)
Partner
Membership No.: 057820
UDIN: 21057820AAAAFE5944

(CA Gokul Chandra Das)
Partner
Membership No.: 086157
UDIN: 21086157AAAACF3773

Place: Bhubaneswar
Date: 28th June, 2021

ANNEXURE “B”

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 OF NATIONAL ALUMINIUM COMPANY LIMITED

(Referred to in paragraph 2 under the heading of “Report on Other Legal and Regulatory Requirements” of our Report of even date)

Report on the directions under section 143(5) of the Companies Act, 2013 by the Comptroller & Auditor General of India

According to the information and explanations given to us by the management and on the basis of our examination of books and records of the Company, we report that:

1. The Company has SAP system in place to process all the accounting transactions through IT system. As there is no processing of accounting transactions outside IT system, comment on the integrity of the accounts and financial implications of accounting transactions processed outside IT system does not arise.
2. There are no restructuring of any loan or cases of waiver/write off of debts/loans/interest made by a lender to Company.
3. During the year no fund has been received/receivable by the Company from Central/State Government or its agencies for any scheme.

For Patro & Co.
Chartered Accountants
FRN: 310100E

For GNS & Associates
Chartered Accountants
FRN: 318171E

(CA Ambika Prasad Mohanty)
Partner
Membership No.: 057820
UDIN: 21057820AAAAFE5944

(CA Gokul Chandra Das)
Partner
Membership No.: 086157
UDIN: 21086157AAAACF3773

Place: Bhubaneswar

Date: 28th June, 2021

ANNEXURE “C”

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 OF NATIONAL ALUMINIUM COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of NATIONAL ALUMINIUM COMPANY LIMITED (“the Company”) as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Patro & Co.
Chartered Accountants
FRN: 310100E

For GNS & Associates
Chartered Accountants
FRN: 318171E

(CA Ambika Prasad Mohanty)
Partner
Membership No.: 057820
UDIN: 21057820AAAAFE5944

(CA Gokul Chandra Das)
Partner
Membership No.: 086157
UDIN: 21086157AAAACF3773

Place: Bhubaneswar

Date: 28th June, 2021

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013
ON ACCOUNTS OF NATIONAL ALUMINIUM COMPANY LIMITED
FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of National Aluminium Company Limited, for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of National Aluminium Company Limited for the year ended 31 March 2021. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(Suparna Deb)
Director General of Audit (Mines)
KOLKATA

Place: Kolkata
Dated: 25.08.2021

Balance Sheet as at March 31, 2021

Amount in ₹ Crore

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	5	7,317.28	7,174.54
(b) Capital work-in-progress	6	1,431.06	1,177.16
(c) Intangible assets	7	343.18	310.23
(d) Intangible assets under development	8	144.39	249.54
(e) Financial assets			
(i) Investments	9	313.25	277.25
(ii) Trade receivables	10	—	—
(iii) Loans	11	85.95	73.02
(iv) Other financial assets	12	11.24	10.48
(f) Other non-current assets	14	757.90	719.60
Total non-current assets		10,404.25	9,991.82
(2) Current assets			
(a) Inventories	15	1,476.32	1,696.90
(b) Financial assets			
(i) Investments	9	248.38	55.01
(ii) Trade receivables	10	147.39	140.09
(iii) Cash and cash equivalents	16	213.52	18.47
(iv) Bank balances other than (iii) above	16	1,536.26	1,962.06
(v) Loans	11	30.16	40.16
(vi) Other financial assets	12	—	0.05
(c) Current tax assets (Net)	13	85.50	46.22
(d) Other current assets	14	568.80	598.84
Total current assets		4,306.33	4,557.80
Total assets		14,710.58	14,549.62
Equity and liabilities			
(1) Equity			
(a) Equity share capital	17	918.32	932.81
(b) Other equity	18	9,762.38	9,055.26
Total equity		10,680.70	9,988.07
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) Dues of micro and small enterprises	20	—	—
(b) Dues of creditors other than micro and small enterprises	20	37.70	22.69
(ii) Other financial liabilities	21	86.55	58.53
(b) Provisions	22	633.34	628.80
(c) Deferred tax liabilities (Net)	23	893.72	1,060.61
(d) Other non-current liabilities	24	328.77	70.90
Total non-current liabilities		1,980.08	1,841.53
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	46.11	12.31
(ii) Trade payables			
(a) Dues of micro and small enterprises	20	11.70	7.06
(b) Dues of creditors other than micro and small enterprises	20	927.84	765.87
(iii) Other financial liabilities	21	299.40	416.02
(b) Provisions	22	159.46	178.44
(c) Other current liabilities	24	605.29	1,340.32
Total current liabilities		2,049.80	2,720.02
Total liabilities		4,029.88	4,561.55
Total equity and liabilities		14,710.58	14,549.62

See accompanying notes (1-39) to the financial statements

For and on behalf of Board of Directors

 (CS N. K. Mohanty)
Company Secretary

 (M. P. Mishra)
Director (Finance)
DIN: 08951624

 (CA Sridhar Patra)
Chairman-cum-Managing Director
DIN: 06500954

In terms of our attached report of even date.

 For Patro & Co.
Chartered Accountants
FRN: 310100E

 For GNS & Associates
Chartered Accountants
FRN: 318171E

 Place: Bhubaneswar
Date: 28th June, 2021

 (CA Ambika Prasad Mohanty)
Partner (M. No.:057820)

 (CA Gokul Chandra Das)
Partner (M. No.:086157)

Statement of Profit and Loss for the period ended March 31, 2021

		Amount in ₹ Crore	
	Notes	Year ended 31.03.2021	Year ended 31.03.2020
I	Revenue from operations	8,955.79	8,471.84
II	Other Income	146.60	272.58
III	Total Income (I + II)	9,102.39	8,744.42
IV	EXPENSES		
	(a) Cost of raw materials consumed	1,315.43	1,702.48
	(b) Cost of power and fuel consumed	2,638.09	2,964.60
	(c) Changes in inventories of finished goods and work-in-progress	(5.76)	(365.23)
	(d) Employee benefits expense	1,930.24	1,994.07
	(e) Finance costs	7.08	5.74
	(f) Depreciation and amortisation expenses	605.82	529.83
	(g) Other expenses	1,294.97	1,686.69
	Total expenses (IV)	7,785.87	8,518.18
V	Profit/(loss) before exceptional items and tax (III - IV)	1,316.52	226.24
VI	Exceptional Items	—	—
VII	Profit/(loss) before tax (V - VI)	1,316.52	226.24
VIII	Tax Expense		
	(1) Current tax	177.70	151.40
	(2) Deferred tax	(160.71)	(63.39)
IX	Profit/(loss) for the year (VII - VIII)	1,299.53	138.23
X	Other comprehensive income		
	(i) Items that will not be reclassified to profit or loss		
	- Remeasurement gains / (losses) on defined benefit plans	17.65	(22.84)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	6.18	6.67
	Other comprehensive income for the year (net of tax) (X)	23.83	(16.17)
XI	Total comprehensive income for the year (IX+X) [comprising profit/(loss) and other comprehensive income for the period]	1,323.36	122.06
XII	Earnings per equity share:		
	(1) Basic (in ₹)	6.97	0.74
	(2) Diluted (in ₹)	6.97	0.74

See accompanying notes (1-39) to the financial statements

(CS N. K. Mohanty)
Company Secretary

For and on behalf of Board of Directors
(M. P. Mishra)
Director (Finance)
DIN: 08951624

(CA Sridhar Patra)
Chairman-cum-Managing Director
DIN: 06500954

In terms of our attached report of even date.

For Patro & Co.
Chartered Accountants
FRN: 310100E

For GNS & Associates
Chartered Accountants
FRN: 318171E

Place: Bhubaneswar (CA Ambika Prasad Mohanty)
Date: 28th June, 2021 Partner (M. No.:057820)

(CA Gokul Chandra Das)
Partner (M. No.:086157)

Statement of changes in equity for the period ended March 31, 2021

Amount in ₹ Crore

A.	Equity share capital				
	Balance as at 31.03.2019	932.81			
	Changes during the year	—			
	Balance as at 31.03.2020	932.81			
	Changes during the year	(14.49)			
	Balance as at 31.03.2021	918.32			
B.	Other equity				
		Reserves and surplus			
	Other equity	Capital redemption reserve	General reserve	Retained earnings	Total
	Balance as at 31.03.2019	355.81	8,112.98	1,082.91	9,551.70
	Profit for the year	—	—	138.23	138.23
	Other comprehensive income (net of taxes)	—	—	(16.17)	(16.17)
	Total comprehensive income for the year	—	—	122.06	122.06
	Final dividend for the previous year	—	—	(233.20)	(233.20)
	Tax on final dividend for the previous year	—	—	(47.94)	(47.94)
	Interim dividend for the year	—	—	(279.84)	(279.84)
	Tax on interim dividend for the year	—	—	(57.52)	(57.52)
	Balance as at 31.03.2020	355.81	8,112.98	586.47	9,055.26
	Profit for the year	—	—	1,299.53	1,299.53
	Other comprehensive income (net of taxes)	—	—	23.83	23.83
	Total comprehensive income for the year	—	—	1,323.36	1,323.36
	Premium on Buy-back of equity shares	—	(152.18)	—	(152.18)
	Expenses on Buy-back of equity shares (net of tax benefit)	—	(3.45)	—	(3.45)
	Transfer of General Reserve to Capital redemption reserve	14.49	(14.49)	—	—
	Interim dividend for the year	—	—	(460.61)	(460.61)
	Balance as at 31.03.2021	370.30	7,942.86	1,449.22	9,762.38

For and on behalf of Board of Directors

 (CS N. K. Mohanty)
Company Secretary

 (M. P. Mishra)
Director (Finance)
DIN: 08951624

 (CA Sridhar Patra)
Chairman-cum-Managing Director
DIN: 06500954

In terms of our attached report of even date.

 For Patro & Co.
Chartered Accountants
FRN: 310100E

 For GNS & Associates
Chartered Accountants
FRN: 318171E

 Place: Bhubaneswar
Date: 28th June, 2021

 (CA Ambika Prasad Mohanty)
Partner (M. No.:057820)

 (CA Gokul Chandra Das)
Partner (M. No.:086157)

Cash Flow Statement for the year ended March 31, 2021

		Amount in ₹ Crore	
		Year ended 31.03.2021	Year ended 31.03.2020
A.	Cash flows from operating activities		
	Profit for the year	1,299.53	138.23
	Adjustments for:		
	Income tax expense recognised in profit or loss	16.99	88.01
	Finance costs recognised in profit or loss	7.08	5.74
	Interest income recognised in profit or loss	(84.89)	(217.90)
	Dividend income recognised in profit or loss	(5.48)	(7.60)
	Net (gain) / loss on sale of investments	—	(1.35)
	Net (gain) / loss on disposal of property, plant and equipment	(0.82)	0.25
	Net (gain) / loss arising on financial assets mandatorily measured at fair value through profit or loss	(0.38)	(0.01)
	Impairment loss recognised on other assets	22.86	(1.35)
	Inventories of stores, spares written off	11.18	15.64
	Depreciation and amortisation of non-current assets	605.82	529.83
	Net foreign exchange (gain)/loss	1.85	(5.94)
	Operating profit before working capital changes	1,873.74	543.55
	Movements in working capital:		
	(Increase) / decrease in inventories	209.41	(502.15)
	(Increase) / decrease in trade receivables	(7.30)	100.43
	(Increase) / decrease in loans and other financial asset	(3.64)	(11.62)
	(Increase) / decrease in other assets	53.62	(103.57)
	Increase / (decrease) in trade payables	179.77	(505.35)
	Increase / (decrease) in other financial liabilities	(16.10)	(12.64)
	Increase / (decrease) in other liabilities	7.09	158.46
	Increase / (decrease) in provisions	(0.09)	84.79
	Cash (used in) / generated from operations	2,296.50	(248.10)
	Income taxes paid	(97.52)	(100.46)
	Net cash flow from operating activities	2,198.98	(348.56)
B.	Cash flows from investing activities		
	Payments to acquire financial assets	(225.00)	(29.00)
	Proceeds from sale of financial assets	32.39	56.17
	Payments to acquire equity in joint ventures and associates	(36.00)	(101.47)
	(Investment in) / redemption of term deposits with banks	(58.45)	1,568.10
	Dividends received from other investments	5.48	7.60
	Interest received from banks and others	84.89	217.90
	Payments for property, plant and equipment (including capital advances)	(1,172.55)	(844.82)
	Proceeds from disposal of property, plant and equipment	11.81	11.25
	Payments for other intangible assets	(46.27)	(13.01)
	Net cash flow from investing activities	(1,403.70)	872.72
C.	Cash flows from financing activities		
	Payments for buy-back of equity shares	(166.67)	—
	Payments for share buy-back costs (net of tax)	(3.45)	—
	Proceeds from / (Payment towards) short term borrowings	33.80	(54.48)
	Repayment of short term borrowings		
	Payment of lease liability	(3.51)	(3.45)
	Finance cost paid	0.21	(0.86)
	Dividends paid on equity shares	(460.61)	(513.04)
	Tax on dividends paid on equity shares	—	(105.46)
	Net cash flow from financing activities	(600.23)	(677.29)
	Net increase or (decrease) in cash or cash equivalents	195.05	(153.13)
	Cash and cash equivalents at the beginning of the year	18.47	171.60
	Cash and cash equivalents at the end of the year [refer note 16.A]	213.52	18.47

Note: Figures in the brackets are cash outflow/income as the case may be.

For and on behalf of Board of Directors

(CS N. K. Mohanty)
Company Secretary

(M. P. Mishra)
Director (Finance)
DIN: 08951624

(CA Sridhar Patra)
Chairman-cum-Managing Director
DIN: 06500954

In terms of our attached report of even date.

For Patro & Co.
Chartered Accountants
FRN: 310100E

For GNS & Associates
Chartered Accountants
FRN: 318171E

Place: Bhubaneswar
Date: 28th June, 2021

(CA Ambika Prasad Mohanty)
Partner (M. No.:057820)

(CA Gokul Chandra Das)
Partner (M. No.:086157)

Notes to the financial statements
Note No.1 Corporate Background:

National Aluminium Company Limited is a Navaratna Central Public Sector Enterprise (CPSE) under Ministry of Mines, Government of India, incorporated under the relevant provisions of the Companies Act and is listed in the stock exchanges in India. The Company is engaged in the business of manufacturing and selling of Alumina and Aluminium. The Company is operating a 22.75 lakh TPA Alumina Refinery plant located at Damanjodi in Koraput district of Odisha and 4.60 lakh TPA Aluminium Smelter located at Angul, Odisha. The Company has a captive bauxite mines adjacent to refinery plant to feed the bauxite requirement of Alumina Refinery and also a 1200 MW captive thermal power plant adjacent to Smelter plant to meet the power requirement of Smelter. Besides, the Company is also operating four wind power plants with total capacity of 198.40 MW located in the state of Andhra Pradesh (Gandikota), Rajasthan (Jaisalmer & Devikot) and Maharashtra (Sangli) to harness the renewable energy and to comply with its Renewable Purchase Obligation.

Note No.2 Statement of Compliance:

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and are applicable for the year and relevant to the Company have been taken into consideration and complied with without any exception while preparing the standalone financial statements of the Company.

Note No.3 Significant Accounting Policies:
3.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Ind AS and relevant provisions of the Companies Act, 2013.

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies given herewith.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based upon the nature of business, the Company has ascertained a 12 month operating cycle for the purpose of current or non-current classification of assets and liabilities.

3.2 Use of estimates

These financial statements have been prepared using estimates and assumptions, wherever necessary, in conformity with the recognition and measurement principles of Ind AS.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions, if any, in such estimates are accounted for in the year of revision.

Impact of COVID-19

The company on the basis of consideration of possible effects that might arise out of outbreak of global pandemic COVID-19 on their forecasted transactions, Carrying amount of PPE, Intangibles, Inventories, receivables, and investment in joint ventures, believes that, the impact is not material. The company while making assessment of effectiveness of hedge, has used internal and external sources of information including credit reports and related information, economic forecasts, on the basis of analysis of these information and based on the current estimates, the company expects that, the carrying amount of assets will be recovered and no significant impact on the liabilities. The company's assessment of impact of COVID-19 may differ as at the date of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Key sources of estimation uncertainty, which may cause a material adjustment to the carrying amounts of assets and liabilities are stated in Note No.4.

3.3 Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Notes to the financial statements

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investment in associate and joint ventures are measured at cost in accordance with Ind AS 109 – Financial Instruments.

3.4 Property, Plant and Equipment

Property, plant and equipment, other than freehold lands, held for use in the production and/or supply of goods or services, or for administrative purposes, are stated at cost, less accumulated depreciation and accumulated impairment losses. Freehold lands, unless impaired, are stated at cost.

3.4.1 Initial Measurement

The initial cost comprises purchase price, non-refundable purchase taxes, other expenditure directly attributable to bringing the assets to its location and condition necessary for it to be capable of operating in the manner intended by the management, borrowing cost, if any, incurred, and the initial estimates of the present value of any asset restoration obligation or obligatory decommissioning and dismantling costs.

Expenditure incurred on development of freehold land is capitalized as part of the cost of the land.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads and directly attributable borrowing costs, if any.

Spare parts having unit value of more than ₹5 lakh, held for use in the production and/or supply of goods or services and are expected to be used during more than one period are recognised as Property, Plant and Equipment. Spares of critical nature and irregular in use, which can be identified to a particular equipment and having unit value more than ₹1 lakh is also recognised as Property, Plant and Equipment.

3.4.2 Subsequent expenditure

Expenditure on major inspection/maintenance or repairs including cost of replacing the parts of assets and overhaul costs where it is probable that future economic benefits associated with the expenditure will be available to the Company over a period of more than one year, are capitalised and the carrying amount of the identifiable parts so replaced is derecognised.

3.4.3 Capital work-in-progress

Assets in the course of construction are included under capital work in progress and are carried at cost, less any recognised impairment loss. Such capital work in progress, on completion, is transferred to the appropriate category of property, plant and equipment.

Expenses for assessment of new potential projects incurred till investment decisions are charged to revenue. Expenditure incurred for projects after investment decisions are accounted for under capital work in progress and capitalized subsequently.

Any costs directly attributable to acquisition/ construction of property, plant and equipment till it is brought to the location and condition necessary for it to be capable of operating in the manner as intended by the management form part of capital work-in-progress

3.4.4 Depreciation and amortisation

Depreciation on assets are provided on a straight-line basis over their useful life, either as prescribed under Schedule II of the Companies Act, 2013 or, wherever considered necessary, determined on the basis of technical estimations carried out by the Management not exceeding the prescribed useful life as per Schedule II to the Companies Act, 2013.

Component of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of that item, is depreciated separately if its useful life differs from that of the asset. The Company has chosen a benchmark of ₹1 Crore as significant value for identification of a separate component except 'Pot Relining' which is considered as a component of each 'Electrolytic Pot' due to its inherent nature and useful life.

The residual value of plant and machinery, vehicles, mobile equipment, and earth moving equipment, railway facilities, rolling stock, and residential quarters are maintained at 5% of the original cost and for all other assets, the residual value is considered as Nil.

Notes to the financial statements

The estimated useful lives are reviewed at each year end and the effect of change, if any, is accounted for prospectively.

For the purpose of depreciation of assets, useful lives of -

- (a) immovable property, plant and equipment at bauxite mines is the life of the individual asset or the balance lease period of Mines whichever is lower;
- (b) captive thermal power generation plant namely Captive Power Plant (CPP) is considered to be 30 years;
- (c) Steam Power Plant (SPP) is considered to be 25 years;
- (d) Red Mud Ponds and Ash Ponds at Alumina Refinery and Ash Ponds at CPP are based on their estimated remaining useful lives evaluated on the basis of technical estimates made periodically;
- (e) assets laid on leasehold land excluding assets of Bauxite mines are considered to be lower of balance lease period or the useful life of the asset;
- (f) major spares are based on technical estimation of the said spares.

Assets laid on land not owned by the Company are depreciated over the useful life from the date on which the asset is capable of operating in the manner intended by the management unless a longer / shorter life can be justified.

Individual Assets costing ₹10,000/- or less are depreciated fully in the year in which they are put to use.

Property plant and equipment other than mentioned above are subject to the following useful lives.

Sl. No.	Particulars of asset category (Property Plant & Equipment)	Range of useful life in years
1	Buildings	30-60
2	Plant and machinery	15-40
3	Railway siding	15
4	Vehicles	08-10
5	Furniture and fixtures	08-10
6	Computer equipment	06

3.4.5 De-recognition of assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the use of the asset. Any gain or loss arising on the disposal/de-recognition is recognised in the statement of profit and loss.

3.4.6 Stripping costs

Stripping costs of surface mining is recognised as an asset when they represent significantly improved access to ore, provided all the following conditions are met:

- (a) it is probable that the future economic benefit associated with the stripping activity will be realised;
- (b) the component of the ore body for which access has been improved can be identified; and
- (c) the costs relating to the stripping activity associated with the improved access can be reliably measured.

The stripping cost incurred during the production phase is added to the existing “stripping cost asset” to the extent the current period stripping ratio exceeds the planned stripping ratio.

The “stripping cost asset” is subsequently depreciated on a unit of production basis over the life of the identified component of the ore body that become more accessible as a result of the stripping activity and is then stated at cost less accumulated depreciation and impairment loss, if any.

Notes to the financial statements

3.5 Intangible Assets

3.5.1 Intangible assets acquired separately

Intangible assets acquired are reported at cost less accumulated amortisation and impairment loss, if any. Intangible assets having finite useful life are amortised over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

3.5.2 Internally-generated intangible assets – research and development expenditure

Expenditure on research activities, except capital expenditure considered as property, plant and equipment, is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development is recognised if and only if all the conditions stipulated in “Ind AS 38 – Intangible Asset” are met.

3.5.3 Mining Rights

The costs of mining rights include amounts paid towards Net Present Value (NPV) including related payments and upfront money as determined by the regulatory authorities.

Cost of mining rights are amortised over the total estimated remaining commercial reserves of mining property and are subject to impairment loss.

3.5.4 Mines Development Expenses

Expenditure incurred for mines development prior to commercial production i.e. primary development expenditure other than land, buildings, plant and equipment is capitalised until the mining property is capable of commercial production.

3.5.5 User Rights

Amount of expenditure incurred in a cluster project, having future economic benefits with exclusive use of co-beneficiaries but without physical control on the assets, are capitalised as user rights.

3.5.6 Software

Operating software acquired separately (RDBMS, Sybase, ERP/SAP) are capitalised as software.

3.5.7 License and Franchise

Amount of expenditure incurred for obtaining license for use of technology is capitalised under the head “License and Franchise”.

3.5.8 De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from disposal/de-recognition are recognised in the statement of profit and loss.

3.5.9 Amortisation

The basis of amortisation of intangible assets is as follows:

- (a) Licenses in the nature of technical know-how for processing plants which are available for the useful life of the respective processing plants are amortised over a period of ten years.
- (b) Software classified as intangible assets carries a useful life of 3 years and are amortised over that period.
- (c) Mining Rights and Mines Development Expenses are amortised over the period of availability of reserves.
- (d) User Right for cluster projects is amortised over the useful life of the asset from the date of commissioning.

3.6 Impairment of tangible and intangible assets

At the end of each reporting period the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount (i.e. higher of the fair value

Notes to the financial statements

less cost to sell and the value-in-use) of the asset is estimated to determine the extent of impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs is estimated. If the estimated recoverable amount of the CGU is less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount and the difference between the carrying amount and recoverable amount is recognised as impairment loss in the statement of profit or loss.

3.7 Foreign currency transaction and translation

Items included in the financial statements are measured using the currency of the primary economic environment i.e. Indian Rupee in which the Company operates.

In preparing the financial statements, transactions in foreign currencies i.e. currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

3.8 Provisions and contingencies

3.8.1 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the estimated cash outflows to settle the present obligation, its carrying amount is the present value of those cash outflows.

3.8.2 Restoration, rehabilitation and decommissioning

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine and other manufacturing facilities. The Company has recognised the obligated restoration, rehabilitation and decommissioning liability as per statutory mandate.

Net present value of such costs are provided for and a corresponding amount is capitalised at the commencement of each project. These costs are charged to the statement of profit or loss over the life of the asset by way of depreciation and unwinding of the discounted liability. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes in lives of operations, new disturbance and revisions of discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance and other cost in the statement of profit or loss.

3.8.3 Environmental liabilities

Environmental liabilities are recognised when the Company becomes obliged, legally or constructively to rectify environmental damage or perform remedial work.

3.8.4 Legal Obligations

Provision is recognised once it has been established that the Company has a present obligation based on consideration of the information which becomes available up to the date of reporting.

3.8.5 Contingent Liabilities

Contingent liabilities are possible obligations that arises from past events, the existence of which would be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation but payment is not

Notes to the financial statements

probable or the amount cannot be measured reliably. Contingent liabilities are disclosed in the financial statements unless the possibility of any outflow in settlement is remote.

3.8.6 Contingent Assets

Contingent assets are not recognised in the financial statement, but are disclosed where inflow of economic benefits is probable.

3.9 Leases

The Company has applied Ind AS 116-Leases effective 1st April, 2019 to all leases, using the modified retrospective method, with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated. The company identifies all leases wherever a contract is, or contains, a lease if it conveys the right to control the use of an identified asset (explicitly or implicitly specified in the contract) for a period of time in exchange of consideration, at the inception of the contract.

At the date of commencement of lease, the company recognizes, "Right Of Use" ROU Asset at cost, and the Lease Liability is measured at the present value of all lease payments that are not paid at that date, except leases with a lease term of 12 months or less that do not contain a purchase option (short term leases) and leases for which the underlying asset is of low value.

The lease payments for leases with a lease term of 12 months or less that do not contain a purchase option (short term leases) and leases for which the underlying asset is of low value, are recognized as operating expenses.

3.9.1 Initial Measurement:

The "Cost of ROU Asset" includes amount of:

- i. Initial measurement of lease liability
- ii. Prepaid lease payments less any lease incentives received
- iii. Initial direct cost incurred by the company as lessee and
- iv. Estimated costs to dismantle remove or, restore the underlying asset.

The lease liability is measured at the present value of lease payments by discounting lease payments at coupon rate of long term govt. bonds.

The "lease payment" includes:

- i. Fixed payments (including in-substance fixed payment).
- ii. Variable lease payment that depend upon an index or a rate.
- iii. Amount payable by the company as residual value guarantee.
- iv. The exercise price of purchase option if the company expects with reasonable certainty to exercise the same.
- v. Payment of penalties for termination by the company, if the terms of lease contains such option for the company.

3.9.2 Susequent Measurement:

During subsequent periods, lease liability is measured at amortised cost using effective interest method. And the ROU asset is measured at cost less accumulated depreciation and accumulated impairment if any.

The lease payments are classified as cash flow from financing activities.

3.10 Inventories

Inventory of raw material, including bulk material such as coal and fuel oil are valued at the lower of cost net of tax credit wherever applicable and net realisable value.

Stores and spares other than those meeting the criteria for recognition as Property, Plant and Equipment are valued at cost net of tax credit wherever applicable.

Notes to the financial statements

Stores and spares (other than major spares considered as Property, Plant and Equipment) held but not issued for more than 5 years are valued at 5% of the cost.

Materials and other supplies held for use in the production (other than considered as non-moving) are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials, stores and spares as stated above are determined on moving weighted average price.

Inventories of finished goods, semi-finished goods, intermediary products and work in process including process scrap are valued at lower of cost and net realisable value. Cost is generally determined at moving weighted average price of materials, appropriate share of labour and related overheads. Net realisable value is the estimated selling price in the ordinary course of business available on the reporting date less estimated cost necessary to make the sale.

Inventory of scraps internally generated are valued at net realisable value.

3.11 Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the outstanding is due for payment within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

3.12 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Except for trade receivables and payables, financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities.

3.12.1 Financial assets

a. Cash or Cash Equivalent

The Company considers all short-term bank deposits having a maturity period of three months or less as cash & cash equivalent. Term deposits in Bank with a maturity period of more than 3 months are considered as other Bank Balance.

b. Financial assets at amortised cost

Financial assets, including trade receivables where it contains significant financing component, are classified as subsequently measured at amortised costs and are measured accordingly using effective interest method if the financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets at fair value through Other Comprehensive Income (OCI)

Financial assets are classified as subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

d. Financial assets at fair value through profit or loss

Financial assets are classified as subsequently measured at fair value through profit or loss unless it is classified as subsequently measured at amortised cost or at fair value through other comprehensive income. Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit or loss.

Notes to the financial statements

3.12.2 Financial liabilities

Trade payables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

Financial liabilities, including trade payables where it contains significant financing component, are subsequently measured at amortised cost using effective interest method.

3.12.3 De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expires, or when substantially all the risks and rewards of ownership of the assets are transferred to another entity.

3.12.4 Impairment of financial assets

At each reporting date, assessment is made whether the credit risk on a financial instrument has increased significantly or not since initial recognition.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12 month expected credit losses. If the credit risk on that financial instrument has increased significantly since initial recognition, the loss allowance is measured for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

3.12.5 De-recognition of financial liability

Financial liabilities are derecognised when, and only when, the obligations are discharged, cancelled or expired.

In the case of retention for liquidated damages, if on finalization/closure of contract, liquidated damage is leviable, the amount retained is written back and recognized as income except capital contracts where liquidated damage is directly attributable to escalation/increase in the cost of the asset. In such case, the retention amount is adjusted against cost of the asset.

3.12.6 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

3.13 Derivatives

Derivative instruments such as forward foreign exchange contracts are recognised at fair value at the date the derivative contracts are entered into and are re-measured at the end of each reporting period. The resulting gain or loss is recognised in statement of profit or loss immediately.

3.14 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing cost is recognised in profit or loss in the period in which they are incurred.

3.15 Accounting for government grants

Government grants are recognised when there is reasonable assurance that the conditions attached to them will be complied and that the grants will be received.

Government grants related to assets whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised in the balance sheet by setting up the grant as deferred income and are transferred to profit or loss on a systematic basis over the useful life of the related assets.

Notes to the financial statements

Government grants related to income are recognised as income on a systematic basis over the periods necessary to match them with the costs for which they are intended to compensate.

3.16 Employee benefits

3.16.1 Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, short-term compensated absences etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid.

3.16.2 Post-employment and long-term employee benefits

3.16.3 Defined contribution plans

A defined contribution plan is plan under which fixed contributions are paid to a separate entity. Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them for such contributions.

3.16.4 Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined through actuarial valuation using the Projected Unit Credit Method, carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability are recognised immediately in other comprehensive income. The service cost, net of interest on the net defined benefit liability, is treated as an expense.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised,

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

3.16.5 Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows in respect of services provided by employees upto the reporting date. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise. These obligations are valued annually by independent actuaries.

3.17 Revenue recognition

The company earns revenue primarily from sale of product like alumina, aluminium and sale of power. Revenue is recognised when the company satisfies a performance obligation by transferring promised good to a customer.

3.17.1 Sales of Goods

Revenue from ex-factory/ex-stockyard sales are recognised upon handing over of goods at the factory/stock yard along with commercial invoice with due statutory compliance. Sales on FOB basis are recognised on preparation of shipping bill and handing over of goods to the shipper. In case of sale on CIF basis, revenue is recognised on placing the goods on board at the port of shipment and getting the shipping document prepared as per the incoterm.

3.17.2 Sale of Energy

Sale of wind power is recognised on the basis of energy transmitted to DISCOMs /consumer at the price notified by respective authorities subject to Power Purchase Agreement (PPA) with them.

Sale of power from the captive power plant is considered based on quantity injected to state GRID excluding wheeling to Refinery and inadvertent energy injection, subject to Power Purchase Agreement, and scheduling by the State Load Despatch Centre (SLDC).

Revenue from the sale of energy is recognised if -

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;

Notes to the financial statements

(c) recovery of the consideration is assured reasonably.

3.17.3 Income from dividend and interest

3.17.4 Dividend

Dividend income from investments is recognised when the right to receive the dividend is established.

3.17.5 Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate.

3.17.6 Income from incentives from government agencies

Incentives from government agencies in the nature of duty draw back and Merchandise Export Incentive Scheme (MEIS) on exports and incentives on generation of renewable sources of energy are recognised as per the relevant statute on compliance of the conditions provided thereunder.

3.18 Income taxes

Tax expense represents the sum of current tax and deferred tax.

3.18.1 Current taxes

Current tax expense is based on taxable profit for the year as per the Income Tax Act, 1961. Current tax liabilities (assets) for the current and prior period are measured at amounts expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period and includes any adjustment to tax payable in respect of previous years.

3.18.2 Deferred taxes

Deferred tax expense or income is recognised on temporary difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in computation of taxable profits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax relating to items recognised directly in other comprehensive income forms part of the statement of comprehensive income.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and adjusted to the extent it has become probable that sufficient taxable profits will be available to allow the asset to be recovered

3.19 Exceptional items

Exceptional items are items of income and expenses within profit or loss from ordinary activities but of such size, nature or incidence whose disclosure is felt necessary for better explanation of the financial performance achieved by the Company.

3.20 Cash flow statement

Cash flow statement is prepared in accordance with indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

3.21 Restatement of material error / omissions

Errors and omissions is construed to be material for restating the opening balances of assets and liabilities and equity if the sum total effect of earlier period income / expenses exceeds ₹50 crore.

Note No. 4 : Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires the management to make complex and/or subjective judgements, estimates and assumptions about matters that are inherently uncertain. These estimates and assumptions affect the reported amounts of assets and liabilities as well as disclosure of contingent liabilities and assets at the date of the financial statements and also revenues and expenses during the reported period.

The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Notes to the financial statements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

4.1 Critical accounting judgments

Apart from those involving estimations that the management have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements, management has decided that reporting of Company's financial assets at amortised cost would be appropriate in the light of its business model and have confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

4.2.1 Impairment

Investments in Associates and other investments, loans and advances, property, plant and equipment and intangible assets are reviewed for impairment whenever events and changes in circumstances indicate that the carrying value may not be fully recoverable or atleast annually.

Future cash flow estimates of Cash Generating Units which are used to calculate the asset's fair value are based on expectations about future operations primarily comprising estimates about production and sales volumes, commodity prices, reserves and resources, operating rehabilitations and restoration costs and capital expenditure.

4.2.2 Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

4.2.3 Assessment of Mining Reserve

Changes in the estimation of mineral reserves where useful lives of assets are limited to the life of the project, which in turn is limited to the life of the probable and economic feasibility of reserve, could impact the useful lives of the assets for charging depreciation. Bauxite reserves at Mines is estimated by experts in extraction, geology and reserve determination and based on approved mining plan submitted to Indian Bureau of Mines (IBM).

