



## Strategic Growth towards a Sustainable Future



Highest-ever Annual  
Production and Sales



Highest-ever Revenue  
from Operations



Highest-ever  
Net Profit



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





# Contents

The year at a glance	02
Directors' Report	13
Annual Report on CSR Activities	41
Management Discussion & Analysis Report	50
Business Responsibility Report	65
Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo	83
Corporate Governance Report	87
Secretarial Audit Report	112
Independent Auditors' Report & Financial Statements (Standalone)	123
Independent Auditors' Report & Financial Statements (Consolidated)	185
5 years performance at a glance	245

*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](mailto:company_secretary@nalcoindia.co.in)

Website : [www.nalcoindia.com](http://www.nalcoindia.com)

## **41<sup>st</sup> Annual General Meeting**

**Date & Time:** Thursday, the 22<sup>nd</sup> September, 2022 at 11.00 a.m.

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

Bhubaneswar - 751 013.

**Mode:** Video Conferencing/OAVM





# THE YEAR AT A GLANCE

## PHYSICAL ▶

Bauxite (MT) 75,11,075

Alumina Hydrate (MT) 21,22,000

Aluminium (MT) 4,60,000

Power (Net) (MU) 5,711

Wind Power (MU) 320

## FINANCIAL ▶

Export Turnover  
(₹ in Crore) 6,364

Gross Sales  
(₹ in Crore) 14,059

Profit Before Tax  
(₹ in Crore) 3,955

Profit After Tax  
(₹ in Crore) 2,952

Earning  
Per Share (₹) 16.07

Book Value  
Per Share (₹) 68.36

Dividend  
(₹ Per Share) 6.50





## BOARD OF DIRECTORS

- |                                   |   |
|-----------------------------------|---|
| 01. Shri Sridhar Patra            | Chairman-cum-Managing Director                |
| 02. Shri Sanjay Lohiya, IAS       | Part-time Official Director                   |
| 03. Dr. Veena Kumari Dermal, IPoS | Part-time Official Director                   |
| 04. Shri Radhashyam Mahapatro     | Director (HR)                                 |
| 05. Shri Manasa Prasad Mishra     | Director (P&T)                                |
| 06. Shri Bijay Kumar Das          | Director (Production)                         |
| 07. Shri Ramesh Chandra Joshi     | Director (Finance)                            |
| 08. Shri Sadashiv Samantaray      | Director (Commercial)                         |
| 09. Shri Ravi Nath Jha            | Part-time Non-official (Independent) Director |
| 10. Dr. B. R. Ramakrishna         | Part-time Non-official (Independent) Director |
| 11. Adv. George Kurian            | Part-time Non-official (Independent) Director |
| 12. Dr. Ajay Narang               | Part-time Non-official (Independent) Director |
| 13. Shri Y. P. Chillio            | Part-time Non-official (Independent) Director |
| 14. Ms. (Dr.) Shatorupa           | Part-time Non-official (Independent) Director |
| 15. Adv. Dushyant Upadhyay        | Part-time Non-official (Independent) Director |
| 16. Shri Sanjay Ramanlal Patel    | Part-time Non-official (Independent) Director |
| 17. Shri Satendra Singh, IAS      | Part-time Official Director (upto 20.01.2022) |

**GGM & Company Secretary**  
Shri Nayan Kumar Mohanty





## SHRI SRIDHAR PATRA

Chairman-cum-Managing Director

Shri Sridhar Patra assumed the charge of Chairman-cum-Managing Director of Navratna CPSE NALCO with effect from 17<sup>th</sup> December, 2019. Prior to that, he has served as Director (Finance) of NALCO and THDC. He has been in the Board level position in CPSEs since 2013. Shri Patra is also the Chairman in the Board of the Joint Venture Companies of NALCO, viz. UADNL (JV of NALCO and MIDHANI) and KABIL (JV of NALCO, HCL and MECL).

In his illustrious career spanning more than three decades, he has proved himself as a visionary business leader with forward thinking and open-minded approach. He has set new benchmarks in production, productivity, turnover and profitability of NALCO, sailing against extremely volatile business environment, propelled by the global pandemic,

primarily on the strength of his strategic acumen, result-driven and team-oriented leadership, coupled with his deep commitment to organizational growth. He has also contributed decisively to drive the expansion plans of the Company including backward and forward integration through effective joint venture arrangements, which will support the long-term sustainable Corporate Plans of the Company.

Shri Patra is a graduate in Commerce from Utkal University and member of the Institute of Chartered Accountants of India. Passionate about academics, Shri Patra has contributed significantly as an academicians to professional accounting institutions in India. Professionally, Shri Patra has varied experience in almost all domains of leading Public Sectors like, ONGC-MRPL, IREL, OMC and THDC.

# Board 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. He joined Indian Administrative Service (IAS) after graduating from Delhi University.

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.



**DR. VEENA KUMARI DERMAL, IPoS**  
Part-time Official Director

Dr. Veena Kumari Dermal belongs to 1998 batch of Indian Postal Service (IPoS) of Government of India. She is currently working as Joint Secretary dealing with Policy & Legislative Division in the Ministry of Mines, Government of India, New Delhi.

Dr. Veena Kumari Dermal served in various capacities in the Postal Department at all India level. She has joined as Director in the Ministry of Mines in 2017 and got promoted as Joint Secretary in 2020. She has been associated with amendments to MMDR Act in 2020 and 2021 and the subordinate legislations to the Act. She has gained deep understanding of mineral policy in India.

Dr. Veena Kumari Dermal has done B.Sc. (Agriculture), M.Sc. (Horticulture) from Kerala Agriculture University and Ph.D. in Horticulture from Indian Agricultural Research Institute in New Delhi. She has done Post Graduate Diploma in Public Policy from IIM, Bangalore. She has participated in various short-term courses at the National and International level.

Dr. Veena Kumari Dermal has abundant experience of working in Government and Public Sectors.



# Board 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 and higher responsibilities. He is a physics graduate from Khallikote College, Brahmapur, 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 team work.



**SHRI MANASA PRASAD MISHRA**  
Director (Projects & Technical)

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 Fellow of Institution of Engineers (India), member of Aluminium Association of India and Quality Circle Forum of India.



**SHRI BIJAY KUMAR DAS**  
Director (Production)

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. He was also holding additional charge of Director (Commercial) from 01.03.2021 to 21.03.2022. 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 since inception of the project, where he held different key positions 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). Shri Das has contributed significantly in execution of various projects including diversification & opening of new vista in Renewable Energy Projects during his long service association of more than three decades with NALCO.

In FY 2021-22 under his stewardship, NALCO could operationalize all 960 pots in Smelter plant for the first time and achieved highest ever cast metal production of 4.6 lakh MT. The long pending ash disposal project in lean slurry mode (LSP project) from CPP to abandoned coal Mine void at Bharatpur (South) Mines of MCL was also commissioned successfully ensuring 100% ash utilization in an environment friendly manner. Under his leadership Alumina Refinery exceeded normative capacity utilization & Bauxite Mines achieved highest ever production of 75.11 Lakh MT.



# Board of Directors



**SHRI RAMESH CHANDRA JOSHI**  
Director (Finance)

Shri R. C. Joshi is a Commerce & Law Graduate and a Member of the Institute of Cost & Management Accountants of India. Shri Joshi is a seasoned Finance professional acknowledged for sound decision making abilities, analytical and problem solving skills, business acumen, result-driven and team oriented leadership.

He has always demonstrated commitment to organizational growth. He has also keen interest in academics. He has a varied and rich experience in various areas of Finance spanning over 33 years, which includes 28 years in NALCO in the core areas of finance coupled with in-depth understanding of financial, contractual and regulatory issues. He is also a nominee director on the Board of M/s. Angul Aluminium Park Pvt. Ltd., a JV of NALCO.



**SHRI SADASHIV SAMANTARAY**  
Director (Commercial)

Shri Sadashiv Samantaray has taken over as Director (Commercial) of the company w.e.f. 22.03.2022 elevated from the post of Executive Director (Commercial-Materials).

Born in the year 1965, Shri Samantaray had been a position holder all throughout his education in schools and colleges. After completing his B. Tech. (Mechanical) with University Merit certificates in all the four years of graduation from GB Pant University of Ag. & Technology, Pantnagar, now in Uttarakhand, he joined Nalco as Graduate Engineer Trainee in the year 1985. He has done his MBA from Utkal University with specialization in Marketing Finance. He has also completed PG Diploma in Business administration and PD Diploma in Marketing Management.

Shri Samantaray has more than 36 years of rich experience in Plants and Commercial areas. Working at Plants his strategies and planning helped Nalco to achieve high levels of production and productivity through his involvement in many critical decisions and landmark achievements. He has strong multi-disciplinary commercial experience in Marketing, Materials, supply chain management and logistics areas. During his long career he had introduced many landmark initiatives in the company such as maiden MOU scheme with customer, LME

linked pricing mechanism, LME registration of metal, e-tendering for export, formulation of commercial manuals and guidelines to bring transparency, augmentation of logistics system for efficient supply chain and cost savings, opening of master stock yard at strategic locations, launch of mobile APPs for customers (NAGINNA) and vendors (NAMASYA), customer and supplier satisfaction surveys etc.

He was deeply involved in development and launching of several value-added products including launching of more than 12 new niche products. Under his leadership the commercial functioning of NALCO was developed to be dynamically competent to sense and seize the market opportunities which had resulted in record breaking financial performance of the company. Out of box strategies taken by him assured supplies of all the major raw materials during the Covid-19 Lockdown to sustain the plant operations with zero loss of production while achieving huge savings in procurement cost which helped Company's profitability.

Shri Samantaray is a National Council member of Indian Institute of Materials management, Fellow in Institute of Engineers with Chartered Engineers certificate, member of Indian Institute of Industrial Engineering.

# Board of Directors



**SHRI RAVI NATH JHA**  
Part-time Non-official  
(Independent) Director

Shri Ravi Nath Jha is a Bachelor of Science graduate from Ranchi University. His professional expertise is in journalism. He was a freelance journalist for various local newspapers of Ranchi. He is continuing as Editor of Antyodaya Sandesh & Antyodaya Sankalp from October, 2003.



**DR. B. R. RAMAKRISHNA**  
Part-time Non-official  
(Independent) Director

Dr. B. R. Ramakrishna is BSAM, BAMS, MD (Ayu.), MSc & PhD (Yoga) holder and recipient of Gold Medal & Karnataka State Award in BSAM. He is having 30 years of experience of UG & PG Studies, 40 years in Integrative Medicine Practice and 23 years in Research experience. He held very senior positions in Ayurveda, Yoga and Sports in Government of India and Government of Karnataka. He has conducted Ayurveda & Yoga Workshops at Germany, Austria, Spain, Switzerland, Hong Kong, China, France, Italy, Singapore, Malaysia and Thailand from 2006 and IDY Programs in Germany & Austria from 2015. He has also been awarded Best Teacher Award, Torch Bearer of Ayurveda, Adhanya Chetana Award.



**ADV. GEORGE KURIAN**  
Part-time Non-official  
(Independent) Director

Shri George Kurian is an advocate by profession from Kottayam District of Kerala and has rich and vast experience in practicing as an advocate in various Courts.



# Board of Directors



**DR. AJAY NARANG**  
Part-time Non-official (Independent) Director

Dr. Ajay Narang has presently launched his company's flagship Healthcare venture i.e. Samagra Care for advancing a model of medical services that enables access to high quality, equitable, timely healthcare in Urban Tier-2 India.

He started his career by successfully venturing into the Indian Manufacturing & Supply Industry. He has been on the Board of many corporations, during his thirty years of experience in Industry & Business in India & the US.

He attended the 106<sup>th</sup> Session of United Nations ILC of ILO in Geneva. He was a delegate to the summit for Independent Directors of CPSEs, organized by DPE, IICA,

& CBC. He was also delegate to the National Conclave of Mines & Minerals, organized by Ministry of Mines.

He has been All-India Vice President of Laghu Udyog Bharati, an All-India Organization in service of MSMEs; currently, he is an executive member of its National Working Committee. He is also Trustee and President of Vishwa Samvaad Kendra Trust. He has been an erstwhile honorary member of several bodies of Government, namely, the Labour Advisory Board; Executive Council, MPCST; Supply Code Panel, MPERC; General Council, AB Vajpayee Hindi University; Regional Advisory Committee, CBWE & Special Invitee to National Board of MSME, Gol.



**SHRI Y. P. CHILLIO**  
Part-time Non-official  
(Independent) Director

Shri Y. P. Chillio is a graduate in political science from Nagaland University. He is a social worker and has worked in different community based organisations in various capacities for the welfare of the public at large. He served as Central Executive Committee Member, Eastern Nagaland Peoples Organisations. He is a life time member of Indian Red Cross Society, Nagaland.

# Board of Directors



**MS. (DR.) SHATORUPA**  
Part-time Non-official  
(Independent) Director

Ms. (Dr.) Shatorupa is a rank holder from Calcutta University in B.A.(History) and ranked No. 1 with Gold Medal in M.A. She has been awarded PhD in Ancient Indian History and Culture from Banaras Hindu University, 2020. She is a corporate trainer and is a freelance writer with more than 15 years of experience. She held the post of President of the Ladies wing of Bengal National Chamber of Commerce and Industry for two consecutive terms during 2012-14.



**ADV. DUSHYANT UPADHYAY**  
Part-time Non-official  
(Independent) Director

Shri Dushyant Upadhyay is a lawyer by profession from Bulandshahr District of Uttar Pradesh and has rich and vast experience of more than 30 years in practicing as a lawyer in various Courts.



**SHRI SANJAY RAMANLAL PATEL**  
Part-time Non-official  
(Independent) Director

Born on 18.05.1970, Shri Sanjay Ramanlal Patel is a graduate in Science (Chemistry) from Gujarat University. He is presently holding the position of Chairman of Agricultural Produce Market Committee (APMC), Khambhat since 2018. He is also the President of Ralej Kedavni Mandal, Ralej and Syndicate member of Sardar Patel University, V. V. Nagar since 2018.



# Senior Management Team



**SHRI S.K. PADHEE**  
Executive Director (M&R)



**SHRI A. P. PANDA**  
Executive Director (S&P)



**SHRI SOMANATH HANSDAH**  
Chief Vigilance Officer



**SHRI R. N. MOHAPATRA**  
Executive Director (Commercial-Marketing)



**SHRI N. K. MOHANTY**  
GGM & Company Secretary



**SHRI K. K. PANDA**  
Executive Director (P&T)



**SHRI A. K. SWAIN**  
Executive Director (Production)





**WELCOME  
TO  
MINES  
ENTRY RESTRICTED**

**THINK  
SAFETY  
FIRST!**

**SAFETY**





# Directors' Report

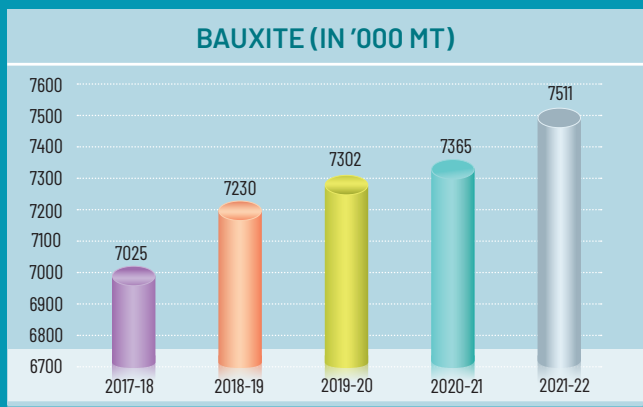
Dear Members,

Your Directors have great pleasure in presenting before you the 41<sup>st</sup> Annual Report of your Company together with the audited financial statements (standalone and consolidated) and Auditors' Report for the financial year ended 31<sup>st</sup> March, 2022.





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.



## 1.0 PERFORMANCE HIGHLIGHTS:

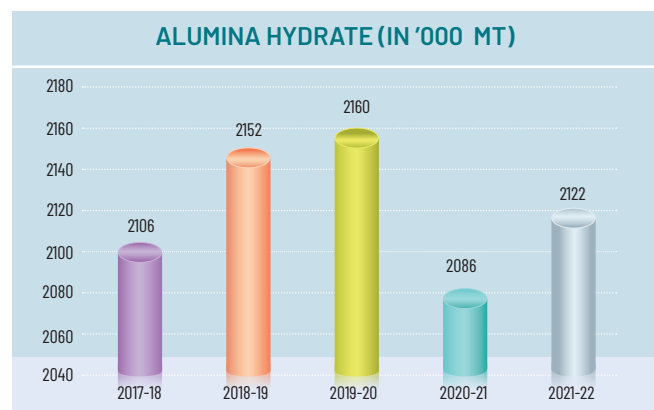
### 1.1 Physical Performance:

Production	Unit	2021-22	2020-21
Bauxite	MT	75,11,075	73,65,001
Alumina Hydrate	MT	21,22,000	20,85,500
Aluminium	MT	4,60,000	4,18,522
Electricity (Net)-CPP	MU	5,711	6,440
Wind Energy (Net)	MU	320	285

- (a) Your Company's Panchpatmali Bauxite Mines has achieved 75,11,075 tonnes of bauxite production, which is highest ever production since inception, surpassing the previous "Highest ever Annual Production" of 73,65,001 tonnes achieved in FY 2020-21.
- (b) Your Company operationalized all its 960 nos. of pots at its Smelter Plant on 12.01.2022, a milestone of achieving 100% capacity utilisation for the first time in the history of your Company.
- (c) Your Company's Smelter has achieved full capacity 4,60,000 tonnes of Aluminium cast metal production, which is highest ever since inception surpassing the previous "Highest ever Annual Production" of 4,43,597 tonnes achieved in FY 2010-11.



Our domestic sales of alumina chemicals and aluminium metal have reached record highs since its inception. The Company achieved a **40 percent growth in domestic metal sales and 8 percent increase in total metal sales** during FY 2021-2022.



## 2.0 SALES PERFORMANCE:

A summary of sales achieved during 2021-22 is tabulated hereunder:

Description	Unit	Year ended 31.03.2022	Year ended 31.03.2021
<b>Export</b>			
Alumina	MT	11,54,691	11,84,680
Aluminium	MT	1,33,085	1,92,174
<b>Domestic</b>			
Alumina and Hydrate*	MT	77,995	42,992
Aluminium	MT	3,23,809	2,30,643
<b>Total Metal Sale</b>	<b>MT</b>	<b>4,56,893</b>	<b>4,22,817</b>
<b>Total Chemical Sale</b>	<b>MT</b>	<b>12,32,686</b>	<b>12,27,672</b>

\* Including Special Grade Hydrate

Your Company achieved highest ever Aluminium Metal sales and highest ever domestic sales of Alumina chemicals since inception during 2021-22. After experiencing COVID-induced sluggish domestic demand for Aluminium metal during the FY 2020-21, which resulted in large volumes of metal being exported, your Company registered a 40% jump in domestic metal sales and 8% increase in overall metal sales in 2021-22, which was in sync with the highest ever metal production achieved during the FY 2021-22.

## 3.0 FINANCIAL PERFORMANCE:

The details of financial performance are given below:

Particulars	₹ in crore	
	2021-22	2020-21
Revenue from Operations	14,181	8,956
Other Income	297	147
<b>Total Income</b>	<b>14,478</b>	<b>9,103</b>
Cost of raw materials consumed	1,971	1,315
Power & Fuel	3,388	2,638
Employee benefits expenses	2,356	1,930
Other expenses*	1,971	1,296
Depreciation & amortization expenses	837	606
<b>Total expenses</b>	<b>10,523</b>	<b>7,786</b>
Profit Before Exceptional items	3,955	1,317
Profit Before Tax	3,955	1,317
Tax expenses	1,003	17
<b>Profit After Tax</b>	<b>2,952</b>	<b>1,300</b>

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



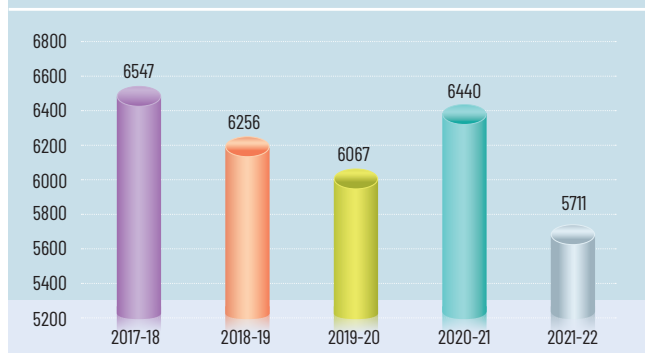
## 4.0 FUTURE OUTLOOK:

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

Particulars	Calendar Year 2020	Calendar Year 2021	Calendar Year 2022 (Projected)
<b>Alumina</b>			
Global Demand (Million MT)	126.36	130.99	129.79*
Global Supply (Million MT)	126.84	131.30	129.70*
Balance [Surplus/(Deficit)]	0.48	0.31	(0.09)*
<b>Aluminium Metal</b>			
Global Demand (Million MT)	62.92	68.95	69.04*
Global Supply (Million MT)	64.74	67.46	66.91*
Balance [Surplus/(Deficit)]	1.83	(1.49)	(2.13)*
<b>Price Trend</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23 (till June 2022)</b>
LME Price (USD per MT)	1,802	2,769	2,882
Alumina Price Index (as % of LME Price)	15.68%	13.25%	12.88%

\* Projected figures published by CRU for the period Jan.- June, 2022 have been extrapolated to arrive at 2022 figures (Source: CRU).