4.2.4 Obligation for post-employment benefit liability

Liability for post-employment benefit and long term employee benefit is based on valuation by the actuary which is in turn based on realistic actuarial assumptions.

4.2.5 Provisions & Contingent Liabilities

The amount recognised as a provision, including tax, legal, restoration and rehabilitation, contractual and other exposures or obligations is the best estimate of the consideration required to settle the related liability, including any interest charges, taking into account the risks and uncertainties surrounding the obligation. The Company assess its liabilities and contingent liabilities based upon the best information available, relevant tax and other laws, contingencies involved and other appropriate requirements.

4.2.6 Fair value measurement and valuation process

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the financial statements

5.A - Property, plant and equipment

Amount in ₹ Crore

Description	Gross Carrying Amount			Accumulated Depreciation & Amortisation				Carrying Amount		
	As at 31-03-2020	Addition/ Transfer	Withdrawal/ Transfer/ Adjustment	As at 31-03-2021	As at 31-03-2020	For the Year	Withdrawal/ Transfer/ Adjustment	As at 31-03-2021	As at 31.03.2021	As at 31.03.2020
— Owned Assets										
Freehold land	81.88	0.58	—	82.46	—	—	—	—	82.46	81.88
Buildings	756.48	56.66	(0.03)	813.11	179.86	33.91	(0.02)	213.75	599.36	576.62
Plant and equipment	8,331.44	536.50	(60.31)	8,807.63	1,994.72	488.34	(45.78)	2,437.28	6,370.35	6,336.72
Furniture and fixtures	22.44	1.17	(0.08)	23.53	12.07	2.24	(0.07)	14.24	9.29	10.37
Office equipment	51.50	2.01	(1.04)	52.47	28.34	8.44	(1.03)	35.75	16.72	23.16
Vehicles	31.90	3.55	(0.15)	35.30	13.42	3.06	(0.11)	16.37	18.93	18.48
Railway sidings	64.16	4.53	—	68.69	20.21	4.13	—	24.34	44.35	43.95
— Leased Assets										
Leasehold Land (Right of Use)	86.54	98.33	(0.01)	184.86	3.18	5.86	—	9.04	175.82	83.36
Grand Total	9,426.34	703.33	(61.62)	10,068.05	2,251.80	545.98	(47.01)	2,750.77	7,317.28	7,174.54

Notes:

- 5.A.1 Title deeds have been executed for freehold land acquired through Govt. of Odisha, except for land measuring 64.15 acres. The Company is in the process of conversion of freehold land for Industrial use and has taken-up matter with Revenue Authorities.
- 5.A.2 Cost of Freehold land includes cost of 43.75 acre of land surrendered to Govt. of Odisha against which the alienation process is yet to be completed.
- 5.A.3 The Company has 1697.71 acres of leasehold land in respect of which lease deeds are yet to be executed. However, the Company has been permitted by the concerned authorities to carry on its operation on the said land.
- 5.A.4 Registration formalities in respect of office space (building) of 6,459 Sq.ft at Kolkata purchased from Kolkata Municipal Development Authority with a carrying amount of ₹4.59 crore is under progress.
- 5.A.5 The Company incurred ₹0.90 crores (previous year ₹ 0.82 crores) for the year ended 31st March, 2021 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹4.41 crores (previous year ₹ 4.27 crores) for the year ended 31st March, 2021, including cash outflow of short-term leases and leases of low-value assets.

6. Capital work-in-progress (CWIP)

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
Capital Work-in-progress	1,420.17	1,135.86
Construction materials including in transit	11.44	41.30
	1,431.61	1,177.16

- 6.1. The amount of capital work in progress includes an amount of ₹53.97 crore (previous year ₹46.44 crore) towards infrastructural development expenditure attributable to Utkal-D and Utkal-E Coal Block. It also includes directly attributable expenses of ₹105.59 crore (previous year ₹62.09 crore) for 5th Stream Alumina Refinery expansion and pre-project expenses of ₹ 250.11 crores (previous year ₹62.01 crore) towards expenditure on infrastructural development in Odisha which was a binding obligation of the Company to Govt. of Odisha for allotment of Pottangi Mines.

Notes to the financial statements
7. Intangible assets

Amount in ₹ Crore

Description	Gross Carrying Amount				Accumulated Depreciation & Amortisation				Carrying Amount	
	As at 31-03-2020	Addition/ Transfer	Withdrawal/ Transfer/ Adjustment	As at 31-03-2021	As at 31-03-2020	For the Year	Withdrawal/ Transfer/ Adjustment	As at 31-03-2021	As at 31.03.2021	As at 31.03.2020
User right	79.79	—	—	79.79	11.28	4.00	—	15.28	64.51	68.51
Computer software	11.24	0.13	—	11.37	7.70	1.76	—	9.46	1.91	3.54
Mining rights [refer note 8.1]	288.39	91.36	—	379.75	51.22	52.83	—	104.05	275.70	237.17
Licenses	10.25	1.30	—	11.55	9.24	1.25	—	10.49	1.06	1.01
Grand Total	389.67	92.79	—	482.46	79.44	59.84	—	139.28	343.18	310.23

Notes:

7.1 The Company is operating its mining activities at Panchpatmali bauxite mines based on the lease granted by the Government of Odisha. In connection with lease renewal, the Company has paid NPV and related payments which is capitalized as intangible assets under Mining Rights and amortized on straight line basis as per the Accounting Policy of the Company.

8. Intangible assets under development

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
Mining right	144.39	249.54
	144.39	249.54

Note:

8.1 Mining right under development constitutes expenses related to payment to statutory authorities towards allotment of coal blocks, NPV and wild life management plan of coal blocks, and related jobs for coal mines.

9. Investments

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
A. Non-current		
A.1 Investments in equity instruments		
A.1.1 Investment in associates		
A.1.2 Investment in joint ventures		
Unquoted investments		
a) Utkarsha Aluminium Dhatu Nigam Limited (As at 31.03.2020 : 1,00,00,000 shares of ₹ 10 each fully paid up, As at 31.03.2021 : 2,00,00,000 shares of ₹ 10 each fully paid up). Share application money for 1,00,00,000 shares of ₹10 each fully paid. #	20.00	10.00
Total	20.00	20.00
[# 1,00,00,000 no's of equity shares of ₹10 each fully paid up has been issued by Utkarsha Aluminium Dhatu Nigam Limited on 14.05.2020 under Rights issue.]		
b) Khanij Bidesh India Limited (As at 31.03.2020 : 40,000 shares of ₹10 each fully paid up, As at 31.03.2021 : 10,00,000 shares of ₹10 each fully paid up). Share application money for 9,60,000 shares of ₹10 each fully paid.##	1.00	0.04
Total	1.00	1.00
[## 9,60,000 no's of equity shares of ₹10 each fully paid up has been issued by Khanij Bidesh India Limited on 12.06.2020 under Rights issue.]		
c) Angul Aluminium Park Private Limited (As at 31.03.2020 : 1,62,23,900 shares of ₹ 10 each fully paid up, As at 31.03.2021 : 1,62,23,900 shares of ₹ 10 each fully paid up).	16.22	16.22
Total	16.22	16.22
d) GACL-NALCO Alkalies & Chemicals Private Limited (As at 31.03.2020:24,00,00,000 shares of ₹ 10 each fully paid up, As at 31.03.2021:27,60,00,000 shares of ₹ 10 each fully paid up).	276.00	240.00
Total	276.00	240.00
On 16.02.2021, M/s. GACL-NALCO Alkalies & Chemicals Private Limited has issued 3,60,00,000 nos. of fully paid equity shares of ₹ 10/- each to the Company under Rights Issue.		
Total investment in joint ventures	313.22	277.22

Notes to the financial statements

9. Investments (Contd.)

Amount in ₹ Crore

Details of joint ventures

Details of each of the Company's joint ventures at the end of the reporting period are as follows

Name of the joint venture	Principal Activity and place of business	Proportion of ownership interest / voting rights held by the Company	
(a) Utkarsha Aluminium Dhatu Nigam Limited	Manufacture, market, sell, buy, trade, distribute, import and export of all high end aluminium alloy products including scrap to fulfil the requirement of critical, strategic and other sectors	50.00%	50.00%
(b) Khanij Bidesh India Limited	Identify, explore, acquire, develop, mine, process, procure and sell strategic minerals outside India	40.00%	40.00%
(c) Angul Aluminium Park Private Limited	Promoting aluminium specific downstream in Odisha, Bhubaneswar, Odisha.	49.00%	49.00%
(d) GACL-NALCO Alkalies & Chemicals Private Limited	Production of caustic soda, Vadodara, Gujarat.	40.00%	40.00%
Unquoted investments			
Odisha Capital Market & Enterprises Limited. (2,89,000 shares of ₹ 1 each fully paid up)		0.03	0.03
Total - Investments in other entities		0.03	0.03
Total - investments in equity instruments		313.25	277.25
Additional information			
Aggregate carrying amount of unquoted investments		313.25	277.25

			As at 31.03.2021		As at 31.03.2020
B. Current					
	Investments in Mutual Funds	Units in '000	Amount in ₹ Crore	Units in '000	Amount in ₹ Crore
	Quoted Investments				
	BOI AXA Liquid Fund	—	—	50	5.00
	BOI AXA overnight Fund	—	—	100	10.00
	Canara Liquid Fund	239	24.05	—	—
	Baroda Liquid Fund	1,009	101.14	120	12.00
	SBI Premier Liquid Fund	684	71.10		
	Union KBC Liquid	520	52.09	180	18.01
	UTI Overnight Fund	—	—	100	10.00
	Total - Other current Investments		248.38		55.01
	Additional Information				
	Aggregate cost of quoted investments		248.00		55.00
	Aggregate market value of quoted investments		248.38		55.01
	Aggregate cost of unquoted investments		—		—
	Aggregate amount of impairment in value of investments		—		—
	Category-wise classification:				
			As at 31.03.2021		As at 31.03.2020
	Financial assets (quoted investments) mandatorily measured at fair value through profit or loss (FVTPL)		248.38		55.01
			248.38		55.01

Notes to the financial statements

10. Trade receivables

Amount in ₹ Crore

A.	Non-current	As at 31.03.2021	As at 31.03.2020
(a)	Considered good - Secured	—	—
(b)	Considered good - Unsecured	—	—
(c)	Having significant increase in credit risk	—	—
(d)	Credit impaired	37.11	37.11
Less: Allowance for doubtful debts (expected credit loss allowance)		37.11	37.11
Non-current trade receivables		—	—
B.	Current	As at 31.03.2021	As at 31.03.2020
(a)	Considered good - Secured	—	—
(b)	Considered good - Unsecured	147.39	140.09
(c)	Having significant increase in credit risk	20.24	—
		—	—
Less: Allowance for doubtful debts		20.24	—
Current trade receivables		147.39	140.09

Notes:

- 10.1 The sale of goods (Alumina and Aluminium) is made against either advances received from customers or letter of credit. The advance received from customer is adjusted on sale. The average credit period for sale of wind power is 30 days from the date of metering which is considered as collection period.
- 10.2 Customers that individually represent more than 5% of the total trade receivable as on 31.03.2021:

Customers	% of trade receivables	Customer Category
a. DUBAI ALUMINIUM PJSC	44%	Alumina
b. APSPDCL	19%	Wind Power
c. RDPPC,DEVIKOT,RAJASTHAN	12%	Wind Power

- 10.3 The company has used a practical approach for computing expected credit loss allowance for trade receivables based on a case to case basis. Since there is no credit period for sale of alumina and aluminium and the sale is either made against an advance or backed by letter of credit (LC) given by customers, no credit loss is expected against such receivables. For sale of wind power, although there is no credit arrangement, the Company estimates credit losses based on credit loss experience and forward looking information.

Age of receivables	As at 31.03.2021	As at 31.03.2020
Alumina and Aluminium		
0-30 days	108.40	78.04
3-6 Months	—	—
More than 6 months	37.11	37.11
	145.51	115.15
Wind Power		
0-3 Months	4.45	9.28
3-6 Months	3.02	7.31
More than 6 months	31.52	45.46
	38.99	62.05

Notes to the financial statements

11. Loans

Amount in ₹ Crore

A.	Non-current	As at 31.03.2021	As at 31.03.2020
(a)	Loans to employees		
	Secured, considered good	66.48	62.42
	Unsecured, considered good	19.26	10.30
(b)	Loans to others		
	Secured, considered good	0.21	0.30
	Less: Allowance for bad and doubtful loans	—	—
	Total non-current loans	85.95	73.02
B.	Current	As at 31.03.2021	As at 31.03.2020
(a)	Loans to employees		
	Considered good-Secured	17.71	29.52
	Considered good-Unsecured	9.47	9.07
(b)	Loans to related parties		
	Considered good-Secured [refer note 11.2]	0.01	0.02
(c)	Loans to others		
	Considered good - Secured	2.97	1.55
	Total current loans	30.16	40.16

Notes:

11.1 Loans to employees and others are carried at amortised cost.

11.2 The amount of loan outstanding from related parties (Directors) is the amount of motor vehicle loan taken from the Company in their capacity as employees. Further information on these loans is set out in note 38-Related party disclosure.

12. Other financial assets

Amount in ₹ Crore

A.	Non current	As at 31.03.2021	As at 31.03.2020
	Security deposits	11.24	10.48
	Total other non-current financial assets	11.24	10.48
B.	Current	As at 31.03.2021	As at 31.03.2020
(a)	Advances to employees	—	0.04
(b)	Insurance claims receivables and others	7.22	8.46
	Gross - other current financial assets	7.22	8.50
	Less: Allowance for bad and doubtful other current financial assets		
a)	Insurance claims	7.22	8.45
	Total allowance for bad and doubtful - other current assets	7.22	8.45
	Net other current financial assets	—	0.05
	Classification of other current financial assets:		
	Unsecured, considered good	—	0.05
	Doubtful	7.22	8.45
	Gross other current financial assets	7.22	8.50

Notes:

12.1 Other financial assets are carried at amortised cost.

Notes to the financial statements

13. Current tax assets

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
Income tax	85.50	46.22
Total current tax assets	85.50	46.22

14. Other assets

Amount in ₹ Crore

A. Non-current		As at 31.03.2021	As at 31.03.2020
(a)	Capital advances	240.61	197.18
(b)	Advances other than capital advance:		
	Advance with public authorities		
(1)	Customs, excise, sales tax, port trusts etc.	170.60	216.66
(2)	Deposits with Income Tax Authority (net)	326.80	285.55
(3)	Other Government authorities	3.52	2.18
(c)	Others		
	Prepaid expenses		
(1)	Deferred employee benefits	16.63	18.29
Gross other non-current assets		758.16	719.86
Less: Allowance for bad and doubtful for other non-current assets			
(a)	Capital advances	0.26	0.26
Total allowance for bad and doubtful for other non-current assets		0.26	0.26
Total other non-current assets		757.90	719.60
B. Current		As at 31.03.2021	As at 31.03.2020
Advances other than capital advances			
(a)	Claims with statutory authorities		
(1)	Export Incentive Claims	28.53	14.33
(2)	Generation Based Incentive on power generated from renewable source and Renewable energy certificates	2.94	3.86
(3)	VAT, CENVAT and GST Credit Recoverable	332.80	345.47
(4)	Claims receivable from customs, excise and railway authorities	8.84	8.79
(b)	Prepaid expenses		
(1)	Deferred employee benefits	2.39	2.85
(2)	Other prepaid expenses	4.91	5.29
(c)	Stamp in hand	0.01	0.01
(d)	Other receivables	1.23	1.63
(e)	Other advances		
(1)	Advances to employees	29.23	28.46
(2)	Advances to suppliers and service providers	363.20	395.11
(3)	Others	3.84	2.67
Gross other current assets		777.92	808.47
Less: Allowance for bad and doubtful for other current assets			
(a)	VAT and CENVAT Credit Recoverable	197.81	197.81
(b)	Claims receivable from customs, excise and railway authorities	7.09	7.09
(c)	Other receivables	0.39	1.00
(d)	Advances to suppliers and service providers	2.02	1.88
(e)	Others	1.81	1.85
Total allowance for bad and doubtful for other current assets		209.12	209.63
Total other current assets		568.80	598.84

Notes to the financial statements

15. Inventories

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
(a) Raw materials	72.69	89.46
(b) Coal and fuel oil	215.62	338.63
(c) Finished goods	464.43	440.02
(d) Carbon Anodes (Intermediaries)	118.57	153.03
(e) Work-in-progress	298.35	282.54
(f) Stores and spares	292.84	378.51
(g) Scraps	13.82	14.71
Total inventories	1,476.32	1,696.90
Included above, goods-in-transit:		
(i) Raw materials	4.15	10.71
(ii) Coal and fuel oil	25.12	10.48
(iii) Stores and spares	4.45	9.86
Total goods-in-transit	33.72	31.05

Note:

- 15.1 Cost of inventories recognised as expenses during the year is ₹3,806.06 crore (previous year : ₹4,027.93 crore).
- 15.2 Cost of inventories recognised as expenses includes ₹2.00 crore (previous year: ₹4.23 crore) in respect of write-downs of inventory for non moving items.
- 15.3 Inventories are hypothecated/pledged against cash credit facility.
- 15.4 Method of valuation of inventories is stated in note 3.10 of Significant Accounting Policies.

16.A Cash and cash equivalents

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
(a) Balances with banks		
(1) Balance with scheduled banks		
(i) In current account	213.52	18.47
Total cash and cash equivalents	213.52	18.47

16.B Bank balances (other than Cash and cash equivalents)

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
(a) In deposit account (having original maturity between 3-12 months)	1,463.00	1,404.55
Principal	1,446.00	1,358.00
Accrued Interest	17.00	46.55
(b) Earmarked balance with scheduled banks	73.26	557.51
Total other bank balances	1,536.26	1,962.06

Note:

- 16.B.1 The earmarked balance of ₹73.26 crore with scheduled banks includes the amount deposited towards unclaimed dividend amounting to ₹3.87 crore (previous year ₹2.95 crore). The balance amount of ₹69.39 crore represents deposits with State Bank of India as per direction of Hon'ble High Court of Odisha. [refer note 24.2]
- 16.B.2 Amount due for credit to Investor's Education and Protection Fund at the end of the current year ₹ Nil (previous year ₹ Nil).

Notes to the financial statements

17. Share Capital

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
Authorised share capital:		
6,00,00,00,000 equity shares of ₹ 5 each	3,000.00	3,000.00
	3,000.00	3,000.00
Issued and subscribed capital comprises:		
1,83,66,31,787 fully paid-up equity shares of ₹ 5 each (As at 31.03.2020: 1,86,56,17,498 fully paid-up equity shares of ₹ 5 each)	918.32	932.81
	918.32	932.81

17.1 Reconciliation of the number of equity shares

Amount in ₹ Crore

	Number of shares	Amount ₹ in Crore
Balance as at 31.03.2019	1,86,56,17,498	932.81
Changes during the year	—	—
Balance as at 31.03.2020	1,86,56,17,498	932.81
Buy-back of shares	(2,89,85,711)	(14.49)
Balance as at 31.03.2021	1,83,66,31,787	918.32

- (i) The Company has only one class of equity shares having par value of ₹ 5 each. Each holder of equity shares is entitled to one vote per share and carries proportionate right to dividends declared by the Company based on their holdings.
- (ii) **Buy back:** During the year 2016-17, the Company bought back 64,43,09,628 numbers of equity shares of ₹ 5 each which led to decrease in the equity share capital from ₹ 1,288.62 crore to ₹ 966.46 crore.
During 2018-19 Company again bought back 6,73,11,386 number of equity shares of ₹ 5 each which further led to decrease in equity share capital from ₹ 966.46 crore to ₹ 932.81 crore.
During the current year, the Company bought back 2,89,85,711 numbers of equity shares of ₹ 5 each which led to decrease the equity share capital from ₹ 932.81 crore to ₹ 918.32 crore.
- (iii) **Disinvestment:** During the year 2017-18 the Government of India divested 27,77,65,383 Nos fully paid equity shares (through OFS 17,80,69,927 Nos, through employee offer 76,17,057 Nos and through ETF 9,20,78,399 Nos), consequent to which the holding of Government of India came down from 1,44,14,82,490 Nos (74.58%) as on 31.03.2017 to 1,16,37,17,107 Nos (60.2%) as on 31.03.2018.
During the year 2018-19, the Government of India further divested 8,89,86,323 Nos of equity shares through ETF. Consequent to buyback and transfer of shares through ETF by Government of India during 2018-19, the holding of Government of India has come down from 1,16,37,17,107 Nos (60.20%) as on 31.03.2018 to 97,00,81,517 Nos (51.99%) as on 31.03.2019.
During the year 2019-20, Government of India divested 92,88,506 Nos. of equity shares through Bharat 22 ETF upon which the holding of Government of India has come down from 97,00,81,517 Nos (51.99%) as on 31.03.2019 to 96,07,93,011 Nos. (51.50%) as on 31.03.2020.
During the current year, consequent upon buy-back of equity shares, the holding of Government of India has come down from 96,07,93,011 Nos. (51.5%) as on 31.03.2020 to 94,17,93,011 Nos. (51.28%) as on 31.03.2021.

17.2 Details of shares held by each shareholder holding more than 5% of shares

Amount in ₹ Crore

	As at 31.03.2021		As at 31.03.2020	
	Number of shares held	% of holding of equity shares	Number of shares held	% of holding of equity shares
Fully paid equity shares				
Government of India	94,17,93,011	51.28%	96,07,93,011	51.50%
Life Insurance Corporation of India	10,41,04,003	5.67%	9,41,04,003	5.04%
ICICI Prudential Infrastructure Fund	6,14,34,544	3.34%	11,00,27,027	5.90%
Others	72,93,00,229	39.71%	70,06,93,457	37.56%
Total	1,83,66,31,787	100.00%	1,86,56,17,498	100.00%

Notes to the financial statements

18. Other equity

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
(a) Capital redemption reserves	370.30	355.81
(b) General reserve	7,942.86	8,112.98
(c) Retained earnings	1,449.22	586.47
Total	9,762.38	9,055.26

18.1 Movement in other equity

Amount in ₹ Crore

Other equity	Reserves and Surplus			Total
	Capital redemption reserve	General reserve	Retained earnings	
Balance as at 01.04.2019	355.81	8,112.98	1,082.91	9,551.70
Profit for the year	—	—	138.23	138.23
Other comprehensive income (net of taxes)	—	—	(16.17)	(16.17)
Total comprehensive income for the year	—	—	122.06	122.06
Final dividend for the previous year	—	—	(233.20)	(233.20)
Tax on final dividend for the previous year	—	—	(47.94)	(47.94)
Interim dividend for the year	—	—	(279.84)	(279.84)
Tax on interim dividend for the year	—	—	(57.52)	(57.52)
Balance as at 31.03.2020	355.81	8,112.98	586.47	9,055.26
Profit for the year	—	—	1,299.53	1,299.53
Other comprehensive income (net of taxes)	—	—	23.83	23.83
Total comprehensive income for the year	—	—	1,323.36	1,323.36
Premium on Buy-back of equity shares	—	(152.18)	—	(152.18)
Expenses on Buy-back of equity shares (net of tax benefit)	—	(3.45)	—	(3.45)
Transfer of General Reserve to Capital redemption reserve	14.49	(14.49)	—	—
Interim dividend for the year	—	—	(460.61)	(460.61)
Balance as at 31.03.2021	370.30	7,942.86	1,449.22	9,762.38

18.2 The Company had bought back its own equity shares on September 26, 2016 at a premium utilising general reserve amounting to ₹ 2834.97 crore and consequently a sum equal to the nominal value of the shares so bought back amounting to ₹ 322.16 crore had been transferred to the capital redemption reserve account in terms of section 69 of the Companies Act, 2013.

During the year 2018-19, the Company had bought back 6,73,11,386 number of fully paid equity shares of ₹5 each on December 4, 2018 at an offer price of ₹75 per share. The aggregate consideration paid was ₹504.83 crore. Post buyback, the paid up equity share capital of the Company is reduced by ₹33.65 crore from ₹966.46 crore to ₹932.81 crore. The premium amount ₹471.18 crore is appropriated from general reserve. The shares were extinguished on December 7, 2018 and in terms of the provisions of Companies Act, 2013, a sum of ₹33.65 crore was transferred from general reserve to capital redemption reserve.

During the current year, the Company bought back 2,89,85,711 number of fully paid equity shares of ₹5 each on March 10, 2021 at an offer price of ₹ 57.50 per share. The aggregate consideration paid was ₹166.67 crore. Post buyback, the paid up equity share capital of the Company is reduced by ₹14.49 crore from ₹932.81 crore to ₹918.32 crore. The premium amount ₹152.18 crore is appropriated from general reserve. The shares were extinguished on March 17, 2021 and in terms of the provisions of Companies Act, 2013, a sum of ₹14.49 crore was transferred from general reserve to capital redemption reserve."

18.3 The Company has paid the first tranche of interim dividend @ ₹ 0.5 per equity share amounting to ₹93.28 crore on December 16, 2020. The second tranche of interim dividend of ₹2.00 per equity share amounting to ₹367.33 crore was paid on 31.03.2021. During the preceding year, the Company paid interim dividend of ₹279.84 crore for financial year 2019-20 and final dividend of ₹233.20 crore for the FY 2018-19 along with payment of dividend tax of ₹ 57.52 crore, ₹47.94 crore on these respective amounts of dividends.

Notes to the financial statements

19. Borrowings Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
Current (secured) (at amortised cost)		
Liabilities towards bills discounted	46.11	12.31
Total other current financial liabilities	46.11	12.31

20. Trade payables Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
A. Non-current		
(1) Creditors for supplies and services		
— Dues to micro and small enterprises	—	—
— Others	37.70	22.69
Total non-current trade payables	37.70	22.69
B. Current		
(1) Creditors for supplies and services		
— Dues to micro and small enterprises	11.70	7.06
— Others	702.45	535.03
Accrued wages and salaries	225.39	230.84
Total current trade payables	939.54	772.93

Notes:

20.1 Dues payable to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure pursuant to said Act in respect of such dues included in trade payables (note-20) and other financial liabilities (note-21) is as under.

Particulars		As at 31.03.2021	As at 31.03.2020
i)	Principal amount due	11.70	7.06
ii)	Interest on principal amount due	Nil	Nil
iii)	Interest and principal amount paid beyond appointment day	Nil	Nil
iv)	The amount of interest due and for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the amount of interest specified under MSME Development Act 2006.	Nil	Nil
v)	The amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSME Development Act 2006.	Nil	Nil

21. Other financial liabilities Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
A. Non current		
(a) Creditors for capital supplies and services		
— Dues to micro and small enterprises	—	—
— Others	36.07	8.28
(b) Lease Liability	50.48	50.25
Total other non-current financial liabilities	86.55	58.53

Notes to the financial statements

21. Other financial liabilities (Contd.)

Amount in ₹ Crore

B.	Current	As at 31.03.2021	As at 31.03.2020
(a)	Unpaid dividends	3.87	2.95
(b)	Creditors for other liabilities		
	(1) Creditors for capital supplies and services		
	— Dues to micro and small enterprises	—	—
	— Others	211.01	312.72
	(2) Security deposits from customers	3.88	2.07
	(3) Refund due to customers	7.61	26.50
	(4) Liabilities for discount on sales to customers	67.27	65.93
	(5) Employees' recoveries	0.27	0.63
(c)	Lease Liability	5.49	5.22
	Total other current financial liabilities	299.40	416.02

22. Provisions

Amount in ₹ Crore

		As at 31.03.2021	As at 31.03.2020
A.	Non-current		
(a)	Provision for employee benefits		
	(1) Retirement benefits obligations		
	(i) Post retirement medical benefits scheme (PRMBS)	147.48	135.39
	(ii) Settling in benefit on retirement	16.02	17.27
	(iii) Nalco benevolent fund scheme (NBFS)	2.21	2.41
	(iv) Nalco retirement welfare scheme(NRWS)	9.51	12.07
	(v) Retirement gift	6.17	7.08
	(2) Other long-term employee benefits		
	(i) Compensated absences	375.78	383.08
	(ii) Long service rewards	12.83	11.01
	(iii) Nalco employees family financial assistance rehabilitation scheme(NEFFARS)	25.54	25.94
(b)	Other Provisions		
	(1) Asset restoration obligations/dismantling	37.42	34.17
	(2) Other legal and constructive obligations	0.38	0.38
	Total non current provisions	633.34	628.80
B.	Current		
(a)	Provision for employee benefits		
	(1) Retirement benefits obligations		
	(i) Gratuity (funded)	10.63	55.98
	(ii) Post retirement medical benefits scheme (PRMBS)	7.85	5.03
	(iii) Settling in benefit on retirement	3.57	3.32
	(iv) Nalco benevolent fund scheme (NBFS)	0.51	0.58
	(v) Nalco retirement welfare scheme(NRWS)	2.87	0.45
	(vi) Retirement gift	0.99	0.18
	(2) Other Long-term employee benefits		
	(i) Compensated absences	54.59	44.49
	(ii) Long service rewards	0.30	0.53
	(iii) Nalco employees family financial assistance rehabilitation scheme(NEFFARS)	6.34	6.15

Notes to the financial statements

22. Provisions (Contd.)

Amount in ₹ Crore

(b)	Other Provisions			
(1)	towards peripheral development expenses		30.47	31.03
(2)	towards other legal and constructive obligations		41.34	30.70
Total current provisions			159.46	178.44
C.	Movement of provisions			
(1)	Movement of retirement benefit obligations [refer note 31]			
(2)	Movement of employee benefits			
		Compensated absences	Long service rewards	NEFFARS
	Balance at 31.03.2019	347.26	10.36	22.58
	Additional provisions recognised	125.09	1.22	28.77
	Reductions arising from payments	(75.16)	(2.30)	(19.26)
	Changes arising from remeasurement	30.38	2.26	—
	Balance at 31.03.2020	427.57	11.54	32.09
	Additional provisions recognised	126.18	1.35	20.57
	Reductions arising from payments	(106.42)	(1.06)	(20.78)
	Changes arising from remeasurement	(16.96)	1.3	—
	Balance at 31.03.2021	430.37	13.13	31.88
(3)	Movement of other Provisions	Asset restoration obligation	Legal and Constructive Obligation	Peripheral Development Expenses
	Balance at 31.03.2019	31.12	28.46	31.53
	Additional provisions recognised	0.50	4.52	—
	Reductions arising from payments	—	(1.95)	(0.50)
	Unwinding of discount	2.55	0.05	—
	Balance at 31.03.2020	34.17	31.08	31.03
	Additional provisions recognised	0.70	14.67	—
	Reductions arising from payments	—	(4.08)	(0.56)
	Unwinding of discount	2.55	0.05	—
	Balance at 31.03.2021	37.42	41.72	30.47

Note:

- 22.1 Provision related to retirement and other long term employee benefits are provided, in the case of gratuity as per the Gratuity Act, and for other benefits as per the Company's rules. Liability for the same is recognised on the basis of actuarial valuation by the independent Actuary.
- 22.2 Provision for asset restoration obligation and constructive obligation is made based on management estimation in line with Ind AS 16: Property, Plant and Equipment and Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets respectively.
- 22.3 Provision for peripheral development expenditure is the unspent development obligation of the Company prior to introduction of the Companies Act 2013.

Notes to the financial statements

23. Deferred tax liabilities

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020		
Deferred tax liabilities	1,141.28	1,582.79		
Deferred tax assets	247.56	522.18		
	893.72	1,060.61		
2019-20	Opening balance as at 01.04.2019	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as at 31.03.2020
Deferred tax liabilities relating to:				
Property, plant and equipment	(1,545.06)	(28.76)	—	(1,573.82)
FVTPL financial assets	2.94	(0.58)	—	2.36
Provision for defined benefit obligation (OCI)	(18.00)	—	6.67	(11.33)
Deferred tax liabilities	(1,560.12)	(29.34)	6.67	(1,582.79)
Deferred tax assets in relation to:				
Provision for compensated absences and other employee benefits	121.35	28.05	—	149.40
Provision for defined benefit obligation	88.17	2.65	—	90.82
Provision for doubtful debts / advances	90.24	(1.22)	—	89.02
Temporary Difference due to application of section 43B	125.27	63.25	—	188.52
MAT credit entitlement	—	—	—	—
Others	4.42	—	—	4.42
Deferred tax assets	429.45	92.73	—	522.18
Deferred tax (liabilities) / assets - [net]	(1,130.67)	63.39	6.67	(1,060.61)
2020-21	Opening balance as at 01.04.2020	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as at 31.03.2021
Deferred tax liabilities relating to:				
Property, plant and equipment	(1,573.82)	433.37	—	(1,140.45)
FVTPL financial assets	2.36	1.96	—	4.32
Provision for defined benefit obligation (OCI)	(11.33)	—	6.18	(5.15)
Deferred tax liabilities	(1,582.79)	435.33	6.18	(1,141.28)
Deferred tax assets in relation to:				
Provision for compensated absences and other employee benefits	149.40	(41.08)	—	108.32
Provision for defined benefit obligation	90.82	(24.70)	—	66.12
Provision for doubtful debts / advances	89.02	(20.01)	—	69.01
Temporary Difference due to application of section 43B	188.52	(187.59)	—	0.93
MAT credit entitlement	—	—	—	—
Others	4.42	(1.24)	—	3.18
Deferred tax assets	522.18	(274.62)	—	247.56
Deferred tax (liabilities) / assets [net]	(1,060.61)	160.71	6.18	(893.72)

Note:

In pursuance to Section 115BAA of the Income Tax Act, 1961 notified by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company had an irrevocable option of shifting to a lower tax rate foregoing other tax incentives. The Company exercised the said option for lower rates of taxes and deferred tax assets and liabilities has been measured accordingly. The applicable rate for the current year is 25.168% (previous year 34.944%). The impact of such change in rate of taxes on the deferred tax as on 31.03.2021 is ₹345.15 crore.

Notes to the financial statements
24. Other liabilities

Amount in ₹ Crore

A. Non-current		As at	As at
		31.03.2021	31.03.2020
(i)	Deposits under NEFFARS	98.27	70.90
(ii)	Others [Refer note 24.1]	230.50	—
Total other non-current liabilities		328.77	70.90
B. Current			
(i)	Revenue received in advance	97.27	94.25
(ii)	Statutory and other dues		
(a)	Electricity duty [refer note: 24.2]	107.47	589.43
(b)	Tax deducted and collected at source	29.35	21.61
(c)	Contribution to NEPF trust and NPS	43.58	38.17
(d)	Dues towards stamp duty	212.78	212.78
(e)	Others (Service tax, excise duty etc)	63.71	64.91
(iii)	Renewable energy purchase obligation [refer note: 24.3]	24.99	293.82
(iv)	Deposits under NEFFARS	25.20	24.22
(v)	Grants for property, plant and equipment	0.51	0.53
(vi)	Other credit balances	0.43	0.60
Total other current liabilities		605.29	1,340.32

Note:

- 24.1 The Hon'ble CESTAT, Kolkata has issued refund order of ₹230.50 crore in favour of the Company towards clean energy cess. In view of the various earlier judgements on identical matter where the benefit has not been allowed to the beneficiary, due to involvement of higher degree of uncertainty the Company has preferred to recognise the said amount as a liability till final outcome of the dispute. Moreover, the Department has challenged the order issued by CESTAT, Kolkata in the Hon'ble High Court of Odisha.
- 24.2 Against the accumulated liability of disputed differential electricity duty, based on the request of the Govt. of Odisha the differential electricity duty upto 31.12.2020 amounting to ₹675.23 crore has been paid to Govt. of Odisha subject to final decision of Hon'ble High Court of Odisha. From 01.01.2021 onwards, the monthly electricity duty amount is being paid directly to Govt. of Odisha.
- 24.3 Consequent upon notification no. OERC/RA/RE-5/2013/2012 dated 31.12.2019 issued by Odisha Electricity Regulatory Commission pegging rate of RPO at 3% (0.5% for Solar sources and 2.5% for non-solar sources) for the CGPs commissioned prior to 1.4.2016 and clarification by Odisha Renewable Energy Development Authority (OREDA) dated 17.06.2021, the Company reassessed its obligation as on 31st March, 2021 which stood at ₹24.99 crore (previous year ₹293.82 crore) after taking into consideration the renewable energy certificates physically available with the Company and claims for RECs yet to be received. Impact of such revision of liability has been considered in reduction of "Other Expenses". [refer note.33(j)]

25. Contingent liabilities (to the extent not provided for)

Amount in ₹ Crore

		As at	As at
		31.03.2021	31.03.2020
Claims against the Company not acknowledged as debts			
a.	Demand from statutory authority		
	1. Odisha Sales tax	3.72	4.31
	2. Central Sales tax	281.01	281.01
	3. VAT	12.64	12.64
	4. Excise duty	410.44	410.44
	5. Custom duty	104.47	104.47
	6. Service tax	21.98	18.19
	7. Income tax	162.66	547.62
	8. Entry tax	221.37	221.37
	9. Road tax	2.65	2.65
	10. Stamp duty	0.51	0.51
	11. Claim From Govt. (NGT)	62.30	15.59
	12. Claim From PSUs	247.59	188.73
	13. Land acquisition and interest there on	73.73	88.20
	14. Dept. of mines Govt. of Odisha	136.32	136.32
	15. NPV related demand under Mining lease	—	92.45
	16. Water Resources Deptt. Govt. of Odisha for Water Conservation fund	119.24	119.24
b.	Claim by contractors/suppliers and others		
	1. Claims of Contractor's suppliers and others	292.85	318.08
	Total	2,153.48	2561.82

Notes to the financial statements

25. Contingent liabilities (to the extent not provided for) (Contd.)

Claims against the Company not acknowledged as debt includes:

- i. Demand from various statutory authorities towards income tax, sales tax, excise duty, custom duty, service tax, entry tax and other government levies. The Company is contesting the demands before the respective appellate authorities. It is expected that the ultimate outcome of these proceedings will be in favour of the Company and will not have any material adverse effect on the Company's financial position and results of operation.
- ii. Claims of contractors for supply of materials/services pending with arbitration/courts have arisen in the ordinary course of business. The Company reasonably expects that these legal actions will be concluded and determined in favour of the Company and will not have any material adverse effect on the Company's results of operation or financial position.
- iii. Claim from PSUs represents the energy compensation charges and the delayed payment surcharge on the same, since 2005, demanded by Odisha Hydro Power Corporation Limited (OHPC) towards loss of power generation by the Corporation due to drawal of water from the reservoir at Upper Kolab, Koraput by NALCO Refinery at M&R Complex.
- iv. The claims against the company are mostly due to demands raised by the IT department at assessment stage. These claims are on account of multiple issues of disallowances such as disallowance in respect of additional depreciation under section 32(i)(ia), disallowance of peripheral development expenses, provision for non-moving stores and spares, treatment of short term capital gain and not allowing loss under long term capital gain and treating the same as business income, disallowance u/s 14A etc. These matters are sub-judice and pending before various appellate authorities. The Company, including its tax advisors, expect that its position will likely be upheld on the ultimate resolution in view of the decisions already available in favour of the Company by higher appellate forums being CIT(A) / ITAT (Jurisdictional). Thus it will not have a material adverse effect on the Company's financial position and in the results of operations. Hence, there is no uncertainty in tax treatment which will affect the determination of taxable profit (loss), tax bases, unused tax losses, unused tax credits, and tax rates of the Company.

The Company has reviewed the disputed income tax matters and the demands raised by the Department/ Authorities considering the probable outcome of the dispute and possibilities of outflow of resources and disclosed as on 31.03.2021 accordingly.

Amount in ₹ Crore

25.1 Movement of contingent liabilities:		As at 31.03.2020	Reduction during the year	Addition during the year	As at 31.03.2021
a.	Demand by statutory authority				
	1. Odisha Sales tax	4.31	(0.59)	—	3.72
	2. Central Sales tax	281.01	—	—	281.01
	3. VAT	12.64	—	—	12.64
	4. Excise duty	410.44	—	—	410.44
	5. Custom duty	104.47	—	—	104.47
	6. Service tax	18.19	(0.07)	3.86	21.98
	7. Income tax	547.62	(384.96)	—	162.66
	8. Entry tax	221.37	—	—	221.37
	9. Road tax	2.65	—	—	2.65
	10. Stamp duty	0.51	—	—	0.51
	11. Claim From Govt. (NGT)	15.59	—	46.71	62.30
	12. Claim From PSUs	188.73	—	58.86	247.59
	13. Land acquisition and interest there on	88.20	(21.69)	7.22	73.73
	14. Demand from Dept. of mines Govt. of Odisha	136.32	—	—	136.32
	15. NPV related demand under Mining lease	92.45	(92.45)	—	—
	16. Demand from Water Resources Deptt. Govt. of Odisha for Water Conservation fund	119.24	—	—	119.24
b.	Claim by contractors/suppliers and others	—			—
	1. Claims of Contractor's suppliers and others	318.08	(67.20)	41.97	292.85
	Total	2,561.82	(566.96)	158.61	2,153.48

Notes to the financial statements

26. Commitments

Amount in ₹ Crore

		As at 31.03.2021	As at 31.03.2020
a)	Estimated amount of Contracts remaining to be executed on capital account and not provided for	1308.97	993.90
b)	Other Commitments		
	(1) Amount payable to the Government of India but not yet due for payment for allocation of Utkal D & E coal block.	18.11	18.11
	(2) Export obligation for import of capital goods under Export Promotion Capital Goods Scheme.	Nil	254.32
	(3) Estimated amount of commitment to Govt. of Odisha for allotment of Pottangi Bauxite Mines	49.89	Nil
	(4) Estimated amount of commitment to Govt. of India (MoEFFC) for 5th Stream Refinery project.	10.81	Nil
	(5) Corporate environment responsibility (CER) for capital investments	12.00	Nil
	Total	1399.78	1266.33

27. Revenue from operations

Amount in ₹ Crore

		Year ended 31.03.2021	Year ended 31.03.2020
(a)	Sale of products		
	1) Export:		
	i) Alumina	2,534.63	2,764.30
	ii) Aluminium	2,628.31	746.62
	2) Domestic:		
	i) Alumina	141.95	213.98
	ii) Aluminium	3,524.48	4,645.92
(b)	Sale of power		
	i) Wind Power [Refer note no. 27.1]	39.92	54.93
(c)	Other operating income	86.50	46.09
	Revenue from operations	8955.79	8471.84

Note:

27.1 The Company has not recognised the revenue from its two wind power plant located in the State of Rajasthan due to non availability of Power Purchase Agreement (PPA) since 2018-19.

28. Other income

Amount in ₹ Crore

		Year ended 31.03.2021	Year ended 31.03.2020
(a)	Interest income		
	(i) Interest income earned from financial assets that are not designated as at fair value through profit or loss:		
	— Bank deposits	69.99	144.30
	— Loans to employees	9.42	9.43
	— Other financial assets carried at amortised cost	5.48	2.99
	(ii) Interest income earned from Income tax refund	—	61.18
(b)	Dividend income		
	— Dividends from current investments	5.48	7.60
(c)	Net foreign exchange gain/(loss)	(1.85)	5.94
(d)	Net gain/(loss) on financial assets designated as at FVTPL	0.38	0.01
(e)	Net gain/(loss) on sale of other investments	—	1.35
(f)	Write back of liabilities no longer required [refer note: 28.1]	8.86	3.73
(g)	Income from internally generated scrap	15.71	19.52
(h)	Others	33.13	16.53
	Total other income	146.60	272.58

Note:

28.1 Unclaimed liability lying in books for a period of more than 3 years as on the reporting date are written back and recognized as income.

Notes to the financial statements

29. Cost of materials consumed

Amount in ₹ Crore

A.	Raw material	Year ended 31.03.2021	Year ended 31.03.2020
(1)	Caustic soda	687.62	935.17
(2)	C.P. coke	351.00	460.73
(3)	C.T. pitch	130.67	142.25
(4)	Aluminium fluoride	74.80	80.58
(5)	Lime	44.14	51.47
(6)	Others	27.20	32.28
	Total raw materials consumed	1,315.43	1,702.48
B.	Power and Fuel		
(1)	Coal	1,584.74	1,667.11
(2)	Fuel oil	576.49	663.21
(3)	Duty on own generation	415.35	400.30
(4)	Purchase of power	55.25	224.47
(5)	Power transmission charges	6.26	9.51
	Total Power and Fuel consumed	2,638.09	2,964.60

30. Changes in inventories of finished goods, intermediaries and work-in-process

Amount in ₹ Crore

	Year ended 31.03.2021	Year ended 31.03.2020
Finished goods		
Opening stock		
(1) Bauxite	3.74	18.12
(2) Chemical	159.30	91.48
(3) Aluminium	276.97	12.68
Opening stock	440.01	122.28
Total opening stock of finished goods	440.01	122.28
Less:		
Closing stock		
(1) Bauxite	4.34	3.74
(2) Chemical	232.28	159.30
(3) Aluminium	227.81	276.97
Closing stock	464.43	440.01
Total Closing stock of finished goods	464.43	440.01
(Accretion)/Depletion in finished goods	(24.42)	(317.73)
Intermediaries		
Opening stock		
Anodes	136.37	122.16
Others	16.67	18.97
Total opening stock of intermediaries	153.04	141.13
Less: Closing stock		
Anodes	100.83	136.37
Others	17.74	16.67
Total closing stock of intermediaries	118.57	153.04
(Accretion)/depletion in intermediaries	34.47	(11.91)
Work in process		
Opening stock	282.54	246.95
Less: Closing stock	298.35	282.54
(Accretion)/depletion in work in process	(15.81)	(35.59)
Total (Accretion)/Depletion in inventory	(5.76)	(365.23)

Notes to the financial statements

31. Employee benefits expense

Amount in ₹ Crore

		Year ended 31.03.2021	Year ended 31.03.2020
(a)	Salaries and wages, including bonus	1,544.25	1,585.52
(b)	Contribution to provident and other funds		
	1) Provident fund	120.10	129.45
	2) Gratuity	42.85	52.09
	3) Post employment pension scheme	107.03	114.00
(c)	Staff welfare expenses	116.01	113.01
	Total employee benefit expense	1,930.24	1,994.07

Notes:

31.A. Employee benefit Plans

31.A.1 Defined contribution plans

- Provident fund:** The Company pays fixed contribution to Provident Fund at predetermined rates, to a separate trust, which invests the funds in permitted securities. On contributions, the trust is required to pay a minimum rate of interest, to the members, as specified by Govt. of India.
- Pension fund:** The Company pays fixed contribution to the trustee bank of PFRDA, which in turn invests the money with the insurers as specified by the employee concerned. The company's liability is limited only to the extent of fixed contribution.

31.A.2 Defined benefit plans

- Gratuity:** Gratuity payable to employees as per The Payment of Gratuity Act subject to a maximum of ₹20,00,000/. The gratuity scheme is funded by the Company and is managed by a separate trust. The liability for gratuity under the scheme is recognised on the basis of actuarial valuation.
- Post retirement medical benefit:** The benefit is available to retired employees and their spouses who have opted for the benefit. Medical treatment as an in-patient can be availed from the Company's hospital/**Govt.Hospital/** hospitals as per company's rule. They can also avail treatment as out patient subject to maximum ceiling of expenses fixed by the Company. The liability under the scheme is recognised on the basis of actuarial valuation.
- Settling-in-benefit:** On superannuation/retirement/termination of service, if opted for the scheme, the transfer TA is admissible to the employees and / or family from the last head quarters to the hometown or any other place of settlement limited to distance of home town. Transport of personal conveyance shall also be admissible. The liability for the same is recognised on the basis of actuarial valuation.
- NALCO Benevolent Fund Scheme :** The objective of the scheme is to provide financial assistance to families of the members of the scheme who die while in employment of the Company. As per the scheme there will be contribution by members @ ₹30/- per member per death, in the event of death of a member while in the service of the company and matching contribution is made by the Company. The liability for the same is recognised on the basis of actuarial valuation.
- NALCO Retirement Welfare Scheme :** The objective of the scheme is to provide financial assistance as a gesture of goodwill as post retirement support to employees retiring from the services of the company. As per the scheme the recovery from each employee member would be ₹ 10/- per retiring member. The Company would provide equivalent sum as matching contribution. The liability for the same is recognised on the basis of actuarial valuation.
- Superannuation gift scheme:** The objective of the scheme is to recognise the employees superannuating or retiring on medical ground from the services of the Company. The scheme includes a gift item worth of ₹ 25000/- per retiring employees to be presented on superannuation/ retirement. The liability for the same is recognised on the basis of actuarial valuation.

31.B.3 Other long term employees benefits

- Compensated absences :**The accumulated earned leave, half pay leave & sick leave is payable on separation, subject to maximum permissible limit as prescribed in the leave rules of the Company. During the service period encashment of accumulated leave is also allowed as per the Company's rule. The liability for the same is recognised on the basis of actuarial valuation.
- Long Service Reward :** The employee who completes 25 years of service are entitled for a long service reward which is equal to one month basic pay and DA. The liability for the same is recognised on the basis of actuarial valuation.
- NEFFARS :** In the event of disablement/death, on deposit of prescribed amount as stipulated under the scheme, the Company pays monthly benefit to the employee/ nominee at their option upto the date of notional superannuation. The liability for the same is recognised on the basis of actuarial valuation.

The employee benefit plans typically expose the Company to actuarial risks such as actuarial risk, investment risk, interest risk, longevity risk and salary risk:-

- Actuarial risk:** It is the risk that employee benefits will cost to the Company more than expected. This can arise due to one of the following reasons:
 - Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Notes to the financial statements

31. Employee benefits expense (Contd.)

- b. **Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption then the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
- c. **Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.
- ii. **Investment risk:** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
- iii. **Interest risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- iv. **Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- v. **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants beyond assumed plan will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31.03.2021	31.03.2020
Discount rate(s)	6.60%	6.50%
Expected rate(s) of salary increase	8%	8%
Mortality	IALM 2012-2014 ULTIMATE	IALM 2006-2008 ULTIMATE
Attrition Rate	1%	1%

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:-

	Year ended 31.03.2021	Year ended 31.03.2020
Service Cost:		
— Current Service cost	(52.67)	(54.67)
— Past Service Cost and (gain)/loss from settlements	16.10	12.19
— Net Interest expense	(5.11)	(11.97)
Components of defined benefit costs recognised in profit or loss	(41.68)	(54.45)
Remeasurement of the net defined benefit liability:		
Return on the net defined benefit liability	(1.78)	5.12
Actuarial (Gains)/losses arising from changes in financial assumptions	5.10	(45.79)
Actuarial (Gains)/losses arising from experience assumptions	14.31	23.08
Others		
Adjustments for restrictions on the defined benefit asset		
Components of defined benefit costs recognised in other comprehensive income	17.63	(17.59)
Total	(24.05)	(72.04)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Post retirement medical benefit	Settling- in-benefit	NALCO benevolent fund scheme	NALCO retirement welfare scheme	Superannuation gift scheme	Gratuity (Funded)
March 31, 2020						
Present value of defined benefit obligation	(140.42)	(20.59)	(2.99)	(12.52)	(7.26)	(632.24)
Fair value of plan assets	—					576.26
Net liability arising from defined benefit obligation	(140.42)	(20.59)	(2.99)	(12.52)	(7.26)	(55.98)
March 31, 2021						
Present value of defined benefit obligation	(155.35)	(19.58)	(2.73)	(12.38)	(7.16)	(595.80)
Fair value of plan assets	—					585.17
Net liability arising from defined benefit obligation	(155.35)	(19.58)	(2.73)	(12.38)	(7.16)	(10.63)

Notes to the financial statements

31. Employee benefits expense (Contd.)

Movements in the present value of the defined benefit obligations are as follows:

	Post retirement medical benefit	Settling- in-benefit	NALCO benevolent fund scheme	NALCO retirement welfare scheme	Superannuation gift scheme	Gratuity (Funded)
Opening defined benefit obligations as at April 01, 2019	(123.43)	(22.42)	(3.04)	(11.90)	(6.93)	(604.90)
Current service cost	—	(3.55)	—	—	—	(51.12)
Interest Cost	(7.82)	(1.38)	(0.18)	(0.72)	(0.42)	(37.05)
Remeasurement (gains)/losses	—	—	—	—	—	—
Actuarial (Gains)/losses arising from changes in demographic assumptions	—	—	—	—	—	—
Actuarial (Gains)/losses arising from changes in financial assumptions	(3.97)	(1.10)	(0.12)	(0.60)	(0.48)	(39.52)
Actuarial (Gains)/losses arising from experience assumptions	(11.43)	5.35	(0.11)	(1.06)	(0.32)	30.65
Past Service Cost , including losses /(gains) on curtailment	—	—	—	—	—	—
Liabilities extinguished as settlements	—	—	—	—	—	—
Liabilities assumed in a business combination	—	—	—	—	—	—
Exchange differences on foreign plans	—	—	—	—	—	—
Benefits paid	6.23	2.51	0.46	1.76	0.89	69.70
Others	—	—	—	—	—	—
Closing defined benefit obligation as at March 31, 2020	(140.42)	(20.59)	(2.99)	(12.52)	(7.26)	(632.24)
Current service cost	—	(3.14)	—	—	—	(49.53)
Interest Cost	(9.06)	(1.26)	(0.17)	(0.75)	(0.45)	(38.65)
Remeasurement	—	—	—	—	—	—
Actuarial (Gains)/losses arising from changes in demographic assumptions	—	—	—	—	—	—
Actuarial (Gains)/losses arising from changes in financial assumptions	0.98	0.03	0.01	0.06	0.05	3.97
Actuarial (Gains)/losses arising from experience assumptions	(13.11)	2.36	(0.44)	(1.50)	(0.43)	27.43
Past Service Cost , including losses /(gains) on curtailment	—	—	—	—	—	—
Liabilities extinguished as settlements	—	—	—	—	—	—
Liabilities assumed in a business combination	—	—	—	—	—	—
Exchange differences on foreign plans	—	—	—	—	—	—
Benefits paid	6.26	3.02	0.86	2.33	0.93	93.22
Others	—	—	—	—	—	—
Closing defined benefit obligation as at March 31, 2021	(155.35)	(19.58)	(2.73)	(12.38)	(7.16)	(595.80)

Notes to the financial statements

31. Employee benefits expense (Contd.)

Movements in the fair value of the plan assets are as follows:

	Gratuity (Funded)
Opening fair value of plan assets as at April 01, 2019	547.80
Interest income	35.60
Remeasurement	
Return on plan assets (excluding amounts included in net interest income)	5.12
Others	(0.05)
Contribution from the employer	57.49
Benefits paid	(69.70)
Closing fair value of plan assets as at March 31, 2020	576.26
Interest income	45.23
Remeasurement	
Return on plan assets (excluding amounts included in net interest income)	(1.78)
Others	—
Contribution from the employer	58.68
Contribution from plan participant	—
Assets distributed on settlements	—
Assets acquired in a business combination	—
Exchange differences on foreign plans	—
Benefits paid	(93.22)
Others	—
Closing fair value of plan assets as at March 31, 2021	585.17

The fair value of the plan assets at the end of the reporting period for each category, are as follows

	Fair value of plan assets as at	
	31.03.2021	31.03.2020
Investments in Funds:		
1. Insurance Companies	585.17	576.26
Total	585.17	576.26

31.C Sensitivity analysis of defined benefit plans

Significant actuarial assumption for determination of defined benefit plan are discount rate, expected salary growth, attrition rate and mortality rate. The sensitivity analysis below have been based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Sensitivity Analysis

Amount in ₹ Crore

Particulars	Post retirement medical benefit		Settling-in-benefit		NALCO benevolent fund scheme	
	Increase by	Decrease by	Increase by	Decrease by	Increase by	Decrease by
2019-20						
Impact on amount due to change in Discount rate (-/+0.5%)	4.25	5.19	0.60	0.61	0.08	0.08
% Change compared to base due to sensitivity [+ /(-)%]	3.03%	3.70%	2.89%	2.95%	2.71%	2.76%
Impact on amount due to change in Salary growth (+/-0.5%)	—	—	—	—	0.07	0.07
% Change compared to base due to sensitivity [+ /(-)%]	0.00%	0.00%	0.00%	0.00%	2.42%	2.37%
Impact on amount due to change in Attrition rate (+/-0.5%)	—	—	0.02	0.02	—	—
% Change compared to base due to sensitivity [+ /(-)%]	0.00%	0.00%	0.12%	0.12%	0.15%	0.15%
Impact on amount due to change in Moratlity rate (-/+10%)	0.04	0.04	0.09	0.09	0.01	0.01
% Change compared to base due to sensitivity [+ /(-)%]	0.03%	0.03%	0.46%	0.46%	0.26%	0.26%

Notes to the financial statements
31. Employee benefits expense (Contd.)

Particulars	NALCO retirement welfare scheme		Superannuation gift scheme		Gratuity (Funded)	
	Increase by	Decrease by	Increase by	Decrease by	Increase by	Decrease by
2019-20						
Impact on amount due to change in Discount rate (-/+0.5%)	0.34	0.35	0.20	0.20	21.02	19.70
% Change compared to base due to sensitivity [+ / (-)%]	2.71%	2.76%	2.71%	2.76%	3.32%	3.12%
Impact on amount due to change in Salary growth (+/-0.5%)	0.30	0.30	0.18	0.17	3.66	3.24
% Change compared to base due to sensitivity [+ / (-)%]	2.42%	2.37%	2.42%	2.37%	0.58%	0.51%
Impact on amount due to change in Attrition rate (+/-0.5%)	0.02	0.02	0.01	0.01	0.21	0.21
% Change compared to base due to sensitivity [+ / (-)%]	0.15%	0.15%	0.15%	0.15%	0.03%	0.03%
Impact on amount due to change in Moratilty rate (-/+10%)	0.03	0.03	0.02	0.02	0.53	0.53
% Change compared to base due to sensitivity [+ / (-)%]	0.26%	0.26%	0.26%	0.26%	0.08%	0.08%

Particulars	Post retirement medical benefit		Settling-in-benefit		NALCO benevolent fund scheme	
	Increase by	Decrease by	Increase by	Decrease by	Increase by	Decrease by
2020-21						
Impact on amount due to change in Discount rate (-/+0.5%)	4.49	4.58	0.57	0.58	0.07	0.08
% Change compared to base due to sensitivity [+ / (-)%]	2.89%	2.95%	2.89%	2.95%	2.71%	2.76%
Impact on amount due to change in Salary growth (+/-0.5%)	—	—	—	—	0.07	0.06
% Change compared to base due to sensitivity [+ / (-)%]	—	—	—	—	2.42%	2.37%
Impact on amount due to change in Attrition rate (+/-0.5%)	—	—	0.02	0.02	—	—
% Change compared to base due to sensitivity [+ / (-)%]	0.00%	0.00%	0.12%	0.12%	0.15%	0.15%
Impact on amount due to change in Moratilty rate (-/+10%)	0.71	0.71	0.09	0.09	0.01	0.01
% Change compared to base due to sensitivity [+ / (-)%]	0.46%	0.46%	0.46%	0.46%	0.26%	0.26%

Particulars	NALCO retirement welfare scheme		Superannuation gift scheme		Gratuity (Funded)	
	Increase by	Decrease by	Increase by	Decrease by	Increase by	Decrease by
2020-21						
Impact on amount due to change in Discount rate (-/+0.5%)	11.11	11.18	0.19	0.20	20.38	19.05
% Change compared to base due to sensitivity [+ / (-)%]	89.73%	90.28%	2.71%	2.76%	3.42%	3.20%
Impact on amount due to change in Salary growth (+/-0.5%)	11.18	11.12	0.17	0.17	3.33	2.91
% Change compared to base due to sensitivity [+ / (-)%]	90.24%	89.76%	2.42%	2.37%	0.56%	0.49%
Impact on amount due to change in Attrition rate (+/-0.5%)	11.14	11.15	0.01	0.01	0.08	0.08
% Change compared to base due to sensitivity [+ / (-)%]	89.99%	90.02%	0.15%	0.15%	0.01%	0.01%
Impact on amount due to change in Moratilty rate (-/+10%)	11.14	11.15	0.02	0.02	0.51	0.51
% Change compared to base due to sensitivity [+ / (-)%]	89.97%	90.03%	0.26%	0.26%	0.08%	0.08%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using projected unit credit method at the end of the reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to the financial statements

32. Finance costs

Amount in ₹ Crore

	Year ended 31.03.2021	Year ended 31.03.2020
Finance cost		
a. Interest expenses on lease liabilities	4.01	3.98
b. Others [refer note 32.1]	3.07	1.76
Total finance cost	7.08	5.74

Note:

32.1 The other finance cost includes ₹0.21 crore of interest on loan from bank.

33. Other expenses

Amount in ₹ Crore

	Year ended 31.03.2021	Year ended 31.03.2020
(a) Stores and spares consumed	333.16	356.12
(b) Repair and maintenance to		
(1) Buildings	65.82	61.65
(2) Machinery	157.94	164.08
(3) Others	24.63	27.12
(c) Other Manufacturing Expenses		
(1) Water charges	34.13	32.04
(2) Royalty	132.57	125.39
(3) Contribution to District Mineral Fund and National Mineral Exploration Trust	41.81	40.13
(4) Continuous Technical Assistance expenses	—	4.52
(5) Others	92.34	90.59
(d) Freight and handling charges		
(1) Incoming materials (Alumina)	109.35	110.28
(2) Outgoing materials	163.22	131.58
(e) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	0.35	0.35
(ii) For Taxation matters	0.07	0.07
(iii) For Other services	0.29	0.34
(iv) For reimbursement of expenses	0.02	0.15
(f) Payment to Cost Auditors	0.03	0.04
(g) Security and fire fighting expenses	150.24	180.71
(h) Corporate social responsibility expenses [refer note 33.1]	35.00	39.71
(i) Administrative and general expenses	103.23	124.14
(j) Renewable purchase obligation [refer note no. 24.3]	(261.86)	114.11
(k) Provision towards disputed Government dues and others	0.01	0.01
(l) Selling and distribution expenses	34.81	25.17
(m) Write off of Inventories, Claims etc	11.18	15.64
(n) Bad and doubtful Provisions/ (write back)	22.86	(1.35)
(o) Others	43.77	44.10
Total other expenses	1,294.97	1,686.69

Note:

33.1 Expenditure on Corporate Social Responsibility.

- a) Gross amount required to be spent by the company during the year ended March 31, 2021 is ₹33.42 crore (March 31, 2020 ₹37.38 crore)
- b) Amount spent during the year ended March 31, 2021
- | | |
|---------------------------------------|---|
| i) Construction/acquisition of assets | ₹ Nil crore (previous year ₹Nil) |
| ii) On purpose other than (i) above | ₹ 35.00 crore (previous year ₹39.71 crore) |
| Total | ₹ 35.00 crore (previous year ₹39.71 crore) |

Notes to the financial statements

34. Income taxes

34.1 Income tax recognised in profit or loss

Amount in ₹ Crore

	Year ended 31.03.2021	Year ended 31.03.2020
Current tax		
In respect of current year	204.02	152.27
In respect of prior years	(26.32)	(0.87)
	177.70	151.40
Deferred tax		
In respect of current year	(160.71)	(63.39)
Others (MAT credit entitlement)	—	—
	(160.71)	(63.39)
Total income tax expense recognised in current year	16.99	88.01

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	1,316.52	226.24
Income tax expense thereon @ 25.168% (previous year 34.944%) :	331.34	79.06
Tax effect of -		
i) income exempt from taxation	—	(2.66)
ii) disallowable expenses (permanent difference)	6.78	13.97
iii) expenses allowable in excess of expenditure incurred	(55.24)	(31.96)
iv) effect of concessions (research and development and other allowances)	—	(0.47)
v) difference for long-term capital gains	—	(0.04)
vi) Adjustment relating to earlier years	(26.32)	(26.80)
vii) others	(239.57)	56.91
Income tax expense recognised in profit or loss	16.99	88.01

34.2 Income tax recognised directly in equity

Current tax		
Share buy-back costs	(1.16)	—
Income tax recognised directly in equity	(1.16)	—

34.3 Income tax recognised in other comprehensive income

	Year ended 31.03.2021	Year ended 31.03.2020
Tax on remeasurement gain or loss of defined benefit obligations		
— Current Tax	—	—
— Deferred Tax	6.18	6.67
Total income tax recognised in other comprehensive income	6.18	6.67
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	—	—
Items that will not be reclassified to profit or loss	6.18	6.67

Note:

In pursuance to Section 115BAA of the Income Tax Act, 1961 notified by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company had an irrevocable option of shifting to a lower tax rate foregoing other tax incentives. The Company exercised the said option for lower rates of taxes and the taxes have been recognised accordingly. The applicable rate for the current year is 25.168% (previous year 34.944%).

Notes to the financial statements

35. Segment information

35.1 Products from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of goods delivered. The directors of the company have chosen to organise the Company around differences in products. No reporting segment have been aggregated in arriving at the reportable segments in the Company. Specifically, the Company's reportable segment under Ind AS 108- Operating Segments are as follows:

- i) Chemical segment
- ii) Aluminium segment

The Company has considered Chemicals and Aluminium as the two primary operating business segments. Chemicals include Calcined Alumina, Alumina Hydrate and other related products. Aluminium includes Aluminium ingots, wire rods, billets, strips, rolled and other related products. Bauxite produced for captive consumption for production of alumina is included under chemicals and power generated for captive consumption for production of Aluminium is included under Aluminium segment. Wind Power Plant commissioned primarily to harness the potential renewable energy sources is included in the unallocated Common segment.

35.2 Segment revenues and results

The following is an analysis of the Company's revenue and results from operations by reportable segment

Amount in ₹ Crore

Operating Segments	Segment revenue	
	Year ended 31.03.2021	Year ended 31.03.2020
Chemical segment	3,950.50	4,248.29
Aluminium segment	6,263.47	5,466.37
Unallocated	50.38	42.63
Total for operations	10,264.35	9,757.29
Less: Intersegment revenue	1,308.56	1,285.45
Revenue from operations	8,955.79	8,471.84

Operating Segments	Segment results	
	Year ended 31.03.2021	Year ended 31.03.2020
Chemical segment	635.75	554.26
Aluminium segment	867.67	(281.98)
Segment result before exceptional items, interest and tax	1,503.42	272.28
Interest & financing charges	7.08	5.74
Interest and dividend income	90.75	134.43
Other unallocated income net of unallocated expenses	(270.57)	(174.73)
Profit before tax	1,316.52	226.24

35.3 Segment assets and liabilities

	Segment Assets		Segment Liabilities	
	As at 31.03.2021	As at 31.03.2020"	As at 31.03.2021	As at 31.03.2020
Chemical segment	4,216.76	4,399.65	1,191.18	1,125.10
Aluminium segment	5,337.53	6,014.16	1,560.93	2,062.48
Total segment assets and liabilities	9,554.29	10,413.81	2,752.11	3,187.58
Unallocated	5,156.28	4,135.81	384.04	313.37
Total assets and Liabilities	14,710.57	14,549.62	3,136.15	3,500.95

Notes to the financial statements

35.4 Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Chemical segment	268.03	216.70	(110.26)	322.21
Aluminium segment	271.53	250.52	(53.24)	59.61
Unallocated	66.26	62.61	575.93	63.74
Total for operations	605.82	529.83	412.43	445.56

	Material non-cash expenditure	
	Year ended 31.03.2021	Year ended 31.03.2020
Chemical segment	(9.24)	36.38
Aluminium segment	(12.33)	65.62
Unallocated	(1.60)	6.69
	(23.17)	108.69

35.5 Revenue from major products

The following is an analysis of the Company's revenue from continuing operations from its major products and services

	Year ended 31.03.2021	Year ended 31.03.2020
Chemical segment (Hydrate and Alumina)	2,676.58	2,978.28
Aluminium segment (Aluminium)	6,152.79	5,392.54
	8,829.37	8,370.82

35.6 Geographical information

The Company operates mainly in principal geographical areas-India (country of domicile) and Outside India

	Revenue from external customers		Non-current assets	
	Year ended 31.03.2021	Year ended 31.03.2020	As at 31.03.2021	Year ended 31.03.2020
India	3,666.43	4,859.90	10,404.25	9,991.82
Outside India	5,162.94	3,510.92	—	—
Total	8,829.37	8,370.82	10,404.25	9,991.82

36. Earnings per share

	Year ended 31.03.2021	Year ended 31.03.2020
	₹ per share	₹ per share
36.1 Basic Earnings per share (₹)		
From total operations	6.97	0.74
Total Basic earnings per share	6.97	0.74

36.2 Basic Earnings per Share

The Earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows

	Amount in ₹ Crore	
	Year ended 31.03.2021	Year ended 31.03.2020
Profit for the year attributable to Owners of the Company	1,299.53	138.23
Earnings used in the calculation of basic earnings per share	1,299.53	138.23

	As at 31.03.2021	As at 31.03.2020
Weighted average number of equity shares used in calculation of basic earnings per share (in crore)	186.44	186.56

Note:

The weighted average number of equity shares has been computed considering the 2,89,85,711 no. of shares bought back on 17.03.2021.