## POWER GENERATION (MU)



## 5.0 DIVIDEND AND APPROPRIATIONS:

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

During the year the Company has paid interim dividend @ ₹ 5.00 per equity share amounting in total ₹ 918.32 crore in two tranches and final dividend for the FY 2020-21 @ ₹ 1.00 per equity share amounting to ₹ 183.66 crore. The total dividend payout for the financial year 2021-22 is ₹ 1,101.98 crore as against ₹ 460.61 crore during the previous year. Dividend payout of 37.33% of the PAT against 35.44% of the previous financial year.

The Board of Directors have recommended final dividend @ 30% i.e. ₹ 1.50 per equity for FY 2021-22 share subject to approval of the shareholders in the ensuing Annual General Meeting.

NALCO's Panchpatmali Central & North Bauxite Mines have been accorded "Five Star Rating". The award was presented by Shri Pralhad Joshi, Hon'ble Union Minister of Parliamentary Affairs, Coal & Mines at the 6th National Conclave of Mines & Minerals held at New Delhi.







Shri Alok Tandon, IAS, Secretary, Ministry of Mines, Govt. of India, visiting NALCO's Smelter & Power Complex at Angul, Odisha

## 6.0 MOU PERFORMANCE:

Your Company is rated “Excellent” as per the Memorandum of Understanding (MoU), signed with the Government of India for the financial year 2020-21.

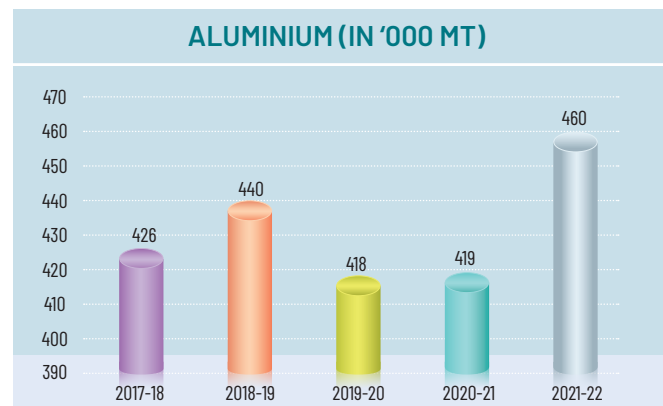
Based on financial performance and achievement of other parameters, your Company is likely to be rated “Excellent” for the financial year 2021-22.

## 7.0 RAW MATERIAL SECURITISATION:

Panchpatmali Bauxite Mines (Central & North Block) and South Block have all statutory clearances with lease validity upto 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 6.8 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



0.90 Million MT Bridge Linkage coal MoU with MCL. Balance shortfall quantity are sourced through Coal auction (Spot/Exclusive) route.

Your Company has been allotted Utkal-D & E Coal Blocks and actions are in progress to make Utkal-D Coal Block operational, followed by Utkal-E Coal Block.

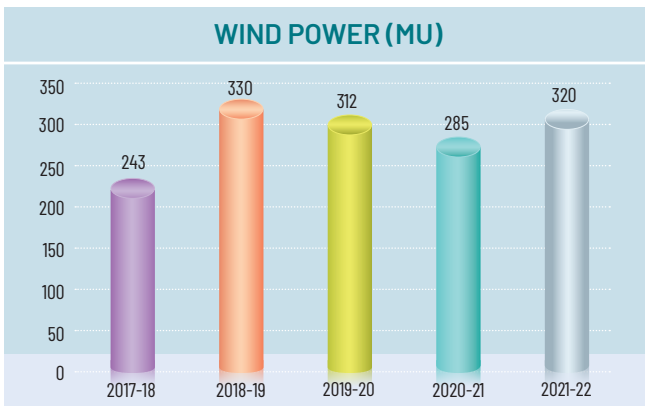
## 8.0 PROJECTS UNDER IMPLEMENTATION:

### 8.1 5<sup>th</sup> Stream of Alumina Refinery:

Your Company is in the process of setting up of 5<sup>th</sup> Stream in its existing Alumina Refinery which shall add 1.0 MTPY to its existing installed capacity of 2.1 MTPY (total capacity 3.1 MTPY), at a projected expenditure of ₹ 6,435.90 crore at December, 2018 price level, based on improved Medium Pressure



Shri Alok Tandon, IAS, Secretary, Ministry of Mines, inaugurating the Lean Slurry project which will ensure 100% utilisation of ash generated at NALCO's Captive Power Plant



Digestion technology of M/s. Rio Tinto Alcan International Limited (RTAIL).

Your Company has obtained major statutory clearances like Environmental Clearance from MoEF & CC and Consent to Establish (CTE) from Odisha State Pollution Control Board. M/s. Thyssenkrupp Industrial Solutions (India) Private Ltd. has been appointed as EPCM consultant for the project. M/s. M. N. Dasturco, has been appointed as EPCM consultant for Steam and Power Plant of Alumina Refinery. Basic engineering for the project has been completed by M/s. RTAIL and detailed engineering has progressed to the tune

of 88%. Site activity comprising of Survey and Soil Investigation & Site Grading work has been completed. Contractors for most of the packages have mobilized at the site for commencement of construction work. The project is targeted to be commissioned by January, 2024.

## 8.2 Alternate sourcing of Bauxite for 5th Stream:

Sourcing of bauxite for 5th Stream expansion of Alumina Refinery has been envisaged from Pottangi Mines. However, availability of bauxite from Pottangi Mines is expected beyond the scheduled commissioning of 5th Stream expansion. Hence, sourcing of bauxite from existing Panchpatmali Mines South Block has been planned through setting up of a crushing & conveying system for which a capital expenditure of ₹ 483 crore has been approved.

M/s. DCPL has been engaged as the EPCM consultant for the project. Order for major packages such as Over Land Conveyor, Crusher Plant, Water System, Electrical System and Site & infrastructure packages are finalized. Site construction activities are under progress. The project is targeted to be completed by December, 2023.



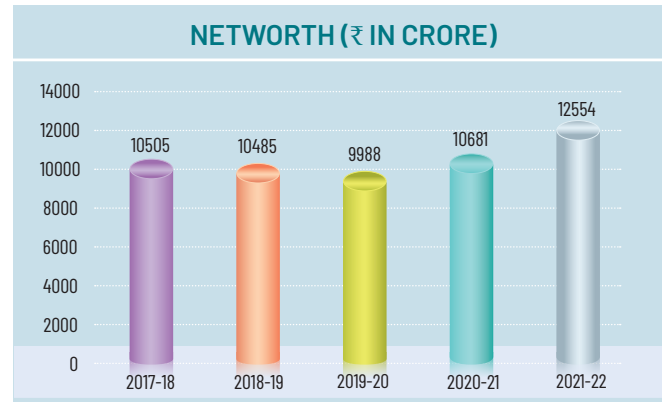
### 8.3 25.5 MW Wind Power Project:

In pursuit of being a harbinger for harnessing green & clean energy, your Company has established 198.40 MW Wind Power Plants in various states of India.

In this noble endeavour, 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 equipments. However, the job is not completed as yet due to fragile financial situation of the executing agency. The executing agency, M/s. REGen has subsequently been referred to NCLT. The final resolution order, has been issued by NCLT in February, 2022. As the terms of the approved resolution plan are not favorable in the interest of project execution, your Company has filed a petition at NCLAT for review of approved resolution plan. The decision of NCLAT is awaited.

### 8.4 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, obtaining Forest Right Act certificate from the District Administration, preparation of Compensatory Afforestation scheme for diversion of forest land including authentication of maps by ORSAC and engagement of consultant for selection of Technology of Over Land Conveyor has already been completed. The Mine is likely to be operational in the 3rd quarter of FY 2024-25.

*NALCO joined the Nation with patriotic fervour in celebrating Har Ghar Tiranga campaign*



### 8.5 Utkal-D & 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. Your Company executed the Mining Lease of Utkal-D 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. Appointment of Mine Developer and Operator (MDO) including signing of Coal Mining Agreement has been completed. Project Level Rehabilitation and Resettlement Committee (PLRRC) meeting was successfully conducted. Rehabilitation and Periphery Development Advisory Committee (RPDAC) Sub-committee meeting has also been conducted with the villagers of Utkal-D along with District administration to finalise the R & R benefits. 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. Stage-I Forest Clearance (FC) has already been obtained and compliance to Stage-I FC has been submitted to obtain Stage-II Forest Clearance from MoEF & CC, GoI. 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 2023-24 and Utkal-E will be operationalized after obtaining all the statutory clearances thereafter.

### 9.0 CAPITAL EXPENDITURE (CAPEX):

On a standalone basis the Company has achieved a CAPEX of ₹ 1,488.16 crore. Considering the capitalization done by joint venture companies, on a consolidated basis the CAPEX of the Company stands at ₹ 1,944.65 crore.

### 10.0 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](http://www.nalcoindia.com).

### 11.0 HUMAN RESOURCES MANAGEMENT:

#### 11.1 Presidential Directives on SC/ST reservation:

Your Company complies with all applicable Presidential Directives and other guidelines in the matters of reservations of SC/ ST/ OBC/ EWS and other categories like PWD and Ex-servicemen. Your Company has published an Equal Opportunity Policy for the PWD category in compliance with the RPWD Act, 2016.

As on 31.03.2022, out of total manpower strength of 5,520, there were 878 SCs (15.91%), 1,066 STs (19.31%), 813 OBCs (14.73%), 101 PWDs (1.83%)

Employees participating in the Fit India Walkathon organised by NALCO for spreading the message of 'Self Reliance with Integrity' as part of Vigilance Awareness Week







Shri Alok Tandon, IAS, Secretary, Ministry of Mines, planting a sapling in the premises of NALCO Bhavan during his visit to NALCO Corporate Office at Bhubaneswar

and 9 ESMs (0.16%) on roll. Besides, there were 333 (6.03%) women employees.

### 11.2 Industrial Relations:

Your Company continued to maintain a conducive and cordial Industrial relation climate during the year 2021-22. Not only there was zero man-days loss on account of labour disputes but also the manpower contributed strongly in achieving highest ever profit for the Company during 2021-22. 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 the Company's IR philosophy.

### 11.3 Social Accountability 8000:

For developing and maintaining a decent workplace, your Company has adopted the 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



As part of International Women's Day celebration, NALCO organised a motivational seminar for the women employees





*Shri Sridhar Patra, presenting a sapling to chief guest Prof. Ganeshi Lal, Hon'ble Governor of Odisha, at the 20th Edition of the NALCO's Foundation Lecture Series*

to all our stake holders including employees, owner, customer, supplier and other interested parties.

All the units of your Company are certified to the latest version of SA 8000 i.e. SA 8000:2014. All the Production Units including Corporate Office are certified to SA 8000:2014 Standard since 2017 (New Version). Certification of all Production Units and Corporate Office are being renewed every 3 years

## 12.0 CORPORATE SOCIAL RESPONSIBILITY (CSR):

### 12.1 Annual Highlights on CSR:

With a legacy of over four decades, your Company has proved that “Corporate Social Responsibility” is strongly embedded in its DNA. Your Company continues to nurture the core value of “giving back to the society” by contributing to the nation's economic development on the one hand, and improving the quality of life of its employees, local community and society at large on the other.

Your 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 ₹ 36.91 crore in the FY 2021-22 on various CSR projects against the mandated CSR obligation of ₹ 28.60 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 & Nutrition with special focus on COVID related measures as per Department of Public Enterprises, Government of India OM dated 12.05.2021.

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



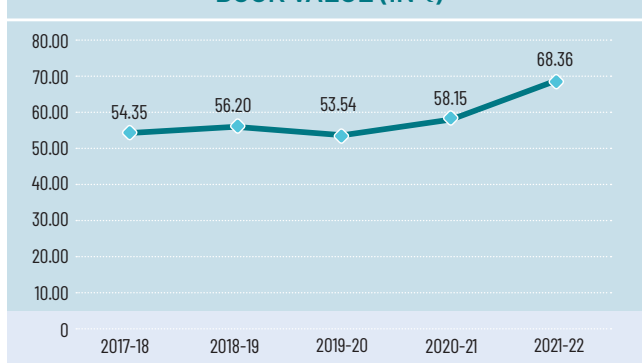
measures among the vulnerable communities to combat the spread of the disease.

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.

### 12.2 Important CSR initiatives undertaken by your Company during the year 2021-22 are:

- a) For COVID management, your company has taken the following measures:
  - (i) Your Company in collaboration with Government of Odisha has set up a 200 bedded exclusive COVID hospital at Nabarangpur district head quarter for treatment of the patients from the Aspirational Districts of Koraput, Nabarangapur, Malkanagiri, Rayagada & Kalahandi.
  - (ii) Your Company in convergence with Government of Odisha, has set up a 150 bedded District COVID Hospital (DCH) at Banarpal in Angul district.
  - (iii) Financial support for 70 bedded COVID Hospital at Saheed Laxman Nayak Medical College & Hospital at Koraput.
  - (iv) COVID assistance to contractual workmen working in the Company.
  - (v) Financial support to Government of Odisha for supplying DG Sets to medical oxygen filling stations as an emergency measure.
- b) Various activities to promote violence free lives among women in the state of Odisha.
- c) Clean drinking water projects in operational areas.
- d) Infrastructural activities such as construction of roads, culverts, drains and community halls in different rural areas.
- e) Support to poor and meritorious girl students under the project "Nalco Ki Ladli".
- f) Residential Education to poor backward and tribal children from periphery villages of M&R Complex, Damanjodi.

### BOOK VALUE (IN ₹)



- g) Operation of Medical Health Units and OPD centers in the peripheral villages of Angul and Damanjodi.
- h) 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**.

### 13.0 IMPACT OF COVID-19 PANDEMIC ON ITS BUSINESS:

- (a) Your Company abided to all Government guidelines and directives issued to prevent the spread of COVID-19 in all its operating units.
- (b) Despite the restricted working mechanism and logistic challenges in movement of raw materials and finished goods, your Company put its best efforts to maximize its production and sales. All the production Units of your Company operated abiding to COVID-19 appropriate protocol/procedure in the work front and all the Units achieved targeted production in FY 2021-22.

#### 13.1 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 2021-22 are furnished as under:

##### 13.1.1 Infrastructure Support:

- a) Your Company supported the State Health Department by two Ventilator Ambulances to provide emergency care to critical COVID-19 patients.



NALCO has won the prestigious Golden Peacock Award for Sustainability in the Mining & Metallurgy sector. Shri Sridhar Patra, CMD, NALCO, dedicated the Award to the collective effort of Nalconians.

- b) To strengthen the Cold Chain Equipment's (CCE) & Logistic infrastructure, one Refrigerated Truck has been procured and handed over to State Immunization Cell for COVID-19 Vaccination program. The refrigerated truck has a capacity of transporting 25,70,000 COVID vaccines (in doses).

### 13.1.2 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.

## 14.0 VISIT OF PARLIAMENTARY COMMITTEE:

During the year 2021-22, study visits of the Parliamentary Committee on Public Undertaking (COPU) and Parliamentary Standing Committee on Labour was organized at Bhubaneswar as the nodal organization.

## 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.

## 16.0 INFORMATION TECHNOLOGY FOR DIGITAL TRANSFORMATION:

Your Company has truly embarked on a digital journey as a strategic imperative with key focus on re-defining business processes and models for operational excellence and to enhance agility, speed, and data-driven decision making.

As an underlying strong and robust transactional layer, 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. SAP plant maintenance module has been introduced for enhanced servicing of operations and maintenance at all the plants. Invoice Reference Number (IRN), generated from the GST Invoice Register Portal was integrated in the existing ERP Application along with e-Waybill,



GST QR code for B2C and new provisions of TDS/TCS. E-procurement of goods and services are performed through GeM portal, Central Public Procurement Portal and SAP SRM. Vendor Purchase order, Invoice and payment effected in GeM Portal has also been integrated with the ERP. Centralized employee applications and employee self-service applications are part of the digital application ecosystem. Computerised Hospital Management System is operational at the Company hospitals in Angul and Damanjodi.

Your company has introduced a new and improved Online Recruitment Portal to facilitate the recruitment process. As a precursor to Smart Factory and in an integrated approach, a centralized MIS system has been introduced to adhere to “single source of truth” and connecting “shop floor to board room”.

Your company has been adding features and facilities to the array of existing Mobile Apps for stakeholders.

e-Office has been implemented in your organization ushering in an era of transparency, accountability and speed in management of files. This system also enables authorized users to act on files within and beyond office premises. For secure and ready access to digitized documents, the e-Office Knowledge Management System has been implemented and the same is a giant step

towards a paperless transaction.

Online web-based applications such as Capital Expenditure monitoring, Fund monitoring, Compliance Management System, Vendor Bill Tracking System & Contract Labour Management System are in use for the purpose of regular tracking and monitoring. As a measure of enhanced transparency Online Vigilance portal and Complaint System has been operationalized.

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.

Your Company has undertaken an ambitious project of “Smart Bauxite Mine”. The project shall leverage the power of next generation technologies viz. Artificial Intelligence, Robotics, Automation, Cloud, Data Analytics, AR/VR across the value chain of bauxite mining for improved productivity, Cost, Asset Utilization, Safety, Health and Environmental impact.

Your Company has the following IT infrastructures:

- (a) On-premise Data Center at Corporate Office, Bhubaneswar. Data Center uses server virtualization

*Shri Alok Tandon, IAS, Secretary, Ministry of Mines, reviewing the various operational activities of NALCO Smelter Plant at Angul*





Presentation of awards to winners of various competitions held during the observance of Productivity Week

technologies and hosts all Centralized Applications including ERP. To ensure business continuity, a Disaster Recovery Data Center is located in a separate seismic zone. The Data Center and Disaster Recovery Center have been successfully certified for Information System Management System as per the requirements of ISO 27001:2013 standard. IT infrastructure and application security is ensured with network gateway and endpoint security solutions.

- (b) 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. The WAN bandwidth has been enhanced to cater to the increased load triggered mainly by Covid-19 practices.
- (c) Each location has Gigabit Ethernet LAN with Firewall and the Corporate Data Center has gateway protection solutions additionally. Multichannel video conferencing solution for seamless communications between all business units has been established.

## 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 ISO 45001:2018 continued to be effectively implemented with regular external audits in remote mode, internal audits and management

review meetings. At the closure of financial year, 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). At the closure of financial year certification status of all the three Units w.r.t. ISO 50001:2018 remained valid.

### 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 current financial year, total 25 quality circle projects were completed whereas several more were in-progress. 8 Quality Circle Teams participated in the National Convention NCQC 2021 of QCFI out of which, 4 nos. were awarded the highest Par-Excellence award. Also, 3 Quality Circle teams participated in the CII State Industry carnival in August, 2021 and the QC from Smelter was awarded the Runner-up trophy.



### 17.4 Kaizen by SGA Groups:

Propagation of Kaizen culture continued to be highly encouraging during the year. As per the Kaizen by SGA scheme, total 1,401 Kaizens were completed in Smelter, 838 Kaizens were completed in Alumina Refinery, 451 Kaizens were completed in CPP and 187 Kaizens were completed in Mines Unit during the reporting year

### 17.5 Lean Six Sigma:

At Alumina Refinery, 1 out of 2 and at Mines, 4 out of 7 Lean Six Sigma Green-belt projects were successfully completed during the financial year. Also, at Smelter and CPP units, 12 and 6 new Six-Sigma projects were taken up during the year.

### 17.6 Business Excellence:

- At Alumina Refinery, assessment for CII-EXIM Bank Award, 2021 was carried out by independent assessors during October, 2021 and the Unit bagged the prestigious CII-EXIM Bank Business Excellence award for the year 2021 in the 'Platinum' Category during the CII-IQ National Quality Summit held in November, 2021.
- At Panchpatmali Bauxite Mines, assessment was completed during November, 2021 and the Unit secured the prestigious "Gold Plus" category recognition in the CII-EXIM Bank Award for Business Excellence, 2021.
- At Smelter, preparations for next assessment on holistic Business Excellence continued during the year with a 'people perception survey'.

### 17.7 5S System Implementation:

At both Mines and Alumina Refinery, re-certification audits of 5S-Work Place Management

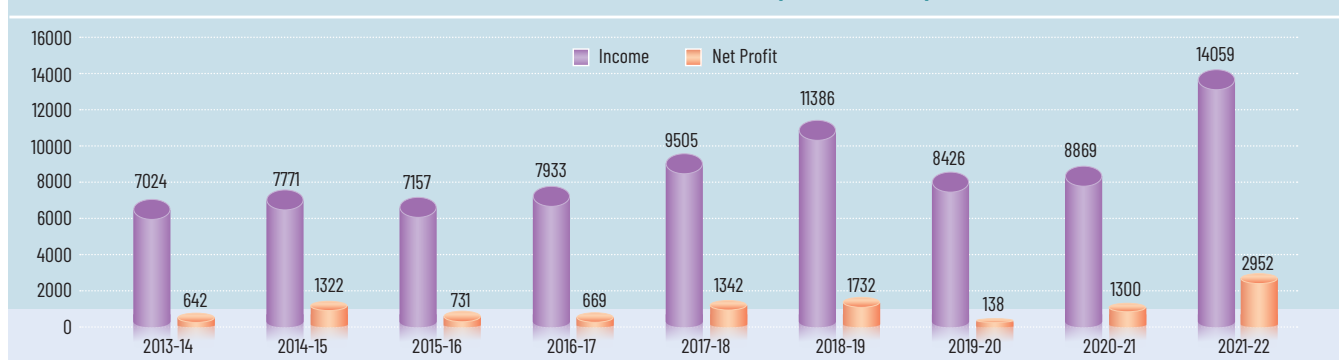
System were successfully conducted by M/s. QCFI, in addition to regular internal assessments and review meetings by Unit Management.

At both Smelter & CPP, Plant-wide 5S Workplace Management System continued to be effectively implemented with regular internal assessments.

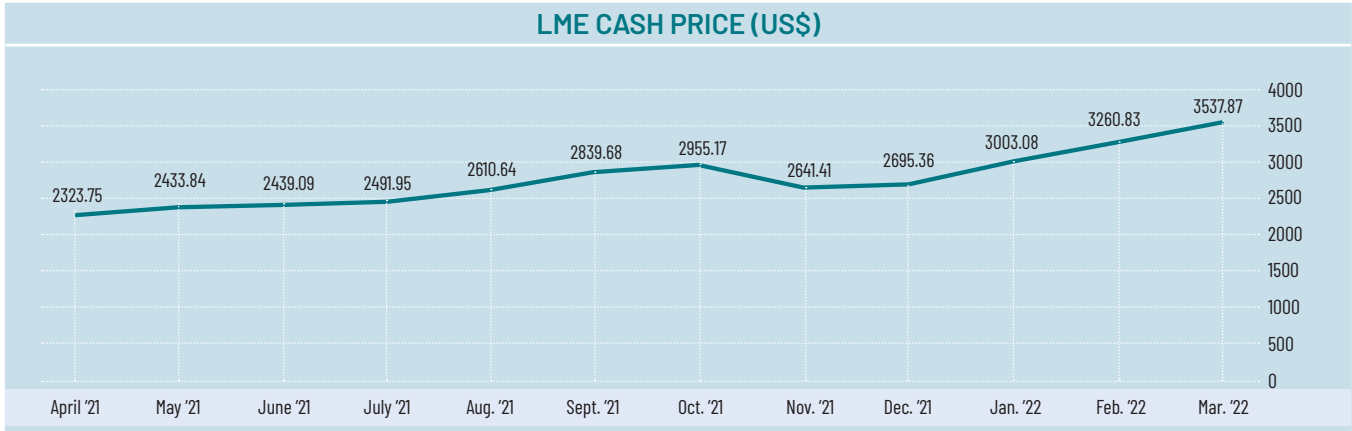
## 18.0 IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY:

- 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 local PSUs Offices. In this regard, your Company's efforts have been appreciated in the meetings by the representatives of RIO, Government of India.
- Your Company took several initiatives for the progressive use of Hindi in the day-to-day official work and implementation of Official Language policy of the Union of India. Quarterly meetings of Corporate Level Official Language Implementation Committee were held under the chairmanship of Chairman-cum-Managing Director, in which extensive discussions took place on progressive use of Hindi and the ways and means to bring about further improvements.
- Hindi Fortnight, 2021 was observed in all the Production Units, Corporate Office and Regional Offices to propagate linguistic harmony and to motivate the employees for the progressive usage of Hindi in their day-to-day work. Several competitions were organized for the employees, employee's dependents and students during the Hindi Fortnight.

## FINANCIAL PERFORMANCE (₹ IN CRORE)



## LME CASH PRICE (US\$)



- (e) Hindi workshops/trainings were organized on regular basis at Corporate Office and all production units including regional offices. Apart from this, several training-cum-motivation programs were also conducted for the member offices of TOLIC(U), Bhubaneswar.
- (f) Your Company also publishes its quarterly magazine 'Sanginee' and Six monthly Hindi magazine "Akshar" to promote Hindi language.
- (g) Vishwa Hindi Divas was celebrated across your Company on 10th January, 2022. To mark the occasion, a week-long series of activities were organized at corporate offices and all the production units.

## 19.0 SPORTS:

- (a) Since inception your company, as a leading PSU of the country has been contributed to the field of promotion of sports at state/national and international level.
- (b) Your company is pioneer in recruiting ace sport personalities of international stature who have made your country and your company pride.
- (c) Your company has been supporting as well as facilitating and nurturing the budding young sports talents of the state and country to make them ready for national and international events.
- (d) Your Company has encouraged various young players as well as sports persons of the Company to participate in different state level, national level

*Distinguished guests at the concluding ceremony of 23rd Mines Environment and Mineral Conservation Week held at Bhubaneswar, under the aegis of Indian Bureau of Mines. NALCO as the host organised the event.*







*Release of commemorative Souvenir on the occasion of the Birth Anniversary of Bharat Ratna Dr. B. R. Ambedkar*

as well as international level tournaments & sports activities.

(e) The following eminent sports personalities of your company have been entrusted with various responsibilities by the sports apex bodies of the Country and State:

- (i) Shri Debasis Mohanty, a former pace bowler of Indian National Cricket Team has been continuing as a member of All-India Senior Selection Committee Panel, as appointed by BCCI.
- (ii) Shri Shiv Sundar Das, a former Opening Batsman of Indian National Cricket Team has been appointed as batting coach for the women cricket team for New Zealand tour and ICC Women World Cup, 2022 by BCCI.
- (iii) Ms. Anuradha Biswal, an Indian former track and field athlete who specialized in 100-meter hurdles having Bronze in 2000 Asian Championship & Gold in 2006 South Asian Games in her credit is now representing as a National Co-ordinator in Athletics of All India Public Sector Sports Control Board (AIPSSCB) and also imparting fitness training to the aspirant young sports talents of the country at Kalinga Stadium, Bhubaneswar.
- (iv) Ms. Sradhanjali Samantaray, is a former skipper

of Indian National Women Football Team was appointed as Head Coach for Odisha State Women football team during the Hero Senior Women National Championship 2021-22 held at Kerala.

- (v) Ms. Aparajita Gochhikar, a Chess Candidate master and three time medallist in Commonwealth Championship (once Gold & two times Silver) recently awarded with International Arbiter (IA) Norm in 47<sup>th</sup> National Women Chess Championship held at Bhubaneswar from 24<sup>th</sup> February, 2022 to 2<sup>nd</sup> March, 2022.

## 20.0 VIGILANCE ADMINISTRATION:

Vigilance Administration and Systems established in your Company are furnished below:

- (i) Your Company has a well-established Vigilance Department headed by a Chief Vigilance Officer (CVO) who is appointed by Government of India from officers of Central Civil Services or Officers from other Services of Government of India. Other supporting 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.



40<sup>th</sup> Annual General Meeting in 2021

(ii) The Chief Vigilance Officer (CVO) acts as an advisor to the chief executive in all matters pertaining to vigilance. He also provides a link between organisation and the Central Vigilance Commission on one hand and the organisation and the Central Bureau of Investigation on the other. Vigilance functions to be performed by the CVO are of wide sweep and include collecting intelligence about the corrupt practices committed or likely to be committed by the employees of the organisation; investigating or causing an investigation to be made into verifiable allegations reported to him; processing investigation reports for further consideration of the disciplinary authority concerned; referring the matters to the Commission for advice wherever necessary; taking steps to prevent improper practices or commission of misconducts; examining audit, inspection and other reports from the point of vigilance angle, etc. The vigilance functions are in the nature of preventive, punitive, surveillance & detection.

### 20.1 Functions of CVO:

The functions of CVO are as follows:

- (i) Overall Vigilance Administration of the Company.
- (ii) Maintaining coordination with CVC and CBI, Police etc. besides organizing structured review meeting with CMD.

- (iii) Furnishing of various return/report to Ministry/ CVC/CBI.
- (iv) Assisting CVC in coordination with Independent External Monitors (IEMs) for implementation of I.P (Integrity Pact) in the Organisation.
- (v) Assisting management in formulation/updation of anti-corruption policies/measures.
- (vi) Assisting management in development of Integrity/transparency Index for ascertaining the fairness, transparency & equity in various domain functions & overall management.
- (vii) Organizing training on Vigilance Awareness, Vigilance Administration, case studies etc.
- (viii) Conducting Periodical Systemic study in the Organisation & offering systemic suggestions for implementation to help the Company to effectively manage its affairs in more transparent & fair manner.
- (ix) Inculcating culture of Overall Integrity at the Company Level.

### 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 blower culture for reporting wrong doings and complaints with protection to the informer by concealing the identity of the complainant. It protects employees wishing to raise a concern about serious irregularities within the Company. Details of the policy are available in the Company's website [www.nalcoindia.com](http://www.nalcoindia.com).

Wide circulation and campaign was carried out during the financial year for popularising the Whistle Blower Policy in your Company, so that reporting of the irregularities, wrongdoings and complaints can be reported without hesitation which would help prompt recourse by Vigilance Department in particular and by the management in general.

### 20.3 Corruption Risk Management Policy:

Corruption is a serious 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. Well elaborated systems of checks and balance are in place.

### 20.4 Fraud Reporting:

No fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013 during the year under report.

Your Company has a Board approved Fraud Prevention Policy and the same is placed in the Company's website [www.nalcoindia.com](http://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 DGM (E-6) 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. 1,350 citizens (general public, employees of the Company, students and others) have been undertaken Online/offline Integrity Pledge.

## 20.7 Online Vigilance Portal:

This portal has been developed to provide information about vigilance structure in your Company, its different activities, practices or initiatives undertaken by the Vigilance dept. and to provide scope to lodge the complaint in paperless mode promptly by anyone including general public and all stake holders of the company & to check the status of the complaint in online mode. The complainant can log-in by providing their e-mail and mobile number & authenticated by OTP, which is sent to them. This portal is easy and simple to operate and lodge complaints including viewing updated status of the complaints lodged. It may be accessed through the Company's website at [www.nalcoindia.com](http://www.nalcoindia.com).

## 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 2021-22:

Particulars	Requests	First Appeals
Under Process as on 01.04.2021	26	0
Received during the year (including cases transferred from other Public Authority)	508	46
No. of cases transferred to other Public Authorities	1	0
Decisions where requests/ appeals rejected	97	4
Decisions where requests/ appeals accepted and settled	429	42
Under Process as on 31.03.2022	7	0

Third party Transparency Audit for the year 2020-21 of your Company has been carried out by M/s. National Productivity Council, New Delhi with satisfactory remarks.

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](http://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



NALCO has successfully put into operation all the 960 pots at its Smelter Plant in Angul, Odisha.

India Ltd, the premier stock exchanges of the country, having nationwide trading terminals. The listing fees for the financial year 2022-23 have been paid on time to the Stock Exchanges.

## 23.0 SERVICE TO SHAREHOLDERS:

All matters relating to 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 Limited (Formerly KFin Technologies Private Limited), Hyderabad.

## 24.0 PAYMENT OF ANNUAL CUSTODY/ISSUER FEES TO DEPOSITORIES:

Annual connectivity fees and custody fees/issuer fees for the financial year 2022-23 have been paid on time to both M/s. National Securities Depository Ltd. and M/s. Central Depository Services (India) Ltd.

## 25.0 BUSINESS RESPONSIBILITY REPORT:

In line with Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, a Business Responsibility Report for 2021-22 describing various initiatives taken by the Company on social, environmental and governance perspective, is attached at Annexure-III which forms part of this Annual Report.

### 25.1 Reports on Sustainable Development:

- The mandatory report on sustainability i.e. the Business Responsibility Report addressing the





Shri Sridhar Patra, CMD, NALCO formally operationalised the 960th pot, by virtually switching it on from the Corporate headquarters.

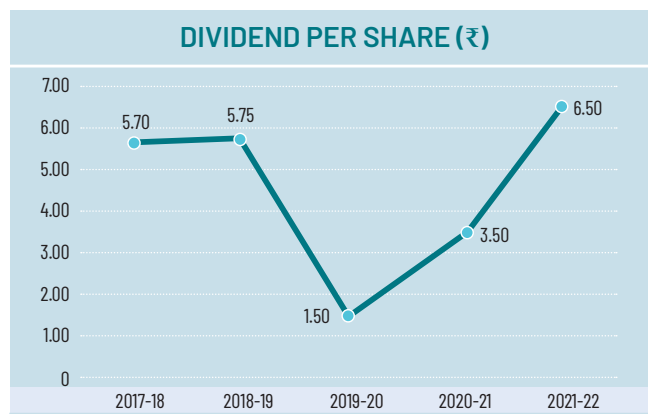
economic, environmental, social & governance aspects as required by SEBI, is completed and published.

- (b) In addition to above report, a standalone report is prepared on voluntary basis, aligned with Global Reporting Initiative (GRI) Standards Core option.

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

### 26.1 Research & Development:

- (a) Since inception, 42 patents have been filed out of which 23 have been granted and 7 have been commercialized. 03 patent applications were filed and 02 patents were granted in financial 2021-22. Research & Scientific Advisory Committee (RSAC) meetings are being held periodically to review the R&D activities of the Company.
- (b) Under the Development Cooperation Agreement signed with RTA/AP, development of low energy cell technology for smelter plant (AP2XN0) successfully implemented in financial year 2020-21 in trial pots, yielding an energy saving of 150 KWH/T, is being implemented in balance pots in phases.
- (c) Renewal of recognition by Department of Scientific & Industrial Research (DSIR), Govt



of India for all 3 R&D units of your Company i.e. NRTC, Bhubaneswar; Smelter Plant, Angul and Refinery Plant, Damanjodi obtained for a period of 3 years i.e. up to March, 2024.

- (d) R&D Trials with new generation grain refiner in Billet Casting Facility (BCF) completed in Smelter Plant.
- (e) R&D Project on “Extraction of Alumina from Indian PLK ore using nitric acid process route: Phase 3 Activities at laboratory scale-Optimization of process parameter” completed with CSIRO, Australia, that did not yield desired result.
- (f) A bench scale study, jointly by 3 R&D institutes (JNARDDC, CSIR-NML and CSIR-IMMT) and 3 industries (NALCO, HINDALCO and VEDANTA) for “Technology development for



*Presentation of NALCO awards on the occasion of NALCO Foundation Day celebration to renowned and eminent personalities for their significant achievements in respective fields with the objective of promoting literature and culture*

holistic utilization of red mud for extraction of metallic values & residue utilization' is in progress.

- (g) Bauxite Certified Reference Material (CRM) through inter laboratory comparison exercise in collaboration with NCCCM, BARC Hyderabad successfully developed.
- (h) Process for making Zeolite 13X trial in collaboration with CSMCRI, Bhavnagar successfully developed.
- (i) A novel process successfully developed in bench scale for recovery of Al metal from dross using nano technology, hereby reducing energy consumption.
- (j) Three in-house R&D projects titled "Preliminary studies on the suitability of NALCO alumina tri-hydrate for de-fluoridation purpose"; "Heat treatment/ annealing combined with medium boron treatment helps increase in electrical conductivity" and "Homogenization Time-Temperature study of 6000 series DC cast Aluminium billet" are in progress at NALCO Research & Technology Centre (NRTC), Bhubaneswar.

- (k) Benefits Derived as a Result of The R&D (In-House & Collaborative): Based on a completed R&D projects in 2021-22:

- (i) AP2XNO pot technology trials in smelter plant show a reduction of DC Energy of 150 KWH / Ton of metal.
- (ii) New process developed for making Zeolite 13 X at Refinery Plant.
- (iii) Certified Reference Material (CRM) of Bauxite, 1st of its kind developed indigenously.
- (iv) A new process for recovery of Al metal from Al dross developed in bench scale which has a commercialization potential.

- (l) As on 31<sup>st</sup> March, 2022, 06 in-house projects and 20 collaborative projects are in progress.
- (m) Three technical papers were presented and published in ICSOBA 2021 conference.

26.2 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.



## 27.0 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:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) 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

- (f) 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.

## 28.0 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.

## 29.0 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](http://www.nalcoindia.com).

Your Directors draw the attention of the members to note no. 39 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.

*Mass plantation drive on the occasion of World Environment Day*





*Signing of coal mine agreement between NALCO & MDO for development and operation of Utkal D&E coal mines*

## 30.0 DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### 30.1 Directors:

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

#### 30.1.1 Appointment:

- Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 10.11.2021 appointed 7 (Seven) Part-time Non-official (Independent) Directors (Shri Ravi Nath Jha, Dr. B. R. Ramakrishna, Adv. George Kurian, Dr. Ajay Narang, Shri Y. P. Chillio, Ms. (Dr.) Shatorupa and Adv. Dushyant Upadhyay) for a period of three years and further, vide Order No. 2/8/2020-Met-I dated 22.03.2022 appointed Shri Sanjay Ramanlal Patel as a Part-time Non-official (Independent) Director for a period of three years.
- Dr. Veena Kumari Dermal, IPoS, was appointed as a Part-time Official Director w.e.f. 20.01.2022.

- Shri Ramesh Chandra Joshi was appointed as Director (Finance) w.e.f. 04.02.2022.
- Shri Sadashiv Samantaray was appointed as Director (Commercial) w.e.f. 22.03.2022.

#### 30.1.2 Cessation:

Tenure of Shri Satendra Singh, IAS as Part-time Official Director ended on 20.01.2022.

#### 30.1.3 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).
- Shri B. K. Das, Director (Production).
- Shri Ramesh Chandra Joshi, Director (Finance).
- Shri Sadashiv Samantaray, Director (Commercial).



- (g) Shri N. K. Mohanty, Group General Manager and Company Secretary.

### 30.1.4 Declaration of Independence by Independent Directors:

Your Company has received declaration from the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### 30.1.5 Meetings of the Board:

During the year, 6 (Six) Board meetings were held. Details of the meetings are available in the report on Corporate Governance (Annexure-V) placed in this Annual Report.

### 30.1.6 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.

### 30.1.7 Postal Ballot process for appointment of Directors:

Shareholders of your Company have approved appointment of new Directors through Postal Ballot process dated 11.03.2022 and 28.04.2022 in compliance with the amended Regulations 17(1C) and 25(2A) of the SEBI (LODR) Regulations, 2015 with required ordinary/special resolutions.

## 31.0 ANNUAL RETURN:

In accordance with the Companies Act, 2013, the Annual Return for the financial year 2021-22 in the prescribed format is available in your Company's website at <https://nalcoindia.com/wp-content/uploads/2022/08/Annual-Return-2021-22-Draft.pdf>

## 32.0 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:

- (a) Details relating to deposits covered under Chapter-V of the Act.
- (b) Issue of equity shares with differential rights as to dividend, voting or otherwise.

- (c) Issue of shares, sweat equity shares and ESOS to employees of the Company.
- (d) Neither Chairman-cum-Managing Director nor the Whole-time Directors of the Company received any commission from the Company.
- (e) 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 5<sup>th</sup> June, 2015 and notification dated 5<sup>th</sup> July, 2017.

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

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

Your Company has 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. Internal Complaints Committees have been formed at the production Units and Corporate Office of the Company to redress complaints received regarding sexual harassment. All the Committees in place have been formed as per the guidelines of the Act. One case was reported under the Sexual Harassment of Women at Workplace (Prevention, prohibition & Redressal) Act, 2013 during 2021-22.



NALCO has been awarded the prestigious Pollution Control Excellence Award by the State Pollution Control Board, Odisha, for effective pollution control measures and sound environment management practices

Regular training programs are conducted for employees to sensitize them on the issue of sexual harassment at workplace and its prevention, prohibition and redressal.

#### 34.0 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 2021-22.

#### 35.0 SUBSIDIARIES, JOINT VENTURE COMPANIES AND ASSOCIATED 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. 41 and 42 of the Consolidated Financial Statements for the year ended 31.03.2022 respectively. Salient features of JV/Associate companies in Form AoC-1 (Note 42) forms integral part of the consolidated financial statement of the Company.

#### 36.0 AWARDS & ACHIEVEMENTS:

- (a) Your Company's Panchpatmali Bauxite Mines was awarded 5 Star Rating by Ministry of Mines for sustainable Mining.
- (b) Your Company's Panchpatmali Bauxite Mines has been awarded in the 17th CII Odisha State ESH Awards 2021 competition, for sustainable mining practices.
- (c) Your Company's Panchpatmali Bauxite Mines has also been awarded the prestigious Pollution Control Excellence Award 2021 by the State Pollution Control Board, Odisha, for effective pollution control measures and sound environment management practices.
- (d) Your Company's Alumina Refinery Plant at Damanjodi, Odisha bagged the prestigious Kalinga Environment Excellence Award for adopting outstanding practices in environmental management and pollution control.
- (e) Your Company has been conferred with the Best CSR Award by Public Relation Council of India (PRCI) Vizag, Andhra Pradesh Chapter for its



commitment towards downtrodden through CSR & HR activities.

- (f) Your Company's Panchpatmali Bauxite Mines has won the prestigious 21st Annual Greentech Environment & Sustainability Awards, 2021 for outstanding achievements in the field of environment protection.
- (g) Your Company's Alumina Refinery bagged the CII EXIM Bank Business Excellence Platinum award & Panchpatmali Bauxite Mines received the award in Gold plus category at CII National Quality Summit.
- (h) Your Company's Panchpatmali Bauxite Mines bagged Kalinga Safety Excellence Platinum Award for its safe mining practices and Alumina Refinery bagged Gold Award at the Odisha State Safety Conclave.
- (i) Your Company's unwavering commitment towards an energy efficient India, received due recognition as Smelter & Power Plant, Angul bagged the prestigious Energy Conservation Award, 2021 with highest rating in Large Scale Category, conferred by CII.
- (j) Your Company received the Kalinga HR Excellence Award organized by Institute of Quality & Environment Management Services (IQEMS) in collaboration with Institute of Public Enterprises, Hyderabad and Odisha State Productivity Council, Bhubaneswar.