Notes to the financial statements

37. Financial Instruments

Amount in ₹ Crore

37.1 Categories of financial instruments		As at 31.03.2021	As at 31.03.2020
Financial Assets			
Measured at fair value through profit or loss (FVTPL)			
(a)	Mandatorily measured:		
	(i) Investments in mutual funds	248.38	55.01
	(ii) Forward contract on foreign currency	Nil	Nil
Measured at Amortised cost			
(a)	Cash and bank balances	213.52	18.47
(b)	Other financial assets at amortised cost	2,124.25	2,503.11
		2,586.15	2,576.59
Financial Liabilities			
Measured at Amortised cost		1,409.30	1,282.48
Financial assets measured at fair value based on Level 1 informations available. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19.			

37.2 Financial risk management objectives

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks.

The objectives of the Company's risk management policy are, inter-alia, to ensure the following:

- Sustainable business growth with financial stability;
- Provide a strategic framework for Company's risk management process in alignment with the strategic objectives including the risk management organisation structure;
- That all the material risk exposures of Company, both on and off-balance sheet are identified, assessed, quantified, appropriately mitigated and managed and
- Company's compliance with appropriate regulations, wherever applicable, through the voluntary adoption of international best practices, as far as may be appropriate to the nature, size and complexity of the operations.

The risk management policy is approved by the board of directors. The Internal Control Team would be responsible to evaluate the efficacy and implementation of the risk management system. It would present its findings to the Audit Committee every quarter. The Board is responsible for the Company's overall process of risk management. The Board shall, therefore, approve the compliance and risk management policy and any amendments thereto, and ensure its smooth implementation.

37.3 Market risk

Market risk is the risk of any loss in future earnings (spreads), in realizable fair values (economic value) or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, liquidity and other market changes. The Company may also be subjected to liquidity risk arising out of mismatches in the cash flows arising out of sales proceeds and funds raised and loan repayments/prepayments. Future specific market movements cannot be normally predicted with reasonable accuracy.

37.4 Foreign currency risk management

Foreign currency risk emanates from the effect of exchange rate fluctuations on foreign currency transactions. The overall objective of the currency risk management is to protect the Company's income arising from changes in foreign exchange rates. The policy of the Company is to avoid any form of currency speculation. Hedging of currency exposures shall be effected either naturally through offsetting or matching assets and liabilities of similar currency, or in the absence of thereof, through the use of approved derivative instruments transacted with reputable institutions. The Currency risk is measured in terms of the open positions in respective currencies vis-à-vis the Company's operating currency viz. INR. A currency gap statement shall be prepared to find the gap due to currency mismatch.

The fluctuation in foreign currency exchange rates may have impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

The Company undertakes transactions denominated in foreign currency; consequently, exposures to exchange rate fluctuations arise. Exchange rate are managed within approved policy parameters utilising forward foreign exchange contracts.

Notes to the financial statements

37.4 Foreign currency risk management (contd.)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Amount in ₹ crore

	Liabilities as at		Assets as at	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
USD	0.48	0.07	277.62	100.42
EURO	14.82	0.47	—	0.50

37.4.1 Foreign currency sensitivity analysis

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

The following analysis is based on the gross exposure as of the relevant balance sheet dates, which could affect the income statement. There is no exposure to the income statement on account of translation of financial statements of consolidated foreign entities.

The following table sets forth information relating to foreign currency exposure as at March 31, 2020 and March 31, 2019.

Amount in ₹ crore

	USD impact		EURO impact	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Impact on profit or loss for the year	27.7	10.0	1.48	0.00

37.5 Other price risks

37.5.1 Equity price sensitivity analysis

The Company is not exposed to equity price risk arising from equity instruments as all the equity investments are held for strategic rather than trading purposes.

37.6 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. There is no significant credit exposure as advance collection from customer is made.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as loans and receivables, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

37.7 Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

Company has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding liquidity management requirements. The Company manages liquidity risk by maintain adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and financial liabilities.

Notes to the financial statements

38. Related party disclosures**38.1 Related parties****A. Key Managerial Personnel:****I) Whole time Directors**

(a) Shri S. Patra	Chairman Cum Managing Director
(b) Shri R. S. Mahapatro	Director (HR)
(c) Shri M. P. Mishra	Director (Proj & Tech) [w.e.f 01.11.2020]*
(d) Shri B. K. Das	Director (Production) [w.e.f 01.12.2020]#
(e) Shri V. Balasubramanyam	Director (Production) & Director (Finance)-Addl. Charge [upto 30.11.2020]
(f) Shri S. K. Roy	Director (Proj & Tech) [upto 31.10.2020]
(g) Shri P. K. Mishra	Director (Commercial) [upto 28.02.2021]

* Entrusted with additional charge of Director (Finance) w.e.f 01.03.2021.

Entrusted with additional charge of Director (Commercial) w.e.f 01.03.2021.

Others

Shri N. K. Mohanty GM & Company Secretary

II) Part time Official Directors: (Nominee of Govt. of India):

(a) Dr. K. Rajeswara Rao., IAS [upto 05.08.2020]
(b) Shri. Anil Kumar Nayak, IOFS [upto 05.08.2020]
(c) Shri Upendra Joshi, IRTS [from 05.08.2020 to 09.11.2020]
(d) Shri Satendra Singh, IAS [w.e.f 05.08.2020]
(e) Shri Sanjay Lohiya, IAS [w.e.f 09.11.2020]

(III) Part time non official (Independent) Directors:

(a) Shri N. N. Sharma. [upto 05.09.2020]
(b) Smt. Achla Sinha. [upto 07.09.2020]

B. Joint Ventures & associates

(a) Angul Aluminium Park Pvt Ltd.
(b) GACL NALCO Alkalies & Chemicals Ltd.
(c) Utakarsha Aluminium Dhatu Nigam Limited
(d) Khanij Bidesh India Limited

C. Post Employment Benefit Plan

(a) Nalco Employees Provident Fund Trust
(b) Nalco Employees Group Gratuity Trust

D. Entity controlled by a person identified in (A) as KMP

(a) Nalco Foundation

E. Government that has control or significance influence:

(a) Govt. Of India

F. Entities on which Govt of India has control or significant influence (CPSEs)

The Company has major business transactions during the year with the following CPSEs.

i) Purchase of Goods and Services	
1. Mahanadi Coalfields Limited	2. East Coast Railways
3. Hindustan Petroleum Corporation Ltd	4. Gujarat Alkalies & Chemicals Ltd
5. Central Industrial Security Force	6. Numaligarh Refinery Limited,
7. Bharat Heavy Electricals Limited	8. Northen Coalfields Limited
9. Indian Oil Corporation Ltd	10. Bharat Petroleum Corporation Ltd

Notes to the financial statements

- | | |
|---|-----------------------------------|
| 11. Vishakhapatnam Port Trust | 12. Oriental Insurance Co Ltd |
| 14. Balmer Lawrie & Co. Ltd., | 15. Bridge & Roof Co.(India) Ltd. |
| 17. Life Insurance Corporation Of India | 18. Western Coalfield Limited |
| 19. Southern Railway | 20. Central Railway |
| 21. BEML Limited | 22. HMT Machine Tools Limited |
| 23. MECON Limited. | |

ii) Sale of Goods

1. National Small Industries Corporation
2. Steel Authority Of India Ltd
3. Rashtriya Ispat Nigam Ltd
4. Sail Refractory Unit

38.2 Related Party Transactions

I. Key Managerial Personnel

Remuneration to Key Managerial Personnel		Amount in ₹ Crore	
Particulars	Year ended 31.03.2021	Year ended 31.03.2020	
Short-term employee benefits			
— Salaries	3.95	4.36	
— Contribution to Provident Fund	0.24	0.25	
— Medical Benefits	0.01	0.01	
— Other Benefits	0.03	0.03	
Post employment benefits #	(0.03)	(0.09)	
Other long term benefits	0.01	0.09	
Total	4.20	4.65	

Since actuarial valuation of employee benefit expenses under post-employment benefits and other long-term benefits are done on an overall basis for all employees, these expenses for the key managerial persons is considered on a proportionate basis.

Loans / advances due from Key Managerial Personnel		Amount in ₹ Crore	
Particulars	As at 31.03.2021	As at 31.03.2020	
Outstanding at the end of the year	0.01	0.02	
Maximum amount due at any time during the year	0.01	0.03	

II. Joint Venture/Associate Companies

During the year the company has made following transaction with the JVs.

		Amount in ₹ Crore	
Name of JV/Associate	Nature of Transaction	Year ended 31.03.2021	Year ended 31.03.2020
GACL NALCO Alkalis & Chemicals Limited	Equity Contribution (rights issue)	36.00	80.47
Utkarsha Aluminium Dhatu Nigam Limited	Equity Contribution (initial contribution)	—	10.00
Utkarsha Aluminium Dhatu Nigam Limited	Application Money (rights issue)	—	10.00
Khanij Bidesh India Limited	Equity Contribution (initial contribution)	—	0.04
Khanij Bidesh India Limited	Application Money (rights issue)	—	0.96

Balance at the end of the reporting day		Amount in ₹ Crore	
Name of JV/Associate	Nature of Transaction	As at 31.03.2021	As at 31.03.2020
Angul Aluminium Park Pvt Ltd.	Investment in equity	16.22	16.22
GACL NALCO Alkalis & Chemicals Limited	Investment in equity	276.00	240.00
Utkarsha Aluminium Dhatu Nigam Limited	Investment in equity	20.00	20.00
Khanij Bidesh India Limited	Investment in equity	1.00	1.00

Notes to the financial statements

III. Post Employment Benefit Plan

Transactions during the year Amount in ₹ Crore

Name of Trust	Nature of Transaction	Year ended 31.03.2021	Year ended 31.03.2020
NEPF Trust	PF-Contribution	485.86	431.1
NEGG Trust	Funding of shortfall	55.98	57.35

Outstanding balance at the end of the year

Amount in ₹ Crore

Name of Trust	Nature of Transaction	As at 31.03.2021	As at 31.03.2020
NEPF Trust	PF-Contribution payable	33.25	27.37
NEGG Trust	Funding of shortfall payable	10.63	55.98

IV. Nalco Foundation

Amount in ₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Contribution to CSR Trust	14.41	18.58

V. Govt. Of India : Transaction during the year

Amount in ₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Buyback of shares	109.25	—
Dividend paid during the year	236.4	265.38

VI. CPSEs/ Govt Undertakings – Transaction during the year

Amount in ₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Purchase of goods and services from CPSEs/ Govt undertakings	2388.83	3212.19
Sale of goods to CPSEs and Govt undertakings	1194.72	883.56
Outstanding balance at the end of the year		
Particulars	As at 31.03.2021	As at 31.03.2020
Payable for purchase of goods and services from CPSEs/ Govt. undertakings	75.19	26.51
Receivable for sale of goods to CPSEs and Govt undertakings	—	—

39. Regrouping of previous year's figures

Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable

For Patro & Co.
Chartered Accountants
FRN: 310100E

(CA Ambika Prasad Mohanty)
Partner (M. No.:057820)

For GNS & Associates
Chartered Accountants
FRN: 318171E

(CA Gokul Chandra Das)
Partner (M. No.:086157)

Place: Bhubaneswar
Date: 28th June, 2021

Status of Compliance to Ind ASs notified by MCA:

Ind As	Nomenclature	Description
Ind AS 1	Presentation of Financial Statement	<ul style="list-style-type: none"> - The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards and presented in the format prescribed under Schedule III to the Companies Act 2013, following the guidelines set out in Ind AS 1 - The measurement basis used in preparing the financial statements and accounting policies adopted have been disclosed. - Information as required by Ind ASs (also discussed below against respective Ind AS) that are not presented elsewhere in the Financial Statements have been disclosed as Notes to it. The Notes to the Financial Statement also provides the information that is not presented elsewhere in the financial statements, but is relevant to an understanding of any of them.
Ind AS 2	Inventories	<ul style="list-style-type: none"> - Accounting policy adopted in measuring inventories including the cost formula used is disclosed at para 3.10 of the Significant Accounting Policy placed at Notes 3 of the Financial Statements - Disclosure in respect of classification of inventories and their carrying amounts, amount of inventory recognised as expenses, amount of any write-down of inventories recognised as an expense and inventory pledged has been made at note 15.
Ind AS 7	Statement of Cash Flow	<ul style="list-style-type: none"> - The cash flow statement using indirect method, whereby the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. - The cash flows are segregated into operating, investing and financing activities
Ind AS 8	Accounting Policies, Change in Accounting Estimates & Errors	<ul style="list-style-type: none"> - Any change in accounting policy is applied retrospectively, unless impracticable, adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented. - Any Change in accounting estimate which gives rise to changes in assets and liabilities, or relates to an item of equity, is recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change. - On discovery of any prior period error(s) with an impact of ₹50 crore during a period, the error is corrected retrospectively as guided by the standard.
Ind AS 10	Events after Reporting Period	<ul style="list-style-type: none"> - The Company adjusts the amounts recognised in its financial statements to reflect the adjusting events after the reporting period. - Dividends declared after the reporting period are not recognised as a liability at the end of the period. However, suitable disclosure is made to this effect at Note :18.4.
Ind AS 11	Construction Contracts	This standard is applicable in preparing the financial statements of contractors which are into the construction business. Not being a contractor for construction of any asset, Ind AS 11 is not applicable to the Company.
Ind AS 12	Income Taxes	<ul style="list-style-type: none"> - Relationship between tax expenses and accounting profit is explained through a numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate at Note 35. - Current tax and deferred tax relating to items that are recognised in other comprehensive income and directly in equity are recognised in other comprehensive income and equity respectively. Disclosures are made at Note 35.

Status of Compliance to Ind ASs notified by MCA:

Ind As	Nomenclature	Description
Ind AS 16	Property, Plant & Equipment	<ul style="list-style-type: none"> - Measurement basis, useful life and method of depreciation followed for each class of property, plant and equipment has been discussed at Para 3.4 of the significant accounting policy. - A reconciliation between opening carrying value and the closing carrying value stating addition during the period, disposals and depreciation expenses is placed at note 5.
Ind AS 19	Employee Benefits	<ul style="list-style-type: none"> - Long term employees benefits are categorised into three heads i.e. Defined Contribution Plans, Defined Benefit Plans and Other Long Term Employee Benefits. Company's contribution to provident fund and pension fund of the employees are recognised as defined contribution plans where as gratuity on superannuation, post retirement medical benefits, settling-in-benefit, NALCO benevolent fund scheme, NALCO retirement welfare scheme are recognised as defined benefit plans. Payments towards compensated absences, Long service rewards and NEFFARS are recognised as long term employees benefits. - Actuarial valuation of Company's obligation towards defined benefit plans and long term employees benefits have been made and the expenses/ income is recognised accordingly. - A reconciliation between the opening liability and the closing liability against each defined benefit obligations showing service cost, interest expenses/ income, rereasurement gains or losses due to change in demographic and financial assumptions are disclosed at note 31.B. - A sensitivity analysis of the actuarial assumptions showing how the defined benefit obligation would have been affected by changing the relevant actuarial assumptions is disclosed at note 31.C.
Ind AS 20	Accounting for Government Grants and Disclosure of Government Assistance	<ul style="list-style-type: none"> - Grants received from the Government for assets is presented as deferred income. Accounting policy of in this regard is disclosed at para 3.15.
Ind AS 21	The Effects of Changes in Foreign Exchange Rates	Accounting policies with regard to transaction in foreign currency has been disclosed at para 3.7 of the Significant Accounting policy.
Ind AS 23	Borrowing Cost	The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Disclosure in this regard has been made at para 3.14 of the significant accounting policy.
Ind AS 24	Related Party Disclosure	Name of related parties, aggregated sales and purchase transaction with them, any outstanding balances against them and benefits paid to and loan outstanding against the key managerial persons has been disclosed at Note 39.
Ind AS 27	Separate Financial Statements	<ul style="list-style-type: none"> - Investments made in joint ventures and associates are presented at cost in the separate financial statements.
Ind AS 28	Investment in Associates & Joint Venture	<ul style="list-style-type: none"> - The Company adjusts its' share of profit in the profit or loss of the subsidiaries with the carrying amount of the investments in its consolidated financial statements using equity method.
Ind AS 29	Financial Reporting in Hyperinflationary Economics	<ul style="list-style-type: none"> - This standard is not applicable to the company as its' functional currency is not a currency of any hyperinflationary economy.
Ind AS 32	Financial Instruments Presentation	<ul style="list-style-type: none"> - All items of assets and liabilities have been segregated into financial and other assets and liabilities based on the definitions laid down in the standard and are presented as required in Schedule III.
Ind AS 33	Earnings per share	<ul style="list-style-type: none"> - The Company has not issued any potential equity shares. Thus, both the Basic and Diluted EPS remains same. - Disclosure with regard to the weighted average number of equity shares and earnings for the period used in computation of EPS is made at Note 36.

Status of Compliance to Ind ASs notified by MCA:

Ind As	Nomenclature	Description
Ind AS 34	Interim Financial Reporting	- Being a listed entity, the Company prepares its interim financials as required by SEBI(LODR) Regulations,2015 in accordance with the recognition and measurement principles laid down in this standard on a quarterly basis.
Ind AS 36	Impairment of Asset	- Accounting policy relating to impairment of various assets is disclosed at respective paras in the significant accounting policies. - The management reviews the carrying values of assets at each reporting date and assess whether there is any indication that an asset may be impaired in accordance with the standard.
Ind AS 37	Provisions, Contingent Liabilities and Assets	- Accounting policies relating to Provisions, Contingent Liabilities and Assets are stated at para 3.8 of the Significant Accounting Policies. - Provisions are recognised when the company has a present obligation as a result of past events, legal or constructive, which requires out flow of resources to settle the obligation and can reliably be estimated considering the risks and uncertainties surrounding the event. Movement of different types of provisions are disclosed at note 22 (C). - In case of other obligations that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company contingent liabilities are disclosed at note 25 and in compliance with the requirement of Schedule III. - Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.
Ind AS 38	Intangible Assets	- The accounting policy in this regard is mentioned at para 3.5 of the significant accounting policies. - The Company recognises expenditure on R&D activities, payments towards NPV, expenditure on cluster projects and expenditure on softwares, which qualifies the conditions for recognitions laid down in the standard, as intangible assets. - Reconciliation of opening carrying amount and closing carrying amount of intangible assets showing additions, reduction and amortisation is placed at note 7.
Ind AS 40	Investment Property	The company does not have any investment property, thus the standard is not applicable.
Ind AS 41	Agriculture	The company does not have any agricultural activity, thus the standard is not applicable.
Ind AS 101	First time Adoption of Indian Accounting Standards	The Company adopted Ind AS in the year 2016-17 and hence this standard is no longer applicable.
Ind AS 102	Share Based Payments	- There is no such transaction during the year which involves share-based payments, hence the standard is not applicable.
Ind AS 103	Business Combination	- The standard is not applicable.
Ind AS 104	Insurance Contracts	- The standard is not applicable.
Ind AS 105	Non-Current Assets Held for Sale and Discontinued Operations	- The Company does not have any disposal group, thus no disclosure has been made.
Ind AS 106	Exploration for and Evaluation of Mineral Resources	- The Company has not incurred any expenses on exploration and evaluation of mineral resources, hence the standard is not applicable.

Status of Compliance to Ind ASs notified by MCA:

Ind As	Nomenclature	Description
Ind AS 107	Financial Instruments Disclosure	- Disclosure as required by the standard with regard to classification of financial instruments, nature and extent of risk arising from the instruments both qualitative and quantitates are made at note 37.
Ind AS 108	Operating Segments	- The Company has classified its operation into two segments i.e. Chemical Segment and Aluminium Segment based on the approach of the Chief Operating Decision Maker (CODM) what it takes while reviewing the performance of the Company. - Segment revenue, results, assets and liabilities, revenue from major products, geographical informations and other segment informations are disclosed at note 35.
Ind AS 109	Financial Instruments	- Except investments in mutual funds and forward contract on foreign currency other Financial assets and liabilities have been measured at amortised cost and same is disclosed at note 37.
Ind AS 110	Consolidated Financial Statements	- Consolidated financial statements are prepared considering the joint ventures and associates of the company following the equity method of consolidation.
Ind AS 111	Joint Arrangements	- The Company follows the principles set out in the standard for financial reporting of its interest in arrangements that are jointly controlled.
Ind AS 112	Disclosure of Interest in Other Entities	- The Company has four joint ventures whose summarised financial informations and its reconciliation with the carrying amount of the interest are disclosed at note 9.
Ind AS 113	Fair Value Measurement	- The Company has adopted the principles of fair value measurement as laid down in the standard while measuring its financial assets and liabilities. - Accounting policy in this regard is disclosed at para 4.2.6. of the Significant Accounting Policy.
Ind AS 114	Regulatory Deferral Accounts	- The Company is not subject to any rate regulation, thus the standard is not applicable.
Ind AS 115	Revenue from contracts with customers	- The Company recognises revenue on completion of all its performance obligation relating to the contract with the customers.
Ind AS 116	Leases	- The company identifies all leases wherever a contract is, or contains, a lease if it conveys the right to control the use of an identified asset (explicitly or implicitly specified in the contract) for a period of time in exchange of consideration, at the inception of the contract. - The company recognizes, "Right Of Use" ROU Asset at cost, and the Lease Liability is measured at the present value of all lease payments

INDEPENDENT AUDITORS' REPORT

To the Members of
National Aluminium Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **National Aluminium Company Limited** (hereinafter referred to as "the Company") and its joint ventures, which comprise the Consolidated Balance Sheet as at 31st March, 2021, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and the accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at 31st March, 2021, of consolidated profit, total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended on that date.

Basis for Opinion

We conducted our audit of the consolidate financial statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have identified in the current year are as follows:

Key Audit Matter	How the matter was addressed in our audit
1. Carrying value of property, plant and equipment including intangible assets and capital work-in-progress	
<p>Property, plant and equipment totalling ₹ 7317.28 crore (2019-20 : ₹ 7174.54 crore) as disclosed in Note 5A, capital work-in-progress (Note 6) ₹ 1431.06 crore (2019-20 : ₹ 1177.16 crore) and intangible assets (Note 7) totalling ₹ 343.18 crore (2019-20 : ₹ 310.23 crore) represent significant balances recorded in the statement of financial position.</p> <p>The Company describes the significant accounting policies in respect of property, plant and equipment, capital work-in-progress and intangible assets in Note 3.4, 3.5 & 3.6.</p> <p>The evaluation of the recoverable amount of these assets requires significant judgement in determining the key assumptions supporting the expected future cash flows of the business and the utilisation of the relevant assets.</p> <p>There are a number of areas where management judgement impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation profiles. These include the decision to capitalise or expense costs; the asset life review including the impact of changes in the Company's strategy; and the timeliness of capitalisation, determination or the measurement and recognition criteria for assets retired from active use.</p>	<p>Our audit procedures relating to the carrying value of property, plant and equipment including intangible assets and capital work-in-progress included the following:</p> <ul style="list-style-type: none"> We evaluated the assumptions made by management in the determination of carrying values and useful lives to ensure that these are consistent with the principles of Indian Accounting Standards (Ind AS) 16 <i>Property, Plant and Equipment</i> and Ind AS 38 <i>Intangible Assets</i>. We assessed whether the carrying values and the useful lives were reasonable by challenging management's judgements through comparing the useful lives prescribed in Schedule II to the Companies Act 2013 and the useful lives of certain assets as per the technical assessment of the management. We compared the useful lives of each class of asset in the current year to the prior year to determine whether there were any significant changes in the useful lives of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry. We assessed whether indicators of impairment existed as at 31st March 2021 based on our knowledge of the business and the industry. We tested the controls in place over the property, plant and equipment and intangible assets, evaluated the appropriateness of capitalisation policies, performed tests of details on costs capitalised and assessed the timeliness of capitalisation including decapitalisation of assets retired from active use and the application of the asset life. In performing these substantive procedures, we assessed the judgements made by management including the nature of underlying costs capitalised; the appropriateness of asset lives applied in the calculation of depreciation and amortisation; and in assessing the need for accelerated depreciation/ amortisation, if required, in the context of impairment. <p>Based on the above procedures, we found management's assessment in determining the carrying value of the property, plant and equipment and intangible assets are to be reasonable.</p>

Key Audit Matter	How the matter was addressed in our audit
2. Valuation of employees' defined benefit obligations and other long-term benefits	
<p>The Company has recognised long-term employee benefit liabilities of ₹ 475.38 crore (2019-20 : ₹ 471.20 crore) and defined benefit obligations (net of plan asset against funded gratuity obligation) of ₹ 207.81 crore (2019-20 : ₹ 239.76 crore) and described them in Note 3.16 (Significant Accounting Policies) and Notes 22 and 31 (long-term and post-employment benefits).</p> <p>The valuation of employee benefit obligations is dependent on market conditions and assumptions made. The key audit matter specifically relates to the following key assumptions like discount rate, inflation expectations and life expectancy assumptions. The setting of these assumptions is complex and requires the exercise of significant management judgement with the support of third party actuary.</p>	<p>Our audit procedures relating to the valuation of employees, defined benefit obligations and other long-term benefits included the following:</p> <ul style="list-style-type: none"> In testing the valuation, we have examined the reports of external actuarial specialists to review the key actuarial assumptions used, both financial and demographic, and considered the methodology utilised to derive these assumptions. We evaluated the assumptions made by management and the actuary to ensure that these are consistent with the principles of Ind AS 19 Furthermore, we have examined the sensitivity analysis on the key assumptions in valuing the defined benefit obligations. <p>Based on the above procedures, we are satisfied that the methodology and assumptions applied in relation to determining the liabilities are acceptable.</p>
3. Ascertainment, disclosure and provisioning in respect of contingent liabilities	
<p>As described in Note 4.2.5 (Provisions and Contingent Liabilities) the Company disclosed in Note 25 contingent liabilities of ₹ 2153.49 crore (2019-20 : ₹ 2561.82 crore). The Company has material uncertain tax matters, both direct and indirect, under dispute involving aggregate demand of ₹ 1220.94 crore (2019-20 : ₹ 1602.70 crore) which require significant judgment to determine the possible outcome of these disputes.</p> <p>Additionally, the Company has other on-going legal matters relating to various claims by the Government of Odisha or other agencies constituted by the State Government and by contractors/suppliers involving an aggregate demand of ₹ 932.55 crore (2019-20: ₹ 959.13 crore) which require application of management judgement in order to determine the likely outcome.</p>	<p>Our audit procedures relating to the ascertainment, disclosure and provisioning in respect of contingent liabilities included the following:</p> <p>We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to disclosure and provisioning of contingent liabilities in accordance to Ind AS 37 Provisions, Contingent Liability and Contingent Assets.</p> <p>Regarding direct and indirect tax contingent liabilities, we undertook following principal audit procedures:</p> <ul style="list-style-type: none"> Assessment of the process and relevant controls implemented to identify tax litigations and pending administrative proceedings. Assessment of assumptions used in the evaluation of potential tax risks performed by the tax department of the Company considering the legal precedence and other rulings in similar cases. Discussion with the management regarding the status of the most significant disputes and inspection of the key relevant documentation. Analysis of opinion received from tax experts where available. Review of the adequacy of the disclosures in the notes to the financial statements. <p>In assessing the potential exposures of the Company in respect of other contingent liabilities, we have:</p> <ul style="list-style-type: none"> assessed the design and implementation of controls in relation to the monitoring of known exposures; referred Board and other meeting minutes to identify areas subject to Company consideration; consulted with the Company's internal legal advisors in understanding on-going and potential legal matters impacting the Company; reviewed available legal opinions from experts; and reviewed the proposed accounting and disclosure of actual and potential legal liabilities. <p>Based on the above procedures performed, we opined as a whole that the accounting and disclosures in relation to the on-going legal matters are appropriate.</p>
4. Advances and deposits in respect of tax matters under litigation continuing as assets	
<p>As at 31st March, 2021, other assets (Note 14) includes recoverable claims of direct and indirect tax deposits (net of provision) including VAT and Cenvat credits amounting to ₹ 573.47 crore (2019-20 : ₹ 570.28 crore) which are pending adjustment/adjudication.</p> <p>Significant judgement is required in assessing the nature of these exposures and their accounting and disclosure requirements.</p>	<p>Our audit procedures relating to the advance and deposits in respect of tax matters under litigation continuing as assets included the following:</p> <ul style="list-style-type: none"> We obtained from management details of completed tax assessments and demands and appeal orders of the appellate authority. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax liability and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we have considered opinions of legal and tax experts, wherever available, to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution. <p>Based on the above procedures performed, we are in agreement with the management's determination of the claim amount considered recoverable.</p>

Key Audit Matter	How the matter was addressed in our audit
5. Valuation of deferred tax assets and liabilities	
<p>The Company has disclosed in Note 23 deferred tax liability (net of deferred tax asset) as on 31st March, 2021 ₹ 893.72 crore (2019-20 : ₹ 1060.61 crore).</p> <p>The Company operates in activities which involves application of multiple income tax provisions.</p> <p>The assessment of the valuation of deferred tax assets/liability, resulting from timing differences, and provisions for uncertain tax positions is significant to our audit as the calculations are complex and depend on sensitive and judgmental assumptions. These include, amongst others, long-term future profitability and local fiscal regulations and developments.</p>	<p>Our audit procedures relating to the advance and deposits in respect of tax matters under litigation continuing as assets included the following:</p> <ul style="list-style-type: none"> • Ascertained the completeness and accuracy of the deferred tax assets/liabilities and recognizing uncertain tax positions. • We challenged and tested the Management’s assessment of the recoverability of the deferred tax assets, and the probability of future cash outflows in respect deferred tax liabilities identified by the Company. • We also assessed the applicable local fiscal regulations and developments, in particular those related to changes in the statutory income tax rate and of the statutes of limitation, as these are key assumptions underlying the valuation of the deferred tax assets/liabilities. • We analysed the tax positions and evaluated the assumptions and methodologies used by the Company. • In addition, we also focused on the adequacy of the Company’s disclosures as per Ind AS 12 Income Taxes on deferred tax assets/liabilities and assumptions used. <p>Based on the above procedures performed, we are satisfied that the methodology and assumptions applied in relation to determining the deferred tax assets and liabilities are acceptable.</p>

Other Information

The Company’s Board of Directors is responsible for the other information. The other information comprises the information contained in the Company’s Annual Report but does not include the financial statements and our report thereon. These reports are expected to be made available to us after the date of this auditors’ report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information mentioned and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action, if required.

Management’s Responsibility for the Consolidated Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Company and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and its joint ventures are responsible for assessing their ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Company or the joint ventures either intends to be liquidated or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the Company and joint ventures are responsible for overseeing the financial reporting process of the Company and of the joint ventures.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Company and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements include the Company's share of total comprehensive loss (comprising of net loss after tax and other comprehensive income of) of ₹ 0.61 crore for the year ended 31st March, 2021, in respect of three joint ventures, whose financial statements have not been audited by us and the consolidated financial statements include the Company's share of total comprehensive income (comprising of net profit after tax and other comprehensive income) of ₹ 0.49 crores of one joint venture which is pending approval by Board of Directors. These financial statements of three joint ventures have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated

financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint ventures, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 and on the basis of the reports of the statutory auditors of its joint ventures incorporated in India, none of the director of these joint ventures is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and its joint ventures and the operating effectiveness of such controls, refer to our separate report in Annexure “A” to this report.
 - (g) With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act, as amended:
 The provision of section 197 read with Schedule V of the Act, relating to managerial remuneration is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India.
 - (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company and its joint ventures have pending litigations, the liabilities in respect of which is either provided for or disclosed as contingent liabilities. Refer Note 25 to the consolidated financial statements.
 - ii. The Company and its joint ventures has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, long term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its joint ventures.

For Patro & Co.
Chartered Accountants
FRN: 310100E

(CA Ambika Prasad Mohanty)
Partner
Membership No: 057820
UDIN: 21057820AAAAFF3360

For GNS & Associates
Chartered Accountants
FRN: 318171E

(CA Gokul Chandra Das)
Partner
Membership No: 086157
UDIN: 21086157AAAACG8046

Place: Bhubaneswar
Date: 28th June, 2021

ANNEXURE “A”

ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 OF NATIONAL ALUMINIUM COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of NATIONAL ALUMINIUM COMPANY LIMITED (hereinafter referred to as (“the Company”) and considered the auditors’ reports on Internal Financial Controls over financial reporting of its joint ventures, which are companies incorporated in India, as of that date.

The financial statements of the joint ventures have been audited by other auditors whose reports have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint ventures, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to these joint ventures, is based solely on the reports of the other auditors.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and joint ventures which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, both issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that,

in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Patro & Co.
Chartered Accountants
FRN: 310100E

For GNS & Associates
Chartered Accountants
FRN: 318171E

(CA Ambika Prasad Mohanty)
Partner
Membership No: 057820
UDIN: 21057820AAAAFF3360

(CA Gokul Chandra Das)
Partner
Membership No: 086157
UDIN: 21086157AAAACG8046

Place: Bhubaneswar

Date: 28th June, 2021

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF
THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF
NATIONAL ALUMINIUM COMPANY LIMITED FOR THE YEAR ENDED
31 MARCH 2021**

The preparation of consolidated financial statements of National Aluminium Company Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on these financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of National Aluminium Company Limited for the year ended 31 March 2021 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of National Aluminium Company Limited but did not conduct supplementary audit of financial statements of its joint venture companies Utkarsha Aluminium Dhatu Nigam Limited, Angul Aluminium Park Private Limited and Khanij Bidesh India Limited for the year ended on that date. **Further, section 139(5) and 143(6)(a) of the Act are not applicable to GACL NALCO Alkalies & Chemicals Private Limited, being private entity, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company.** This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(Suparna Deb)
Director General of Audit (Mines)
KOLKATA

Place: Kolkata
Dated: 25.08.2021

Consolidated Balance Sheet as at March 31, 2021

Amount in ₹ Crore

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	5.	7,317.28	7,174.54
(b) Capital work-in-progress	6	1,431.06	1,177.16
(c) Intangible assets	7	343.18	310.23
(d) Intangible assets under development	8	144.39	249.54
(e) Financial assets			
(i) Investments	9	311.56	275.68
(ii) Trade receivables	10	—	—
(iii) Loans	11	85.95	73.02
(iv) Other financial assets	12	11.24	10.48
(f) Other non-current assets	14	757.90	719.60
Total non-current assets		10,402.56	9,990.25
(2) Current assets			
(a) Inventories	15	1,476.32	1,696.90
(b) Financial assets			
(i) Investments	9	248.38	55.01
(ii) Trade receivables	10	147.39	140.09
(iii) Cash and cash equivalents	16	213.52	18.47
(iv) Bank balances other than (iii) above	16	1,536.26	1,962.06
(v) Loans	11	30.16	40.16
(vi) Other financial assets	12	—	0.05
(c) Current tax assets (Net)	13	85.50	46.22
(d) Other current assets	14	568.80	598.84
Total current assets		4,306.33	4,557.80
Total assets		14,708.89	14,548.05
Equity and liabilities			
(1) Equity			
(a) Equity share capital	17	918.32	932.81
(b) Other equity	18	9,760.69	9,053.69
Total equity		10,679.01	9,986.50
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) Dues of micro and small enterprises	20	—	—
(b) Dues of creditors other than micro and small enterprises	20	37.70	22.69
(ii) Other financial liabilities	21	86.55	58.53
(b) Provisions	22	633.34	628.80
(c) Deferred tax liabilities (Net)	23	893.72	1,060.61
(d) Other non-current liabilities	24	328.77	70.90
Total non-current liabilities		1,980.08	1,841.53
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	46.11	12.31
(ii) Trade payables			
(a) Dues of micro and small enterprises	20	11.70	7.06
(b) Dues of creditors other than micro and small enterprises	20	927.84	765.87
(iii) Other financial liabilities	21	299.40	416.02
(b) Provisions	22	159.46	178.44
(c) Other current liabilities	24	605.29	1,340.32
Total current liabilities		2,049.80	2,720.02
Total liabilities		4,029.88	4,561.55
Total equity and liabilities		14,708.89	14,548.05

See accompanying notes (1-41) to the financial statements

For and on behalf of Board of Directors

 (CS N. K. Mohanty)
Company Secretary

 (M. P. Mishra)
Director (Finance)
DIN: 08951624

 (CA Sridhar Patra)
Chairman-cum-Managing Director
DIN: 06500954

In terms of our attached report of even date.