- (k) Your Company bagged the Non-Ferrous Best Performance Award, 2020-21 instituted by the Indian Institute of Metals (IIM), under the large scale manufacturing unit category.
- (l) Your Company received prestigious Golden Peacock Award, 2021 for Sustainability in the Mining & Metal sector. The Award recognizes our focus on environmentally-sustainable practices.

### 37.0 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 both the standalone and consolidated financial statements for the year ended 31.03.2022 vide letters dated 28.07.2022, issued by Office of Director General of Audit (Mines), Kolkata.

### 38.0 AUDITORS:

#### 38.1 Statutory Auditors:

M/s. GNS & Associates, Chartered Accountant and M/s. A. K. Sabat & Co., Chartered Accountant are appointed as joint statutory auditors of the company by the Comptroller and Auditor General of India for the financial year 2021-22.

*Pioneering Research & Development: State-of-Art NALCO Research & Technology Centre (NRTC) at Bhubaneswar, Odisha, is equipped with all advance modern testing facilities*



The Statutory Auditors report on the Standalone and Consolidated Financial Statements have already been placed before the Board in its meeting held on 25.05.2022.

### 38.2 Cost Auditors:

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, Cost Audit is applicable to the Company for the financial year 2021-22.

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company have on the recommendation of the Audit Committee, appointed M/s. Niran & Co., Cost Accountants as the Cost Auditors for the year 2021-22.

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

### 38.3 Secretarial Auditors:

M/s. Deba Mohapatra & Co., Practicing Company Secretaries were re-appointed for undertaking Secretarial Audit job of your Company for 2021-22 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.

Further, the tenure of M/s. Deba Mohapatra & Co., Practicing Company Secretaries as Secretarial Auditors of the Company completed on 31.03.2022 and the Board of Directors approved the appointment of M/s. SKM & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for a period of two financial years i.e. 2022-23 and 2023-24.

### 38.4 Internal Auditors:

Your Company has appointed the following Chartered Accountant firms for carrying out Internal Audit functions of the Company for the financial year 2021-22:

Unit	01.04.2021 to 30.09.2021	01.10.2021 to 31.03.2022
Corporate Office, Bhubaneswar	M/s. SRB & Associates	M/s. Agasti & Associates
M&R Complex, Damanjodi Port Facility, Visakhapatnam	M/s. Rao & Kumar	M/s. B V Rao & Co LLP
CPP, Angul	M/s. Tej Raj & Pal	
Smelter, Angul	M/s. B.N. Mishra & Co.	
Regional Office - East (Kolkata)	M/s. Roy & Bagchi	M/s. J. F. Dastoor & Co.
Regional Office - West (Mumbai)	M/s. MKPS & Associates	M/s. ANPJ & Co.
Regional Office - North (Delhi)	M/s. Bhatia & Bhatia	M/s. Pradeep Gopal & Co.
Regional Office - South (Chennai)	M/s. Raghavan & Muralidharan	M/s. Manohar Choudhry & Associates

### 39.0 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 levels, 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 Chairman-cum-Managing Director  
Date : 16.08.2022 DIN : 06500954



## ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR 2021-22

## 1. Brief outline on CSR Policy of the Company:

NALCO aims towards achieving sustainable development across the economic, social and environmental dimensions addressing the five P's of sustainability namely people, planet, prosperity, partnership and peace. 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:

The previous CSR Committee was in existence till 05.09.2020. Thereafter, the Committee could not be re-constituted as per the provisions of the Act in absence of Independent Directors. After appointment of the 7 Independent Directors on the Board of the Company vide Government of India order dated 10.11.2021, the CSR & SD Committee was re-constituted on 01.12.2021. The composition of the Committee and attendance of the members in one meeting held during the financial year is 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 Dushyant Upadhyay	Independent Director, Chairman	1	1
2.	Dr. B. R. Ramakrishna	Independent Director, Member	1	1
3.	Ms. (Dr.) Shatorupa	Independent Director, Member	1	1
4.	Shri R. S. Mahapatro	Director (HR), Member	1	1
5.	Shri B. K. Das	Director (Production), Member	1	1

## 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: <https://nalcoindia.com/corporate-social-responsibility/about-csr/csr-team/>
- 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
	<b>Total</b>	NIL	NIL

## 6. Average net profit of the company as per section 135(5): ₹ 1,42,987.00 lakh

## 7. (a) Two percent of average net profit of the Company as per section 135(5) : ₹ 2,860.00 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): ₹ 2,860.00 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
3,691.38	NA	NA	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year: ₹ 955.68 lakh (Annexure-A).(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: ₹ 2,600.71 lakh (Annexure-B).

(d) Amount spent in Administrative Overheads: ₹ 134.99 lakh.

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 3691.38 lakh.

(g) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (in ₹ in Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	2,860.00
(ii)	Total amount spent for the Financial Year	3,691.38
(iii)	Excess amount spent for the financial year [(ii)-(i)]	831.38
(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	2018-19	NIL	3,034.92	NA	NIL	NA	NIL
2	2019-20	NIL	3,971.35	NA	NIL	NA	NIL
3	2020-21	NIL	3,500.00	NA	NIL	NA	NIL
	<b>Total</b>	<b>NIL</b>	<b>10,506.27</b>	<b>NA</b>	<b>NIL</b>	<b>NA</b>	<b>NIL</b>

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year ₹ 607.23 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/-  
(Sridhar Patra)  
Chairman-cum-Managing Director  
DIN : 06500954

Sd/-  
(Dushyant Upadhyay)  
Chairman CSR Committee  
DIN : 09397101



## Annexure-A

## Details of CSR amount spent against ongoing projects for the financial year 2021-22

(₹ 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 (v)	Yes	Odisha	Angul	40 months	118.44	110.84	0.00	No	NALCO Foundation	CSR 00030827
2	Pipe Water supply to village Girang	Item-i (vii)	Yes	Odisha	Angul	36 months	113.00	113.00	0.00	No	NALCO Foundation	CSR 00030827
3	Renovation of Pipe drinking water supply to 11 villages due to the Floride content in the water in Zone-I, Zone-II & Zone-III	Item-i (vii)	Yes	Odisha	Angul	36 months	137.34	137.34	0.00	No	NALCO Foundation	CSR 00030827
4	Operation Battery operated vehicle from Jagannath Ballav Matha to Shri Jagannath Temple.	Item-i (v)	No	Odisha	Puri	40 months	105.00	99.92	0.00	No	NALCO Foundation	CSR 00030827
5	Providing 12 Nos of Clean water post in Various places of Puri.	Item-i (v)	No	Odisha	Puri	40 months	4.19	4.00	0.00	No	NALCO Foundation	CSR 00030827
6	Renovation of Gandhi Park with modification/ developmental works & Upgradation of Electrical works.	Item-i (v)	No	Odisha	Puri	15 months	30.00	29.36	0.00	No	NALCO Foundation	CSR 00030827
7	Other developmental and maintenance works of existing facilities extended by NALCO	Item-i (v)	No	Odisha	Puri	15 months	20.00	18.00	0.00	No	NALCO Foundation	CSR 00030827
8	Operation and maintenance of Musical fountain, Gandhi Park	Item-i (v)	No	Odisha	Puri	15 months	10.00	10.00	0.00	No	NALCO Foundation	CSR 00030827
9	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 (iv)	Yes	Odisha	Angul & Koraput	12 months	350.00	102.55		No	NALCO Foundation	CSR 00030827
10	Operation of OPD Centre at Angul	Item-i (iv)	Yes	Odisha	Angul	12 months	54.40	44.50	0.00	No	NALCO Foundation	CSR 00030827
11	Supply of Drinking Water through tankers in the Peripheral Villages of S & P Complex, Angul during summer	Item-i (vii)	Yes	Odisha	Angul	0 months	0.00	0.00	0.00	No	NALCO Foundation	CSR 00030827

(₹ 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.
12	Supply of drinking water to devotees during Car Festival at Puri	Item-i (vii)	No	Odisha	Puri	0 months	5.00	0.00	0.00	No	NALCO Foundation	CSR 00030827
13	Horticulture and maintenance work at Gandhi Park and B iraharekrushnapur at Puri	Item-i (v)	No	Odisha	Puri	12 months	35.00	31.33	0.00	No	NALCO Foundation	CSR 00030827
14	Security Watch & Ward at Gandhi Park, Puri	Item-i (v)	No	Odisha	Puri	12 months	17.00	16.07	0.00	No	NALCO Foundation	CSR 00030827
15	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 (i)	Yes	Odisha	Koraput	12 months	219.63	132.31	0.00	No	NALCO Foundation	CSR 00030827
16	Project- " Nalcora Aliali Jhia" (Nalco ki Ladli): To provide financial support to girl students every year 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	tem-ii (i)	Yes	Odisha	Angul & Korapur	12 months	20.00	19.08	0.00	No	NALCO Foundation	CSR 00030827



(₹ 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.
17	Support for plantation in and around Chandaka Damapara Wild life Sanctuary	Item-iv (ii)	Yes	Odisha	Khordha & Cuttack	30 months	42.38	42.38	0.00	Yes	NA	-
18	Renovation of Kiakata Pond at Sanajorada, Karnapur	Item-iv (vi)	Yes	Odisha	Angul	43 months	6.10	4.40	0.00	No	NALCO Foundation	CSR 00030827
19	Contribution towards promotion of traditional arts, music and handicraft	Item-v (v)	Yes	Odisha	Koraput	12 months	30.00	0.00	0.00	No	NALCO Foundation	CSR 00030827
20	Promotion of cultural excellence & CSR (institution of accolades, scholarship, etc.)	Item-v (i)	No	Odisha	Koraput	12 months	5.00	2.61	0.00	No	NALCO Foundation	CSR 00030827
21	Road connecting Karnapur Level Crossing to Bharatpur Common Point in Village - Karnapur	Item-x (i)	Yes	Odisha	Angul	40 months	11.60	5.36	0.00	No	NALCO Foundation	CSR 00030827
22	Construction of BT road from Malkarbandh to Maliput.	Item-x (i)	Yes	Odisha	Koraput	36 months	32.67	32.63	0.00	No	NALCO Foundation	CSR 00030827
	<b>Total</b>						<b>1,366.75</b>	<b>955.68</b>				

## Annexure-B

## Details of CSR amount spent against other than ongoing projects for the financial year 2021-22

(₹ in lakh)

1	2	3	4	5		6	7	8	
				State	District			Name	CSR registration No.
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation – Direct (Yes/ No)	Mode of implementation – Through implementing agency	
1	Re-opening of District Covid Health Centre (DCHC) at Nabarangpur (recurring expenditure)	Item-i (iv)	No	Odisha	Nabarangpur	107.73	No	NALCO Foundation	CSR 00030827
2	Infrastructural development of District Covid Health Centre (DCHC) at Nabarangpur (One time expenditure)	Item-i (iv)	No	Odisha	Nabarangpur	54.47	No	NALCO Foundation	CSR 00030827
3	Supply of medical equipment to Saheed Laxman Nayak Medical College & Hospital, Koraput	Item-i (iv)	Yes	Odisha	Koraput	114.20	Yes	NA	-
4	Support for District Covid Health Centre (DCHC) at ESI Hospital, Banarpal, Angul	Item-i (iv)	Yes	Odisha	Angul	276.23	No	NALCO Foundation	CSR 00030827
5	Supply of 200 oxygen concentrator to District Administrations	Item-i (iv)	Yes	Odisha	Angul & Koraput	0.00	Yes	NA	-
6	Support to the State in Covid-19 management by supplying DG sets to oxygen filling stations	Item-i (iv)	No	Pan Odisha	-	30.70	No	NALCO Foundation	CSR 00030827
7	Supply of face mask & sanitizer to District Administration, Koraput	Item-i (iv)	Yes	Odisha	Koraput	1.82	No	NALCO Foundation	CSR 00030827
8	Supply of face mask & sanitizer to District Administration, Angul	Item-i (iv)	Yes	Odisha	Koraput	1.33	No	NALCO Foundation	CSR 00030827
9	Supply of medical oxygen cylinder to hospitals in Vizag	Item-i (iv)	Yes	Andhra Pradesh	Visakhapatnam	5.00	No	NALCO Foundation	CSR 00030827
10	Supply of medical oxygen generators to hospitals in Dharwad district of Karnataka State	Item-i (iv)	No	Karnataka	Dharwad	120.70	No	NALCO Foundation	CSR 00030827
11	Rapid Antigen Test (RAT) in periphery villages of S&P Complex, Angul	Item-i (iv)	Yes	Odisha	Angul	4.25	No	NALCO Foundation	CSR 00030827
12	Supply of BiPAP machines and Jumbo Oxygen Cylinders to local Hospital, Jeypore	Item-i (iv)	Yes	Odisha	Koraput	0.00	No	NALCO Foundation	CSR 00030827
13	Supply of Rapid Antigen Kits to District Administration, Angul	Item-i (iv)	Yes	Odisha	Angul	16.60	No	NALCO Foundation	CSR 00030827
14	Water supply arrangement to Kakiriguma Police station	Item-i (vi)	Yes	Odisha	Koraput	0.40	Yes	NA	-



(₹ in lakh)

1	2	3	4	5		6	7	8	
				State	District			Name	CSR registration No.
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation – Direct (Yes/ No)	Mode of implementation – Through implementing agency	
15	Distribution of Dry rason in slum area Bhubaneswar & Puri	Item-i (i)	Yes	Odisha	Puri & Khordha	3.00	No	NA	-
16	Financial support to digital X-ray Machine to BMC hospital, Bhubaneswar	Item-i (iv)	No	Pan Odisha	-	16.36	Yes	NA	-
17	Contribution to Flood affected area at Rayalseema, AP	Item-i (iv)	No	Andhara Pradesh	Rayalseema	100.00	No	NALCO Foundation	CSR 0003 0827
18	Financial support to Rotary Eye Care Centre, PURI	Item-i (iv)	No	Odisha	Puri	10.00	No	NALCO Foundation	CSR 00030827
19	Covid Assistance to labours in periphery areas	Item-i (iv)	Yes	Odisha	Angul, Koraput & Khordha	1416.04	Yes	NA	-
20	Support for community led transformation of High schools in Ganjam District of Odisha. (MO School Abhiyan)	Item-ii (i)	No	Odisha	Ganjam	200.00	Yes	NA	-
21	Financial assistance to “SEBAGHAR” for under taking repair & maintenance of Creche-cum School & Sewing Training Centre for slum dwelling children.	Item-ii (iii)	Yes	Odisha	Khordha	10.00	No	NALCO Foundation	CSR 00030827
22	Construction of school building with toilet and other facilities in Ambagaon village	Item-ii (i)	Yes	Odisha	Koraput	11.13	No	NALCO Foundation	CSR 00030827
23	Financial support for construction of English Medium School with hostel facility at Shri Ramakrishna Ashram, M Rampur, Kalahandi.	Item-ii (i)	No	Odisha	Kalahandi	25.00	No	NALCO Foundation	CSR 00030827
24	Financial support to Language and Learning Foundation for learning programme in Nuapada district of Odisha	Item-ii (i)	No	Odisha	Nuapada	25.00	No	NALCO Foundation	CSR 00030827
25	Livelihood support (incense stick making machine) to people with disability of India Charity Foundation Trust, Bharatpur, Bhubaneswar	Item-ii (iv)	Yes	Odisha	Khordha	0.90	No	NALCO Foundation	CSR 00030827

(₹ in lakh)

1	2	3	4	5		6	7	8	
				State	District			Name	CSR registration No.
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation – Direct (Yes/ No)	Mode of implementation – Through implementing agency	
26	Supply of plasma cutter machine to District Administration to Combat the problems in the Cyclone “YAAS”	Item-xii (i)	Yes	Odisha	Khordha	1.48	No	NALCO Foundation	CSR 00030827
27	Supply of tree cutting machine to district Administration as an emergency measure arising out of cyclone “YAAS”.	Item-xii (i)	Yes	Odisha	Khordha	0.53	Yes	NA	-
28	Supply of DG sets to District Administration to mitigate challenges posed by Cyclone “YAAS”	Item-xii (i)	Yes	Odisha	Khordha	1.65	Yes	NA	-
29	Supporting cattle feed to Gosala of Gobardhan Pitha, Puri.	Item-iv (iv)	No	Odisha	Puri	1.06	No	NALCO Foundation	CSR 00030827
30	Supply of Cattle feed to ISKCON Goshala, Baliana, Bhubaneswar.	Item-iv (iv)	Yes	Odisha	Khordha	5.91	No	NALCO Foundation	CSR 00030827
31	Financial support for promoting violence free life for women and girls in the state of Odisha	Item-iii (iii)	Yes	Odisha	Khordha & Cuttack	3.00	No	NALCO Foundation	CSR 00030827
32	Renovation of old community centre and construction of new community centre cum kalyan mandap in Ambagaon village, Damanjodi	Item-x (i)	Yes	Odisha	Koraput	15.50	No	NALCO Foundation	CSR 00030827
33	Provision of water drainage system inside Ambagaon village.	Item-x (i)	Yes	Odisha	Koraput	2.19	No	NALCO Foundation	CSR 00030827
34	Construction of RCC road inside the Ambagaon village, Damanjodi	Item-x (i)	Yes	Odisha	Koraput	17.39	No	NALCO Foundation	CSR 00030827
35	Provision of play ground in Ambagaon village.	Item-vii (i)	Yes	Odisha	Koraput	1.14	No	NALCO Foundation	CSR 00030827
	<b>Total</b>					<b>2,600.71</b>			



## 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 Financial Year	Amount spent on the project in the reporting reporting Financial year	Cumulative amount spent at the end of Ongoing	Status of the Project- Completed/ Ongoing
1	–	Open Defecation Free (ODF) programme in 05 villages of S&P Complex, Angul	2018-19	40 months	118.44	110.84	402.24	Completed
2	–	Pipe water supply to village Girang	2018-19	36 months	113.00	113.00	313.00	Completed
3	–	Renovation of pipe Drinking water supply to 11 villages due to fluoride content in the water	2018-19	36 months	137.34	137.34	386.00	Completed
4	–	Support for plantation in and around Chandaka Damapara Wild life Sanctuary	2019-20	30 months	42.38	42.38	299.52	Ongoing
5	–	Renovation of Kiakata Pond at Sanajorada, Karnapur	2017-18	43 Months	6.10	4.40	29.40	Completed
6	–	Operation Battery operated vehicle from Jagannath Ballav Matha to Shri Jagannath Temple.	2018-19	40 months	105.00	99.92	326.40	Ongoing
7	–	Providing 12 Nos. of Clean water post in Various places of Puri.	2018-19	40 months	4.19	4.00	54.49	Ongoing
8	–	Renovation of Gandhi Park with modification/ developmental works & Upgradation of Electrical works.	2020-21	15 months	30.00	29.36	29.36	Completed
9	–	Other developmental and maintenance works of existing facilities extended by NALCO	2020-21	15 months	20.00	18.00	18.00	Completed
10	–	Operation and maintenance of Musical fountain, Gandhi Park	2020-21	15 months	10.00	10.00	18.00	Completed
11	–	Road connecting Karnapur Level Crossing to Bharatpur Common Point in Village - Karnapur	2017-18	40 months	11.36	5.36	17.36	Completed
12	–	Construction of BT road from Malkarbandh to Maliput.	2018-19	36 months	32.67	32.63	85.33	Completed
		<b>Total</b>			<b>630.72</b>	<b>607.23</b>	<b>1,979.10</b>	



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1.0 INDUSTRY STRUCTURE AND DEVELOPMENTS:

#### 1.1 Alumina:

During the year 2021, total world production of Metallurgical Grade Alumina (MGA) was 131.30 Million Tonnes, registering an increase of about 3.52% compared to 126.84 Million Tonnes produced during 2020. Alumina consumption during 2021 was 130.99 Million Tonnes as against 126.36 Million Tonnes consumed during 2020, exhibiting a YoY increase of 3.66%. China was the major contributor in both production and consumption, having 55.05% share in production and 57.23% share in consumption of Alumina. World MGA demand is expected to be 129.79 Million Tonnes in 2022, representing a year-on-year decrease of 0.92%. Overall, the Alumina market is expected to remain in slight deficit of 0.09 Million Tonnes in 2022 with an expected production of 129.70 Million Tonnes.

Total Alumina production in India during the financial year 2021-22 was 73.13 lakh Tonnes, thereby registering a YoY increase of 10.82%. Out of this, your Company's contribution was 21.10 lakhs (28.85%). During FY 2021-22, both alumina and aluminium prices exhibited gradual increase, as a result of economic recovery post Covid-related disruptions. Alumina consumption in India reached its peak during 2021-22, as the production milestone of 4 Million Tonnes of Primary Aluminium metal was surpassed during the year, including highest ever metal production by your Company. Your company also registered its highest ever domestic sales of Alumina chemicals during 2021-22. The high demand for alumina chemicals is likely to continue during 2022-23 as well, in line with increased economic activity across the country.

World bauxite production during 2021 was around 356.65 Million Tonnes, which is 0.20% lower than 357.36 Million Tonnes produced in 2020. Global bauxite production during 2022 is expected to be around 363.33 Million Tonnes. Bauxite shipments into China continue to be close to record highs as additional domestic refining capacity comes on stream that is utilising imported bauxite. During 2021, 107.42 Million Tonnes of bauxite were imported by China, which were mainly sourced from Guinea (54.84 Million Tonnes), Australia (34.08 Million Tonnes) and Indonesia (17.84 Million Tonnes). Indonesia has maintained its stance to ban bauxite exports later this year to support the development of downstream mining industry.