 For Patro & Co.
Chartered Accountants
FRN: 310100E

 For GNS & Associates
Chartered Accountants
FRN: 318171E

 Place: Bhubaneswar (CA Ambika Prasad Mohanty)
Date: June 28, 2021 Partner (M. No.:057820)

 (CA Gokul Chandra Das)
Partner (M. No.:086157)

Consolidated Statement of Profit and Loss for the period ended March 31, 2021

Amount in ₹ Crore

	Notes	Year Ended 31.03.2021	Year Ended 31.03.2020
I Revenue from operations	27	8,955.79	8,471.84
II Other Income	28	146.60	272.58
III Total Income (I + II)		9,102.39	8,744.42
IV EXPENSES			
(a) Cost of raw materials consumed	29	1,315.43	1,702.48
(b) Cost of power and fuel consumed	29	2,638.09	2,964.60
(c) Changes in inventories of finished goods and work-in-progress	30	(5.76)	(365.23)
(d) Employee benefits expense	31	1,930.24	1,994.07
(e) Finance costs	32	7.08	5.74
(f) Depreciation and amortisation expenses	5 & 7	605.82	529.83
(g) Other expenses	33	1,294.97	1,686.69
Total expenses (IV)		7,785.87	8,518.18
V Profit/(loss) before exceptional items and tax (III - IV)		1,316.40	226.24
VI Exceptional Items		—	—
VII Share of Profit/(loss) of Joint Ventures		(0.12)	(2.00)
VIII Profit/(loss) before tax (V - VI + VII)		1,316.40	224.24
IX Tax Expense			
(1) Current tax	34	177.70	151.40
(2) Deferred tax	34	(160.71)	(63.39)
X Profit/(loss) for the year (VIII - IX)		1,299.41	136.23
XI Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
— Remeasurement gains / (losses) on defined benefit plans		17.65	(22.84)
(ii) Income tax relating to items that will not be reclassified to profit or loss	34	6.18	6.67
Other comprehensive income for the year (net of tax) (XI)		23.83	(16.17)
XII Total comprehensive income for the year (X+XI) [comprising profit/(loss) and other comprehensive income for the period]		1,323.24	120.06
XIII Earnings per equity share:			
(1) Basic (in ₹)	36	6.97	0.73
(2) Diluted (in ₹)	36	6.97	0.73

See accompanying notes (1-41) to the financial statements

(CS N. K. Mohanty)
Company Secretary

For and on behalf of Board of Directors
(M. P. Mishra)
Director (Finance)
DIN: 08951624
In terms of our attached report of even date.

(CA Sridhar Patra)
Chairman-cum-Managing Director
DIN: 06500954

For Patro & Co.
Chartered Accountants
FRN: 310100E

For GNS & Associates
Chartered Accountants
FRN: 318171E

Place: Bhubaneswar (CA Ambika Prasad Mohanty)
Date: June 28, 2021 Partner (M. No.:057820)

(CA Gokul Chandra Das)
Partner (M. No.:086157)

Consolidated Statement of changes in equity for the period ended March 31, 2021

Amount in ₹ Crore

A. Equity share capital					
	Balance as at 31.03.2019			932.81	
	Changes during the year			—	
	Balance as at 31.03.2020			932.81	
	Changes during the year			(14.49)	
	Balance as at 31.03.2021			918.32	
B. Other equity					
		Reserves and surplus			Amount in ₹ Crore
Other equity	Capital redemption reserve	General reserve	Retained earnings	Total	
Balance as at 31.03.2019	355.81	8,113.10	1,083.22	9,552.13	
Profit for the year	—	—	136.23	136.23	
Other comprehensive income (net of taxes)	—	—	(16.17)	(16.17)	
Total comprehensive income for the year	—	—	120.06	120.06	
Final dividend for the previous year	—	—	(233.20)	(233.20)	
Tax on final dividend for the previous year	—	—	(47.94)	(47.94)	
Interim dividend for the year	—	—	(279.84)	(279.84)	
Tax on interim dividend for the year	—	—	(57.52)	(57.52)	
Balance as at 31.03.2020	355.81	8,113.10	584.78	9,053.69	
Profit for the year	—	—	1,299.41	1,299.41	
Other comprehensive income (net of taxes)	—	—	23.83	23.83	
Total comprehensive income for the year	—	—	1,323.24	1,323.24	
Premium on Buy-back of equity shares	—	(152.18)	—	(152.18)	
Expenses on Buy-back of equity shares (net of tax benefit)	—	(3.45)	—	(3.45)	
Transfer of General Reserve to Capital redemption reserve	14.49	(14.49)	—	—	
Interim dividend for the year	—	—	(460.61)	(460.61)	
Balance as at 31.03.2021	370.30	7,942.98	1,447.41	9,760.69	

(CS N. K. Mohanty)
Company Secretary

For and on behalf of Board of Directors
(M. P. Mishra)
Director (Finance)
DIN: 08951624

(CA Sridhar Patra)
Chairman-cum-Managing Director
DIN: 06500954

In terms of our attached report of even date.

For Patro & Co.
Chartered Accountants
FRN: 310100E

For GNS & Associates
Chartered Accountants
FRN: 318171E

Place: Bhubaneswar
Date: June 28, 2021

(CA Ambika Prasad Mohanty)
Partner (M. No.:057820)

(CA Gokul Chandra Das)
Partner (M. No.:086157)

Consolidated Cash Flow Statement for the year ended March 31, 2021

Amount in ₹ Crore

	Year ended 31.03.2021	Year ended 31.03.2020
A. Cash flows from operating activities		
Profit for the year	1,299.41	136.23
Adjustments for:		
Income tax expense recognised in profit or loss	16.99	88.01
Share of (profit) / loss of Joint Ventures	0.12	2.00
Finance costs recognised in profit or loss	7.08	5.74
Interest income recognised in profit or loss	(84.89)	(217.90)
Dividend income recognised in profit or loss	(5.48)	(7.60)
Net (gain) / loss on sale of investments	—	(1.35)
Net (gain) / loss on disposal of property, plant and equipment	(0.82)	0.25
Net (gain) / loss arising on financial assets mandatorily measured at fair value through profit or loss	(0.38)	(0.01)
Impairment loss recognised on other assets	22.86	(1.35)
Inventories of stores, spares written off	11.18	15.64
Depreciation and amortisation of non-current assets	605.82	529.83
Net foreign exchange (gain)/loss	1.85	(5.94)
Operating profit before working capital changes	1,873.74	543.55
Movements in working capital:		
(Increase) / decrease in inventories	209.41	(502.15)
(Increase) / decrease in trade receivables	(7.30)	100.43
(Increase) / decrease in loans and other financial asset	(3.64)	(11.62)
(Increase) / decrease in other assets	53.62	(103.57)
Increase / (decrease) in trade payables	179.77	(505.35)
Increase / (decrease) in other financial liabilities	(16.10)	(12.64)
Increase / (decrease) in other liabilities	7.09	158.46
Increase / (decrease) in provisions	(0.09)	84.79
Cash (used in) / generated from operations	2,296.50	(248.10)
Income taxes paid	(97.52)	(100.46)
Net cash flow from operating activities	2,198.98	(348.56)
B. Cash flows from investing activities		
Payments to acquire financial assets	(225.00)	(29.00)
Proceeds from sale of financial assets	32.39	56.17
Payments to acquire equity in joint ventures and associates	(36.00)	(101.47)
(Investment in) / redemption of term deposits with banks	(58.45)	1,568.10
Dividends received from other investments	5.48	7.60
Interest received from banks and others	84.89	217.90
Payments for property, plant and equipment (including capital advances)	(1,172.55)	(844.82)
Proceeds from disposal of property, plant and equipment	11.81	11.25
Payments for other intangible assets	(46.27)	(13.01)
Net cash flow from investing activities	(1,403.70)	872.72
C. Cash flows from financing activities		
Payments for buy-back of equity shares	(166.67)	—
Payments for share buy-back costs (net of tax)	(3.45)	—
Proceeds from / (Payment towards) short term borrowings	33.80	(54.48)
Repayment of short term borrowings	—	—
Payment of lease liability	(3.51)	(3.45)
Finance cost paid	0.21	(0.86)
Dividends paid on equity shares	(460.61)	(513.04)
Tax on dividends paid on equity shares	—	(105.46)
Net cash flow from financing activities	(600.23)	(677.29)
Net increase or (decrease) in cash or cash equivalents	195.05	(153.13)
Cash and cash equivalents at the beginning of the year	18.47	171.60
Cash and cash equivalents at the end of the year [refer note 16.A]	213.52	18.47

Note:

Figures in the brackets are cash outflow/income as the case may be.

(CS N. K. Mohanty)
Company Secretary

For and on behalf of Board of Directors
(M. P. Mishra)
Director (Finance)
DIN: 08951624

(CA Sridhar Patra)
Chairman-cum-Managing Director
DIN: 06500954

In terms of our attached report of even date.

For Patro & Co.
Chartered Accountants
FRN: 310100E

For GNS & Associates
Chartered Accountants
FRN: 318171E

Place: Bhubaneswar (CA Ambika Prasad Mohanty)
Date: June 28, 2021 Partner (M. No.:057820)

(CA Gokul Chandra Das)
Partner (M. No.:086157)

Notes to the Consolidated Financial Statements
Note No.1 Corporate Background

National Aluminium Company Limited is a Navratna Central Public Sector Enterprise (CPSE) under Ministry of Mines, Government of India, incorporated under the relevant provisions of the Companies Act and is listed in the stock exchanges in India. The Company is engaged in the business of manufacturing and selling of Alumina and Aluminium. The Company is operating a 22.75 lakh TPA Alumina Refinery plant located at Damanjodi in Koraput district of Odisha and 4.60 lakh TPA Aluminium Smelter located at Angul, Odisha. The Company has a captive bauxite mines adjacent to refinery plant to feed the bauxite requirement of Alumina Refinery and also a 1200 MW captive thermal power plant adjacent to Smelter plant to meet the power requirement of Smelter. Besides, the Company is also operating four wind power plants with total capacity of 198.40 MW located in the state of Andhra Pradesh (Gandikota), Rajasthan (Jaisalmer & Devikot) and Maharastra (Sangli) to harness the renewable energy and to comply with its Renewable Purchase Obligation. The Company has made strategic investments in four joint ventures companies namely Angul Aluminium Park Pvt. Ltd., Gujarat Alkalies and Chemiclac Pvt. Ltd., Utkarsha Aluminium Dhatu Nigam Limited, and Khanij Bidesh India Limited for furtherance of its business.

Note No.2 Statement of Compliance:

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and are applicable for the year and relevant to the Company and its joint ventures have been taken into consideration and complied with without any exception while preparing the consolidated financial statements of the Company and its joint ventures.

Note No.3 Significant Accounting Policies:
3.1 Basis of preparation

The consolidated financial statements of the Company and its joint ventures have been prepared in accordance with Ind AS and relevant provisions of the Companies Act, 2013.

The consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies given herewith.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based upon the nature of business, the Company and its joint ventures has ascertained a 12 month operating cycle for the purpose of current or non-current classification of assets and liabilities.

3.2 Use of estimates:

These consolidated financial statements have been prepared using estimates and assumptions, wherever necessary, in conformity with the recognition and measurement principles of Ind AS.

Estimates and underlying assumptions are reviewed on an ongoing basis and revisions, if any, in such estimates are accounted for in the year of revision.

Key sources of estimation uncertainty, which may cause a material adjustment to the carrying amounts of assets and liabilities are stated in Note No.4.

3.3 Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate or joint venture.

Distributions received from an associate or a joint venture reduces the carrying amount of the investment. When the Company's share of losses of an associate or a joint venture exceeds the Company's interest in that associate or joint venture (which includes any long-term interests that,

Notes to the Consolidated Financial Statements

in substance, form part of the Company's net investment in the associate or joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

For the purpose of consolidation the use of the equity method is discontinued from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

The equity method is continued when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the ownership interest in an associate or a joint venture is reduced but the use of equity method is continued, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

3.4 Property, Plant and Equipments

Property, plant and equipment, other than freehold lands, held for use in the production and/or supply of goods or services, or for administrative purposes, are stated at cost, less accumulated depreciation and accumulated impairment losses. Freehold lands, unless impaired, are stated at cost.

3.4.1 Initial Measurement

The initial cost comprises purchase price, non-refundable purchase taxes, other expenditure directly attributable to bringing the assets to its location and condition necessary for it to be capable of operating in the manner intended by the management, borrowing cost, if any, incurred, and the initial estimates of the present value of any asset restoration obligation or obligatory decommissioning and dismantling costs.

Expenditure incurred on development of freehold land is capitalized as part of the cost of the land.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads and directly attributable borrowing costs, if any.

Spare parts having unit value of more than ₹5 lakh, held for use in the production and/or supply of goods or services and are expected to be used during more than one period are recognised as Property, Plant and Equipment. Spares of critical nature and irregular in use, which can be identified to a particular equipment and having unit value more than ₹1 lakh is also recognised as Property, Plant and Equipments.

Notes to the Consolidated Financial Statements

3.4.2 Subsequent expenditure

Expenditure on major inspection/maintenance or repairs including cost of replacing the parts of assets and overhaul costs where it is probable that future economic benefits associated with the expenditure will be available over a period of more than one year, are capitalised and the carrying amount of the identifiable parts so replaced is derecognised.

3.4.3 Capital work-in-progress

Assets in the course of construction are included under capital work in progress and are carried at cost, less any recognised impairment loss. Such capital work in progress, on completion, is transferred to the appropriate category of property, plant and equipment.

Expenses for assessment of new potential projects incurred till investment decisions are charged to revenue. Expenditure incurred for projects after investment decisions are accounted for under capital work in progress and capitalized subsequently.

Any costs directly attributable to acquisition/ construction of property, plant and equipment till it is brought to the location and condition necessary for it to be capable of operating in the manner as intended by the management form part of capital work-in-progress.

3.4.4 Depreciation and amortisation

Depreciation on assets are provided on a straight-line basis over their useful life, either as prescribed under Schedule II of the Companies Act, 2013 or, wherever considered necessary, determined on the basis of technical estimations carried out by the Management not exceeding the prescribed useful life as per Schedule II to the Companies Act, 2013

Component of an item of property, Plant and Equipment with a cost that is significant in relation to the total cost of that item, is depreciated separately if its useful life differs from that of the asset. The Company and its joint ventures has chosen a benchmark of ₹1 Crore as significant value for identification of a separate component except 'Pot Relining' which is considered as a component of each 'Electrolytic Pot' due to its inherent nature and useful life.

The residual value of plant and machinery, vehicles, mobile equipment and earth moving equipment, railway facilities, rolling stock, and residential quarters are maintained at 5% of the original cost and for all other assets, the residual value is considered as Nil.

The estimated useful lives are reviewed at each year end and the effect of change, if any, is accounted for prospectively.

For the purpose of depreciation of assets, useful lives of -

- (a) immovable property, plant and equipment at bauxite mines is the life of the individual asset or the balance lease period of Mines whichever is lower.
- (b) captive thermal power generation plant namely Captive Power Plant (CPP) is considered to be 30 years;
- (c) Steam Power Plant (SPP) is considered to be 25 years.
- (d) Red Mud Ponds and Ash Ponds at alumina Refinery and Ash Ponds at CPP are based on their estimated remaining useful lives evaluated on the basis of technical estimates made periodically;
- (e) assets laid on leasehold land excluding assets of Bauxite mines are considered to be lower of balance lease period or the useful life of the asset.
- (f) major spares are based on technical estimation of the said spares.

Assets laid on land not owned are depreciated over the useful life from the date on which the asset is capable of operating in the manner intended by the management unless a longer / shorter life can be justified.

Individual Assets costing ₹10,000/- or less are depreciated fully in the year in which they are put to use.

Property plant and equipment other than mentioned above are subject to the following useful lives.

Sl. No.	Particulars of asset category (Property Plant & Equipment)	Range of useful life in years
1	Buildings	30-60
2	Plant and machinery	15-40
3	Railway siding	15
4	Vehicles	08 - 10
5	Furniture and fixtures	08 - 10
6	Computer equipment	06

Notes to the Consolidated Financial Statements

3.4.5 De-recognition of assets

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the use of the asset. Any gain or loss arising on the disposal/de-recognition is recognised in the statement of profit and loss.

3.4.6 Stripping costs:

Stripping costs of surface mining is recognised as an asset when they represent significantly improved access to ore, provided all the following conditions are met:

- (a) it is probable that the future economic benefit associated with the stripping activity will be realised;
- (b) the component of the ore body for which access has been improved can be identified; and
- (c) the costs relating to the stripping activity associated with the improved access can be reliably measured.

The stripping cost incurred during the production phase is added to the existing “stripping cost asset” to the extent the current period stripping ratio exceeds the planned stripping ratio.

The “stripping cost asset” is subsequently depreciated on a unit of production basis over the life of the identified component of the ore body that become more accessible as a result of the stripping activity and is then stated at cost less accumulated depreciation and impairment loss, if any.

3.5 Intangible Assets

3.5.1 Intangible assets acquired separately

Intangible assets acquired are reported at cost less accumulated amortisation and impairment loss, if any. Intangible assets having finite useful life are amortised over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

3.5.2 Internally-generated intangible assets – research and development expenditure

Expenditure on research activities, except capital expenditure considered as Property, plant and equipment, is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development is recognised if and only if all the conditions stipulated in “Ind AS 38 – Intangible Asset” are met.

3.5.3 Mining Rights

The costs of mining rights include amounts paid towards Net Present Value (NPV) including related payments and upfront money as determined by the regulatory authorities.

Cost of mining rights are amortised over the total estimated remaining commercial reserves of mining property and are subject to impairment loss.

3.5.4 Mines Development Expenses

Expenditure incurred for mines development prior to commercial production i.e., primary development expenditure other than land, buildings, plant and equipment is capitalised until the mining property is capable of commercial production.

3.5.5 User Rights

Amount of expenditure incurred in a cluster project, having future economic benefits with exclusive use of co-beneficiaries but without physical control on the assets, are capitalised as user rights.

3.5.6 Software

Operating software acquired separately (RDBMS, Sybase, ERP/SAP) are capitalised as software.

3.5.7 License and Franchise

Amount of expenditure incurred for obtaining license for use of technology is capitalised under the head “License and Franchise”.

3.5.8 De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from disposal/de-recognition are recognised in the statement of profit and loss.

Notes to the Consolidated Financial Statements

3.5.9 Amortisation

The basis of amortisation of intangible assets is as follows:

- (a) Licenses in the nature of technical know-how for processing plants which are available for the useful life of the respective processing plants are amortised over a period of ten years.
- (b) Software classified as intangible assets carries a useful life of 3 years and are amortised over that period.
- (c) Mining Rights and Mines Development Expenses are amortised over the period of availability of reserves.
- (d) User Right for cluster projects is amortised over the useful life of the asset from the date of commissioning.

3.6 Impairment of tangible and intangible assets

At the end of each reporting period the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) of the asset is estimated to determine the extent of impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs is estimated. If the estimated recoverable amount of the CGU is less than its carrying amount, the carrying amount of the CGU is reduced to its recoverable amount and the difference between the carrying amount and recoverable amount is recognised as impairment loss in the statement of profit or loss.

3.7 Foreign currency transaction and translation

Items included in the consolidated financial statements are measured using the currency of the primary economic environment i.e. Indian Rupee in which the Company and its joint ventures operates.

In preparing the consolidated financial statements, transactions in foreign currencies i.e. currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

3.8 Provisions and contingencies

3.8.1 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the estimated cash outflows to settle the present obligation, its carrying amount is the present value of those cash outflows.

3.8.2 Restoration, rehabilitation and decommissioning

An obligation to incur restoration, rehabilitation and environmental costs arise when environmental disturbance is caused by the development or ongoing production of a mine and other manufacturing facilities. The obligated restoration, rehabilitation and decommissioning liability as per statutory mandate is recognised in the consolidated financial statements.

Net present value of such costs are provided for and a corresponding amount is capitalised at the commencement of each project. These costs are charged to the statement of profit or loss over the life of the asset by way of depreciation and unwinding of the discounted liability. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes in lives of operations, new disturbance and revisions of discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance and other cost in the statement of profit or loss.

3.8.3 Environmental liabilities

Environmental liabilities are recognised when the Company and its joint ventures becomes obliged, legally or constructively to rectify environmental damage or perform remedial work.

Notes to the Consolidated Financial Statements

3.8.4 Legal Obligations

Provision is recognised once it has been established that there is a present obligation based on consideration of the information which becomes available up to the date of reporting.

3.8.5 Contingent Liabilities

Contingent liabilities are possible obligations that arises from past events, the existence of which would be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control or there is a present obligation but payment is not probable or the amount cannot be measured reliably. Contingent liabilities are disclosed in the consolidated financial statements unless the possibility of any outflow in settlement is remote.

3.8.6 Contingent Assets

Contingent assets are not recognised in the consolidated financial statement, but are disclosed where inflow of economic benefits is probable.

3.9 Leases

The Company has applied Ind AS 116-Leases effective 1st April, 2019 to all leases, using the modified retrospective method, with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated. The company identifies all leases wherever a contract is, or contains, a lease if it conveys the right to control the use of an identified asset (explicitly or implicitly specified in the contract) for a period of time in exchange of consideration, at the inception of the contract.

At the date of commencement of lease, the company recognizes, "Right Of Use" ROU Asset at cost, and the Lease Liability is measured at the present value of all lease payments that are not paid at that date, except leases with a lease term of 12 months or less that do not contain a purchase option (Short term leases) and leases for which the underlying asset is of low value.

The lease payments for leases with a lease term of 12 months or less that do not contain a purchase option (Short term leases) and leases for which the underlying asset is of low value, are recognized as operating expenses.

3.9.1 Initial Measurement:

The "Cost of ROU Asset" includes amount of:

- i. Initial measurement of lease liability
- ii. Prepaid lease payments less any lease incentives received
- iii. Initial direct cost incurred by the company as lessee And
- iv. Estimated costs to dismantle remove or, restore the underlying asset.

The lease liability is measured at the present value of lease payments by discounting lease payments at coupon rate of long term govt. bonds.

The "lease payment" includes:

- i. Fixed payments (including in-substance fixed payment)
- ii. Variable lease payment that depend upon an index or a rate
- iii. Amount payable by the company as residual value guarantee
- iv. The exercise price of purchase option if the company expects with reasonable certainty to exercise the same.
- v. Payment of penalties for termination by the company, if the terms of lease contains such option for the company.

3.9.2 Subsequent Measurement:

During subsequent periods, Lease liability is measured at amortised cost using effective interest method. And the ROU asset is measured at cost less accumulated depreciation and accumulated impairment if any.

The lease payments are classified as cash flow from financing activities.

3.10 Inventories

Inventory of raw material, including bulk material such as coal and fuel oil are valued at the lower of cost net of tax credit wherever applicable and net realisable value.

Stores and spares other than those meeting the criteria for recognition as Property, Plant and Equipment are valued at cost net of tax credit wherever applicable.

Notes to the Consolidated Financial Statements

Stores and spares (other than major spares considered as Property, Plant and Equipment) held but not issued for more than 5 years are valued at 5% of the cost.

Materials and other supplies held for use in the production (other than considered as non-moving) are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost of raw materials, stores and spares as stated above are determined on moving weighted average price.

Inventories of finished goods, semi-finished goods, intermediary products and work in process including process scrap are valued at lower of cost and net realisable value. Cost is generally determined at moving weighted average price of materials, appropriate share of labour and related overheads. Net realisable value is the estimated selling price in the ordinary course of business available on the reporting date less estimated cost necessary to make the sale.

Inventory of scraps internally generated are valued at net realisable value.

3.11 Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the outstanding is due for payment within a period 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

3.12 Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Except for trade receivables and payables, financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities.

3.12.1 Financial assets

a. Cash or Cash Equivalent:

All short-term bank deposits having a maturity period of three months or less as cash & cash equivalent is considered as cash or cash equivalent. Term deposits in Bank with a maturity period of more than 3 months are considered as other Bank Balance.

b. Financial assets at amortised cost:

Financial assets, including trade receivables where it contains significant financing component, are classified as subsequently measured at amortised costs and are measured accordingly using effective interest method if the financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Financial assets at Fair value through Other Comprehensive Income (OCI)

Financial assets are classified as subsequently measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

d. Financial assets at Fair value through Profit or loss

Financial assets are classified as subsequently measured at fair value through profit or loss unless it is classified as subsequently measured at amortised cost or at fair value through other comprehensive income. Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit or loss.

3.12.2 Financial liabilities

Trade payables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

Notes to the Consolidated Financial Statements

Financial liabilities, including trade payables where it contains significant financing component, are subsequently measured at amortised cost using effective interest method.

3.12.3 De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expires, or when substantially all the risks and rewards of ownership of the assets are transferred to another entity.

3.12.4 Impairment of financial assets

At each reporting date, assessment is made whether the credit risk on a financial instrument has increased significantly or not since initial recognition.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. If the credit risk on that financial instrument has increased significantly since initial recognition, the loss allowance is measured for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the statement of profit and loss.

3.12.5 De-recognition of financial liability

Financial liabilities are derecognised when, and only when, the obligations are discharged, cancelled or expired.

In the case of retention for liquidated damages, if on finalization/closure of contract, liquidated damage is leviable, the amount retained is written back and recognized as income except capital contracts where liquidated damage is directly attributable to escalation/increase in the cost of the asset. In such case, the retention amount is adjusted against cost of the asset.

3.12.6 Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

3.13 Derivatives

Derivative instruments such as forward foreign exchange contracts are recognised at fair value at the date the derivative contracts are entered into and are re-measured at the end of each reporting period. The resulting gain or loss is recognised in statement of profit or loss immediately.

3.14 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing cost is recognised in profit or loss in the period in which they are incurred.

3.15 Accounting for government grants

Government grants are recognised when there is reasonable assurance that the conditions attached to them will be complied and that the grants will be received.

Government grants related to assets whose primary condition is to purchase, construct or otherwise acquire non-current assets are recognised in the balance sheet by setting up the grant as deferred income and are transferred to profit or loss on a systematic basis over the useful life of the related assets.

Government grants related to income are recognised as income on a systematic basis over the periods necessary to match them with the costs for which they are intended to compensate.

3.16 Employee Benefits

3.16.1 Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, short term compensated absences etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid.

Notes to the Consolidated Financial Statements

3.16.2 Post-employment and long term employee benefits

3.16.3 Defined contribution plans

A defined contribution plan is plan under which fixed contributions are paid to a separate entity. Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them for such contributions.

3.16.4 Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined through actuarial valuation using the Projected Unit Credit Method, carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability are recognised immediately in other comprehensive income. The service cost, net of interest on the net defined benefit liability, is treated as an expense.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised,

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value of plan assets.

3.16.5 Other long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows in respect of services provided by employees up to the reporting date. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit retirement plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise. These obligations are valued annually by independent actuaries.

3.17 Revenue recognition

Revenue is earned primarily from sale of product like alumina, aluminium and sale of power. Revenue is recognised when the performance obligation by transferring promised good to a customer is satisfied.

3.17.1 Sales of Goods

Revenue from ex-factory/ ex-stockyard sales are recognised upon handing over of goods at the factory/ stock yard along with commercial invoice with due statutory compliance. Sales on FOB basis are recognised on preparation of shipping bill and handing over of goods to the shipper. In case of sale on CIF basis, revenue is recognised on placing the goods on board at the port of shipment and getting the shipping document prepared as per the incoterm.

3.17.2 Sale of Energy

Sale of wind power is recognised on the basis of energy transmitted to DISCOMs/ consumer at the price notified by respective authorities subject to Power Purchase Agreement (PPA) with them.

Sale of power from the captive power plant is considered based on quantity injected to state GRID excluding wheeling to Refinery and inadvertent energy injection, subject to Power Purchase Agreement, and scheduling by the State Load Despatch Centre (SLDC).

Revenue from sale of energy is recognised if -

- (a) the amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company and its joint ventures;
- (c) recovery of the consideration is assured reasonably.

3.17.3 Income from dividend and interest

3.17.4 Dividend

Dividend income from investments is recognised when the right to receive the dividend is established.

Notes to the Consolidated Financial Statements

3.17.5 Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and its joint ventures and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate.

3.17.6 Income from Incentives from Government Agencies

Incentives from government agencies in the nature of duty draw back and Merchandise Export Incentive Scheme (MEIS) on exports and incentives on generation of renewable sources of energy are recognised as per the relevant statute on compliance of the conditions provided thereunder.

3.18 Income Taxes

Tax expense represents the sum of current tax and deferred tax.

3.18.1 Current taxes

Current tax expense is based on taxable profit for the year as per the Income Tax Act, 1961. Current tax liabilities (assets) for the current and prior period are measured at amounts expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period and includes any adjustment to tax payable in respect of previous years.

3.18.2 Deferred taxes

Deferred tax expense or income is recognised on temporary difference between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in computation of taxable profits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax relating to items recognised directly in other comprehensive income forms part of the statement of comprehensive income.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and adjusted to the extent it has become probable that sufficient taxable profits will be available to allow the asset to be recovered

3.19 Exceptional items

Exceptional items are items of income and expenses within profit or loss from ordinary activities but of such size, nature or incidence whose disclosure is felt necessary for better explanation of the financial performance achieved.

3.20 Cash flow statement

Cash flow statement is prepared in accordance with indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

3.21 Restatement of material error / omissions

Errors and omissions is construed to be material for restating the opening balances of assets and liabilities and equity if the sum total effect of earlier period income / expenses exceeds ₹50 crores.

Note No. 4 : Critical accounting judgments and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires the management to make complex and/or subjective judgments, estimates and assumptions about matters that are inherently uncertain. These estimates and assumptions affect the reported amounts of assets and liabilities as well as disclosure of contingent liabilities and assets at the date of the consolidated financial statements and also revenues and expenses during the reported period.

The estimates and associated assumptions are based on past experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Notes to the Consolidated Financial Statements

4.1 Critical accounting judgments:

Apart from those involving estimations that the management have made in the process of applying the Company and its joint ventures's accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements, management has decided that reporting of Company and its joint ventures's financial assets at amortised cost would be appropriate in the light of its business model and have confirmed the Company and its joint ventures's positive intention and ability to hold these financial assets to collect contractual cash flows.

4.2 Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

4.2.1 Impairment

Investments in Associates and other investments, loans and advances, property, plant and equipment and intangible assets are reviewed for impairment whenever events and changes in circumstances indicate that the carrying value may not be fully recoverable or atleast annually.

Future cash flow estimates of Cash Generating Units which are used to calculate the asset's fair value are based on expectations about future operations primarily comprising estimates about production and sales volumes, commodity prices, reserves and resources, operating rehabilitations and restoration costs and capital expenditure.

4.2.2 Useful lives of property, plant and equipment

The Company and its joint ventures reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

4.2.3 Assessment of Mining Reserve:

Changes in the estimation of mineral reserves where useful lives of assets are limited to the life of the project, which in turn is limited to the life of the probable and economic feasibility of reserve, could impact the useful lives of the assets for charging depreciation. Bauxite reserves at Mines is estimated by experts in extraction, geology and reserve determination and based on approved mining plan submitted to Indian Bureau of Mines (IBM).

4.2.4 Obligation for post-employment benefit Liability

Liability for post-employment benefit and long term employee benefit is based on valuation by the actuary which is in turn based on realistic actuarial assumptions.

4.2.5 Provisions & Contingent Liabilities:

The amount recognised as a provision, including tax, legal, restoration and rehabilitation, contractual and other exposures or obligations is the best estimate of the consideration required to settle the related liability, including any interest charges, taking into account the risks and uncertainties surrounding the obligation. The Company and its joint ventures assess its liabilities and contingent liabilities based upon the best information available, relevant tax and other laws, contingencies involved and other appropriate requirements.

4.2.6 Fair value measurements and valuation processes:

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company and its joint ventures can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Consolidated Financial Statements

5.A Property, plant and equipment

Amount in ₹ Crore

Description	Gross Carrying Amount				Accumulated Depreciation & Amortisation				Carrying Amount	
	As at 31-03-2020	Addition/ Transfer	Withdrawal/ Transfer/ Adjustment	As at 31-03-2021	As at 31-03-2020	For the Year	Withdrawal/ Transfer/ Adjustment	As at 31-03-2021	As at 31.03.2021	As at 31.03.2020
Owned Assets										
Freehold land	81.88	0.58	—	82.46	—	—	—	—	82.46	81.88
Buildings	756.48	56.66	(0.03)	813.11	179.86	33.91	(0.02)	213.75	599.36	576.62
Plant and equipment	8,331.44	536.50	(60.31)	8,807.63	1,994.72	488.34	(45.78)	2,437.28	6,370.35	6,336.72
Furniture and fixtures	22.44	1.17	(0.08)	23.53	12.07	2.24	(0.07)	14.24	9.29	10.37
Office equipments	51.50	2.01	(1.04)	52.47	28.34	8.44	(1.03)	35.75	16.72	23.16
Vehicles	31.90	3.55	(0.15)	35.30	13.42	3.06	(0.11)	16.37	18.93	18.48
Railway sidings	64.16	4.53	—	68.69	20.21	4.13	—	24.34	44.35	43.95
Leased Assets										
Leasehold Land (Right of Use)	86.54	98.33	(0.01)	184.86	3.18	5.86	—	9.04	175.82	83.36
Grand Total	9,426.34	703.33	(61.62)	10,068.05	2,251.80	545.98	(47.01)	2,750.77	7,317.28	7,174.54

Notes:

- 5.A.1 Title deeds have been executed for freehold land acquired through Govt. of Odisha, except for land measuring 64.15 acres. The Company is in the process of conversion of freehold land for Industrial use and has taken-up matter with Revenue Authorities.
- 5.A.2 Cost of Freehold land includes cost of 43.75 acre of land surrendered to Govt. of Odisha against which the alienation process is yet to be completed.
- 5.A.3 The Company has 1697.71 acres of leasehold land in respect of which lease deeds are yet to be executed. However, the Company has been permitted by the concerned authorities to carry on its operation on the said land.
- 5.A.4 Registration formalities in respect of office space (building) of 6,459 Sq.ft at Kolkata purchased from Kolkata Municipal Development Authority with a carrying amount of ₹4.59 crores is under progress.
- 5.A.5 The Company incurred ₹0.90 crores (previous year ₹ 0.82 crores) for the year ended 31st March, 2021 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹4.41 crores (previous year ₹ 4.27 crores) for the year ended 31st March, 2021, including cash outflow of short-term leases and leases of low-value assets.

6. Capital work-in-progress (CWIP)

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
Capital Work-in-progress	1,420.17	1,135.86
Construction materials including in transit	11.44	41.30
	1,431.61	1,177.16

- 6.1. The amount of capital work in progress includes an amount of ₹53.97 crores (previous year ₹46.44 crores) towards infrastructural development expenditure attributable to Utkal-D and Utkal-E Coal Block. It also includes directly attributable expenses of ₹105.59 crores (previous year ₹62.09 crores) for 5th Stream Alumina Refinery expansion and pre-project expenses of ₹ 250.11 crores (previous year ₹62.01 crores) towards expenditure on infrastructural development in Odisha which was a binding obligation of the Company to Govt. of Odisha for allotment of Pottangi Mines.

Notes to the Consolidated Financial Statements

7. Intangible assets

Amount in ₹ Crore

Description	Gross Carrying Amount				Accumulated Depreciation & Amortisation				Carrying Amount	
	As at 31-03-2020	Addition/ Transfer	Withdrawal/ Transfer/ Adjustment	As at 31-03-2021	As at 31-03-2020	For the Year	Withdrawal/ Transfer/ Adjustment	As at 31-03-2021	As at 31.03.2021	As at 31.03.2020
User right	79.79	—	—	79.79	11.28	4.00	—	15.28	64.51	68.51
Computer software	11.24	0.13	—	11.37	7.70	1.76	—	9.46	1.91	3.54
Mining rights [refer note 8.1]	288.39	91.36	—	379.75	51.22	52.83	—	104.05	275.70	237.17
Licenses	10.25	1.30	—	11.55	9.24	1.25	—	10.49	1.06	1.01
Grand Total	389.67	92.79	—	482.46	79.44	59.84	—	139.28	343.18	310.23

Notes:

7.1 The Company is operating its mining activities at Panchpatmali bauxite mines based on the lease granted by the Government of Odisha. In connection with lease renewal, the Company has paid NPV and related payments which is capitalized as intangible assets under Mining Rights and amortized on straight line basis as per the Accounting Policy of the Company.

8. Intangible assets under development

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
Mining right	144.39	249.54
	144.39	249.54

8.1 Mining right under development constitutes expenses related to payment to statutory authorities towards allotment of coal blocks, NPV and wild life management plan of coal blocks, and related jobs for coal mines.

9. Investments

Amount in ₹ Crore

		As at 31.03.2021	As at 31.03.2020
A.	Non-current		
	A.1 Investments in equity instruments		
	A.1.1 Investment in associates		
	A.1.2 Investment in joint ventures		
	Unquoted investments		
	a) Utkarsha Aluminium Dhatu Nigam Limited		
	(As at 31.03.2021 : 2,00,00,000 shares of ₹ 10 each fully paid up, as at 31.03.2020: 1,00,00,000 shares of ₹ 10 each fully paid up).	18.50	8.37
	Share application money for 1,00,00,000 shares of ₹10 each fully paid. #	—	10.00
	Total	18.50	18.37
	[# 1,00,00,000 nos. of equity shares of ₹10 each fully paid up has been issued by Utkarsha Aluminium Dhatu Nigam Limited on 14.05.2020 under Rights issue.]		
	b) Khanij Bidesh India Limited		
	(As at 31.03.2021 : 10,00,000 shares of ₹10 each fully paid up, as at 31.03.2020: 40,000 shares of ₹ 10 each fully paid up).	0.64	0.04
	Share application money for 9,60,000 shares of ₹10 each fully paid.##	—	0.60
	Total	0.64	0.64
	[## 9,60,000 Nos. of equity shares of ₹10 each fully paid up has been issued by Khanij Bidesh India Limited on 12.06.2020 under Rights issue.]		
	c) Angul Aluminium Park Private Limited		
	(As at 31.03.2021 : 1,62,23,900 shares of ₹ 10 each fully paid up, as at 31.03.2020: 1,62,23,900 shares of ₹ 10 each fully paid up).	18.36	17.87
	Total	18.36	17.87
	d) GACL-NALCO Alkalies & Chemicals Private Limited		
	(As at 31.03.2021:27,60,00,000 shares of ₹ 10 each fully paid up, as at 31.03.2020: 24,00,00,000 shares of ₹ 10 each fully paid up).	274.03	238.77
	Total	274.03	238.77
	On 16.02.2021, GACL-NALCO Alkalies & Chemicals Private Limited has issued 3,60,00,000 nos. of fully paid equity shares of ₹ 10/- each to the Company under Rights Issue.		
	Total investment in joint ventures	311.53	275.65

Notes to the Consolidated Financial Statements

9. Investments (Contd.)

Details of joint ventures

Details of each of the Company's joint ventures at the end of the reporting period are as follows:

Name of the joint venture	Principal Activity and place of business	Proportion of ownership interest / voting rights held by the Company	
(a) Utkarsha Aluminium Dhatu Nigam Limited	Manufacture, market, sell, buy, trade, distribute, import and export of all high end aluminium alloy products including scrap to fulfil the requirement of critical, strategic and other sectors	50.00%	50.00%
(b) Khanij Bidesh India Limited	Identify, explore, acquire, develop, mine, process, procure and sell strategic minerals outside India	40.00%	40.00%
(c) Angul Aluminium Park Private Limited	Promoting aluminium specific downstream in Odisha, Bhubaneswar, Odisha.	49.00%	49.00%
(d) GACL-NALCO Alkalies & Chemicals Private Limited	Production of caustic soda, Vadodara, Gujarat, India	40.00%	40.00%

Financial Information in respect of individually material Joint Ventures

Amount in ₹ Crore

Particulars	UDANL		KABIL		AAPPL		GNAL	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Non- current assets	7.58	2.23	0.00	—	58.75	28.87	1,756.48	1,338.46
Current asset	29.63	34.52	1.58	1.58	112.18	52.69	147.10	118.26
Non- current liabilities	—	—	—	—	34.01	23.99	1,069.88	701.10
Current liabilities	0.20	0.01	0.01	0.01	40.68	21.09	148.60	158.65
The above amounts of assets and liabilities includes the following:								
Cash and cash equivalents	28.74	34.51	1.58	1.58	51.80	51.40	95.07	53.29
Current financial liabilities (excluding trade payables and provisions)	—	—	—	—	—	—	133.83	156.78
Non- current financial liabilities (excluding trade payables and provisions)	—	—	—	—	—	—	1,069.88	701.10
Revenue	0.75	—	—	—	1.43	1.51	0.59	1.38
Profit or loss from continuing operations	0.26	(3.26)	(0.00)	(0.92)	1.01	1.01	(1.86)	(1.25)
Other comprehensive income for the year	—	—	—	—	—	—	—	—
Total comprehensive income for the year	0.26	(3.26)	(0.00)	(0.92)	1.01	1.01	(1.86)	(1.25)
The above profit / (loss) for the year include the following:								
Depreciation and amortisation	0.07	0.03	—	—	—	—	0.19	0.12
Interest Income	0.75	—	—	—	1.43	1.51	0.33	0.43
Interest expenses	—	—	—	—	—	—	—	—
Income tax expense/(income)	0.11	(0.38)	0.00	—	0.39	0.39	0.15	0.36

Reconciliation of the above summarised financial information to the carrying amount of the interest in JVs recognised in the consolidated financial statements:

Net asset of the Joint Venture	37.01	36.75	1.57	1.58	37.49	36.48	685.10	596.96
Proportion of the Group's ownership interest in JV (%)	50%	50%	40%	40%	49%	49%	40%	40%
Proportion of the Group's ownership interest in JV (INR)	18.50	18.37	0.63	0.63	18.37	17.87	274.04	238.78
Add:- additional subscription of share warrant/advance against equity	—	—	—	—	—	—	—	—
Add:- goodwill on acquisition	—	—	—	—	—	—	—	—
Less:- unrealised profit	—	—	—	—	—	—	—	—
Group's share in the net asset of JV	18.50	18.37	0.63	0.63	18.37	17.87	274.04	238.78
Carrying amt of the Group's interest in JV	18.50	18.37	0.63	0.63	18.37	17.87	274.04	238.78

Notes to the Consolidated Financial Statements

9. Investments (Contd.)

A.1.3 Investment in other entities

Amount in ₹ Crore

Unquoted investments	As at	As at
	31.03.2021	31.03.2020
Odisha Capital Market & Enterprises Limited.	0.03	0.03
(2,89,000 shares of ₹ 1 each fully paid up)		
Total - Investments in other entities	0.03	0.03
Total - investments in equity instruments	311.56	275.68
Additional information		
Aggregate carrying amount of unquoted investments	311.56	275.68

Note:

The accounts of the joint venture company M/s. Angul Aluminium Park Private Limited for the FY 2020-21 is yet to be approved. However, accounts for the said FY as certified by the management of M/s. Angul Aluminium Park Private Limited has been considered in the Consolidated Financial Statements.

Amount in ₹ Crore

B. Current	As at		As at	
	31.03.2021		31.03.2020	
Investments in Mutual Funds	Units in '000	Amount in ₹ Crore	Units in '000	Amount in ₹ Crore
Quoted Investments				
BOI AXA Liquid Fund	—	—	50	5.00
BOI AXA overnight Fund	—	—	100	10.00
Canara Liquid Fund	239	24.05	—	—
Baroda Liquid Fund	1,009	101.14	120	12.00
SBI Premier Liquid Fund	684	71.10		
Union KBC Liquid	520	52.09	180	18.01
UTI Overnight Fund	—	—	100	10.00
Total - Other current Investments		248.38		55.01
Additional Information				
Aggregate cost of quoted investments		248.00		55.00
Aggregate market value of quoted investments		248.38		55.01
Aggregate cost of unquoted investments		—		—
Aggregate amount of impairment in value of investments		—		—

Category-wise classification:

	As at	As at
	31.03.2021	31.03.2020
Financial assets (quoted investments) mandatorily measured at fair value through profit or loss (FVTPL)	248.38	55.01
	248.38	55.01

Notes to the Consolidated Financial Statements

10. Trade receivables

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
A. Non-current		
(a) Considered good - Secured	—	—
(b) Considered good - Unsecured	—	—
(c) Having significant increase in credit risk	—	—
(d) Credit impaired	37.11	37.11
Less: Allowance for doubtful debts (expected credit loss allowance)	37.11	37.11
Non-current trade receivables	—	—
B. Current		
(a) Considered good - Secured	—	—
(b) Considered good - Unsecured	147.39	140.09
(c) Having significant increase in credit risk	20.24	—
Less: Allowance for doubtful debts	20.24	—
Current trade receivables	147.39	140.09

Notes:

- 10.1 The sale of goods (Alumina and Aluminium) is made against either advances received from customers or letter of credit. The advance received from customer is adjusted on sale. The average credit period for sale of wind power is 30 days from the date of metering which is considered as collection period.
- 10.2 Customers that individually represent more than 5% of the total trade receivable as on 31.03.2021:

Customers	% of trade receivables	Customer Category
a. DUBAI ALUMINIUM PJSC	44%	Alumina
b. APSPDCL	19%	Wind Power
c. RDPPC, DEVIKOT, RAJASTHAN	12%	Wind Power

- 10.3 The company has used a practical approach for computing expected credit loss allowance for trade receivables based on a case to case basis. Since there is no credit period for sale of alumina and aluminium and the sale is either made against an advance or backed by letter of credit (LC) given by customers, no credit loss is expected against such receivables. For sale of wind power, although there is no credit arrangement, the Company estimates credit losses based on credit loss experience and forward looking information.

Age of receivables	As at 31.03.2021	As at 31.03.2020
Alumina and Aluminium		
0-30 days	128.64	78.04
3-6 Months	—	—
More than 6 months	37.11	37.11
	165.75	115.15
Wind Power		
0-3 Months	4.45	9.28
3-6 Months	3.02	7.31
More than 6 months	31.52	45.46
	38.99	62.05

Notes to the Consolidated Financial Statements

11. Loans

Amount in ₹ Crore

A.	Non-current	As at 31.03.2021	As at 31.03.2020
(a)	Loans to employees		
	Secured, considered good	66.48	62.42
	Unsecured, considered good	19.26	10.30
(b)	Loans to others		
	Secured, considered good	0.21	0.30
Less: Allowance for bad and doubtful loans		—	—
Total non-current loans		85.95	73.02

B.	Current	As at 31.03.2021	As at 31.03.2020
(a)	Loans to employees		
	Considered good-Secured	17.71	29.52
	Considered good-Unsecured	9.47	9.07
(b)	Loans to related parties		
	Considered good-Secured [refer note 11.2]	0.01	0.02
(c)	Loans to others		
	Considered good - Secured	2.97	1.55
Total current loans		30.16	40.16

Note:

11.1 Loans to employees and others are carried at amortised cost.

11.2 The amount of loan outstanding from related parties (Directors) is the amount of motor vehicle loan taken from the Company in their capacity as employees. Further information on these loans is set out in note 38-Related party disclosure.

12. Other financial assets

Amount in ₹ Crore

A.	Non current	As at 31.03.2021	As at 31.03.2020
	Security deposits	11.24	10.48
Total other non-current financial assets		11.24	10.48
B.	Current	As at 31.03.2021	As at 31.03.2020
(a)	Advances to employees	—	0.04
(b)	Insurance claims receivables and others	7.22	8.46
Gross - other current financial assets		7.22	8.50
Less: Allowance for bad and doubtful other current financial assets			
a)	Insurance claims	7.22	8.45
Total allowance for bad and doubtful - other current assets		7.22	8.45
Net other current financial assets		—	0.05
Classification of other current financial assets:			
	Unsecured, considered good	—	0.05
	Doubtful	7.22	8.45
Gross other current financial assets		7.22	8.50

Note:

12.1 Other financial assets are carried at amortised cost.

Notes to the Consolidated Financial Statements

13. Current tax assets

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
Income tax	85.50	46.22
Total current tax assets	85.50	46.22

14. Other assets

Amount in ₹ Crore

A. Non-current		As at 31.03.2021	As at 31.03.2020
(a)	Capital advances	240.61	197.18
(b)	Advances other than capital advance:		
	Advance with public authorities		
(1)	Customs, excise, sales tax, port trusts etc.	170.60	216.66
(2)	Deposits with Income Tax Authority (net)	326.80	285.55
(3)	Other Government authorities	3.52	2.18
(c)	Others		
	Prepaid expenses		
(1)	Deferred employee benefits	16.63	18.29
Gross other non-current assets		758.16	719.86
Less: Allowance for bad and doubtful for other non-current assets			
(a)	Capital advances	0.26	0.26
Total allowance for bad and doubtful for other non-current assets		0.26	0.26
Total other non-current assets		757.90	719.60

B. Current		As at 31.03.2021	As at 31.03.2020
Advances other than capital advances			
(a)	Claims with statutory authorities		
(1)	Export Incentive Claims	28.53	14.33
(2)	Generation Based Incentive on power generated from renewable source and Renewable energy certificates	2.94	3.86
(3)	VAT, CENVAT and GST Credit Recoverable	332.80	345.47
(4)	Claims receivable from customs, excise and railway authorities	8.84	8.79
(b)	Prepaid expenses		
(1)	Deferred employee benefits	2.39	2.85
(2)	Other prepaid expenses	4.91	5.29
(c)	Stamp in hand	0.01	0.01
(d)	Other receivables	1.23	1.63
(e)	Other advances		
(1)	Advances to employees	29.23	28.46
(2)	Advances to suppliers and service providers	363.20	395.11
(3)	Others	3.84	2.67
Gross other current assets		777.92	808.47
Less: Allowance for bad and doubtful for other current assets			
(a)	VAT and CENVAT Credit Recoverable	197.81	197.81
(b)	Claims receivable from customs, excise and railway authorities	7.09	7.09
(c)	Other receivables	0.39	1.00
(d)	Advances to suppliers and service providers	2.02	1.88
(e)	Others	1.81	1.85
Total allowance for bad and doubtful for other current assets		209.12	209.63
Total other current assets		568.80	598.84

Notes to the Consolidated Financial Statements

15. Inventories

Amount in ₹ Crore

		As at 31.03.2021	As at 31.03.2020
(a)	Raw materials	72.69	89.46
(b)	Coal and fuel oil	215.62	338.63
(c)	Finished goods	464.43	440.02
(d)	Carbon Anodes (Intermediaries)	118.57	153.03
(e)	Work-in-progress	298.35	282.54
(f)	Stores and spares	292.84	378.51
(g)	Scraps	13.82	14.71
Total inventories		1,476.32	1,696.90
Included above, goods-in-transit:			
(i)	Raw materials	4.15	10.71
(ii)	Coal and fuel oil	25.12	10.48
(iii)	Stores and spares	4.45	9.86
Total goods-in-transit		33.72	31.05

Note:

15.1 Cost of inventories recognised as expenses during the year is ₹3,806.06 crore (previous year : ₹4,027.93 crore).

15.2 Cost of inventories recognised as expenses includes ₹2.00 crore (previous year: ₹4.23 crore) in respect of write-downs of inventory for non moving items.

15.3 Inventories are hypothecated/pledged against cash credit facility.

15.4 Method of valuation of inventories is stated in note 3.10 of Significant Accounting Policies.

16.A Cash and cash equivalents

Amount in ₹ Crore

		As at 31.03.2021	As at 31.03.2020
(a)	Balances with banks		
	(1) Balance with scheduled banks		
	(i) In current account	213.52	18.47
Total cash and cash equivalents		213.52	18.47

16.B Bank balances (other than Cash and cash equivalents)

Amount in ₹ Crore

		As at 31.03.2021	As at 31.03.2020
(a)	In deposit account (having original maturity between 3-12 months)	1,463.00	1,404.55
	Principal	1,446.00	1,358.00
	Accrued Interest	17.00	46.55
(b)	Earmarked balance with scheduled banks	73.26	557.51
Total other bank balances		1,536.26	1,962.06

Note:

16.B.1 The earmarked balance of ₹73.26 crore with scheduled banks includes the amount deposited towards unclaimed dividend amounting to ₹3.87 crore (previous year ₹2.95 crore). The balance amount of ₹69.39 crore represents deposits with State Bank of India as per direction of Hon'ble High Court of Odisha. [refer note 24.2]

16.B.2 Amount due for credit to Investor's Education and Protection Fund at the end of the current year ₹ Nil (previous year ₹ Nil).

Notes to the Consolidated Financial Statements

17. Share Capital

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
Authorised share capital:		
6,00,00,00,000 equity shares of ₹ 5 each	3,000.00	3,000.00
	3,000.00	3,000.00
Issued and subscribed capital comprises:		
1,83,66,31,787 fully paid-up equity shares of ₹ 5 each (As at 31.03.2020: 1,86,56,17,498 fully paid-up equity shares of ₹ 5 each)	918.32	932.81
	918.32	932.81

17.1 Reconciliation of the number of equity shares

	Number of shares	Amount ₹ in Crore
Balance as at 31.03.2019	1,86,56,17,498	932.81
Changes during the year	—	—
Balance as at 31.03.2020	1,86,56,17,498	932.81
Buy-back of shares	(2,89,85,711)	(14.49)
Balance as at 31.03.2021	1,83,66,31,787	918.32

(i) The Company has only one class of equity shares having par value of ₹ 5 each. Each holder of equity shares is entitled to one vote per share and carries proportionate right to dividends declared by the Company based on their holdings.

(ii) Buy back:

During the year 2016-17, the Company bought back 64,43,09,628 numbers of equity shares of ₹ 5 each which led to decrease in the equity share capital from ₹ 1,288.62 crore to ₹ 966.46 crore.

During 2018-19 Company again bought back 6,73,11,386 number of equity shares of ₹5 each which further led to decrease in equity share capital from ₹966.46 crore to ₹ 932.81 crore.

During the current year, the Company bought back 2,89,85,711 numbers of equity shares of ₹5 each which led to decrease the equity share capital from ₹932.81 crore to ₹918.32 crore.

(iii) Disinvestment:

During the year 2017-18 the Government of India divested 27,77,65,383 Nos. fully paid equity shares (through OFS 17,80,69,927 Nos., through employee offer 76,17,057 Nos. and through ETF 9,20,78,399 Nos.), consequent to which the holding of Government of India came down from 1,44,14,82,490 Nos. (74.58%) as on 31.03.2017 to 1,16,37,17,107 Nos. (60.2%) as on 31.03.2018.

During the year 2018-19, the Government of India further divested 8,89,86,323 Nos. of equity shares through ETF. Consequent to buyback and transfer of shares through ETF by Government of India during 2018-19, the holding of Government of India has come down from 1,16,37,17,107 Nos. (60.20%) as on 31.03.2018 to 97,00,81,517 Nos. (51.99%) as on 31.03.2019.

During the year 2019-20, Government of India divested 92,88,506 Nos. of equity shares through Bharat 22 ETF upon which the holding of Government of India has come down from 97,00,81,517 Nos. (51.99%) as on 31.03.2019 to 96,07,93,011 Nos. (51.50%) as on 31.03.2020.

During the current year, consequent upon buy-back of equity shares, the holding of Government of India has come down from 96,07,93,011 Nos. (51.5%) as on 31.03.2020 to 94,17,93,011 Nos. (51.28%) as on 31.03.2021.

17.2 Details of shares held by each shareholder holding more than 5% of shares

Amount in ₹ Crore

	As at 31.03.2021		As at 31.03.2020	
	Number of shares held	% of holding of equity shares	Number of shares held	% of holding of equity shares
Fully paid equity shares				
Government of India	94,17,93,011	51.28%	96,07,93,011	51.50%
Life Insurance Corporation of India	10,41,04,003	5.67%	9,41,04,003	5.04%
ICICI Prudential Infrastructure Fund	6,14,34,544	3.34%	11,00,27,027	5.90%
Others	72,93,00,229	39.71%	70,06,93,457	37.56%
Total	1,83,66,31,787	100.00%	1,86,56,17,498	100.00%

Notes to the Consolidated Financial Statements

18. Other equity

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
(a) Capital redemption reserves	370.30	355.81
(b) General reserve	7,942.98	8,113.10
(c) Retained earnings	1,447.41	584.78
Total	9,760.69	9,053.69

18.1 Movement in other equity

Amount in ₹ Crore

Other equity	Reserves and Surplus			Total
	Capital redemption reserve	General reserve	Retained earnings	
Balance as at 01.04.2019	355.81	8,113.10	1,083.22	9,552.13
Profit for the year	—	—	136.23	136.23
Other comprehensive income (net of taxes)	—	—	(16.17)	(16.17)
Total comprehensive income for the year	—	—	120.06	120.06
Final dividend for the previous year	—	—	(233.20)	(233.20)
Tax on final dividend for the previous year	—	—	(47.94)	(47.94)
Interim dividend for the year	—	—	(279.84)	(279.84)
Tax on interim dividend for the year	—	—	(57.52)	(57.52)
Balance as at 31.03.2020	355.81	8,113.10	584.78	9,053.69
Profit for the year	—	—	1,299.41	1,299.41
Other comprehensive income (net of taxes)	—	—	23.83	23.83
Total comprehensive income for the year	—	—	1,323.24	1,323.24
Premium on Buy-back of equity shares	—	(152.18)	—	(152.18)
Expenses on Buy-back of equity shares (net of tax benefit)	—	(3.45)	—	(3.45)
Transfer of General Reserve to Capital redemption reserve	14.49	(14.49)	—	—
Interim dividend for the year	—	—	(460.61)	(460.61)
Balance as at 31.03.2021	370.30	7,942.98	1,447.41	9,760.69

18.2 The Company had bought back its own equity shares on September 26, 2016 at a premium utilising general reserve amounting to ₹ 2834.97 crore and consequently a sum equal to the nominal value of the shares so bought back amounting to ₹ 322.16 crore had been transferred to the capital redemption reserve account in terms of section 69 of the Companies Act, 2013.

During the year 2018-19, the Company had bought back 6,73,11,386 number of fully paid equity shares of ₹5 each on December 4, 2018 at an offer price of ₹75 per share. The aggregate consideration paid was ₹504.83 crore. Post buyback, the paid up equity share capital of the Company is reduced by ₹33.65 crore from ₹966.46 crore to ₹932.81 crore. The premium amount ₹471.18 crore is appropriated from general reserve. The shares were extinguished on December 7, 2018 and in terms of the provisions of Companies Act, 2013, a sum of ₹33.65 crore was transferred from general reserve to capital redemption reserve.

During the current year, the Company bought back 2,89,85,711 number of fully paid equity shares of ₹5 each on March 10, 2021 at an offer price of ₹ 57.50 per share. The aggregate consideration paid was ₹166.67 crore. Post buyback, the paid up equity share capital of the Company is reduced by ₹14.49 crore from ₹932.81 crore to ₹918.32 crore. The premium amount ₹152.18 crore is appropriated from general reserve. The shares were extinguished on March 17, 2021 and in terms of the provisions of Companies Act, 2013, a sum of ₹14.49 crore was transferred from general reserve to capital redemption reserve.

18.3 The Company has paid the first tranche of interim dividend @ ₹ 0.5 per equity share amounting to ₹93.28 crore on December 16, 2020. The second tranche of interim dividend of ₹2.00 per equity share amounting to ₹367.33 crore was paid on 31.03.2021. During the preceding year, the Company paid interim dividend of ₹279.84 crore for financial year 2019-20 and final dividend of ₹233.20 crore for the FY 2018-19 along with payment of dividend tax of ₹ 57.52 crore, ₹47.94 crore on these respective amounts of dividends.

Notes to the Consolidated Financial Statements

19. Borrowings

Amount in ₹ Crore

Current (secured) (at amortised cost)	As at 31.03.2021	As at 31.03.2020
Liabilities towards bills discounted	46.11	12.31
Total other current financial liabilities	46.11	12.31

20. Trade payables

Amount in ₹ Crore

A. Non-current	As at 31.03.2021	As at 31.03.2020
(1) Creditors for supplies and services		
— Dues to micro and small enterprises	—	—
— Others	37.70	22.69
Total non-current trade payables	37.70	22.69
B. Current		
(1) Creditors for supplies and services		
— Dues to micro and small enterprises	11.70	7.06
— Others	702.45	535.03
Accrued wages and salaries	225.39	230.84
Total current trade payables	939.54	772.93

Notes:

- 20.1 Dues payable to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure pursuant to said Act in respect of such dues included in trade payables (note-20) and other financial liabilities (note-21) is as under.

Particulars	As at 31.03.2021	As at 31.03.2020
i) Principal amount due	11.70	7.06
ii) Interest on principal amount due	Nil	Nil
iii) Interest and principal amount paid beyond appointment day	Nil	Nil
iv) The amount of interest due and for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the amount of interest specified under MSME Development Act 2006.	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSME Development Act 2006.	Nil	Nil

21. Other financial liabilities

Amount in ₹ Crore

A. Non current	As at 31.03.2021	As at 31.03.2020
(a) Creditors for capital supplies and services		
— Dues to micro and small enterprises	—	—
— Others	36.07	8.28
(b) Lease Liability	50.48	50.25
Total other non-current financial liabilities	86.55	58.53

Notes to the Consolidated Financial Statements

21. Other financial liabilities (Contd.)

Amount in ₹ Crore

B. Current		As at 31.03.2021	As at 31.03.2020
(a)	Unpaid dividends	3.87	2.95
(b)	Creditors for other liabilities		
	(1) Creditors for capital supplies and services		
	— Dues to micro and small enterprises	—	—
	— Others	211.01	312.72
	(2) Security deposits from customers	3.88	2.07
	(3) Refund due to customers	7.61	26.50
	(4) Liabilities for discount on sales to customers	67.27	65.93
	(5) Employees' recoveries	0.27	0.63
(c)	Lease Liability	5.49	5.22
Total other current financial liabilities		299.40	416.02

22. Provisions

Amount in ₹ Crore

A. Non-current		As at 31.03.2021	As at 31.03.2020
(a)	Provision for employee benefits		
	(1) Retirement benefits obligations		
	(i) Post retirement medical benefits scheme (PRMBS)	147.48	135.39
	(ii) Settling in benefit on retirement	16.02	17.27
	(iii) Nalco benevolent fund scheme (NBFS)	2.21	2.41
	(iv) Nalco retirement welfare scheme(NRWS)	9.51	12.07
	(v) Retirement gift	6.17	7.08
	(2) Other long-term employee benefits		
	(i) Compensated absences	375.78	383.08
	(ii) Long service rewards	12.83	11.01
	(iii) Nalco employees family financial assistance rehabilitation scheme(NEFFARS)	25.54	25.94
(b)	Other Provisions		
	(1) Asset restoration obligations/dismantling	37.42	34.17
	(2) Other legal and constructive obligations	0.38	0.38
Total non current provisions		633.34	628.80
B. Current		As at 31.03.2021	As at 31.03.2020
(a)	Provision for employee benefits		
	(1) Retirement benefits obligations		
	(i) Gratuity (funded)	10.63	55.98
	(ii) Post retirement medical benefits scheme (PRMBS)	7.85	5.03
	(iii) Settling in benefit on retirement	3.57	3.32
	(iv) Nalco benevolent fund scheme (NBFS)	0.51	0.58
	(v) Nalco retirement welfare scheme(NRWS)	2.87	0.45
	(vi) Retirement gift	0.99	0.18
	(2) Other Long-term employee benefits		
	(i) Compensated absences	54.59	44.49
	(ii) Long service rewards	0.30	0.53
	(iii) Nalco employees family financial assistance rehabilitation scheme(NEFFARS)	6.34	6.15

Notes to the Consolidated Financial Statements

22. Provisions (Contd.)

Amount in ₹ Crore

(b)	Other Provisions			
(1)	towards peripheral development expenses		30.47	31.03
(2)	towards other legal and constructive obligations		41.34	30.70
Total current provisions			159.46	178.44
C.	Movement of provisions			
(1)	Movement of retirement benefit obligations [refer note 31]			
(2)	Movement of employee benefits	Compensated absences	Long service rewards	NEFFARS
	Balance at 31.03.2019	347.26	10.36	22.58
	Additional provisions recognised	125.09	1.22	28.77
	Reductions arising from payments	(75.16)	(2.30)	(19.26)
	Changes arising from remeasurement	30.38	2.26	—
	Balance at 31.03.2020	427.57	11.54	32.09
	Additional provisions recognised	126.18	1.35	20.57
	Reductions arising from payments	(106.42)	(1.06)	(20.78)
	Changes arising from remeasurement	(16.96)	1.3	—
	Balance at 31.03.2021	430.37	13.13	31.88
(3)	Movement of other Provisions	Asset restoration obligation	Legal and Constructive Obligation	Peripheral Development Expenses
	Balance at 31.03.2019	31.12	28.46	31.53
	Additional provisions recognised	0.50	4.52	—
	Reductions arising from payments	—	(1.95)	(0.50)
	Unwinding of discount	2.55	0.05	—
	Balance at 31.03.2020	34.17	31.08	31.03
	Additional provisions recognised	0.70	14.67	—
	Reductions arising from payments	—	(4.08)	(0.56)
	Unwinding of discount	2.55	0.05	—
	Balance at 31.03.2021	37.42	41.72	30.47

Note:

- 22.1 Provision related to retirement and other long term employee benefits are provided, in the case of gratuity as per the Gratuity Act, and for other benefits as per the Company's rules. Liability for the same is recognised on the basis of actuarial valuation by the independent Actuary.
- 22.2 Provision for asset restoration obligation and constructive obligation is made based on management estimation in line with Ind AS 16: Property, Plant and Equipment and Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets respectively.
- 22.3 Provision for peripheral development expenditure is the unspent development obligation of the Company prior to introduction of the Companies Act 2013.

23. Deferred tax liabilities

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
Deferred tax liabilities	1,141.28	1,582.79
Deferred tax assets	247.56	522.18
	893.72	1,060.61

Notes to the Consolidated Financial Statements

23. Deferred tax liabilities (Contd.)

Amount in ₹ Crore

2019-20	Opening balance as at 01.04.2019	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as at 31.03.2020
Deferred tax liabilities relating to:				
Property, plant and equipment	(1,545.06)	(28.76)	—	(1,573.82)
FVTPL financial assets	2.94	(0.58)	—	2.36
Provision for defined benefit obligation (OCI)	(18.00)	—	6.67	(11.33)
Deferred tax liabilities	(1,560.12)	(29.34)	6.67	(1,582.79)
Deferred tax assets in relation to:				
Provision for compensated absences and other employee benefits	121.35	28.05	—	149.40
Provision for defined benefit obligation	88.17	2.65	—	90.82
Provision for doubtful debts / advances	90.24	(1.22)	—	89.02
Temporary Difference due to application of section 43B	125.27	63.25	—	188.52
MAT credit entitlement	—	—	—	—
Others	4.42	—	—	4.42
Deferred tax assets	429.45	92.73	—	522.18
Deferred tax (liabilities) / assets - [net]	(1,130.67)	63.39	6.67	(1,060.61)
2020-21				
	Opening balance as at 01.04.2020	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as at 31.03.2021
Deferred tax liabilities relating to:				
Property, plant and equipment	(1,573.82)	433.37	—	(1,140.45)
FVTPL financial assets	2.36	1.96	—	4.32
Provision for defined benefit obligation (OCI)	(11.33)	—	6.18	(5.15)
Deferred tax liabilities	(1,582.79)	435.33	6.18	(1,141.28)
Deferred tax assets in relation to:				
Provision for compensated absences and other employee benefits	149.40	(41.08)	—	108.32
Provision for defined benefit obligation	90.82	(24.70)	—	66.12
Provision for doubtful debts / advances	89.02	(20.01)	—	69.01
Temporary Difference due to application of section 43B	188.52	(187.59)	—	0.93
MAT credit entitlement	—	—	—	—
Others	4.42	(1.24)	—	3.18
Deferred tax assets	522.18	(274.62)	—	247.56
Deferred tax (liabilities) / assets [net]	(1,060.61)	160.71	6.18	(893.72)

Note:

In pursuance to Section 115BAA of the Income Tax Act, 1961 notified by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company had an irrevocable option of shifting to a lower tax rate foregoing other tax incentives. The Company exercised the said option for lower rates of taxes and deferred tax assets and liabilities has been measured accordingly. The applicable rate for the current year is 25.168% (previous year 34.944%). The impact of such change in rate of taxes on the deferred tax as on 31.03.2020 is about ₹345.15 crore.