#### 1.2 Aluminium:

World production of Aluminium during the year 2021 was 67.41 Million Tonnes, registering a rise of 4.11% compared to production figure of 64.74 Million Tonnes achieved in 2020. At the same time, worldwide consumption of Aluminium rose 9.60% from 62.92 Million Tonnes in 2020 to 68.96 Million Tonnes in 2021. The market, thus, registered a deficit of around 1.55 Million Tonnes during 2021. China was the largest producer as well as consumer during the year, contributing 57.24% share (38.58 Million Tonnes) of the world production and 58.21% (40.14 Million Tonnes) of the world consumption of Aluminium. China registered aluminium production growth of 5.02% during 2021, while rest of the world exhibited a 2.92% growth in production. As far as Aluminium consumption is concerned, China's figures displayed a healthy growth of 6.14% during 2021, while rest of the world registered a bigger growth of 14.81%. During FY 2021-22, consumption of Aluminium in India increased by 14.52%.

The average LME Cash Settlement Price during the financial year 2021-22 was USD 2,769 per MT, rising by a massive 53.66% against the corresponding figure of USD 1,802 per MT during 2020-21. The price gained further during the first quarter of FY 2022-23 following Russia's invasion of Ukraine amid global aluminium supply concerns.

Estimated global Aluminium metal stocks at the end of Financial Year 2021-22 stood at 9.35 Million Tonnes, registering a fall of 20.35% against stock of 11.25 Million Tonnes at the end of FY 2020-21

In contrast to global market surplus of about 1.83 Million Tonnes in 2020, a market deficit of 1.55 Million Tonnes was recorded for Aluminium metal in 2021, mainly due to sharp economic recovery after COVID-19 related disruptions.

### 2.0 STRENGTHS AND WEAKNESSES:

#### 2.1 Strengths:

Aluminium is the commonest metal in Earth's crust, the third most plentiful chemical element on our planet (after oxygen and silicon) and the second most popular metal for making things (after iron/steel). We all see and use aluminium every day without even thinking about it. Disposable drinks cans are made from it and so is cooking foil. We can find this silvery metal in some pretty amazing places, from jet engines in airplanes to the hulls of hi-tech warships. Aluminium is soft, lightweight, fire-proof and heat-resistant, easy to work into new shapes and able to conduct electricity. It reflects light and heat very effectively and it doesn't rust. It reacts easily with other chemical elements, especially oxygen and readily forms an outer layer of aluminium oxide, if it is left in the air.

At 4.1 Million Tonnes per annum (MTPA), India has the second-largest aluminium production capacity in the world, followed by Russia at 3.9 MTPA, while China has the largest capacity. The industries that require aluminium in the country mostly include power, consumer durables, transportation, construction and packaging etc. Aluminium is a strategic metal that propels India's GDP. AICircle research has estimated that aluminium usage in India is likely to grow at a CAGR of 6.7% annually to reach 4.84 Million Tonnes by 2026-27. The nation has a huge reservoir of Bauxite and it needs to increase bauxite production to nearly 70 Million Tonnes by the fiscal year of 2030-2032 to meet the future demand.



Aluminium can be recycled infinite times without losing any of its excellent properties. It has been estimated that converting 1 MT of Aluminium scrap into Aluminium products results in saving of several tonnes of bauxite, 14,000 kWh of energy, 6,300 litres of fossil fuels, 7.6 cubic meters of landfill and valuable land for other uses such as forests, housing, industry etc. Hence, India now needs to develop a strong industrial base for recycling Aluminium scrap and promote secondary producers. This mandates that the raw material supply chain of Aluminium scrap is robust and reliable for the industry to be sustainable.

## 2.2 Weaknesses:

India can significantly boost its export earnings by expanding its production capacity of downstream aluminium products. Although primary aluminium production in the country has increased significantly over the last decade, the rate of value addition inside the country remains low. This can be achieved by development of new products/applications through investments in R & D activities, which are presently being carried out at a limited scale. Further, lack of an extensive and reliable logistics network for efficient supply chain management also acts as an impediment towards achieving this goal. Indian Aluminium producers also lose out on price competitiveness as compared to their peers situated in the Middle East due to dependence on coal for power generation, which entails higher power costs. India also encounters high outflow of precious foreign exchange from the country on account of import of Aluminium Scrap. In absence of adequate Aluminium Scrap generation and handling infrastructure within the country, Aluminium recyclers are forced to look for suppliers abroad.

## 3.0 OPPORTUNITIES AND THREATS:

### 3.1 Opportunities:

Global Aluminium demand (primary and secondary) is forecast to grow by 33.3 MT, going from 86.2 MT in 2020 to 119.5 MT in 2030. Around 37% of this growth is expected to come from China, followed by 26% from Asia Ex.-China, 15% from North America and 14% from Europe.

The highest growth in terms of absolute demand will come from the transportation sector which, driven by decarbonization policies and the shift from vehicles powered by traditional fossil fuels to electric vehicles (EVs), will go from consuming 19.9 MT of aluminium in 2020 to consuming 31.7 MT in 2030. More than half of the aluminium consumption growth coming from the transportation sector in Asia Ex.-China is expected to come from India (27%), Japan (17%) and the Middle East (12%).

In the electrical sector, the transition towards green energy sources will strengthen the sector's demand for aluminium, which will reach 15.6 MT in 2030 starting from 10.4 MT in 2020. Supporting solar power projects through alliances with designers and manufacturers can be key to increase aluminium demand coming from this sector, as solar power requires over four times more aluminium per installed megawatt than wind power and around 25 times more than coal. In addition to this increase in consumption from renewables, the need for conductor cables for power distribution will also increase. Although these conductors have been traditionally made from copper, transitioning to aluminium represents a viable alternative and can be beneficial from a cost perspective, especially when physical space is not a constraint.

Construction is expected to show relatively low growth in the next decade as consumption increases from 21.2 MT in 2020 to 25.8 MT in 2030. Following a slightly different path than other sectors, growth will come mainly from Asia Ex.-China as demand remains linked to infrastructure spending and urbanization rather than green trends.

Aluminium consumption from the packaging sector will increase from 7.2 MT in 2020 to 10.5 MT in 2030, driven mainly by the rise in popularity of canned drinks in North America, Europe, and China. The surge of demand for canned drinks in recent years and the subsequent demand of aluminium from the packaging sector, has been fuelled by the emergence of new products as well as a strong consumer preference for packaging options that are environmentally friendly.

### 3.2 Threats:

Escalation of geopolitical tensions, like the Russia-Ukraine war, can potentially lead to volatility in Aluminium supplies and prices, cause global inflation and disrupt trade and supply lines. Prices of Aluminium touched USD 4,000 per MT during March, 2022, which prompted many aluminium producers to restart or ramp up their production capacities, resulting in excess output of aluminium, which carries the risk of causing a glut in the market in the coming months. Abnormally high price of aluminium metal also adversely impacts demand for the metal, as consumers start looking for substitute materials

Another threat from the ensuing war to the domestic Aluminium industry is the exponential rise in price of imported coal, which has caused excessive demand for domestic coal in the country and has created coal shortage for aluminium producers. This situation may lead to disruption in power supply to Aluminium Smelters, thereby forcing production cuts.

Other threats include risk of adverse government policies, downturn in the economy, fluctuations in global prices/exchange rate and cheaper aluminium imports.

## 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	3,979.19	28.06	10,143.79	71.53	57.83	0.41	14,180.81
2.	PBT (Before exceptional items)	1,144.75	28.78	3,262.11	82.00	(428.87)	(10.78)	3,977.99
3.	Capital Employed#	2,298.00	21.42	4,006.64	37.34	4,424.43	41.24	10,729.07
4.	ROCE (%) (2/3)		49.82		81.42		(9.69)	37.08
5.	PBIT Margin (%) (2/1)		28.77		32.16		(741.60)	28.05

#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:

Global Aluminium production during July to September, 2022 is expected to be 17.50 Million Tonnes, while consumption during this period is likely to be 17.51 Million Tonnes, implying that the market is expected to be in balance in the short term.

International commodity prices have been exhibiting high degree of turbulence since the beginning of Russia-Ukraine war in February, 2022. Aluminium prices breached the USD 4,000 per MT mark briefly in March, 2022 before falling in the following weeks. The increase in prices was attributed to the fear of sanctions being imposed on exports of Russian origin Aluminium metal by the western world, which could have resulted in global shortage of metal. However, no such sanctions were actually imposed and no production cuts were announced by Russian Aluminium producers, which caused Aluminium prices to fall. The LME Cash price averaged USD 2,826 per MT in May, 2022, and has fallen further during June, 2022 to USD 2,563 per MT. However, sanctions have been imposed on Russian energy, which has caused prices of crude oil and natural gas to increase exponentially, thereby increasing cost of production of Aluminium metal worldwide, which could support Aluminium prices in the short term. Still, Harbour Aluminium predicts that Aluminium prices could fall to USD 2,300 per MT before the end of 2022.

During January to May, 2022, aluminium production in China totalled 16.199 Million Tonnes, a decrease of 0.39 per cent from 16.25 Million Tonnes during the same period last year. As of early June, the domestic operating aluminium capacity in China reached 40.498 Million Tonnes, with a valid installed capacity at 44.365 Million Tonnes. So, the average operating rate stood at 91.50 per cent. China's total alumina output in the first five months of the year came in at 31.046 Million Tonnes, witnessing a 5.2 per cent rise from around 29.43 Million Tonnes of production during the same period of last year. From July, 2022, the Chinese market is expected to see an intense growth in alumina production. However, Aluminium metal demand in China during April to June, 2022 is estimated to contract by 8.5% as compared to April to June, 2021, on account of weak demand and Covid induced lock downs. As a result, China has started exporting large quantities of Aluminium metal.

Aluminium demand outside of China has a limited upside potential in wake of sharp increases in global energy prices. In order to counter economic downturn, the Chinese government has been introducing stimulus packages in the past in order to boost domestic consumption. Therefore, possibility of any recovery in aluminium prices in the near future largely rests on demand recovery in China in the coming months.

## 5.2 Domestic Outlook:

The aluminium market in India has had a good start of 2022 with aluminium producers posting record-high profits supported by stronger domestic and export demand. However, the rising inflation poses a serious threat to both aluminium demand and smelters' profitability. In order to control inflation, the Government of India has taken various measures like ban on export of wheat, reduction in excise duty on petroleum products, imposition of export duty on steel products etc. RBI has also hiked the key policy interest rates during the last few weeks, which are likely to control inflation. However, this may prove to be detrimental to aluminium demand in the construction and automobile sectors as home loans and auto loans are likely to become costlier in the coming months.

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

Description	2021-22	2020-21	Change (%)
Aluminium Production ('000 MT)	4,032.6	3,629.9*	11.1%
Aluminium Domestic Sales ('000 MT)	1,568.0	1,347.3	16.4%
Aluminium Export Sales ('000 MT)	2,465.0	2,329.1*	5.8%
Aluminium Imports ('000 MT)	2,334.4	2,060.3	13.3%
Total Aluminium Consumption ('000 MT)	3,902.4	3,407.6	14.5%

\* as per revised figures reported by a Primary Aluminium producer.

Source: (a) NALCO's performance data, Primary Producers' data.

(b) CRU Aluminium Monitor.



## 6.0 RISK MANAGEMENT:

Your 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 advice 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:

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

- (a) Compliance with applicable statutes, policies & procedures, rules & regulations and delegated authority.
- (b) Adherence to applicable Accounting Standards and Policies.
- (c) Proper recording of transactions & timely reporting.
- (d) Effective use of resources and efficient operations.
- (e) 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.

Your 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 Indian 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.

Your 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 2021-22	FY 2020-21	Change %
Export Turnover	6,364.15	5,162.94	23
Domestic Turnover	7,694.83	3,706.35	108
Turnover	14,058.98	8,869.29	59
Other Operating Income	121.83	86.50	41
Revenue from Operation	14,180.81	8,955.79	58

Increase in sales volume and average sales realization of metal during the current FY resulted in an increase in turnover from ₹ 8,869.29 crore to ₹14,058.98 crore as compared to previous financial year.

Average Sales realization of Aluminium has increased from ₹1,45,519 to ₹ 2,20,405 per MT and that of Alumina has increased from ₹.21,395 to ₹ 31,737 per MT as compared to the previous year. From the volume front, sales quantity of Alumina, has increased marginally by 0.4% while Aluminium has increased by 8%.

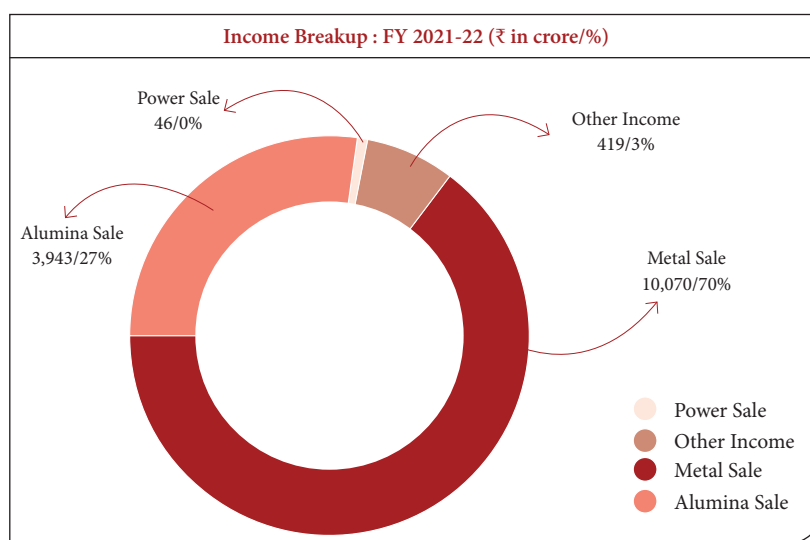
Other Operating Income during the year has increased from ₹ 86.50 crore to ₹ 121.83 crore as compared to the previous financial year. This increase in operating income by 41% is mainly due to higher export incentive (introduction of Remission of Duties and Taxes on Export Products schemes w.e.f 01.01.2022) caused by higher sales realization of Aluminium, and higher incentive earnings on upward revision of price of REC on renewable power generation.

### 8.1.2 Other Income (Non-operating):

₹ in crore

Particulars	FY 2021-22	FY 2020-21	Change %
Other Income	297.42	146.6	103

Note: Other non-operating Income is higher as compared to the previous year mainly due to higher investible surplus accompanied by higher rate of return and interest on income tax refund.



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 2021-22	FY 2020-21	*Total Change %
Raw Materials	1,971.13	1,315.43	45.22
Power & Fuel	3,388.48	2,638.09	11.73
Employee Benefit Expenses	2,355.80	1,930.24	22.05
Stock Accretion/Depletion	(116.83)	(5.76)	1,928.30
Other Expenses	2,065.07	1,294.97	59.47
Finance Cost	23.12	7.08	226.55
Depreciation, Amortisation and Impairment	836.59	605.82	38.09
<b>Total</b>	<b>10,523.36</b>	<b>7,785.87</b>	<b>35.1</b>

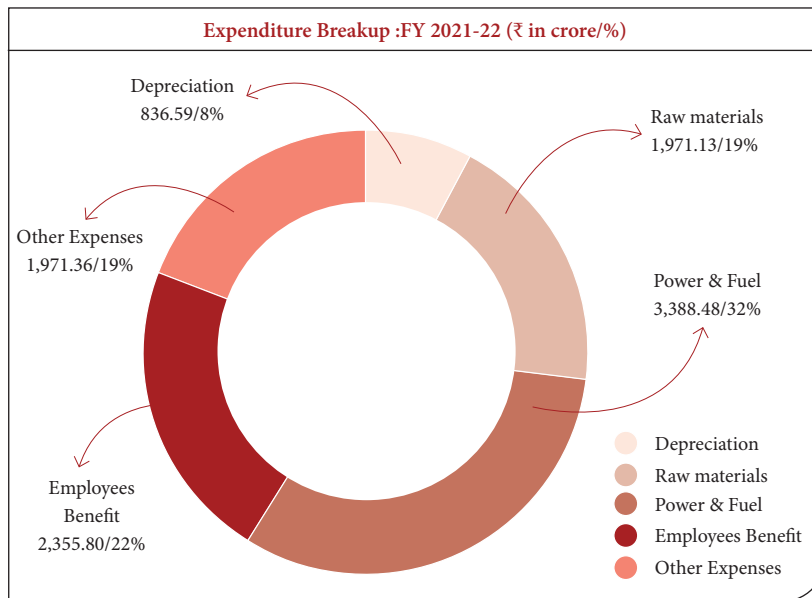
\* The total expenditure increase is after neutralizing the increase in scale of production.

Note:

- (a) Increase in Raw material and Power & Fuel expenses compared to the previous year is primarily attributable to increase in the price of CP Coke, CT Pitch, Caustic soda, and Coal and Fuel oil. Besides, the increase in production of Bauxite, Alumina and Metal has also contributed to the increase in Raw Material and Power & Fuel Expenses.



- (b) The increase in Employee benefit expenses by ₹ 425.56 crore is mainly attributable to provisioning towards performance related pay linked to profit and increase in long term employees benefit liability based on actuarial valuation.
- (c) The other expenses have increased by 59.47% as compared to the previous year due to introduction of additional royalty (100% of Royalty) and consequential DMF & NMET expenses pursuant to amendment in MMDR Act w.e.f. from 28.03.2021 and downward revaluation of Renewable Purchase Obligation (RPO) resulting from downward revision of % of obligation and price of renewable energy certificate (REC) accounted for during the previous year.
- (d) Depreciation during the current year is higher due to impairment provision of WPP at Devikot & Ludherva, Rajasthan.



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 2021-22	FY 2020-21
Profit before Tax	3,954.87	1,316.52
Tax Expenses	1,002.90	16.99
Profit After Tax	2,951.97	1,299.53
Earnings Per Share (of ₹ 5/- each)	16.07	6.97

#### 8.1.5 Dividend Particulars:

Particulars	FY 2021-22	FY 2020-21
Interim Dividend (%)	100%	50%
Final Dividend (%)	30%	20%
<b>Total (%)</b>	<b>130%</b>	<b>70%</b>
Dividend in ₹/share	6.50	3.50

## 8.2 Financial Positions:

₹ in crore

Particulars	FY 2021-22	FY 2020-21	Change %
<b>Assets</b>			
Property, Plant & Equipment	7,001.94	7,317.28	(4)
Capital work-in-progress	1,763.42	1,180.95	49
Intangibles	341.27	343.18	(1)
Investments	377.26	561.63	(33)
Inventories	1,646.17	1,476.32	12
Trade Receivables	75.25	147.39	(49)
Cash & Bank	3,706.07	1,749.78	112
Loans	120.30	116.11	4
Other Financial Assets	31.91	11.24	184
Current Tax Assets	55.28	85.50	(35)
Other assets	1,687.42	1,326.70	27
<b>Total</b>	<b>17,277.79</b>	<b>14,710.58</b>	<b>-</b>
<b>Equity &amp; Liabilities</b>			
Equity share capital	918.32	918.32	-
Reserve & Surplus	11,636.32	9,762.38	19
Deferred Tax Liability	868.18	893.72	(3)
Trade payable	1,480.71	977.27	52
Borrowings	20.67	46.11	(55)
Lease Liabilities	56.43	55.97	1
Other Financial liabilities	588.92	329.98	78
Provisions	387.93	792.80	(51)
Other Liabilities	1,320.31	934.06	41
<b>Total</b>	<b>17,277.79</b>	<b>14,710.58</b>	<b>-</b>

- (a) Decrease in the carrying amount of Property Plant & Equipments is due to impairment of WPP at Rajasthan by ₹ 241.11 crore, Further, Bauxite reclaimer, lean slurry project etc. have been capitalized during the year. Further, there is an addition in the capital work-in-progress due to upcoming 5<sup>th</sup> Stream at Refinery and pre-project expenses for Bauxite Mines at Pottangi.
- (b) Investment in Mutual fund has decreased by ₹ 184.37 crore.
- (d) Trade receivable has decreased due to a decrease in bills remained unrealized both in Alumina & Aluminium. All amounts against the unrealized bills have been realized in the first week of April, 2022.
- (e) The cash and bank balances has increased. The cash and bank balance at the reporting date comprises of deposits with the bank as short term investments and interest on amount deposited earlier towards disputed electricity duty.
- (f) Inventories has increased due to increase in inventory Raw material and Finished goods.
- (g) Other financial asset have increased due to excess funding of gratuity to Gratuity Trust.
- (h) Reserve & surplus has increased on account of profit generated during the year.
- (i) Trade Payables has increased due to year end liability on PRP payable to employee.
- (j) Increase in other liabilities during the year is primarily due to the payment of liability towards electricity duty and demand of additional royalty.

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

## 9.1 Human Resources:

- (a) Your Company is on continuous improvement and development mode. Health and safety of its employees has always been on top-most priority and it further got intensified during the COVID times.
- (b) To keep abreast with the changing times of Industrial set up and particularly during COVID which has brought a sea-change in the working culture of



the organizations, your Company with lot of agility adapted new work Culture 'WORK FROM HOME'. In order to ease out the transition, the scheme of laptops was introduced wherein provision of laptops for Officers was introduced.