24. Other liabilities

Amount in ₹ Crore

A.	Non-current	As at 31.03.2021	As at 31.03.2020
(i)	Deposits under NEFFARS	98.27	70.90
(ii)	Others [Refer note 24.1]	230.50	—
Total other non-current liabilities		328.77	70.90

Notes to the Consolidated Financial Statements

24. Other liabilities (Contd.)

Amount in ₹ Crore

B.	Current		
(i)	Revenue received in advance	97.27	94.25
(ii)	Statutory and other dues		
	(a) Electricity duty [refer note: 24.2]	107.47	589.43
	(b) Tax deducted and collected at source	29.35	21.61
	(c) Contribution to NEPF trust and NPS	43.58	38.17
	(d) Dues towards stamp duty	212.78	212.78
	(e) Others (Service tax, excise duty etc)	63.71	64.91
(iii)	Renewable energy purchase obligation [refer note: 24.3]	24.99	293.82
(iv)	Deposits under NEFFARS	25.20	24.22
(v)	Grants for property, plant and equipment	0.51	0.53
(vi)	Other credit balances	0.43	0.60
Total other current liabilities		605.29	1,340.32

Note:

- 24.1 The Hon'ble CESTAT, Kolkata has issued refund order of ₹230.50 crore in favour of the Company towards clean energy cess. In view of the various earlier judgements on identical matter where the benefit has not been allowed to the beneficiary, due to involvement of higher degree of uncertainty the Company has preferred to recognise the said amount as a liability till final outcome of the dispute. Moreover, the Department has challenged the order issued by CESTAT, Kolkata in the Hon'ble High Court of Odisha.
- 24.2 Against the accumulated liability of disputed differential electricity duty, based on the request of the Govt. of Odisha the differential electricity duty upto 31.12.2020 amounting to ₹675.23 crore has been paid to Govt. of Odisha subject to final decision of Hon'ble High Court of Odisha. From 01.01.2021 onwards, the monthly electricity duty amount is being paid directly to Govt. of Odisha.
- 24.3 Consequent upon notification no. OERC/RA/RE-5/2013/2012 dated 31.12.2019 issued by Odisha Electricity Regulatory Commission pegging rate of RPO at 3% (0.5% for Solar sources and 2.5% for non-solar sources) for the CGPs commissioned prior to 1.4.2016 and clarification by Odisha Renewable Energy Development Authority (OREDA) dated 17.06.2021, the Company reassessed its obligation as on 31st March, 2021 which stood at ₹24.99 crore (previous year ₹293.82 crore) after taking into consideration the renewable energy certificates physically available with the Company and claims for RECs yet to be received. Impact of such revision of liability has been considered in reduction of "Other Expenses". [refer note.33(j)]

25. Contingent liabilities (to the extent not provided for)

Amount in ₹ Crore

		As at 31.03.2021	As at 31.03.2020
Claims against the Company not acknowledged as debts			
a.	Demand from statutory authority		
	1. Odisha Sales tax	3.72	4.31
	2. Central Sales tax	281.01	281.01
	3. VAT	12.64	12.64
	4. Excise duty	410.44	410.44
	5. Custom duty	104.47	104.47
	6. Service tax	21.98	18.19
	7. Income tax	162.66	547.62
	8. Entry tax	221.37	221.37
	9. Road tax	2.65	2.65
	10. Stamp duty	0.51	0.51
	11. Claim From Govt. (NGT)	62.30	15.59
	12. Claim From PSUs	247.59	188.73
	13. Land acquisition and interest there on	73.73	88.20
	14. Dept. of mines Govt. of Odisha	136.32	136.32
	15. NPV related demand under Mining lease	—	92.45
	16. Water Resources Deptt. Govt. of Odisha for Water Conservation fund	119.24	119.24
b.	Claim by contractors/suppliers and others		—
	1. Claims of Contractor's suppliers and others	292.85	318.08
Total		2,153.48	2561.82

Notes to the Consolidated Financial Statements

25. Contingent liabilities (to the extent not provided for) (Contd.)

Claims against the Company not acknowledged as debt includes:

- i. Demand from various statutory authorities towards income tax, sales tax, excise duty, custom duty, service tax, entry tax and other government levies. The Company is contesting the demands before the respective appellate authorities. It is expected that the ultimate outcome of these proceedings will be in favour of the Company and will not have any material adverse effect on the Company's financial position and results of operation.
- ii. Claims of contractors for supply of materials/services pending with arbitration/courts have arisen in the ordinary course of business. The Company reasonably expects that these legal actions will be concluded and determined in favour of the Company and will not have any material adverse effect on the Company's results of operation or financial position.
- iii. Claim from PSUs represents the energy compensation charges and the delayed payment surcharge on the same, since 2005, demanded by Odisha Hydro Power Corporation Limited (OHPC) towards loss of power generation by the Corporation due to drawal of water from the reservoir at Upper Kolab, Koraput by NALCO Refinery at M&R Complex.
- iv. The claims against the company are mostly due to demands raised by the IT department at assessment stage. These claims are on account of multiple issues of disallowances such as disallowance in respect of additional depreciation under section 32(i)(iii), disallowance of peripheral development expenses, provision for non-moving stores and spares, treatment of short term capital gain and not allowing loss under long term capital gain and treating the same as business income, disallowance u/s 14A etc. These matters are sub-judice and pending before various appellate authorities. The Company, including its tax advisors, expect that its position will likely be upheld on the ultimate resolution in view of the decisions already available in favour of the Company by higher appellate forums being CIT(A) / ITAT (Jurisdictional). Thus it will not have a material adverse effect on the Company's financial position and in the results of operations. Hence, there is no uncertainty in tax treatment which will affect the determination of taxable profit (loss), tax bases, unused tax losses, unused tax credits, and tax rates of the Company.

The Company has reviewed the disputed income tax matters and the demands raised by the Department/ Authorities considering the probable outcome of the dispute and possibilities of outflow of resources and disclosed as on 31.03.2021 accordingly.

25.1 Movement of contingent liabilities

Amount in ₹ Crore

		As at 31.03.2020	Reduction during the year	Addition during the year	As at 31.03.2021
a.	Demand by statutory authority				
	1. Odisha Sales tax	4.31	(0.59)	—	3.72
	2. Central Sales tax	281.01	—	—	281.01
	3. VAT	12.64	—	—	12.64
	4. Excise duty	410.44	—	—	410.44
	5. Custom duty	104.47	—	—	104.47
	6. Service tax	18.19	(0.07)	3.86	21.98
	7. Income tax	547.62	(384.96)	—	162.66
	8. Entry tax	221.37	—	—	221.37
	9. Road tax	2.65	—	—	2.65
	10. Stamp duty	0.51	—	—	0.51
	11. Claim From Govt. (NGT)	15.59	—	46.71	62.30
	12. Claim From PSUs	188.73	—	58.86	247.59
	13. Land acquisition and interest there on	88.20	(21.69)	7.22	73.73
	14. Demand from Dept. of mines Govt. of Odisha	136.32	—	—	136.32
	15. NPV related demand under Mining lease	92.45	(92.45)	—	—
	16. Demand from Water Resources Deptt. Govt. of Odisha for Water Conservation fund	119.24	—	—	119.24
b.	Claim by contractors/suppliers and others	—			—
	1. Claims of Contractor's suppliers and others	318.08	(67.20)	41.97	292.85
	Total	2,561.82	(566.96)	158.61	2,153.48

Notes to the Consolidated Financial Statements

26. Commitments

Amount in ₹ Crore

		As at 31.03.2021	As at 31.03.2020
a)	Estimated amount of Contracts remaining to be executed on capital account and not provided for	1,308.97	993.90
b)	Other Commitments		
(1)	Amount payable to the Government of India but not yet due for payment for allocation of Utkal D & E coal block.	18.11	18.11
(2)	Export obligation for import of capital goods under Export Promotion Capital Goods Scheme.	Nil	254.32
(3)	Estimated amount of commitment to Govt. of Odisha for allotment of Pottangi Bauxite Mines	49.89	Nil
(4)	Estimated amount of commitment to Govt. of India (MoEFFC) for 5th Stream Refinery project.	10.81	Nil
(5)	Corporate environment responsibility (CER) for capital investments	12.00	Nil
Total		1,399.78	1,266.33

27. Revenue from operations

Amount in ₹ Crore

		Year ended 31.03.2021	Year ended 31.03.2020
(a)	Sale of products		
	1) Export:		
	i) Alumina	2,534.63	2,764.30
	ii) Aluminium	2,628.31	746.62
	2) Domestic:		
	i) Alumina	141.95	213.98
	ii) Aluminium	3,524.48	4,645.92
(b)	Sale of power		
	i) Wind Power [Refer Notes nos 27.1]	39.92	54.93
(c)	Other operating income	86.50	46.09
Revenue from operations		8,955.79	8,471.84

Note:

27.1 The Company has not recognised the revenue from its two wind power plant located in the State of Rajasthan due to non availability of Power Purchase Agreement (PPA) since 2018-19.

28. Other income

Amount in ₹ Crore

		Year ended 31.03.2021	Year ended 31.03.2020
(a)	Interest income		
	(i) Interest income earned from financial assets that are not designated as at fair value through profit or loss:		
	— Bank deposits	69.99	144.30
	— Loans to employees	9.42	9.43
	— Other financial assets carried at amortised cost	5.48	2.99
	(ii) Interest income earned from Income tax refund	—	61.18
(b)	Dividend income		
	— Dividends from current investments	5.48	7.60
(c)	Net foreign exchange gain/(loss)	(1.85)	5.94
(d)	Net gain/(loss) on financial assets designated as at FVTPL	0.38	0.01
(e)	Net gain/(loss) on sale of other investments	—	1.35
(f)	Write back of liabilities no longer required [refer note: 28.1]	8.86	3.73
(g)	Income from internally generated scrap	15.71	19.52
(h)	Others	33.13	16.53
Total other income		146.60	272.58

Note:

28.1 Unclaimed liability lying in books for a period of more than 3 years as on the reporting date are written back and recognized as income.

Notes to the Consolidated Financial Statements

29. Cost of materials consumed

Amount in ₹ Crore

A.	Raw material	Year ended 31.03.2021	Year ended 31.03.2020
(1)	Caustic soda	687.62	935.17
(2)	C.P. coke	351.00	460.73
(3)	C.T. pitch	130.67	142.25
(4)	Aluminium fluoride	74.80	80.58
(5)	Lime	44.14	51.47
(6)	Others	27.20	32.28
	Total raw materials consumed	1,315.43	1,702.48
B.	Power and Fuel		
(1)	Coal	1,584.74	1,667.11
(2)	Fuel oil	576.49	663.21
(3)	Duty on own generation	415.35	400.30
(4)	Purchase of power	55.25	224.47
(5)	Power transmission charges	6.26	9.51
	Total Power and Fuel consumed	2,638.09	2,964.60

30. Changes in inventories of finished goods, intermediaries and work-in-process

Amount in ₹ Crore

	Year ended 3.03.2021	Year ended 31.03.2020
Finished goods		
Opening stock		
(1) Bauxite	3.74	18.12
(2) Chemical	159.30	91.48
(3) Aluminium	276.97	12.68
Opening stock	440.01	122.28
Total opening stock of finished goods	440.01	122.28
Less: Closing stock		
(1) Bauxite	4.34	3.74
(2) Chemical	232.28	159.30
(3) Aluminium	227.81	276.97
Closing stock	464.43	440.01
Total Closing stock of finished goods	464.43	440.01
(Accretion)/Depletion in finished goods	(24.42)	(317.73)
Intermediaries		
Opening stock		
Anodes	136.37	122.16
Others	16.67	18.97
Total opening stock of intermediaries	153.04	141.13
Less: Closing stock		
Anodes	100.83	136.37
Others	17.74	16.67
Total closing stock of intermediaries	118.57	153.04
(Accretion)/depletion in intermediaries	34.47	(11.91)
Work in process		
Opening stock	282.54	246.95
Less: Closing stock	298.35	282.54
(Accretion)/depletion in work in process	(15.81)	(35.59)
Total (Accretion)/Depletion in inventory	(5.76)	(365.23)

Notes to the Consolidated Financial Statements

31. Employee benefits expense

Amount in ₹ Crore

	Year ended 31.03.2021	Year ended 31.03.2020
(a) Salaries and wages, including bonus	1,544.25	1,585.52
(b) Contribution to provident and other funds		
1) Provident fund	120.10	129.45
2) Gratuity	42.85	52.09
3) Post employment pension scheme	107.03	114.00
(c) Staff welfare expenses	116.01	113.01
Total employee benefit expense	1,930.24	1,994.07

Notes:

31.A. Employee benefit Plans

31.A.1 Defined contribution plans

- Provident fund: The Company pays fixed contribution to Provident Fund at predetermined rates, to a separate trust, which invests the funds in permitted securities. On contributions, the trust is required to pay a minimum rate of interest, to the members, as specified by Govt. of India.
- Pension fund: The Company pays fixed contribution to the trustee bank of PFRDA, which in turn invests the money with the insurers as specified by the employee concerned. The company's liability is limited only to the extent of fixed contribution.

31.A.2 Defined benefit plans

- Gratuity:** Gratuity payable to employees as per The Payment of Gratuity Act subject to a maximum of ₹20,00,000/. The gratuity scheme is funded by the Company and is managed by a separate trust. The liability for gratuity under the scheme is recognised on the basis of actuarial valuation.
- Post retirement medical benefit:** The benefit is available to retired employees and their spouses who have opted for the benefit. Medical treatment as an in-patient can be availed from the Company's hospital/Govt.Hospital/ hospitals as per company's rule. They can also avail treatment as out patient subject to maximum ceiling of expenses fixed by the Company. The liability under the scheme is recognised on the basis of actuarial valuation.
- Settling-in-benefit:** On superannuation/retirement/termination of service, if opted for the scheme, the transfer TA is admissible to the employees and / or family from the last head quarters to the hometown or any other place of settlement limited to distance of home town. Transport of personal conveyance shall also be admissible. The liability for the same is recognised on the basis of actuarial valuation.
- NALCO Benevolent Fund Scheme :** The objective of the scheme is to provide financial assistance to families of the members of the scheme who die while in employment of the Company. As per the scheme there will be contribution by members @ ₹30/- per member per death, in the event of death of a member while in the service of the company and matching contribution is made by the Company. The liability for the same is recognised on the basis of actuarial valuation.
- NALCO Retirement Welfare Scheme :** The objective of the scheme is to provide financial assistance as a gesture of goodwill as post retirement support to employees retiring from the services of the company. As per the scheme the recovery from each employee member would be ₹ 10/- per retiring member. The Company would provide equivalent sum as matching contribution. The liability for the same is recognised on the basis of actuarial valuation.
- Superannuation gift scheme:** The objective of the scheme is to recognise the employees superannuating or retiring on medical ground from the services of the Company. The scheme includes a gift item worth of ₹ 25000/- per retiring employees to be presented on superannuation/ retirement. The liability for the same is recognised on the basis of actuarial valuation.

31.B.3 Other long term employees benefits

- Compensated absences :** The accumulated earned leave, half pay leave & sick leave is payable on separation, subject to maximum permissible limit as prescribed in the leave rules of the Company. During the service period encashment of accumulated leave is also allowed as per the Company's rule. The liability for the same is recognised on the basis of actuarial valuation.
- Long Service Reward :** The employee who completes 25 years of service are entitled for a long service reward which is equal to one month basic pay and DA. The liability for the same is recognised on the basis of actuarial valuation.
- NEFFARS :** In the event of disablement/death, on deposit of prescribed amount as stipulated under the scheme, the Company pays monthly benefit to the employee/ nominee at their option upto the date of notional superannuation. The liability for the same is recognised on the basis of actuarial valuation.

The employee benefit plans typically expose the Company to actuarial risks such as actuarial risk, investment risk, interest risk, longevity risk and salary risk:-

- Actuarial risk:** It is the risk that employee benefits will cost to the Company more than expected. This can arise due to one of the following reasons:
 - Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Notes to the Consolidated Financial Statements

31. Employee benefits expense (contd.)

- b. **Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption then the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.
- c. **Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.
- ii. **Investment risk:** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
- iii. **Interest risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- iv. **Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- v. **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants beyond assumed plan will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31.03.2021	31.03.2020
Discount rate(s)	6.60%	6.50%
Expected rate(s) of salary increase	8%	8%
Mortality	IALM 2012-2014 ULTIMATE	IALM 2006-2008 ULTIMATE
Attrition Rate	1%	1%

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:-

	Year ended 31.03.2021	Year ended 31.03.2020
Service Cost:		
-Current Service cost	(52.67)	(54.67)
-Past Service Cost and (gain)/loss from settlements	16.10	12.19
-Net Interest expense	(5.11)	(11.97)
Components of defined benefit costs recognised in profit or loss	(41.68)	(54.45)
Remeasurement of the net defined benefit liability:		
Return on the net defined benefit liability	(1.78)	5.12
Actuarial (Gains)/losses arising from changes in financial assumptions	5.10	(45.79)
Actuarial (Gains)/losses arising from experience assumptions	14.31	23.08
Others		
Adjustments for restrictions on the defined benefit asset		
Components of defined benefit costs recognised in other comprehensive income	17.63	(17.59)
Total	(24.05)	(72.04)

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Post retirement medical benefit	Settling-in- benefit	NALCO benevolent fund scheme	NALCO retirement welfare scheme	Superannuation gift scheme	Gratuity (Funded)
March 31, 2020						
Present value of defined benefit obligation	(140.42)	(20.59)	(2.99)	(12.52)	(7.26)	(632.24)
Fair value of plan assets	—					576.26

Notes to the Consolidated Financial Statements

Net liability arising from defined benefit obligation	(140.42)	(20.59)	(2.99)	(12.52)	(7.26)	(55.98)
March 31, 2021						
Present value of defined benefit obligation	(155.35)	(19.58)	(2.73)	(12.38)	(7.16)	(595.80)
Fair value of plan assets	—					585.17
Net liability arising from defined benefit obligation	(155.35)	(19.58)	(2.73)	(12.38)	(7.16)	(10.63)

Movements in the present value of the defined benefit obligations are as follows:

	Post retirement medical benefit	Settling-in-benefit	NALCO benevolent fund scheme	NALCO retirement welfare scheme	Superannuation gift scheme	Gratuity (Funded)
Opening defined benefit obligations as at April 01, 2019	(123.43)	(22.42)	(3.04)	(11.90)	(6.93)	(604.90)
Current service cost	—	(3.55)	—	—	—	(51.12)
Interest Cost	(7.82)	(1.38)	(0.18)	(0.72)	(0.42)	(37.05)
Remeasurement (gains)/losses	—	—	—	—	—	—
Actuarial (Gains)/losses arising from changes in demographic assumptions	—	—	—	—	—	—
Actuarial (Gains)/losses arising from changes in financial assumptions	(3.97)	(1.10)	(0.12)	(0.60)	(0.48)	(39.52)
Actuarial (Gains)/losses arising from experience assumptions	(11.43)	5.35	(0.11)	(1.06)	(0.32)	30.65
Past Service Cost , including losses / (gains) on curtailment	—	—	—	—	—	—
Liabilities extinguished as settlements	—	—	—	—	—	—
Liabilities assumed in a business combination	—	—	—	—	—	—
Exchange differences on foreign plans	—	—	—	—	—	—
Benefits paid	6.23	2.51	0.46	1.76	0.89	69.70
Others	—	—	—	—	—	—
Closing defined benefit obligation as at March 31, 2020	(140.42)	(20.59)	(2.99)	(12.52)	(7.26)	(632.24)
Current service cost	—	(3.14)	—	—	—	(49.53)
Interest Cost	(9.06)	(1.26)	(0.17)	(0.75)	(0.45)	(38.65)
Remeasurement (gains)/losses	—	—	—	—	—	—
Actuarial (Gains)/losses arising from changes in demographic assumptions	—	—	—	—	—	—
Actuarial (Gains)/losses arising from changes in financial assumptions	0.98	0.03	0.01	0.06	0.05	3.97
Actuarial (Gains)/losses arising from experience assumptions	(13.11)	2.36	(0.44)	(1.50)	(0.43)	27.43
Past Service Cost , including losses / (gains) on curtailment	—	—	—	—	—	—
Liabilities extinguished as settlements	—	—	—	—	—	—
Liabilities assumed in a business combination	—	—	—	—	—	—

Notes to the Consolidated Financial Statements

31. Employee benefits expense (Contd.)

Exchange differences on foreign plans	—	—	—	—	—	—
Benefits paid	6.26	3.02	0.86	2.33	0.93	93.22
Others	—	—	—	—	—	—
Closing defined benefit obligation as at March 31, 2021	(155.35)	(19.58)	(2.73)	(12.38)	(7.16)	(595.80)

Movements in the fair value of the plan assets are as follows:

	Gratuity (Funded)
Opening fair value of plan assets as at April 01, 2019	547.80
Interest income	35.60
Remeasurement gains/(losses)	
Return on plan assets (excluding amounts included in net interest income)	5.12
Others	(0.05)
Contribution from the employer	57.49
Benefits paid	(69.70)
Closing fair value of plan assets as at March 31, 2020	576.26
Interest income	45.23
Remeasurement gains/(losses)	
Return on plan assets (excluding amounts included in net interest income)	(1.78)
Others	—
Contribution from the employer	58.68
Contribution from plan participant	—
Assets distributed on settlements	—
Assets acquired in a business combination	—
Exchange differences on foreign plans	—
Benefits paid	(93.22)
Others	—
Closing fair value of plan assets as at March 31, 2021	585.17

The fair value of the plan assets at the end of the reporting period for each category, are as follows

	Valuation as at	
	31.03.2021	31.03.2020
Investments in Funds:		
1. Insurance Companies	585.17	576.26
Total	585.17	576.26

31.C - Sensitivity analysis of defined benefit plans

Significant actuarial assumption for determination of defined benefit plan are discount rate, expected salary growth, attrition rate and mortality rate. The

Notes to the Consolidated Financial Statements

31. Employee benefits expense (Contd.)

sensitivity analysis below have been based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Sensitivity Analysis

Amount in ₹ Crore

Particulars	Post retirement medical benefit		Settling-in-benefit		NALCO benevolent fund scheme	
	Increase by	Decrease by	Increase by	Decrease by	Increase by	Decrease by
2019-20						
Impact on amount due to change in Discount rate (-/+0.5%)	4.25	5.19	0.60	0.61	0.08	0.08
% Change compared to base due to sensitivity [+/(-)%]	3.03%	3.70%	2.89%	2.95%	2.71%	2.76%
Impact on amount due to change in Salary growth (+/-0.5%)	—	—	—	—	0.07	0.07
2019-20						
% Change compared to base due to sensitivity [+/(-)%]	0.00%	0.00%	0.00%	0.00%	2.42%	2.37%
Impact on amount due to change in Attrition rate (+/-0.5%)	—	—	0.02	0.02	—	—
% Change compared to base due to sensitivity [+/(-)%]	0.00%	0.00%	0.12%	0.12%	0.15%	0.15%
Impact on amount due to change in Mortality rate (-/+10%)	0.04	0.04	0.09	0.09	0.01	0.01
% Change compared to base due to sensitivity [+/(-)%]	0.03%	0.03%	0.46%	0.46%	0.26%	0.26%

Particulars	NALCO retirement welfare scheme		Superannuation gift scheme		Gratuity (Funded)	
	Increase by	Decrease by	Increase by	Decrease by	Increase by	Decrease by
2019-20						
Impact on amount due to change in Discount rate (-/+0.5%)	0.34	0.35	0.20	0.20	21.02	19.70
% Change compared to base due to sensitivity [+/(-)%]	2.71%	2.76%	2.71%	2.76%	3.32%	3.12%
Impact on amount due to change in Salary growth (+/-0.5%)	0.30	0.30	0.18	0.17	3.66	3.24
% Change compared to base due to sensitivity [+/(-)%]	2.42%	2.37%	2.42%	2.37%	0.58%	0.51%
Impact on amount due to change in Attrition rate (+/-0.5%)	0.02	0.02	0.01	0.01	0.21	0.21
% Change compared to base due to sensitivity [+/(-)%]	0.15%	0.15%	0.15%	0.15%	0.03%	0.03%
Impact on amount due to change in Moratlity rate (-/+10%)	0.03	0.03	0.02	0.02	0.53	0.53
% Change compared to base due to sensitivity [+/(-)%]	0.26%	0.26%	0.26%	0.26%	0.08%	0.08%

Amount in ₹ Crore

Particulars	Post retirement medical benefit		Settling-in-benefit		NALCO benevolent fund scheme	
	Increase by	Decrease by	Increase by	Decrease by	Increase by	Decrease by
2020-21						
Impact on amount due to change in Discount rate (-/+0.5%)	4.49	4.58	0.57	0.58	0.07	0.08
% Change compared to base due to sensitivity [+/(-)%]	2.89%	2.95%	2.89%	2.95%	2.71%	2.76%
Impact on amount due to change in Salary growth (+/-0.5%)	—	—	—	—	0.07	0.06
% Change compared to base due to sensitivity [+/(-)%]	—	—	—	—	2.42%	2.37%
Impact on amount due to change in Attrition rate (+/-0.5%)	—	—	0.02	0.02	—	—
% Change compared to base due to sensitivity [+/(-)%]	0.00%	0.00%	0.12%	0.12%	0.15%	0.15%
Impact on amount due to change in Moratlity rate (-/+10%)	0.71	0.71	0.09	0.09	0.01	0.01
% Change compared to base due to sensitivity [+/(-)%]	0.46%	0.46%	0.46%	0.46%	0.26%	0.26%

Notes to the Consolidated Financial Statements

31. Employee benefits expense (Contd.)

Particulars	NALCO retirement welfare scheme		Superannuation gift scheme		Gratuity (Funded)	
	Increase by	Decrease by	Increase by	Decrease by	Increase by	Decrease by
2020-21						
Impact on amount due to change in Discount rate (-/+0.5%)	11.11	11.18	0.19	0.20	20.38	19.05
% Change compared to base due to sensitivity [+/(-%)]	89.73%	90.28%	2.71%	2.76%	3.42%	3.20%
Impact on amount due to change in Salary growth (+/-0.5%)	11.18	11.12	0.17	0.17	3.33	2.91
% Change compared to base due to sensitivity [+/(-%)]	90.24%	89.76%	2.42%	2.37%	0.56%	0.49%
Impact on amount due to change in Attrition rate (+/-0.5%)	11.14	11.15	0.01	0.01	0.08	0.08
% Change compared to base due to sensitivity [+/(-%)]	89.99%	90.02%	0.15%	0.15%	0.01%	0.01%
Impact on amount due to change in Moratlity rate (-/+10%)	11.14	11.15	0.02	0.02	0.51	0.51
% Change compared to base due to sensitivity [+/(-%)]	89.97%	90.03%	0.26%	0.26%	0.08%	0.08%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using projected unit credit method at the end of the reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

32. Finance costs

Amount in ₹ Crore

		Year ended 31.03.2021	Year ended 31.03.2020
Finance cost			
a.	Interest expenses on lease liabilities	4.01	3.98
b.	Others [refer note 32.1]	3.07	1.76
Total finance cost		7.08	5.74

Note:

32.1 The other finance cost includes ₹0.21 crore of interest on loan from bank.

Notes to the Consolidated Financial Statements

33. Other expenses

Amount in ₹ Crore

	Year ended 31.03.2021	Year ended 31.03.2020
(a) Stores and spares consumed	333.16	356.12
(b) Repair and maintenance to		
(1) Buildings	65.82	61.65
(2) Machinery	157.94	164.08
(3) Others	24.63	27.12
(c) Other Manufacturing Expenses		
(1) Water charges	34.13	32.04
(2) Royalty	132.57	125.39
“(3) Contribution to District Mineral Fund and National Mineral Exploration Trust	41.81	40.13
(4) Continuous Technical Assistance expenses	-	4.52
(5) Others	92.34	90.59
(d) Freight and handling charges		
(1) Incoming materials (Alumina)	109.35	110.28
(2) Outgoing materials	163.22	131.58
(e) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	0.35	0.35
(ii) For Taxation matters	0.07	0.07
(iii) For Other services	0.29	0.34
(iv) For reimbursement of expenses	0.02	0.15
(f) Payment to Cost Auditors	0.03	0.04
(g) Security and fire fighting expenses	150.24	180.71
(h) Corporate social responsibility expenses [refer note 33.1]	35.00	39.71
(i) Administrative and general expenses	103.23	124.14
(j) Renewable purchase obligation [refer note no. 24.3]	(261.86)	114.11
(k) Provision towards disputed Government dues and others	0.01	0.01
(l) Selling and distribution expenses	34.81	25.17
(m) Write off of Inventories, Claims etc	11.18	15.64
(n) Bad and doubtful Provisions/ (write back)	22.86	(1.35)
(o) Others	43.77	44.10
Total other expenses	1,294.97	1,686.69

Note:

33.1 Expenditure on Corporate Social Responsibility.

a) Gross amount required to be spent by the company during the year ended March 31, 2021 is ₹33.42 crore (March 31, 2020 ₹37.38 crore)

b) Amount spent during the year ended March 31, 2021

i) Construction/acquisition of assets

₹ Nil crore (previous year ₹Nil)

ii) On purpose other than (i) above

₹ 35.00 crore (previous year ₹39.71 crore)

Total**₹ 35.00 crore (previous year ₹39.71 crore)**

Notes to the Consolidated Financial Statements

34. Income taxes

34.1 Income tax recognised in profit or loss

Amount in ₹ Crore

	Year ended 31.03.2021	Year ended 31.03.2020
Current tax		
In respect of current year	204.02	152.27
In respect of prior years	(26.32)	(0.87)
	177.70	151.40
Deferred tax		
In respect of current year	(160.71)	(63.39)
Others (MAT credit entitlement)	—	—
	(160.71)	(63.39)
Total income tax expense recognised in current year	16.99	88.01

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	1,316.40	224.24
Income tax expense thereon @ 25.168% (previous year 34.944%) :	331.31	78.36
Tax effect of -		
i) income exempt from taxation	0.03	(1.96)
ii) disallowable expenses (permanent difference)	6.78	13.97
iii) expenses allowable in excess of expenditure incurred	(55.24)	(31.96)
iv) effect of concessions (research and development and other allowances)	—	(0.47)
v) difference for long-term capital gains	—	(0.04)
vi) Adjustment relating to earlier years	(26.32)	(26.80)
vii) others	(239.57)	56.91
Income tax expense recognised in profit or loss	16.99	88.01

34.2 Income tax recognised directly in equity

Current tax		
Share buy-back costs	(1.16)	—
Income tax recognised directly in equity	(1.16)	—

34.3 Income tax recognised in other comprehensive income

Tax on remeasurement gain or loss of defined benefit obligations		
— Current Tax	—	—
— Deferred Tax	6.18	6.67
Total income tax recognised in other comprehensive income	6.18	6.67
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	—	—
Items that will not be reclassified to profit or loss	6.18	6.67

Note:

In pursuance to Section 115BAA of the Income Tax Act, 1961 notified by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company had an irrevocable option of shifting to a lower tax rate foregoing other tax incentives. The Company exercised the said option for lower rates of taxes and the taxes have been recognised accordingly. The applicable rate for the current year is 25.168% (previous year 34.944%).

Notes to the Consolidated Financial Statements

35. Segment information

35.1 Products from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of goods delivered. The directors of the company have chosen to organise the Company around differences in products. No reporting segment have been aggregated in arriving at the reportable segments in the Company. Specifically, the Company's reportable segment under Ind AS 108-Operating Segments are as follows:

- i) Chemical segment
- ii) Aluminium segment

The Company has considered Chemicals and Aluminium as the two primary operating business segments. Chemicals include Calcined Alumina, Alumina Hydrate and other related products. Aluminium includes Aluminium ingots, wire rods, billets, strips, rolled and other related products. Bauxite produced for captive consumption for production of alumina is included under chemicals and power generated for captive consumption for production of Aluminium is included under Aluminium segment. Wind Power Plant commissioned primarily to harness the potential renewable energy sources is included in the unallocated Common segment.

35.2 Segment revenues and results

The following is an analysis of the Company's revenue and results from operations by reportable segment

Amount in ₹ Crore

Segment revenue		
Operating Segments	Year ended 31.03.2021	Year ended 31.03.2020
Chemical segment	3,950.50	4,248.29
Aluminium segment	6,263.47	5,466.37
Unallocated	50.38	42.63
Total for operations	10,264.35	9,757.29
Less: Intersegment revenue	1,308.56	1,285.45
Revenue from operations	8,955.79	8,471.84
Segment results		
Operating Segments	Year ended 31.03.2021	Year ended 31.03.2020
Chemical segment	635.75	554.26
Aluminium segment	867.67	(281.98)
Segment result before exceptional items, interest and tax	1,503.42	272.28
Interest & financing charges	7.08	5.74
Interest and dividend income	90.75	134.43
Other unallocated income net of unallocated expenses	(270.57)	(174.73)
Share of Profit/(loss) of Joint Venture	(0.12)	(2.00)
Profit before tax	1,316.40	224.24

35.3 Segment assets and liabilities

	Segment Assets		Segment Liabilities	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Chemical segment	4,216.76	4,399.65	1,191.18	1,125.10
Aluminium segment	5,337.53	6,014.16	1,560.93	2,062.48
Total segment assets and liabilities	9,554.29	10,413.81	2,752.11	3,187.58
Unallocated	5,154.60	4,134.24	384.04	313.37
Total assets and Liabilities	14,708.89	14,548.05	3,136.15	3,500.95

Notes to the Consolidated Financial Statements

35.4 Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Chemical segment	268.03	216.70	(110.26)	322.21
Aluminium segment	271.53	250.52	(53.24)	59.61
Unallocated	66.26	62.61	575.81	61.74
Total for operations	605.82	529.83	412.31	443.56

	Material non-cash expenditure	
	Year ended 31.03.2021	Year ended 31.03.2020
Chemical segment	(9.24)	36.38
Aluminium segment	(12.33)	65.62
Unallocated	(1.60)	6.69
	(23.17)	108.69

35.5 Revenue from major products

The following is an analysis of the Company's revenue from continuing operations from its major products and services

	Additions to non-current assets	
	Year ended 31.03.2021	Year ended 31.03.2020
Chemical segment (Hydrate and Alumina)	2,676.58	2,978.28
Aluminium segment (Aluminium)	6,152.79	5,392.54
	8,829.37	8,370.82

35.6 Geographical information

The Company operates mainly in principal geographical areas-India (country of domicile) and Outside India

	Revenue from external customers		Non-current assets	
	Year ended 31.03.2021	Year ended 31.03.2020	As at 31.03.2021	Year ended 31.03.2020
India	3,666.43	4,859.90	10,402.56	9,990.25
Outside India	5,162.94	3,510.92	—	—
Total	8,829.37	8,370.82	10,402.56	9,990.25

36. Earnings per share

	Year ended 31.03.2021	Year ended 31.03.2020
	₹ per share	₹ per share
36.1 Basic Earnings per share (₹)		
From total operations	6.97	0.73
Total Basic earnings per share	6.97	0.73

Notes to the Consolidated Financial Statements

36.2 Basic Earnings per Share

The Earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows Amount in ₹ Crore

	Year ended 31.03.2021	Year ended 31.03.2020
Profit for the year attributable to Owners of the Company	1,299.41	136.23
Earnings used in the calculation of basic earnings per share	1,299.41	136.23

	As at 31.03.2021	As at 31.03.2020
Weighted average number of equity shares used in calculation of basic earnings per share (in crore)	186.44	186.56

Note:

The weighted average number of equity shares has been computed considering the 2,89,85,711 no. of shares bought back on 17.03.2021.

37. Financial Instruments**37.1 Categories of financial instruments**

Amount in ₹ Crore

	As at 31.03.2021	As at 31.03.2020
Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Investments in mutual funds	248.38	55.01
(ii) Forward contract on foreign currency	Nil	Nil
Measured at Amortised cost		
(a) Cash and bank balances	213.52	18.47
(b) Other financial assets at amortised cost	2,122.56	2,501.54
	2,584.46	2,575.02
Financial Liabilities		
Measured at Amortised cost	1,409.30	1,282.48

Financial assets measured at fair value based on Level 1 informations available. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19.

37.2 Financial risk management objectives

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks.

The objectives of the Company's risk management policy are, inter-alia, to ensure the following:

- i) Sustainable business growth with financial stability;
- ii) Provide a strategic framework for Company's risk management process in alignment with the strategic objectives including the risk management organisation structure;
- iii) That all the material risk exposures of Company, both on and off-balance sheet are identified, assessed, quantified, appropriately mitigated and managed and
- iv) Company's compliance with appropriate regulations, wherever applicable, through the voluntary adoption of international best practices, as far as may be appropriate to the nature, size and complexity of the operations.

The risk management policy is approved by the board of directors. The Internal Control Team would be responsible to evaluate the efficacy and implementation of the risk management system. It would present its findings to the Audit Committee every quarter. The Board is responsible for the Company's overall process of risk management. The Board shall, therefore, approve the compliance and risk management policy and any amendments thereto, and ensure its smooth implementation.

Notes to the Consolidated Financial Statements

37.3 Market risk

Market risk is the risk of any loss in future earnings (spreads), in realizable fair values (economic value) or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, liquidity and other market changes. The Company may also be subjected to liquidity risk arising out of mismatches in the cash flows arising out of sales proceeds and funds raised and loan repayments/prepayments. Future specific market movements cannot be normally predicted with reasonable accuracy.

37.4 Foreign currency risk management

Foreign currency risk emanates from the effect of exchange rate fluctuations on foreign currency transactions. The overall objective of the currency risk management is to protect the Company's income arising from changes in foreign exchange rates. The policy of the Company is to avoid any form of currency speculation. Hedging of currency exposures shall be effected either naturally through offsetting or matching assets and liabilities of similar currency, or in the absence of thereof, through the use of approved derivative instruments transacted with reputable institutions. The Currency risk is measured in terms of the open positions in respective currencies vis-à-vis the Company's operating currency viz. INR. A currency gap statement shall be prepared to find the gap due to currency mismatch.

The fluctuation in foreign currency exchange rates may have impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

The Company undertakes transactions denominated in foreign currency; consequently, exposures to exchange rate fluctuations arise. Exchange rate are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:-

	Amount in ₹ crore			
	Liabilities as at		Assets as at	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
USD	0.48	0.07	277.62	100.42
EURO	14.82	0.47	—	0.50

37.4.1 Foreign currency sensitivity analysis

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

The following analysis is based on the gross exposure as of the relevant balance sheet dates, which could affect the income statement. There is no exposure to the income statement on account of translation of financial statements of consolidated foreign entities.

The following table sets forth information relating to foreign currency exposure as at March 31, 2020 and March 31, 2019.

	Amount in ₹ crore			
	USD impact		EURO impact	
	Year ended 31.03.2021	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
Impact on profit or loss for the year	27.7	10.0	1.48	0.00

37.5 Other price risks

37.5.1 Equity price sensitivity analysis

The Company is not exposed to equity price risk arising from equity instruments as all the equity investments are held for strategic rather than trading purposes.

37.6 Credit risk management

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. There is no significant credit exposure as advance collection from customer is made. Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as loans and receivables, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

37.7 Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. Company has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding liquidity management requirements. The Company manages liquidity risk by maintain adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and financial liabilities.

Notes to the Consolidated Financial Statements

38. Related party disclosures

38.1 Related parties

A. Key Managerial Personnel:

(I) Whole time Directors

(a) Shri S. Patra	Chairman Cum Managing Director
(b) Shri R. S. Mahapatro	Director (HR)
(c) Shri M. P. Mishra	Director (Proj & Tech) [w.e.f 01.11.2020]*
(d) Shri B. K. Das	Director (Production) [w.e.f 01.12.2020]#
(e) Shri V. Balasubramanyam	Director (Production) & Director (Finance)-Addl. Charge [upto 30.11.2020]
(f) Shri S. K. Roy	Director (Proj & Tech) [upto 31.10.2020]
(g) Shri P. K. Mishra	Director (Commercial) [upto 28.02.2021]

* Entrusted with additional charge of Director (Finance) w.e.f 01.03.2021.

Entrusted with additional charge of Director (Commercial) w.e.f 01.03.2021.

Others

Shri N. K. Mohanty GM & Company Secretary

(II) Part time Official Directors: (Nominee of Govt. of India):

(a) Dr. K. Rajeswara Rao, IAS [upto 05.08.2020]
(b) Shri. Anil Kumar Nayak, IOFS [upto 05.08.2020]
(c) Shri Upendra Joshi, IRTS [from 05.08.2020 to 09.11.2020]
(d) Shri Satendra Singh, IAS [w.e.f 05.08.2020]
(e) Shri Sanjay Lohiya, IAS [w.e.f 09.11.2020]

(III) Part time non official (Independent) Directors:

(a) Shri N. N. Sharma. [upto 05.09.2020]
(b) Smt. Achla Sinha. [upto 07.09.2020]

B. Joint Ventures & associates

(a) Angul Aluminium Park Pvt Ltd.
(b) GACL NALCO Alkalis & Chemicals Ltd.
(c) Utkarsha Aluminium Dhatu Nigam Limited
(d) Khanij Bidesh India Limited

C. Post Employment Benefit Plan

(a) Nalco Employees Provident Fund Trust
(b) Nalco Employees Group Gratuity Trust

D. Entity controlled by a person identified in (A) as KMP

(a) Nalco Foundation

E. Government that has control or significance influence:

(a) Govt. Of India

F. Entities on which Govt of India has control or significant influence (CPSEs)

The Company has major business transactions during the year with the following CPSEs.

i) Purchase of Goods and Services

1. Mahanadi Coalfields Limited	2. East Coast Railways
3. Hindustan Petroleum Corporation Ltd	4. Gujarat Alkalies & Chemicals Ltd
5. Central Industrial Security Force	6. Numaligarh Refinery Limited,
7. Bharat Heavy Electricals Limited	8. Northen Coalfields Limited
9. Indian Oil Corporation Ltd	10. Bharat Petroleum Corporation Ltd
11. Vishakhapatnam Port Trust	12. Oriental Insurance Co Ltd
14. Balmer Lawrie & Co. Ltd.	15. Bridge & Roof Co.(India) Ltd.
17. Life Insurance Corporation Of India	18. Western Coalfield Limited
19. Southern Railway	20. Central Railway
21. BEML Limited	22. HMT Machine Tools Limited
23. MECON Limited.	

Notes to the Consolidated Financial Statements

- ii) Sale of Goods
1. National Small Industries Corporation
 2. Steel Authority Of India Ltd
 3. Rashtriya Ispat Nigam Ltd
 4. Sail Refractory Unit

38.2 Related Party Transactions

I. Key Managerial Personnel

Remuneration to Key Managerial Personnel

Amount in ₹ Crore

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Short-term employee benefits		
— Salaries	3.95	4.36
— Contribution to Provident Fund	0.24	0.25
— Medical Benefits	0.01	0.01
— Other Benefits	0.03	0.03
Post employment benefits #	(0.03)	(0.09)
Other long term benefits	0.01	0.09
Total	4.20	4.65

Since actuarial valuation of employee benefit expenses under post-employment benefits and other long-term benefits are done on an overall basis for all employees, these expenses for the key managerial persons is considered on a proportionate basis.

Loans / advances due from Key Managerial Personnel

Particulars	As at 31.03.2021	As at 31.03.2020
Outstanding at the end of the year	0.01	0.02
Maximum amount due at any time during the year	0.01	0.03

II. Post Employment Benefit Plan

Transactions during the year

Name of Trust	Nature of Transaction	Year ended 31.03.2021	Year ended 31.03.2020
NEPF Trust	PF-Contribution	485.86	431.10
NEGG Trust	Funding of shortfall	55.98	57.35

Outstanding balance at the end of the year

Name of Trust	Nature of Transaction	Year ended 31.03.2021	Year ended 31.03.2020
NEPF Trust	PF-Contribution payable	33.25	27.37
NEGG Trust	Funding of shortfall payable	10.63	55.98

III. Nalco Foundation

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Contribution to CSR Trust	14.41	18.58

IV. Govt. Of India : Transaction during the year

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Buyback of shares	109.25	—
Dividend paid during the year	236.4	265.38

Notes to the Consolidated Financial Statements

V. CPSEs/ Govt Undertakings – Transaction during the year

Amount in ₹ Crore

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
Purchase of goods and services from CPSEs/ Govt undertakings	2388.83	3212.19
Sale of goods to CPSEs and Govt undertakings	1194.72	883.56

Outstanding balance at the end of the year

Particulars	As at	As at
	31.03.2021	31.03.2020
Payable for purchase of goods and services from CPSEs/ Govt. undertakings	75.19	26.51
Receivable for sale of goods to CPSEs and Govt undertakings	—	—

39. Disclosure of additional information :

(a) As at and for the year ended March 31, 2021

Amount in ₹ Crores

Name of the entity in the Group	Net Assets i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Joint Ventures (Investments as per the Equity method)								
Indian								
Utkarsha Aluminium Dhatu Nigam Limited	0.35%	37.01	0.01%	0.13	—	—	0.01%	0.13
Khanij Bidesh India Limited	0.01%	1.57	0.00%	(0.00)	—	—	0.00%	(0.00)
Angul Aluminium Park Private Limited	0.35%	37.49	0.04%	0.49	—	—	0.04%	0.49
GACL NALCO Alkalies & Chemicals Private Limited	6.42%	685.10	-0.06%	(0.74)	—	—	(0.06%)	(0.74)
Total	7.13%	761.17	-0.01%	(0.12)	—	—	-0.01%	(0.12)

(b) As at and for the year ended March 31, 2020

Name of the entity in the Group	Net Assets i.e total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Joint Ventures (Investments as per the Equity method)								
Indian								
Utkarsha Aluminium Dhatu Nigam Limited	0.37%	36.75	-1.19%	(1.63)	—	—	-1.36%	(1.63)
Khanij Bidesh India Limited	0.02%	1.58	-0.27%	(0.37)	—	—	-0.31%	(0.37)
Angul Aluminium Park Private Limited	0.37%	36.48	0.36%	0.49	—	—	0.41%	0.49
GACL NALCO Alkalies & Chemicals Private Limited	5.98%	596.96	-0.37%	(0.50)	—	—	-0.42%	(0.50)
Total	6.73%	671.76	-1.47%	(2.00)	—	—	-1.67%	(2.00)

Note:

The accounts of the joint venture company M/s. Angul Aluminium Park Private Limited for the FY 2020-21 is yet to be approved. However, accounts for the said FY as certified by the management of M/s. Angul Aluminium Park Private Limited has been considered in the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

40. Salient features of associates and joint ventures

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF
ASSOCIATE COMPANIES / JOINT VENTURES (FORM AOC-1)

Part “B”: Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Description	Joint ventures			
	Utkarsha Aluminium Dhatu Nigam Limited	Khanij Bidesh India Limited	Angul Aluminium Park Pvt. Ltd.	GACL NALCO Alkalies & Chemicals Pvt. Ltd.
1. Latest audited Balance Sheet Date (refer note. 40.3)	31-03-2021	31-03-2021	31-03-2021	31-03-2021
2. Shares of Associate/ Joint Ventures held by the company on the year end				
Nos.	2,00,00,000	1,00,000	1,62,23,900	27,60,00,000
Amount of Investment in Associates / Joint Venture (₹)	20,00,00,000	10,00,000	16,22,39,000	2,76,00,00,000
Extend of Holding %	50.00%	40.00%	49.00%	40.00%
3. Description of how there is significant influence	[refer note 40.2]	[refer note 40.2]	[refer note 40.2]	[refer note 40.2]
4. Reason why the associate / joint venture is not consolidated	—	—	—	—
5. Networth attributable to share holding as per latest audited Balance sheet (₹)	18,50,37,500	62,96,456	18,36,77,535	2,74,04,15,200
6. Profit /(Loss) for the year (₹)				
i. Considered in Consolidation	13,12,500	(18,008)	49,38,026.94	(74,23,200)
ii. Not Considered in Consolidation	—	—	—	—

Note:

40.1 None of the associates or joint ventures have commenced operations.

40.2 Voting power as per the percentage of equity held.

40.3 The accounts of the joint venture company M/s. Angul Aluminium Park Private Limited for the FY 2020-21 is yet to be approved. However, accounts for the said FY as certified by the management of M/s. Angul Aluminium Park Private Limited has been considered in the Consolidated Financial Statements.

41. Regrouping of previous year's figures

Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable

For Patro & Co.
Chartered Accountants
FRN: 310100E

For GNS & Associates
Chartered Accountants
FRN: 318171E

(CA Ambika Prasad Mohanty)
Partner (M. No.:057820)

(CA Gokul Chandra Das)
Partner (M. No.:086157)

Place: Bhubaneswar
Date: 28th June, 2021

Notes to the Consolidated Financial Statements

Status of Compliance to Ind ASs notified by MCA:

Ind As Nos.	Nomenclature	Description
Ind AS 1	Presentation of Financial Statement	<ul style="list-style-type: none"> The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards and presented in the format prescribed under Schedule III to the Companies Act 2013, following the guidelines set out in Ind AS 1 The measurement basis used in preparing the financial statements and accounting policies adopted have been disclosed. Information as required by Ind ASs (also discussed below against respective Ind AS) that are not presented elsewhere in the Financial Statements have been disclosed as Notes to it. The Notes to the Financial Statement also provides the information that is not presented elsewhere in the financial statements, but is relevant to an understanding of any of them.
Ind AS 2	Inventories	<ul style="list-style-type: none"> Accounting policy adopted in measuring inventories including the cost formula used is disclosed at para 3.10 of the Significant Accounting Policy placed at Notes 3 of the Financial Statements Disclosure in respect of classification of inventories and their carrying amounts, amount of inventory recognised as expenses, amount of any write-down of inventories recognised as an expense and inventory pledged has been made at note 15.
Ind AS 7	Statement of Cash Flow	<ul style="list-style-type: none"> The cash flow statement using indirect method, whereby the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities
Ind AS 8	Accounting Policies, Change in Accounting Estimates & Errors	<ul style="list-style-type: none"> Any change in accounting policy is applied retrospectively, unless impracticable, adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented. Any Change in accounting estimate which gives rise to changes in assets and liabilities, or relates to an item of equity, is recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change. On discovery of any prior period error(s) with an impact of ₹50 crore during a period, the error is corrected retrospectively as guided by the standard.
Ind AS 10	Events after Reporting Period	<ul style="list-style-type: none"> The Company adjusts the amounts recognised in its financial statements to reflect the adjusting events after the reporting period. Dividends declared after the reporting period are not recognised as a liability at the end of the period. However, suitable disclosure is made to this effect at Note :18.4.
Ind AS 11	Construction Contracts	<ul style="list-style-type: none"> This standard is applicable in preparing the financial statements of contractors which are into the construction business. Not being a contractor for construction of any asset, Ind AS 11 is not applicable to the Company.
Ind AS 12	Income Taxes	<ul style="list-style-type: none"> Relationship between tax expenses and accounting profit is explained through a numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate at Note 35. Current tax and deferred tax relating to items that are recognised in other comprehensive income and directly in equity are recognised in other comprehensive income and equity respectively. Disclosures are made at Note 35.
Ind AS 16	Property, Plant & Equipment	<ul style="list-style-type: none"> Measurement basis, useful life and method of depreciation followed for each class of property, plant and equipment has been discussed at Para 3.4 of the significant accounting policy. A reconciliation between opening carrying value and the closing carrying value stating addition during the period, disposals and depreciation expenses is placed at note 5.
Ind AS 19	Employee Benefits	<ul style="list-style-type: none"> Long term employees benefits are categorised into three heads i.e. Defined Contribution Plans, Defined Benefit Plans and Other Long Term Employee Benefits. Company's contribution to provident fund and pension fund of the employees are recognised as defined contribution plans where as gratuity on superannuation, post retirement medical benefits, settling-in-benefit, NALCO benevolent fund scheme, NALCO retirement welfare scheme are recognised as defined benefit plans. Payments towards compensated absences, Long service rewards and NEFFARS are recognised as long term employees benefits. Actuarial valuation of Company's obligation towards defined benefit plans and long term employees benefits have been made and the expenses/ income is recognised accordingly. A reconciliation between the opening liability and the closing liability against each defined benefit obligations showing service cost, interest expenses/ income, rereasurement gains or losses due to change in demographic and financial assumptions are disclosed at note 31.B. A sensitivity analysis of the actuarial assumptions showing how the defined benefit obligation would have been affected by changing the relevant actuarial assumptions is disclosed at note 31.C.

Notes to the Consolidated Financial Statements

Status of Compliance to Ind ASs notified by MCA:

Ind As Nos.	Nomenclature	Description
Ind AS 20	Accounting for Government Grants and Disclosure of Government Assistance	– Grants received from the Government for assets is presented as deferred income. Accounting policy of in this regard is disclosed at para 3.15.
Ind AS 21	The Effects of Changes in Foreign Exchange Rates	– Accounting policies with regard to transaction in foreign currency has been disclosed at para 3.7 of the Significant Accounting policy.
Ind AS 23	Borrowing Cost	– The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Disclosure in this regard has been made at para 3.14 of the significant accounting policy.
Ind AS 24	Related Party Disclosure	– Name of related parties, aggregated sales and purchase transaction with them, any outstanding balances against them and benefits paid to and loan outstanding against the key managerial persons has been disclosed at Note 39.
Ind AS 27	Separate Financial Statements	– Investments made in joint ventures and associates are presented at cost in the separate financial statements.
Ind AS 28	Investment in Associates & Joint Venture	– The Company adjusts its' share of profit in the profit or loss of the subsidiaries with the carrying amount of the investments in its consolidated financial statements using equity method.
Ind AS 29	Financial Reporting in Hyperinflationary Economics	– This standard is not applicable to the company as its' functional currency is not a currency of any hyperinflationary economy.
Ind AS 32	Financial Instruments Presentation	– All items of assets and liabilities have been segregated into financial and other assets and liabilities based on the definitions laid down in the standard and are presented as required in Schedule III.
Ind AS 33	Earnings per share	– The Company has not issued any potential equity shares. Thus, both the Basic and Diluted EPS remains same – Disclosure with regard to the weighted average number of equity shares and earnings for the period used in computation of EPS is made at Note 36.
Ind AS 34	Interim Financial Reporting	– Being a listed entity, the Company prepares its interim financials as required by SEBI(LODR) Regulations,2015 in accordance with the recognition and measurement principles laid down in this standard on a quarterly basis.
Ind AS 36	Impairment of Asset	– Accounting policy relating to impairment of various assets is disclosed at respective paras in the significant accounting policies. – The management reviews the carrying values of assets at each reporting date and assess whether there is any indication that an asset may be impaired in accordance with the standard.
Ind AS 37	Provisions, Contingent Liabilities and Assets	– Accounting policies relating to Provisions, Contingent Liabilities and Assets are stated at para 3.8 of the Significant Accounting Policies. – Provisions are recognised when the company has a present obligation as a result of past events, legal or constructive, which requires out flow of resources to settle the obligation and can reliably be estimated considering the risks and uncertainties surrounding the event. Movement of different types of provisions are disclosed at note 22 (C). – In case of other obligations that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company contingent liabilities are disclosed at note 25 and in compliance with the requirement of Schedule III – Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.
Ind AS 38	Intangible Assets	– The accounting policy in this regard is mentioned at para 3.5 of the significant accounting policies. – The Company recognises expenditure on R&D activities, payments towards NPV, expenditure on cluster projects and expenditure on softwares, which qualifies the conditions for recognitions laid down in the standard, as intangible assets. – Reconciliation of opening carrying amount and closing carrying amount of intangible assets showing additions, reduction and amortisation is placed at note 7.
Ind AS 40	Investment Property	– The company does not have any investment property, thus the standard is not applicable.
Ind AS 41	Agriculture	– The company does not have any agricultural activity, thus the standard is not applicable.

Notes to the Consolidated Financial Statements

Status of Compliance to Ind ASs notified by MCA:

Ind AS Nos.	Nomenclature	Description
Ind AS 101	First time Adoption of Indian Accounting Standards	– The Company adopted Ind AS in the year 2016-17 and hence this standard is no longer applicable.
Ind AS 102	Share Based Payments	– There is no such transaction during the year which involves share-based payments, hence the standard is not applicable.
Ind AS 103	Business Combination	– The standard is not applicable.
Ind AS 104	Insurance Contracts	– The standard is not applicable.
Ind AS 105	Non-Current Assets Held for Sale and Discontinued Operations	– The Company does not have any disposal group, thus no disclosure has been made.
Ind AS 106	Exploration for and Evaluation of Mineral Resources	– The Company has not incurred any expenses on exploration and evaluation of mineral resources, hence the standard is not applicable.
Ind AS 107	Financial Instruments Disclosure	– Disclosure as required by the standard with regard to classification of financial instruments, nature and extent of risk arising from the instruments both qualitative and quantities are made at note 37.
Ind AS 108	Operating Segments	– The Company has classified its operation into two segments i.e. Chemical Segment and Aluminium Segment based on the approach of the Chief Operating Decision Maker (CODM) what it takes while reviewing the performance of the Company. – Segment revenue, results, assets and liabilities, revenue from major products, geographical informations and other segment informations are disclosed at note 35.
Ind AS 109	Financial Instruments	– Except investments in mutual funds and forward contract on foreign currency other Financial assets and liabilities have been measured at amortised cost and same is disclosed at note 37.
Ind AS 110	Consolidated Financial Statements	– Consolidated financial statements are prepared considering the joint ventures and associates of the company following the equity method of consolidation.
Ind AS 111	Joint Arrangements	– The Company follows the principles set out in the standard for financial reporting of its interest in arrangements that are jointly controlled.
Ind AS 112	Disclosure of Interest in Other Entities	– The Company has four joint ventures whose summarised financial informations and its reconciliation with the carrying amount of the interest are disclosed at note 9.
Ind AS 113	Fair Value Measurement	– The Company has adopted the principles of fair value measurement as laid down in the standard while measuring its financial assets and liabilities. – Accounting policy in this regard is disclosed at para 4.2.6. of the Significant Accounting Policy.
Ind AS 114	Regulatory Deferral Accounts	– The Company is not subject to any rate regulation, thus the standard is not applicable.
Ind AS 115	Revenue from contracts with customers	– The Company recognises revenue on completion of all its performance obligation relating to the contract with the customers.
Ind AS 116	Leases	– The company identifies all leases wherever a contract is, or contains, a lease if it conveys the right to control the use of an identified asset (explicitly or implicitly specified in the contract) for a period of time in exchange of consideration, at the inception of the contract. – the company recognizes, “Right Of Use” ROU Asset at cost, and the Lease Liability is measured at the present value of all lease payments

5 YEARS PERFORMANCE AT A GLANCE

PHYSICAL

Sl. No.	Particulars	Units	2020-21	2019-20	2018-19	2017-18	2016-17
1	Production:						
	Bauxite	MT	73,65,001	73,02,245	72,30,546	70,25,109	68,25,000
	Alumina Hydrate	MT	20,85,500	21,60,500	21,52,500	21,05,500	21,00,100
	Aluminium	MT	4,18,522	4,18,373	4,40,242	4,25,515	3,87,422
	Power (net)	MU	6,440	6,067	6,256	6,547	6,066
	Wind Power	MU	285	312	330	243	198
2	Export Sales:						
	Alumina	MT	11,84,680	12,40,704	12,44,256	12,76,775	12,43,103
	Aluminium	MT	1,92,174	56,898	38,463	75,847	1,00,591
3	Domestic Sales:						
	Alumina ,Hydrate and Other Chemicals	MT	42,992	63,000	73,377	60,641	51,797
	Aluminium	MT	2,30,643	3,38,864	4,02,134	3,50,469	2,84,926
	Power (Net)	MU			11	24	30
	Wind Power	MU	148	162	330	243	198

FINANCIAL

(₹ in Crore)

Sl.No.	Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
A	Income Statement :					
1	Exports	5,162.94	3,510.92	4,792.71	4,075.46	3,624.99
2	Domestic Sales	3,706.35	4,914.83	6,593.61	5,429.66	4,308.00
3	Gross Sales (1+2)	8,869.29	8,425.75	11,386.32	9,505.12	7,932.99
4	Less : Excise Duty	-	-	-	128.96	494.51
5	Net Sales (3 - 4)	8,869.29	8,425.75	11,386.32	9,376.16	7,438.48
6	Other Income :					
7	Operating	86.50	46.09	113.00	113.19	117.03
8	Non-operating	146.60	272.58	325.87	299.65	408.27
9	Operating expenses	7,172.97	7,982.61	8,606.79	8,091.90	6,475.86
10	Operating Profit (5+7-9)	1,782.82	489.23	2,892.53	1,397.45	1,079.65
11	Exceptional Items	-	-	-	-824.08	40.15
12	Earning before interest, dep. & taxes (EBIDT)(10+8 -11)	1,929.42	761.81	3,218.40	2,521.18	1,447.77
13	Interest & Financing charges	7.08	5.74	2.38	1.95	2.69
14	Earning before dep. & taxes (EBDT) (12-13)	1,922.34	756.07	3,216.02	2,519.23	1,445.08
15	Depreciation and Amortisation	605.82	529.83	476.10	480.40	480.36
16	Profit before Tax (PBT) (14-15)	1,316.52	226.24	2,739.92	2,038.83	964.72
17	Provision for Tax	16.99	88.01	1,007.52	696.42	296.19
18	Net Profit (PAT) (16 - 17)	1,299.53	138.23	1,732.40	1,342.41	668.53
B	Balance Sheet :					
19	Equity Capital	918.32	932.81	932.81	966.46	966.46
20	Reserves & Surplus	9,762.38	9,055.26	9,551.70	9,538.35	9,239.33
21	Networth (19+20)	10,680.70	9,988.07	10,484.51	10,504.81	10,205.79
C	Ratios :					
22	Operating Profit Margin (OPM) (%) (10 / 5*100)	20.10	5.81	25.40	14.90	14.51
23	Net Profit Margin (%) (18 / 5 *100)	14.65	1.64	15.21	14.32	8.99
24	Return on Networth (RONW)(%) (18/21*100)	12.17	1.38	16.52	12.78	6.55
D	Others :					
25	Book value per share of ₹5 each(in ₹)	58.15	53.54	56.20	54.35	52.80
26	Earnings per share (in ₹)	6.97	0.74	9.06	6.94	2.98
27	Dividend per Share (in ₹)	3.50	1.50	5.75	5.70	2.80

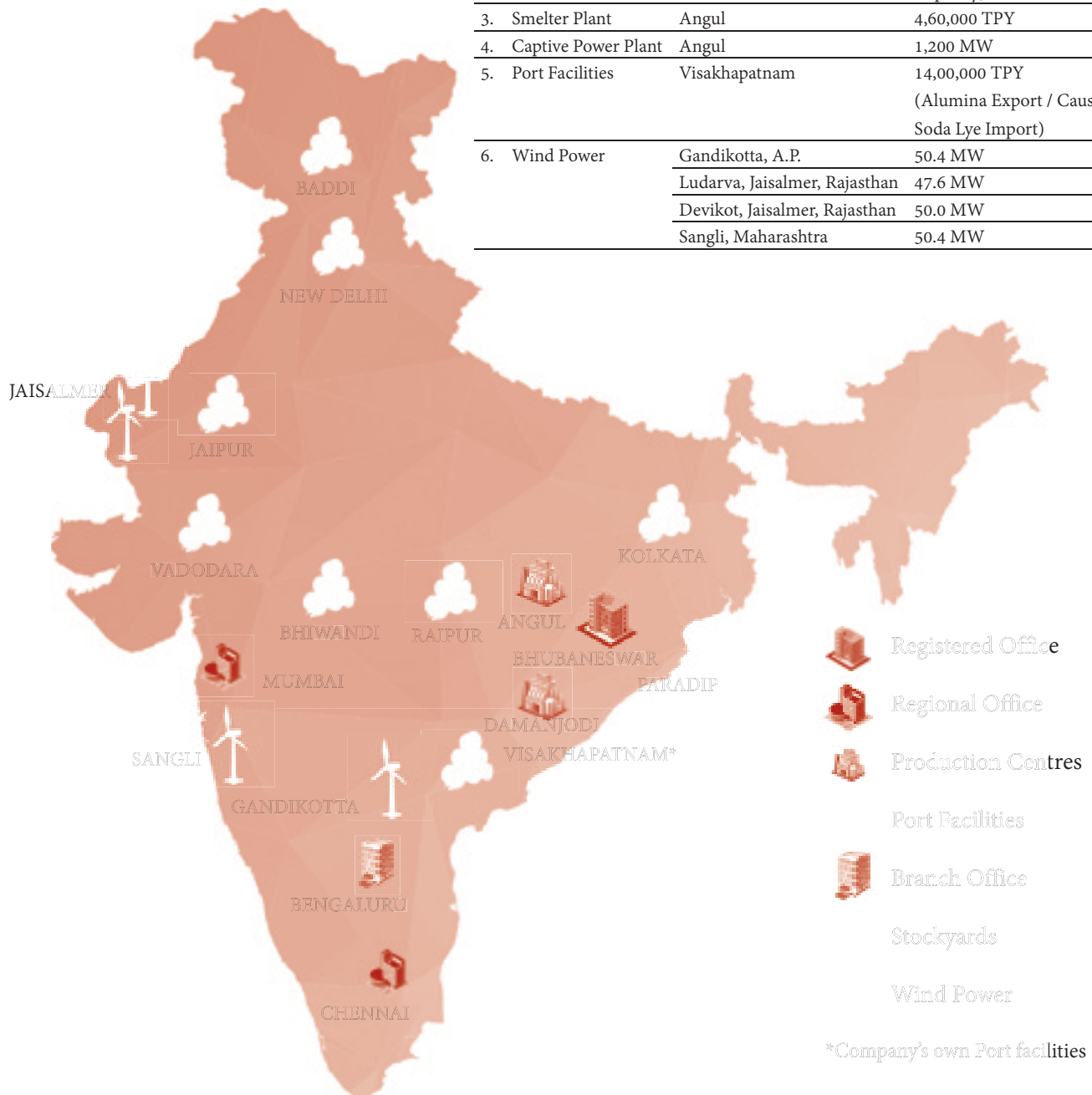
**Reconciliation of Published Quarterly(Reviewed) Financial Results and Annual
(Audited) Financial Results for the year 2020-21**

(₹ in crore except sl.no. 11 and 12)

Sl. No.	Particulars	1st Quarter (Reviewed)	2nd Quarter (Reviewed)	3rd Quarter (Reviewed)	4th Quarter (Reviewed)	Total of four quarters	Full Year (Audited)	Variances
1	2	3	4	5	6	7	8	9
1	Revenue from Operation(Gross)	1,380.63	2,374.89	2,378.79	2,821.48	8,955.79	8,955.79	—
2	Other Income	33.29	24.16	36.16	52.99	146.60	146.60	—
3	Total Expenditure Excl. Depreciation	1,253.35	2,100.86	1,946.66	1,879.18	7,180.05	7,180.05	—
4	Depreciation & Provision	135.90	143.19	169.66	157.07	605.82	605.82	—
5	Profit Before Tax & Exceptional Items	24.67	155.00	298.63	838.22	1,316.52	1,316.52	—
6	Exceptional Items	—	—	—	—	—	—	—
7	Profit Before Tax	24.67	155.00	298.63	838.22	1,316.52	1,316.52	—
8	Provision for Tax	8.04	47.55	58.82	-97.42	16.99	16.99	—
9	Net Profit(PAT)	16.63	107.45	239.81	935.64	1,299.53	1,299.53	—
10	Paid up Equity Share Capital	932.81	932.81	932.81	918.32	918.32	918.32	—
11	Earning per Share (₹) (Not annualised)	0.09	0.58	1.29	5.03	6.97	6.97	—
12	Aggregate of non-promotor Shareholding:							
	Number of Shares	90,48,24,487	90,48,24,487	90,48,24,487	89,48,38,776			
	Percentage of Shareholding	48.50	48.50	48.50	48.72			

NALCO'S VARIOUS PRODUCTION UNITS, THEIR LOCATION & INSTALLED CAPACITIES

1. Bauxite Mines	Panchpatmali	68,25,000 TPY (North & Central Block) 31,50,000 TPY (South Block)
2. Alumina Refinery	Damanjodi	21,00,000 TPY (Normative Capacity)
3. Smelter Plant	Angul	4,60,000 TPY
4. Captive Power Plant	Angul	1,200 MW
5. Port Facilities	Visakhapatnam	14,00,000 TPY (Alumina Export / Caustic Soda Lye Import)
6. Wind Power	Gandikota, A.P.	50.4 MW
	Ludarva, Jaisalmer, Rajasthan	47.6 MW
	Devikot, Jaisalmer, Rajasthan	50.0 MW
	Sangli, Maharashtra	50.4 MW



*Company's own Port facilities



नालको  **NALCO**

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