- (c) COVID taught to think beyond boundaries and introduce new changes as 'NEW NORMAL'. When all the activities were taking a back step due to COVID pandemic, your Company introduced interview process in recruitment through video conferencing making it cost and time effective. Taking cue from the responses of exit interviews of superannuating employees as well as keeping in pace with the changing times and needs, a good number of existing HR policies and procedures have been amended and new ones have made their way into the system. Many more changes are envisaged focusing on promotion and development of Business Culture of the Company. Your company is exploring the avenues for talent acquisition and capability building through head hunting agencies, term based appointments, creating a pool of skilled retired manpower of PSUs etc., aiming to curtail the rising labour costs.
- (d) Manpower strength of the Company as on 31.03.2022 was 5,520 as against 5,805 at the last day of the previous year. The detailed breakup is given below:

Sl. No.	Position*	As on 31.03.2022	As on 31.03.2021
A	Executives	1,667	1,620
B	Supervisory	371	474
C	Skilled/Highly Skilled	3,004	3,201
D	Unskilled/Semi Skilled	478	510
	<b>Total</b>	<b>5,520</b>	<b>5,805</b>

\* Includes GETs/MTs/SOTs/JOTs

## 9.2 Training & Development:

In order to enhance the functional and behavioural 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 unstinted effort by your Company to impart skill and behavioural 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 managerial and technical institutes as well as for local population.

As regards regular employees, your Company has imparted training to 3,159 employees with 5,787 training man-days during the year 2021-22 in spite of the COVID pandemic lockdown scenario existing during first & second quarter of FY 2021-22. Further, 230 executives were given virtual external training from MDI(Gurgaon), ASCI-Hyderabad, IIM-Ahmadabad, IIT- Kharagpur, C-DAC-Pune, Institute of Directors(IOD), CII,IICA, Ne-MSME, SP Jain School of Global Management, Mumbai, SCOPE. NPC, DPE, ICC, Mumbai and AIMA, New Delhi etc. on management development programmes during 2021-22.

1,135 apprentice trainees were engaged during the year 2021-22 which is 20.56% of employees (i.e. employee strength is 5,520) of the company. (As per the gazette notification dated 25.09.2019, para-4 (ii), regarding the engagement of apprentice quote "within a financial year, each establishment shall engage apprentices in a band of 2.5% to 15% of the total strength of establishment including contractual staff" unquote). The company has engaged more apprentices in ITI, diploma and graduate technical degrees in various disciplines than as stipulated in the Act in spite of COVID pandemic scenario.

As a part of corporate responsibility and industry academia interface, 224 students from different technical and management institutes across the country had undergone summer internship programmes in various functional disciplines in your Company during the pandemic through virtual mode.

## 10.0 SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Particulars	FY 2021-22	FY 2020-21
PAT/ Net worth	23.51%	12.17%
EBIT/ Net sales	28.30%	14.92%
EBIT/ Capital employed*	37.08%	13.35%

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

## 11.0 CHANGE IN RETURN ON NET WORTH:

Particulars	FY 2021-22	FY 2020-21	Change %
Operating Profit Margin	32.13	20.10	59.85
Return on Net Worth	23.51	12.17	93.18

**Note:** Increase in operating profit margin is due to higher realisation (in rupee term) of Metal and Alumina, increase in sale volume and export incentive. This has also contributed to higher return on Net Worth.

## 12.0 SAFETY, OCCUPATIONAL HEALTH & ENVIRONMENT:

Your Company, a Navratna Central PSU is committed to adopt zero tolerance to safety aspects and gives top most priority in all its activities to conserve and protect the environment for 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 well-being of employees in the company.

All production units are certified to International Standards on Environmental Management Systems (ISO14001) 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 to improve housekeeping and massive plantation is taken up in and around the plant. All its production units including Townships at production units are operating with valid "Consent to Operate" under Air & Water Act, Valid Authorisation under different applicable Law (Hazardous Waste Authorisation, Biomedical Waste Authorisation etc.), Valid Licenses under different applicable Law (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", "Vanamahostav" 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 NALCO during the year are elaborated below:

### 12.1 BAUXITE MINES:

#### 12.1.1 Safety and Occupational Health:

- (a) Safety Gathering/Safety Talk are being conducted in every department on monthly basis.
- (b) Nalco Suraksha Mobile App has been successfully implemented for reporting of online unsafe conditions, unsafe acts, near-miss, fire hazards etc.
- (c) Safety Training Kiosk has been installed for visitors.
- (d) Nalco Suraksha Chakra, a cross functional team has been constituted to manage safety matters.
- (e) Mock Drills have been successfully conducted in June, 2021, October, 2021, December, 2021 and March, 2022.
- (f) External Safety Audit has been carried out from 20.10.2021 to 22.10.2021.
- (g) Regular PME was conducted for 315 employees following COVID-19 guidelines.
- (h) Panchpatmali Bauxite Mines received 17<sup>th</sup> CII Odisha Excellence Award 2021 for best practices in Safety, Health & Environment.
- (i) Panchpatmali Bauxite Mines was awarded Kalinga Safety Award (Platinum) in Odisha State Safety conclave for the performance year, 2020, organized by IQEMS in December, 2021.
- (j) Best Safety Officer of the State was awarded to Safety Officer (Mines), Panchpatmali Bauxite Mines for the performance, 2021 in Odisha State Safety Conclave organized by IQEMS in December, 2021.

#### 12.1.2 Environment:

- (a) 1,10,263 nos. of trees were planted in and around Mines against the target of 1,10,000.
- (b) Further, 5,000 nos. of fruit bearing seedlings were distributed to local villagers to improve awareness about plantation among the villagers.
- (c) 7,000 square meter of grass turfing was carried out inside the Mines as per the target.
- (d) Two more bio-gas plants were established to treat the organic waste from canteen taking the total no. of bio-gas plants to three.
- (e) During the year, Mines received the Pollution Control Excellence Award 2021 from State Pollution Control Board, Odisha.
- (f) During the year, Mines received the CII Eastern Region SH&E Excellence Appreciation Award 2021.
- (g) During the year, Mines also received the Greentech Environment Awards 2021 from Greentech Foundation, New Delhi for outstanding efforts towards environment protection.
- (h) During the year, Mines secured the third position in the All Odisha CII SH&E Excellence Awards 2021 competition.

### 12.2 ALUMINA REFINERY

#### 12.2.1 Safety and Occupational Health:

- (a) Total 2,158 number 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.

- (b) Simultaneous monthly area wise safety awareness programs were conducted in Alumina Refinery including township where cumulative total 9,350 numbers workmen were covered.
- (c) "NALCO Suraksha app" is implemented, as a part of 10 points action for identification of unsafe act/conditions and reporting/compliance through safety mobile app.
- (d) New Digital Gate-pass system was augmented in Material Gate for Drivers and helpers of heavy vehicles.
- (e) For visitors, trainees, stakeholders etc., 2 nos. of 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.
- (f) 2 nos. statutory mock drills were conducted. Apart from this, one evacuation drill was conducted in association with ODRAF team, CISF and local authorities.
- (g) One Off-site mock drill was organized by District Administration on 24.12.2021 where Alumina Refinery actively participated and the program was successful.
- (h) Annual EHS Magazine "Suraksha Kabach" 26<sup>th</sup> edition was released on 4th December, 2021.
- (i) Major awards received during the year:
  - i) Alumina Refinery was awarded Kalinga Safety Award (Gold) in Odisha State Safety conclave for the performance year-2020, organized by IQEMS in December, 2021.
  - ii) Alumina Refinery was awarded Kalinga Environment Award for the performance year, 2020, organized by IQEMS in October, 2021.
  - iii) Regular PME conducted for 1,412 employees in 2021 following all COVID-19 guidelines.

#### 12.2.2 Environment:

- (a) All Statutory Compliances and returns with respect to DF&B, SPCB, CPCB and MOEF & CC etc. are timely submitted.
- (b) Alumina Refinery has achieved 100.37% fly ash utilization during the year 2021-22.
- (c) 15,424 nos. saplings plantation done during the year against the target of 15,000 nos.
- (d) Renovation of STP-IV has been completed in conformity with STP discharge water quality as per the statutory guideline.
- (e) Hazardous wastes such as discarded asbestos, empty chemical containers/barrels, spent resin are disposed through authorized agencies.

#### 12.3 SMELTER PLANT:

##### 12.3.1 Safety and Occupational Health:

- (a) On safety performance, there has been no reportable and non-reportable accidents.
- (b) A vertigo test platform for work at height has been made ready, where 84 workers have been tested during this financial year.
- (c) Based on the recommendation of M/s. Life Gear, Mumbai (Consultant) for fixing various fall protection measures such as vertical & horizontal lifelines, permanent walkways, edge protection, skylight protectors and other safety measures, fund has been sanctioned and work started.
- (d) A Truck mounted 11 metre aerial work platform was also procured and is in extensive use for various height jobs. Another 42 mtr. aerial platform is under the advanced stage of procurement.
- (e) 20 nos. of Sky light protectors procured and installed in Rolling Plant.
- (f) To ensure road safety with a scientific approach with innovative interventions, consultancy awarded to carry out road safety audit inside smelter plant. Road safety audit completed. Action initiated for compliance.
- (g) Sufficient nos. of road stop barricades were fabricated and placed at various locations inside plant & township.
- (h) In order to prevent the entry of personal vehicles in Potlines, installation of vehicle access control system has been completed.
- (i) Order placed for Installation of ANPR CCTV camera (14 nos.) inside smelter plant.
- (j) One thousand nos. of safety visors were procured for the first time and issued to respective departments for use in hot metal handling areas. The same will be procured as AP items in future.

- (k) NALCO Suraksha Mobile App is in extensive use by Safety Officers and all executives for raising safety inspection. The CII ICT (Information Communication & Technology) Award was given to Nalco collective for the Safety-Surakhya Mobile App developed in-house at Smelter.
- (l) Anti-collision system based on radar technology was commissioned in PTM no. 8, 9, 16 & 20.
- (m) Installation of 300 meter shrouded bus bar at Cast House-A was completed.
- (n) A high-level Committee was formed for creating road map to a safe & healthy working environment at Smelter Plant. Committee report with a detailed action plan & timeline has been submitted and monitored periodically.
- (o) Consultancy awarded for preparation of revised on-site emergency plan.
- (p) A new procedure was developed for Scrap & Salvage vendors engaged through MSTC, to comply with usage of PPEs before they are allowed for work, using short duration pass.
- (q) A standardized format along with fire safety checklist for requisition of CISF fire service to attend hot job or stand-by-job has been approved and is in use.
- (r) 2<sup>nd</sup> National Electrical Safety Week was observed from 26<sup>th</sup> June, 2021. Electrical safety audit was carried out by electrical safety officers during the electrical safety week.
- (s) Mock drills were held regularly as per schedule involving statutory authorities.
- (t) Regular safety training of employees, GETs, apprentices & contract workers were conducted following COVID guidelines. Total 31 training programmes were conducted for employees covering 580 participants and total 221 training sessions were conducted for contract workers covering 2,042 participants.
- (u) Regular PME conducted for 2,362 employees in 2021 following all COVID-19 guidelines.

#### 12.3.2 Environment:

- (a) Construction of concrete platform of Scrap and Salvage yard for cut pins etc. completed.
- (b) Around 5,896 MT of carbon portion of SPL disposed during FY 2021-22 to authorized recycler M/s. Green Energy as part of energy recovery from waste.
- (c) Around 30,399 MT of Aluminium Dross was sold to authorized recyclers during FY 2021 to 2022.
- (d) Supply, installation & commissioning of 3 nos. surveillance cameras to view emission from all the stacks and fugitive emission of the plants completed.
- (e) Installation of on line fugitive Fluoride monitoring system in Pot line I, II & III is in progress. Material received at site.
- (f) Installation and commissioning of online incinerator stack monitoring system completed. Data is being uploaded to OSPCB server.
- (g) Installation of online SO<sub>2</sub> monitoring system in stacks of Bake oven is in progress.

#### 12.4 CAPTIVE POWER PLANT:

##### 12.4.1 Occupational Health and Safety:

- (a) Vertigo Test of contractor workmen who are engaged at height work has been carried out by NALCO OHC doctor at the safety park.
- (b) Survey for height work safety (Fixing of Lifelines) has been carried out by M/s. Life, Gear Mumbai.
- (c) For safe environment & best safety practices, a Safety Park has been built wherein sample of scaffolding, confined space, excavation, chlorine cylinder, and an arrangement for vertigo test are displayed.
- (d) A new DCP Tender was procured supplied by the vendor M/s. Anand Fabricators on 14.02.2022 & was handed over to CISF (Fire wing).
- (e) External Safety training programme was organised through RLI (Kanpur, Kolkata & Shillong) on different safety topics covering 259 employees of CPP.
- (f) Audio-Video training programs are conducted for contractor workers in the safety training hall. In 2021, 75 safety awareness training programmes have been conducted covering 1,010 contractor workers.
- (g) Reflective Signage Boards were displayed at the conspicuous locations of the plant for safety & environment awareness.
- (h) 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.



- (i) 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.
- (j) Near-miss reporting award scheme has been implemented in CPP to prevent unsafe acts/conditions.
- (k) Regular PME conducted for 884 employees in 2021 following all COVID-19 guidelines.

#### 12.4.2 Environment:

- (a) To achieve 100% ash utilization target commissioning activities of Lean Slurry Project (LSP) of ash disposal to abandoned allotted mine void has been completed in July, 2021. More than 100% ash utilization since November, 2021.
- (b) The cumulative ash utilization in the year 2021-22 was 85.63%.
- (c) 2 nos. of HDIP surveillance camera for monitoring of Stack emission has been installed in March, 2022 and device ID&IP address has been communicated to SPCB for real time monitoring.
- (d) DPR from M/s. NTPC consultancy wing has been received for FGD at CPP.
- (e) M/s. CSIR-NEERI has been engaged for Environment site assessment of ash pond. Draft report has been received.
- (f) To further improve stack emission, revamping of 1st 4 fields of ESPs of Unit-5 & Unit-6 has been carried out during annual overhauling of the unit.
- (g) CPP, NALCO has planted 2,450 nos. of plant in the year 2021-22. So far, around 12.23 lakhs plants have been planted since its inception covering around 34.56% of total area.
- (h) During the FY 2021-22, 1,44,77,860 M3 of ash pond overflow water was recycled and re-used.
- (i) During FY 2021-22, 24,36,554 M3 of water from rain water harvesting system was recycled and re-used.
- (j) Reclamation & stabilization of Ash pond-IV was completed.
- (k) Ash mound construction from 107 MRL to 115 MRL in both part-A & Part-B of Pond-II has been completed in 4 phases. About 65.0 Lakhs M3 of pond ash was used for construction.
- (l) Zero discharge has been achieved with respect to industrial effluent, ash pond overflow water and sewerage treatment plant treated water.
- (m) Seepage water recycle system of 2x300 m3/hr recycle capacity has been constructed at Ash pond to re-use the seepage water in ash handling system.

### 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 2021-22 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 2021-22 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:

- (a) Reconditioning of poly pulley hubs (1,652 nos.) and idlers (3,162 nos.) in crusher and conveyor section and its usage have resulted in cost savings.
- (b) Rebuilding of the crushing segments of SMCP crusher for extension of their life in SMCP resulting in savings.
- (c) Reduction in diesel consumption in dumpers by use of fuel additive has resulted in average 5.16% savings of HSD with reference to pre-trial period.
- (d) Reduction in diesel consumption by parking of vehicles at mining face has resulted in saving of 128.5 KL of HSD in the current Year.
- (e) Reduction in diesel consumption by enhanced usage of backhoe shovels in place of ripper dozers-wheel loader combination has resulted in savings of around 57 KL of HSD.

#### 15.2 Alumina Refinery:

- (a) Upgradation of operation of Spent Liquor feed Pump-1138A from DOL to VFD mode has resulted in savings of around 15% electrical energy with reference to pre-implementation period.

- (b) Installation of new Plasma cutting Machine for fabrication works at Electrical Repair Shop to replace the conventional Oxy-acetylene cutting resulted in energy savings.
- (c) Development of alternate vendor for GIW make bare shaft pump LCCM 250-660-4M resulted in savings.
- (d) Modification of Tank 1,005 Agitator Shaft and gearbox is done to avoid frequent failure and has resulted in savings.
- (e) Development of Voith Coupling pads of ball mill 003, 004, 005 from alternate source to OES resulted in savings.
- (f) Development of Slurry Flow Regulator valves from indigenous source resulted in savings.
- (g) In FY 2021-22 Energy saving of 8,96,724 kWh was achieved through replacement of total 7,100 nos. LED fitting in place of conventional light fitting.

### 15.3 Smelter:

- (a) Graphitization of cathode blocks: Total 864 graphitized pots are in operation, out of that 74 pots have been Graphitized in 2021-22, capable of reducing specific electrical Energy consumption in pot line @ 55 KWH/MT/Pot.
- (b) 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 NALCO. 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
- (c) Installation of 2<sup>nd</sup> Anode slot cutting machine at carbon Rodding Shop-II completed, 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 Trial is under progress.
- (d) 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 / NM<sup>3</sup>. The project is almost completed and is due for commissioning and PG test.
- (e) 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.
- (f) Replacement of 111 Nos. of standard efficiency LT motors (ranging from 0.55 KW to 55KW) with 111 Nos. of IE-3 class LT motor resulting in energy saving of 8,36,556 KWH/annum (0.83 MU).
- (g) Installation of Main Ring Dampers at Anode Baking Furnace (ABF)-I to reduce Fuel oil consumption in baking furnace. Total 86 nos. of ring dampers were procured. Installation completed on 21/08/2021 in the 4 fires of ABF-1 and handed over to Operation for normal operation.

### 15.4 Captive Power Plant (CPP):

- (a) Renovation & Modernization of existing Air-Preheater in Unit-3 with advanced profile heating element and double sealing arrangement completed in December, 2021. This has resulted in increase in boiler efficiency due to reduction in air leakage and increased heat transfer.
- (b) De-staging of existing Condensate Extraction Pump (CEP) from 7 stages to 6 stages completed in Unit-3 & 9, which resulted in reduction of power consumption by 40 kW per unit.
- (c) Replacement of HP-IP rotor including inner casing with new one in Unit-8 completed in October 2021. After replacement Unit-8 heat rate reduced by 170 kcal/kWh.
- (d) Coal transport corridor project was commissioned on 1st January, 2022 to receive coal through road mode.
- (e) In FY 2021-22 Energy saving of 15,29,732 kWh was achieved through replacement of total 8,343 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 IndAS 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 various power sourcing option for the 0.5 Million Tonne brown field expansion of Smelter plant.

For raw material security, the Company is in the process of opening of Mines like Pottangi Bauxite Mines and Utkal-D & E Coal Mines. The Company is setting up a Caustic Soda plant at Dahej, Gujarat in JV with GACL which will secure the requirement of the critical raw material.

## 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. NALCO and GNAL executed Caustic Soda Supply Agreement in September, 2021.

Around 97% of the project activities have been completed. Caustic Evaporation Unit partially commissioned and 100 MT Caustic Soda Lye produced by 31<sup>st</sup> March, 2022. In Caustic Soda Plant, 02 Electrolysis Cells started production of Caustic Soda from May, 2022. The Project is scheduled to be completed fully by October, 2022. Your Company has already released ₹ 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 ₹ 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 FY 2022-23.

### 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 ₹ 20 crore so far towards its share of equity contribution. The plant is being set up in Nellore district of Andhra Pradesh. The project activities have been started and 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. JWG meeting (Government to Government and Business to Business) with Australia, Bolivia was held in September, 2021 and April, 2022 respectively to explore sourcing of lithium and other mineral assets. Your Company has released ₹ 13 crore so far towards its share of equity contribution in KABIL.

## 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:

- The procurement of products produced and services rendered by MSEs (Micro and Small Enterprises) of Odisha including Ancillary Units for FY 2021-22 stands at ₹ 430.72 crore (as against ₹ 373.82 crore of last FY). The total procurement of products produced and services rendered by MSE units (including those from outside Odisha) stands at ₹ 713.80 crore during FY 2021-22 (as against ₹ 536.73 crore during FY 2020-21) and it is 31.22% of the total procurement of Goods and Services made by your Company against Govt. target of minimum 25%. For FY 2022-23, the target for procurement of products produced and services rendered by MSEs has been set at 25% of the total annual procurement for 2022-23 which is as per the PPP-MSE order.
- The PLAC (Plant Level Advisory Committee) meeting for the year 2021-22 was conducted at Corporate Office, Bhubaneswar on 13.12.2021 in virtual mode in association with DIC & MSME Department, Govt. of Odisha.
- Special efforts have been made for registration of women owned MSEs and 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. In this regard, it may be noted that your Company participated in 'Entrepreneurship Awareness Program for Women', organised by MSME Dept., Govt. of Odisha on 11.03.2022 at Bhubaneswar which was attended by around 100 women owned MSEs.
- All MSE vendors (including Ancillaries) are being requested to onboard in GeM Platform. Also, as NALCO 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.
- Due to restrictions imposed on account of COVID-19, the Company could organize only 07 vendor meets (including MSEs and Ancillaries) in 2021-22. All the above meets were on virtual mode only.

- (f) 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.
- (g) 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			
(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 Swarupananda Mishra, GM(Materials) Alumina Refinery, NALCO, Damanjodi- 763008 Mobile: 9437043184, e-mail: swarupananda.mishra@nalcoindia.co.in		
Sl. No.	Particulars	2021-22	2020-21
I	Total annual procurement (In value) (*) (In ₹ crore)	2,286.37	1,764.25
II	Total value of goods & services procured from MSEs (Including MSEs owned by SC/ST entrepreneurs) (In ₹ crore)	713.80	536.73
III	Total value of goods & services procured from only MSEs owned by SC/ST entrepreneurs (In ₹ crore)	5.94	8.22
IV	Total value of goods & services procured from only MSEs owned by women entrepreneurs (In ₹ crore)	33.21	16.498
V	% of procurement from MSEs (Including MSEs owned by SC/ST & women entrepreneurs) out of total procurement	31.22	30.42
VI	% of procurement from only MSEs owned by SC/ST entrepreneurs out of total procurement	0.26	0.466
VII	% of procurement from only MSEs owned by women entrepreneurs out of total procurement	1.45	0.935
VIII	Total number of Vendor Development programmes for MSEs	07	08
IX	Whether Annual Procurement Plan for purchases from MSEs are uploaded on the official website	Yes	Yes
X	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, grease, proprietary items, imported items and contracts for professional services/consultancy services/major turnkey contracts/contracts linked to specific technology.

## 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.



## ANNEXURE-III

## BUSINESS RESPONSIBILITY REPORT FOR 2021-22

## 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	company_secretary@nalcoindia.co.in
6	Financial year reported	FY 2021-22
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	<ol style="list-style-type: none"> <li>1. <b>Alumina</b> <ul style="list-style-type: none"> <li>• Calcined Alumina</li> <li>• Alumina Hydrate</li> <li>• Specialty Hydrates</li> </ul> </li> <li>2. <b>Aluminium</b> <ul style="list-style-type: none"> <li>• Standard Ingots</li> <li>• Sow Ingots</li> <li>• T-Ingots</li> <li>• Wire Rods</li> <li>• Billets</li> <li>• Flat Rolled Products (Coils, Sheets &amp; Chequered Sheet)</li> </ul> </li> <li>3. <b>Electricity</b></li> </ol>
9	a) Number of International Locations	NIL
	b) Number of National Locations	<ol style="list-style-type: none"> <li>a) Registered &amp; Corporate Office, NALCO Bhawan, P/1, Nayapalli, Bhubaneswar – 751013, Odisha</li> <li>b) Mines &amp; Refinery Complex, Damanjodi-763008, Koraput, Odisha</li> <li>c) Smelter Plant, Nalco Nagar - 759145, Angul, Odisha</li> <li>d) Captive Power Plant, Nalco Nagar - 759145, Angul, Odisha</li> <li>e) Wind Power Plants <ol style="list-style-type: none"> <li>i) Wind Power Plant-I : Gandikotta, Andhra Pradesh</li> <li>ii) Wind Power Plant-II : Ludarva, Rajasthan</li> <li>iii) Wind Power Plant-III : Devikot, Rajasthan</li> <li>iv) Wind Power Plant-IV : Jath, Maharashtra</li> </ol> </li> <li>f) No. of Port Offices : 03 (Visakhapatnam, Kolkata, Paradeep)</li> <li>g) No. of Regional Offices : 04 (New Delhi, Mumbai, Chennai, Kolkata)</li> <li>h) No. of Stockyards : 08 (Jaipur, Baddi, Kolkata, Chennai, Visakhapatnam, Vadodara, Delhi, Raipur )</li> </ol>
10	Markets served by the Company	<p>During the FY 2021-22, the following Aluminium markets were catered to by the company (in addition to India) : China, Indonesia, Malaysia, Singapore &amp; Thailand</p> <p>Calcined Alumina produced in excess of Company's own requirement is exported. During FY 2021-2022, the following Alumina markets were catered to by the company (in addition to India): China, Egypt, Indonesia, Malaysia, Oman, Qatar, UK and UAE.</p>



## Section B: Financial Details of the Company

Sl. No.	Particulars	Company Information
1	Paid up Capital, as on 31.3.2022	₹ 918.32 crore
2	Total Turnover	₹ 14,058.98 crore
3	Total Profit after Taxes	₹ 2,951.97 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 ₹ 36.91 crore was spent during the year on CSR activities. b) The actual expenditure on CSR activities indicated above is 2.58% of average Net Profit for the three previous Financial Years i.e. 2018-19, 2019-20 & 2020-21.
5	List the activities, in which expenditure on CSR as mentioned above, has been incurred	<p>i) Health care Programs:</p> <p>(a) Outreach Program-Mobile Medical Units, Diagnostic &amp; awareness building through Information, Education, Communication (IEC) activities and OPD center at S&amp;P Complex.</p> <p>(b) Capital and running expenditure towards District Covid Hospital at Nabrangpur, Odisha.</p> <p>(c) Capital and running expenditure towards District Covid Hospital at Banarpal, Angul, Odisha.</p> <p>(d) Distribution of face mask, food, dry ration along with awareness campaigns in and around the periphery villages during pandemic Covid-19.</p> <p>(e) Strengthened the health infrastructure to optimize the health care service delivery system especially in relation to COVID care. Supported medical oxygen cylinders, DG sets to oxygen filling stations, Rapid Antigen Test (RAT) kits to district administration.</p> <p>ii) Sanitation programs:</p> <p>(a) Construction of House Hold Toilets under ODF initiative, construction of School Toilets, under Swachh Vidyalaya Abhiyan.</p> <p>(b) Swachh Iconic City Project - Puri.</p> <p>iii) Drinking water programs- Providing safe drinking water to periphery villages of plants locations.</p> <p>iv) Promoting education:</p> <p>(a) Supporting formal education of tribal children of Koraput district in three reputed residential schools.</p> <p>(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.</p> <p>(c) Strengthening of educational infrastructure to enable delivery of quality education.</p> <p>v) Empowering women through strengthening of SHGs and promoting alternative livelihood sources.</p> <p>vi) Ensuring environmental sustainability, ecological balance through plantation.</p> <p>vii) Rural development activities in periphery villages and other areas.</p> <p>viii) Supported State Administration to combat the cyclone YAAS.</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 associated 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 Bijay Kumar Das
3	Designation	Director (Production)

## b) Detail of the BR head

Sl. No.	Particulars	Details
1	DIN Number	08984700
2	Name	Shri Bijay Kumar Das
3	Designation	Director (Production)
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):** Businesses should respect and promote human rights.

**Principle 6 (P6):** Business should respect, protect, and make efforts to restore the environment.

**Principle 7 (P7):** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

**Principle 8 (P8):** Businesses should support inclusive growth and equitable development.

**Principle 9 (P9):** Businesses should engage with and provide value to their customers and consumers in a responsible manner.

## 2 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	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 crux of nine NVG principles are captured by Sustainable Development Policy of Nalco, which is signed by CMD after approval of Board and implementation of the same is done by operating Management Systems conforming to International Standards i.e. ISO 9001, ISO 14001, ISO 50001, ISO 45001 & the SA8000 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, OHSMS & QMS, by external auditors of respective management system. Also different policies of Nalco, Vision, Mission and Core Values statements of Nalco reflect the spirit of NVG principles details of which are given below. Besides all applicable national and international laws, directives and guidelines 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 standards 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	<ol style="list-style-type: none"> <li>Code of Business Conduct and Ethics for Board Members and Senior Management: <a href="https://nalcoindia.com/wp-content/uploads/2020/02/Code-of-Conduct.pdf">https://nalcoindia.com/wp-content/uploads/2020/02/Code-of-Conduct.pdf</a></li> <li>Fraud prevention policy : <a href="https://nalcoindia.com/wp-content/uploads/2018/12/Nalcofraudpreventionpolicy.pdf">https://nalcoindia.com/wp-content/uploads/2018/12/Nalcofraudpreventionpolicy.pdf</a></li> <li>Whistle blower policy : <a href="https://nalcoindia.com/wp-content/uploads/2018/12/Whistleblowerpolicy_nalco.pdf">https://nalcoindia.com/wp-content/uploads/2018/12/Whistleblowerpolicy_nalco.pdf</a></li> <li>Delegation of Powers</li> <li>Vigilance Manual</li> <li>Marketing Guidelines</li> <li>Purchase Manual: <a href="http://livetenders.nalcoindia.com/Website/webDownloads.aspx?Glnk=dwnld">http://livetenders.nalcoindia.com/Website/webDownloads.aspx?Glnk=dwnld</a></li> <li>Contracts Manual: <a href="https://nalcoindia.com/wp-content/uploads/2020/03/CONTRACT-MANUAL-2013-updated-till-31-10-2021.pdf">https://nalcoindia.com/wp-content/uploads/2020/03/CONTRACT-MANUAL-2013-updated-till-31-10-2021.pdf</a></li> <li>Stores Manual</li> <li>Integrity Pact: <a href="https://nalcoindia.com/wp-content/uploads/2019/01/Pre-Contract-Integrity-pact-with-SOP.pdf">https://nalcoindia.com/wp-content/uploads/2019/01/Pre-Contract-Integrity-pact-with-SOP.pdf</a></li> </ol>
Principle 2 : Sustainability in life-cycle of product	Occupational Health & Safety Policy: <a href="https://nalcoindia.com/wp-content/uploads/2019/01/OHS-policy-14-10-2020.pdf">https://nalcoindia.com/wp-content/uploads/2019/01/OHS-policy-14-10-2020.pdf</a>
Principle 3: Employee well-being	<ol style="list-style-type: none"> <li>HR Manual</li> <li>Social Accountability Policy: <a href="https://nalcoindia.com/wp-content/uploads/2019/01/Social_Accountability-Policy-English.pdf">https://nalcoindia.com/wp-content/uploads/2019/01/Social_Accountability-Policy-English.pdf</a></li> </ol>
Principle 4: Benefitting Stakeholders	<ol style="list-style-type: none"> <li>Quality Policy : <a href="https://nalcoindia.com/wp-content/uploads/2019/01/Quality-Policy-14-10-2020-1.pdf">https://nalcoindia.com/wp-content/uploads/2019/01/Quality-Policy-14-10-2020-1.pdf</a></li> <li>Core Values "BEST" : <a href="https://nalcoindia.com/company/vision-mission-values/">https://nalcoindia.com/company/vision-mission-values/</a></li> </ol>
Principle 5: Promotion of human rights	Social Accountability Policy <a href="https://nalcoindia.com/wp-content/uploads/2019/01/Social_Accountability-Policy-English.pdf">https://nalcoindia.com/wp-content/uploads/2019/01/Social_Accountability-Policy-English.pdf</a>
Principle 6: Environmental protection	Environment Policy : <a href="https://nalcoindia.com/wp-content/uploads/2019/01/Environment-Policy-14-10-2020.pdf">https://nalcoindia.com/wp-content/uploads/2019/01/Environment-Policy-14-10-2020.pdf</a>
Principle 7: Responsible public policy advocacy	Core Values "BEST" : <a href="https://nalcoindia.com/company/vision-mission-values/">https://nalcoindia.com/company/vision-mission-values/</a>
Principle 8: Inclusive growth	CSR Policy : <a href="https://nalcoindia.com/wp-content/uploads/2019/01/CSR-Policy-2019-2.pdf">https://nalcoindia.com/wp-content/uploads/2019/01/CSR-Policy-2019-2.pdf</a>
Principle 9: Customer value	Quality Policy : <a href="https://nalcoindia.com/wp-content/uploads/2019/01/Quality-Policy-14-10-2020-1.pdf">https://nalcoindia.com/wp-content/uploads/2019/01/Quality-Policy-14-10-2020-1.pdf</a>



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

S. 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	NOT APPLICABLE								
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)									

In view of affirmative answer to the question at Sl. No.1 of 2(a) above 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 assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

During F.Y. 2021-22, the CSR and SD Committee of the Board met once i.e. on 07.02.2022.

Further, there were 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 was taken in the Board meeting 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. The draft BR Report of 2020-21 was directly placed before the Board of Directors in their meeting held on 06.09.2021 and the same was reviewed and approved by the Board of Directors.

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 weblink for 2020-21 Annual Report is : <https://nalcoindia.com/wp-content/uploads/2021/09/40th-Annual-Report.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 2020-21 is <https://nalcoindia.com/wp-content/uploads/2022/07/sustainable-development-report-2020-2021.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, Ethics and Transparency are the yardstick with which we judge our business partners, employees, service providers, suppliers and contractors. Our Contract Manual and Purchase Manual have ample provisions to ensure fair deals from suppliers, contractors and service providers in matter of contract and procurement. Likewise Marketing Manual provide procedure and guideline for fair, transparent and credible transaction in an International scenario. The Sustainable Development Policy and Core Values, reflect our commitment towards integrity, ethical practices and transparency. The system is further augmented with, "Fraud Prevention Policy", "Whistle Blower Policy", "The Code of Business Conduct & Ethics for Board Members and Senior Management", "Code of conduct and procedures for fair disclosure of unpublished price sensitive information", 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 our vigilance manual, CVC Guideline, SEBI guideline, Code of Conduct and other applicable guidelines. Integrity Pact signed between transacting party and company for all contacts above ₹ 50 lakh gives further boost to our conviction regarding ethics and transparency. Any complainant lodging complaint under Public Information Disclosure and Protection of Informer (PIDPI) Scheme of Govt. of India receives due protection as per the provisions of the scheme.

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, while 1 complaint from bidder/contractor/vendor was pending from previous year. Out of these 13 complaints, 10 complaints were investigated and closed during the year while 3 complaints are pending at different stages of investigation till the end of year. Based on observed irregularity and violations necessary action as per Nalco Vigilance Manual and CVC Guideline are taken on deserving cases.
- ii) Total 5 customers' complaint were received during FY 2021-22. All the 5 complaints have been closed satisfactorily in the FY 2021-22.
- iii) As regards to suppliers, 8 number of complaints were received in the Financial Year 2021-22. It is worth mentioning that all the 8 complaints were referred to IEM's and based on the feedback/recommendations of the IEM's all the 8 complaints have been resolved.

## iv) Investor Complaints:

In total, 2,253 number of complaints were received during the F.Y. 2021-22 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	Nil	Nil	Nil
Stock Exchanges	Nil	1	1	Nil
Individuals	Nil	2,252	2,252	Nil
<b>TOTAL</b>	<b>Nil</b>	<b>2,253</b>	<b>2,253</b>	<b>Nil</b>

- v) No complaints regarding Child labour / Forced labour / Involuntary labour, Discriminatory employment were received during 2021-22 and no complaints regarding above are pending as on 31.03.2022. One complaint regarding Sexual Harassment was received during 2021-22 which was resolved.

**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 concern is inbuilt in production process of all the above products. Environmental effect of our 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 our 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	<b>1. Air Pollution:</b> i) Stack Emission ii) Dust in Calcined Alumina, Bauxite, Coal and Ash handling areas	<b>1. Air Pollution:</b> i) Electro Static Precipitators (ESPs) are provided in Boiler for collecting particulate matters from Flue Gas of Boiler. ESP is provided in Calciners for collection of alumina dust generated in calcinations process. ii) Bag filters and de-dusting system are provided in alumina loading and unloading area to prevent dust emission. 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.
			<b>2. Water Pollution</b> i) Waste effluent ii) Sewage & Waste water iii) Surface Runoff water	<b>2. Water Pollution:</b> i) Effluent water is collected in holding pond, and recycled back in the process at Alumina Refinery. ii) Recycling and reuse is being done for the waste water at the RMP / Ash Pond for process use at Alumina Refinery. Sewage Waste water is treated in Sewage Treatment Plant and the same is reused for Horticulture purposes. iii) Surface run off & storm water is stored in the Sabari Lake and disposed to outside after necessary treatment if required.
			<b>3. Land Contamination</b> i) Lime grit ii) Red mud iii) Ash	<b>2. Land Contamination:</b> 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"> <li>• Air pollution</li> <li>• Water pollution</li> <li>• Land contamination</li> </ul>	<b>1. Air Pollution</b> i) Fluoride & particulate emission from the FTP/FTC stacks due to pot operation. ii) Generation of PFC during anode effect, detailed below*	<b>1. Air Pollution:</b> i) Fluoride emission is controlled by adsorption 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.

TABLE-A

Unit	Products	Environmental Concerns	Risks	Opportunities /Mitigation Measures
Smelter	Aluminium	<ul style="list-style-type: none"> <li>• Air pollution</li> <li>• Water pollution</li> <li>• Land contamination</li> </ul>	<b>2. Water Pollution:</b> i) Generation of fluoride contaminated surface runoffs.	<b>2. Water Pollution:</b> 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.
			<b>3. Land Contamination:</b> Generation of Hazardous waste like (i) SPL, (ii) Dross, (iii) Shot blasting waste etc.	<b>3. Land Contamination:</b> (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. Around 5,896 MT of carbon portion of SPL disposed during FY 2021-22 to authorized recycler M/s. Green Energy as part of energy recovery from waste. (ii) Aluminium Dross is recycled into the pots. Around 30,399 MT of Aluminium dross was sold to authorized recyclers during FY 2021-22. (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.
CPP	Electricity	<ul style="list-style-type: none"> <li>• Air pollution</li> <li>• Water pollution</li> <li>• Land contamination</li> </ul>	<b>1. Air Pollution</b> i) Flue Gas from Boiler. ii) Fugitive Dust from Coal and Ash Handling Area. iii) Heat emission in flue gas to atmosphere.	<b>1. Air Pollution:</b> 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.
			<b>2. Water Pollution</b> i) Effluent Waste water ii) Sewage Waste water iii) Surface runoff water.	<b>2. Water Pollution:</b> i) Effluent treatment plant is provided for treatment of industrial waste water. The treated water is used for ash slurry making. Decanted water from ash pond is reused for ash slurry making. ii) Sewage Treatment Plant is provided for treatment of Sewage Waste water. The sewage waste water after treatment is reused for Horticulture & plantation purposes. iii) Rain water harvesting system & Surface runoff water is used in fire hydrant system for fire fighting.
			<b>3. Land Contamination:</b> i) Mill Rejects ii) Ash iii) Scraps (Metallic and Non-metallic scraps)	<b>3. Land Contamination:</b> i) Mill Rejects are 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. Also after completion of the project for lean slurry disposal to Mines Void in July 2021 for reclamation of mined out area the ash is disposed in lean slurry mode to South Bharatpur (OCP). 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. Construction of Ash mound over ash Pond –II has been completed. iii) The Scraps are sold to recyclers
Mines	Bauxite	<ul style="list-style-type: none"> <li>• Air Pollution</li> <li>• Water Pollution</li> <li>• Noise pollution</li> <li>• Solid waste pollution</li> <li>• Land Degradation</li> </ul>	<b>1) Air pollution</b> i) Emission from heavy vehicles ii) Fugitive Dust emission during Bauxite mining, handling including crushing in crusher and conveying in conveyor.	<b>1) Air pollution:</b> 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. Suitable blast design and delayed blasting using NONEL detonators to minimise dust generation. Implementation of dry fog system at Crusher and Conveyor to suppress dust & fully covered conveyor to prevent dust generation. Adoption of vacuum suction/wet drilling in all drill machines. Fog cannon to suppress dust in stockpiles.



TABLE-A

Unit	Products	Environmental Concerns	Risks	Opportunities /Mitigation Measures
Mines	Bauxite	<ul style="list-style-type: none"> <li>Air Pollution</li> <li>Water Pollution</li> <li>Noise pollution</li> <li>Solid waste pollution</li> <li>Land Degradation</li> </ul>	2) <b>Water Pollution:</b> i) Waste water from Mining, Canteen, Vehicle Washing and sewage from toilets.	2) <b>Water Pollution:</b> i) In-situ peripheral barrier all around active mining area to prevent silt laden rain water to go out. Check dams at strategic points to filter muddy water if any from mining areas. Collection of rain water in mining area in sumps and percolation of collected water into ground. 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.
			3) <b>Noise pollution</b> i) Noise during blasting and operation of heavy vehicles.	3) <b>Noise pollution:</b> Blasting has been replaced with ripping and dozing. Peripheral plantation to prevent propagation of noise. Selection of suitable equipment generating less noise, provision of noise proof cabins in HEMMs and provision of PPEs to workers.
			4) <b>Solid waste pollution:</b> i) Overburden material from excavation of minerals. ii) Organic waste from canteen.	4) <b>Solid Waste Pollution:</b> i) 100% reuse of top soil and overburden fully reused for back filling of mined out areas. ii) Biogas plant to treat the organic waste.
			5) <b>Land Degradation</b> i) Excavation of overburden and ore material by blasting and use of machinery.	5) <b>Land Degradation:</b> i) Concurrent mining and backfilling of mined out areas. Rehabilitation of mined out area with extensive plantation to convert the barren land into a forest.

During Anode Effect PFC i.e. tetrafluoromethane (CF<sub>4</sub>) and hexafluoroethane (C<sub>2</sub>F<sub>6</sub>) is synthesized in the electrolytic pot. With the aid of most advanced "ALPSYS" pot regulation system Perfluorocarbon (PFCs) emissions are effectively controlled by timely dosing alumina into the pot, thereby limiting frequency and duration of Anode effect. For the year 2021-22, the PFC emission from Smelter Potline has been estimated using AP (Aluminium Pechiney) over voltage method and their values are given below:

Type of PFC	Actual Emission
CF <sub>4</sub> (kg/T Al)	0.0278
C <sub>2</sub> F <sub>6</sub> (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 (F.Y. 2020-21)	Current Year (F.Y. 2021-22)
Explosive consumption in Bauxite Mines	Gram/MT	100	69.72	51.04
Coal for steam generation in SPP of Refinery for hydrate production	Tonne/Tonne	0.642	0.638	0.634
Electrical energy in Alumina Refinery	KWH/MT	316	318	317.58
Aluminium Flouride Consumption in Smelter	KG/MT	19	17.6	17.4
Net carbon consumption for hot metal in Smelter	Kg/MT	425 ± 5	424.0	430.0
Alumina for Aluminium production	Tonne/Tonne	1.920	1.9197	1.9194
Fuel oil consumption in CPP	ml/KWH	0.80	1.614	1.195
Coal consumption in CPP	Kg/KWH	0.815	0.856	0.883
Auxiliary Power Consumption in CPP	%	11.40	11.227	11.634

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

Our consistent product quality as per specification is a commitment to our customer for hassle free processing at their end which ensures energy and water economy. Being in the primary metal and alumina production sector, monitoring of energy and water use at consumers end, who are industrial entities themselves, is not feasible. But complaint status of customers give us confidence that our 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. Another basic advantage of aluminium is its limit less recyclability and 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)?

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

Yes.

Sustainable sourcing in Nalco is ensured by implementation of policy, procedures and guidelines to that effect which are adhered to in letter and spirit in all material purchase deals. Sustainable Sourcing is the integration of social, ethical and environmental consideration with commercial acumen, into the process of selecting suppliers. All our inputs are sourced sustainably as the same are being sourced from suppliers who comply with SA-8000 standards, environmental guidelines & abide by our ethical standard. For social performance of suppliers, SA-8000 standard has been implemented & proper policy and value systems are in place confirming to international standard. 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, the suppliers are strictly instructed during transportation of hazardous materials for:

- (i) Complying with all applicable Environment, Health & Safety legislations for manufacture, storage, transportation and possession of hazardous chemicals/inflammable liquid/gas cylinder rules.
- (ii) Providing necessary Material Safety Data Sheet at the time of first consignment or whenever there is any update, to NALCO.
- (iii) Providing required Transport Emergency Cards to drivers for handling transportation emergencies.

Transportation of bauxite ore to Alumina Refinery from our captive mine located nearby at Panchpatmali hills is effected by a state of art single haul cable belt conveyor which is covered for entire flight to prevent dust pollution. Aluminium Smelting require huge electrical energy for which we have Captive Power Plant located at the vicinity of our Smelter. Coal for power plant is sourced from coal mines located few kilometer 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 to ensure availability. Our own captive railway system at S&P and M&R complex and railway siding at Budhapank, Angul, and port facility at Vizag for export and import, 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?

Besides compliance of all the Govt. rules and regulation enacted for welfare of local suppliers Nalco takes active interest in development of local vendors. The Company has created MSE Facilitation Cells at both its Units to improve their competitiveness by providing guidance in Technical, Commercial areas to these vendors. All the goods and service which can be offered by MSE/Ancillaries units in addition to 358 items reserved by Govt. of India are listed and displayed prominently and web hosted in our 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. 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. Relaxation in tendering process i.e. waiver of EMD is 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 produced and services rendered by MSEs (Micro and Small Enterprises) of Odisha including Ancillary Units for FY 2021-22 stands at ₹ 430.72Crore (as against ₹ 373.82 Crore of last FY). The total procurement of products produced and services rendered by MSE units (including those from outside Odisha) stands at ₹ 713.80 Crore during FY 2021-22 (as against ₹ 536.73 Crore during FY 2020-21) and it is 31.22 % of the total procurement of Goods and Services made by Nalco against Govt. target of minimum 25%. For FY 2022-23, the target for procurement of products produced and services rendered by MSEs has been set at 25% of total annual procurement for 2022-23 which is as per PPP-MSE order.

- The PLAC (Plant Level Advisory Committee) meeting for the year 2021-22 was conducted at Corporate Office, Bhubaneswar on 13.12.2021 in virtual mode in association with DIC & MSME Department, Govt. of Odisha.
- 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. In this regard it may be noted that NALCO participated in 'Entrepreneurship Awareness Program for Women' organized by MSME dept. Govt. of Odisha on 11.03.2022 at Bhubaneswar which was attended by around 100 women owned MSEs .
- All MSE vendors are being requested to onboard on GeM Platform. Also, as NALCO is registered with RXIL (TReDS Portal) all MSE vendors are being requested to register in TReDS Portal (RXIL) to avail the benefits extended to MSEs.
- Due to restrictions imposed on account of Covid'19, the Company could organize only 07 vendor meets (including MSEs) in 2021-22. All the above meets were on virtual mode only.
- Nalco's procurement data from MSEs (Micro and Small Enterprises) are being uploaded on a monthly basis in "MSME SAMBANDH" App of MSME Department, GOI.

- NAMASYA (Nalco Micro & Small Enterprise Yogayog Application) APP has been launched by Nalco on 13.07.18 to facilitate 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.

Our production facility is dedicated for production of basic aluminium product which are input for other secondary products and we do not venture in to recycling of aluminium. But aluminium products are 100% recyclable after end of their useful life and 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 Redmud Pond, overburden of mines to maximum possible extent. We also implement rain water harvesting, ground water charging and sewerage water treatment at our units. In the year 2021-22; 1,44,77,860 cubic metre water from CPP ash pond ; 80,34,640 cubic meter water from Refinery ash pond and 44,03,629 cubic meter water from Refinery Red Mud Pond was recycled. Some of our achievements in this regard is presented in the Table below:

TABLE C : Recycling/ Reuse of waste during 2021-22

Unit	Utilisation	Percentage
Bauxite Mines	Overburden utilized for concurrent reclamation of mined out areas	100%
Alumina Refinery	Caustic Soda recycled from waste redmud	11.22%
	Ash utilization in Refinery	100.37%
	Recycling of Ash pond water	92.58%
	Recycling of Redmud pond water	157.62%
Smelter	Recycling of Aluminium scrap	100%
	Aluminium dross recycled as input to process	65.2%
	Recycling of spent anode	100%
CPP	Ash Utilisation in CPP	85.63%
	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 31.03.2022, the total strength of employees in regular employment is 5,525.

3.2 Please indicate the total number of employees hired on temporary/contractual/casual basis as on 31.03.2022:

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 11,775 contract labours to discharge their contractual obligations.

3.3 Please indicate the Number of permanent women employees:

As on 31.03.2022, total 333 permanent women employees are employed.

3.4 Please indicate the Number of permanent employees with disabilities:

Total 101 nos. of differently-abled persons are on regular employment as on 31.03.2022.

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

The Recognised Union at Corporate Office, Bhubaneswar is Nalco Employees Forum. However, at present there are no Recognised Unions at other Units except Corporate office.

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

As per Last Secret Ballot Elections conducted during October, 2021 for Corporate Office, a total of 39 out of 76 i.e. 51.3% of unionized employees are members of the Recognized Union.

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. 2021-22	No. of complaints pending as on 31.03.2022
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	01	Nil
3	Discriminatory employment	Nil	Nil



## 3.8 What percentage of your under mentioned employees were given safety &amp; skill upgradation 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)	5,091	1,226	24.08%
Permanent Women Employees	333	73	21.92%
Casual/ Temporary/ Contractual Employees	Nil	-	-
Employees with Disabilities	101	41	40.59%

11,775 workers are engaged through different contractors out of which 5,658 workers have undergone Safety & Skill Up-gradation training i.e. 48.05%

**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

A shared understanding is essential for building a cohesive vision for the future. NALCO is well aware of this fact and always endeavours in promoting and creating mutual –shared responsibility involving its wide range of stakeholders. The stakeholders of the Company ranges from its internal stakeholders like its employees to external like 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.

The mapping of the stakeholders is a technical process where all precautions are taken to map them correctly. Their geographical location and level of vulnerability are considered while mapping the stakeholders. Besides, need assessment surveys are carried out for the conception of the projects and the targeted stakeholders. The intensity of being impacted is also counted for the conception of projects. Mapping of the needs and expectation of the stakeholders through community engagement processes are given due importance. The comprehensive engagement mechanism which is based on mutual convergence, trust and benefit leading to the establishment of a relationship which is mutually enriching for both internal as well as external stakeholders. Such a strategic engagement process with both internal and external stakeholders has enabled us to make our policies, procedures and products in alignment with expectations.

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

Yes, Evaluation of the stakeholders results in proper decision making. The Company has identified the disadvantaged, vulnerable and marginalized stakeholders which helps us in managing their expectations. Socio-economic base-line survey, need assessment exercises are carried out before considering the CSR projects. A participatory approach is being adopted in identifying and prioritizing the needs in consultation with wide range of stakeholders including community, administration and civil society. While mapping their expectation, their vulnerability, marginality and level of disadvantageous position is always been considered. In addition to this, it may be noted that our plant and mines are situated in places where most of the people are Socio-economically in backward position. Their socio-geographical position have further make 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 there by, giving importance to the identification and prioritization process. Efforts are been driven towards not missing any vulnerable 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 free medicines through Mobile Health Unit (MHU) & OPD centers.
- b) Health care programmes for the Rayalseema flood victims: Supported the Andhra Pradesh Govt. in undertaking Health Care initiatives for flood victims.
- c) Covid related measures:
  - a. Distribution of face mask, hand sanitizer, dry ration during Covid period.
  - b. Support for 200 bedded covid hospital at Nabarangpur in Odisha.
  - c. Support for 150 bedded District Covid Hospital at Banarapal in Angul district of Odisha.
  - d. Support for infrastructural development of Saheed Laxman Nayak Medical College & Hospital, Koraput.
  - e. Support to State administration for DG sets in medical oxygen filling stations to ensure uninterrupted power supply.
  - f. Supplemented health care services by supporting oxygen cylinders to hospitals in Visakhapatnam.
  - g. Medical oxygen plants in hospitals of Karnataka State.

- h. Support to district administration in undertaking Rapid Antigen Tests (RAT) by providing RAT Kits.
- d) Indradhanush: Residential education to tribal students of periphery villages of Damanjodi in 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 district of Odisha.
- f) Educational infrastructure development for smoothening quality learning .
- g) Swachh Bharat Initiatives: Swachh iconic shrine development, Swachh Vidyalaya & ODF villages towards cleanliness, hygiene and overall wellbeing.
- h) Drinking water facility for the needy: Provision of drinking water facility in peripheral villages of S&P Complex, Angul & Utkal D&E Coal Block, Chhendipada.
- 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) 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.

**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 our 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 what percentage was 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 our firm commitment to stop environmental degradation and global warming we involve all our subsidiaries, partners and service providers. Suppliers and contractors should agree to abide by our environment policy before award of any work to them and suitable clauses are introduced in our 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.

YES, NALCO has 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 & 370 KWp are operating respectively at Corporate Office, NALCO Township, and Nalco Research and Technology Centre (NRTC) at Bhubaneswar.
- Two Roof-top Solar Photo-Voltaic Plants of capacity 40 KWp and 130 KWp are operating at Refinery Plant and Bauxite Mines respectively.
- 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, at the S&P complex, 3,900 saplings planted in Smelter including township, 2,500 saplings planted in CPP and 16,584 seedlings were distributed in peripheral villages.
- In Alumina Refinery total 15,424 saplings were planted at suitable locations of the plant and township.
- In our Panchpatmali Mines total 1,10,263 saplings are planted during the year to rehabilitate mined out area and augment afforestation drive. Also 5,000 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 1,10,263 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, 16.55 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. For any Compliance obligations i.e. Legal requirements or other requirements, the corresponding aspect of the activity is determined as significant. For such aspects, evaluation with quantitative criteria is skipped. For aspects without compliance obligations, evaluation is done based on quantitative criteria SSPD (Scale, Severity, Probability & Duration) is adopted for evaluation of identified environmental impacts of our 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 our 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?

No, presently company pursue no projects related to Clean Development Mechanism.

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

Yes, NALCO'S 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 execution.

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 170 KWp at M&R Complex, Damanjodi. Nalco has placed order for 100 KWp rooftop solar project at Nalco's Port Facility Vizag, [Web Link-https://nalcoindia.com/business/operation/solar-power/](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.

Nil.

No show cause notice/legal notice received from SPCB/ CPCB during the 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)
3. Federation of Indian Mineral Industries (FIMI)
4. National Safety Council
5. Confederation of Indian Industry (CII)
6. Utkal Chamber of Commerce
7. Engineering Export Promotion Council
8. Federation of Indian Export Organization
9. International Chamber of Commerce
10. Chemical and Allied Products Export Promotion Council



11. National Institute of Personnel Management
  12. Indian Ceramic Society
  13. Indian Chamber of Commerce
  14. Quality Circle Forum of India
  15. Federation of Indian Chambers of Commerce and Industry
- 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, NALCO believes that development in true sense is the absence of disparities and satisfaction of needs, in every possible way. Thus, establishing an equity based society has been of prima facie importance for the company. Consequently, all its resources are being driven to ensure equity based development in the society as it knows growth is always inclusive and “No one can grow in isolation”. Welfare of all its stakeholders is embedded into the very business process of our Company. All the CSR activities/initiatives of the Company are driven towards one end i.e. spearheading happiness. Developmental, equitable and inclusive growth orientation is the only acceptable business model which can be sustainable. 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 Management including Covid care hospital facility, Animal welfare, Women Empowerment etc. 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) NALCO Foundation (Established and operated by Nalco) (ii) Directly by NALCO :

- a) 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.
- b) 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?

Social Impact Assessment studies are undertaken from time to time for the critical projects implemented for a period of three or above to measure the efficacy and effectiveness of its project as per the CSR policy of the Company. The regular impact assessment and monitoring has resulted in the improvement of the projects in terms of their effectiveness and streamline the process of implementation. Some of the studies undertaken so far are 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 2021-22, a total amount of ₹ 36.91 crore (audited) has been spent in executing the above CSR activities.

The following projects are undertaken during the FY 2021-22:

#### A. HEALTH CARE SERVICES:

**A.1 MHU Services and OPD services:** In the reported year, around 76 thousand patients in the periphery of the plant areas both at S&P complex, Angul and M&R complex, Damanjodi are treated through 4 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 18,114 nos. of patients are treated in the specialist OPD. At S&P Complex, patients of peripheral areas were provided ambulance service for better treatment in Lifeline Express at Railway Station, Angul.

**A.2. Covid Care & Management:** To fight covid several awareness camps were organized in the periphery villages through MHU to sensitize people regarding hygiene, hand washing, social distancing & other basic practices to prevent the disease. Considering its backwardness special emphasis was given to adjoining areas of Damanjodi. The Communities are mobilised to adopt the covid appropriate practices through Village Development Committees (VDCs) and Women Self Help Groups (SHGs). Besides, to combat the pandemic, following activities were undertaken in our peripheral areas of operation:

- i. Mass awareness and Mask distribution:-Mass awareness activities like street plays were organized at strategic locations where the foot fall is high like the entrance of Lingaraj Temple in Bhubaneswar and at Gandhi Park, Puri by Nalco Mahila Samiti to create awareness among the visitors and pilgrims about COVID-19. As a prevention measure towards the spreading of Covid-19, more than 1 lakh face masks have been distributed at the State level.
- ii. Disinfecting the local peripheral areas are undertaken in peripheral villages like Kulad, Girang, Kandasar, Kanyabeda, Gotamara, Baramprasad, Kukudang, Tentoi, Tentuloi, Kurudol, Ekagharia etc. of Angul district, and Bhejaput, Mathalput, Anabadi colony & SLN Nagar of Damanjodi.
- iii. Hand Wash Campaigns conducted in 155 Schools of 7 districts of Odisha including Angul, Koraput & Khordha, covering 24,000 adolescent girls.

#### A.3 Relief Services During the Pandemic:

- i. Supply of Ration kits at S&P Complex:- On request of District Administration, Angul, 1,000 nos. of Ration kits were handed over to District Administration for distribution to poor needy people in Covid-19 pandemic situation.
- ii. Distribution of domestic essential products:- Students sponsored under KISS were provided with dry ration to ensure their proper nutrition. At Bhubaneswar, grocery items are distributed among the labours.
- iii. Distribution of snacks to the police & traffic men in Bhubaneswar in collaboration with Commissionerate Police,
- iv. Strengthening of Health Infrastructure in the State and Beyond: The magnitude of spread and severity of the covid put severe stress on resource and infrastructure of health care system. Rising to the occasion, NALCO complement the government in every possible way to fight against the pandemic. Some of our contributions are described below:
  - a. Setting up Covid Hospital at Nabrangpur: A 200 bedded hospital equipped with 10 ICU beds, oximetry and 24 hour diagnostic facility has been set up, at Nabrangpur, Odisha in collaboration with Govt. of Odisha with an estimated cost of ₹ 5 crore. More than one thousand Covid patients have availed the treatment facility.
  - b. The Company supported in management of District Covid Health Care Centre at ESI, Banrapal with trained manpower.
  - c. Dedicated Corona Corners and isolation wards for COVID-19 have been created at company owned hospitals.
  - d. The Company has set up two exclusive COVID Care Centers, one each at M&R Complex, Damanjodi and S&P Complex, Angul. Secondary plus Eye Care Centre, constructed by NALCO at Angul, is also used as COVID care center.
  - e. The Company supported DG set to the oxygen filling station of the State administration to strengthen the Covid Management system in the State.
  - f. The Company donated refrigerated truck having capacity to carry 25.70 lakh vials to State Immunization Cell for transportation and distribution of vaccines.
  - g. Two ventilator ambulances are donated to the State Health Department.
  - h. The Company donated Oxygen Cylinders to hospitals at Vizag & Oxygen Generators to hospitals of Dharwad district of Karnataka.

- i. Rapid Antigen Test (RAT) kits are donated to District Administration, Angul.
- j. The Company strengthened the infrastructural base of Saheed Laxman Nayak Medical College and Hospital, Koraput.
- k. Digital X-ray machine was installed at the Municipality Hospital, Bhubaneswar.
- l. Utilisation of MHU services: The 4 MHUs are incessantly providing door step basic health care facilities with free medicines at 250 villages including 160 remote inaccessible villages around Damanjodi. In case of emergency referral services are also given.
- m. Contribution to PM Care fund: The Company contributed ₹ 5 crore to Prime Minister's Care Fund, specially created for supporting containment and relief efforts against the covid outbreak and similar pandemic like situations in future.
- n. Nalco employees and family members conducted doubt clearing classes for students, especially for Nalco sponsored students during lockdown.

## B. SANITATION

**B.1. Open Defecation Free:** In line with the Swachha Bharat Mission, NALCO had constructed 1055 IHHL units (Individual House Hold Latrines) in the remote villages of Damanjodi and Angul under Open Defecation Free (ODF) program. In the reported year, 539 IHHL units are handed over to targeted beneficiaries.

## C. SAFE DRINKING WATER

**C.1. Pipe Water Supply:** At Angul, the water scarcity and contaminated surface water has been a matter of threat due to heavy industrialization. As a more sustainable solutions to the water scarcity problem, pipe water supply to different villages are being undertaken along with district administration. MoU has been signed with Rural Water Supply and Sanitation (RWS&S) to undertake following projects –

- i. Pipe water Supply to Village Girang for benefit of 4103 no. of villagers .
- ii. Renovation of pipe drinking water to 11 fluoride contaminated areas: 4386 no. of HHs from the 11 villages will be benefitted. Pipe water supply to 5 villages where surface water is contaminated has been completed .
- iii. Water supply network including repair and renovation of bore well at village Gopiballavpur has been completed successfully.

## D. EDUCATION

**D.1. Sponsoring residential education to poor, backward and tribal children from periphery villages of M&R complex, Damanjodi & Pottangi:** Considering the widespread illiteracy in the periphery areas of Koraput, the Company emphasized on the access to education in these areas. NALCO Foundation has sponsored students from the periphery villages of Damanjodi & Pottangi Mines under the 'Fully funded residential education program' **Indradhanush**. The project was started during the year 2012-13 with an objective to provide quality education in residential mode to the students of periphery villages at KISS, Bhubaneswar, Bikash Vidyalaya & Adarsha Vidyalaya, Koraput.

Under Indradhanush programme, this year, 92% students have successfully completed their matriculation. Amongst sponsored students, felicitation of top performers in HSC was organized to motivate them. All the students were felicitated with a token gift and 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, NALCO M&R Complex.

**D.2. Nalco Ki Ladli:** Complementing the "Beti Bachao Beti Padhao" scheme of Government of India, NALCO has sponsored the education of girl students from the periphery villages of both S&P and M&R Complex under the programme "Nalco Ki Ladli". Under the scheme, meritorious girls from BPL families have been provided with financial assistance to motivate them. The project also helps to check their dropout rate owing to poor financial condition. Till date, a total of 816 girls are supported. Apart from supporting financially, the Company is also promoting and encouraging the girl students through events such as sports, extra-curricular and co-curricular activities.

**D.3. Infrastructural Support to Educational Institutions:** Infrastructure is the basic requirement for quality education. Towards this end, following projects are implemented under the Company's CSR initiatives-

- a) Construction of classroom and toilet facilities in Ambagaon Schools in Damanjodi.
- b) Supported District Administration, Ganjam to strengthen their educational infrastructure and community led transformation in the Schools.
- c) Supported construction of one English Medium School with hostel facilities at tribal dominated district of Kalahandi.
- d) Supported Language and Learning Foundation for promoting quality learning outcomes.

## E. LIVELIHOOD PROMOTION

**E.1. Women Empowerment through SHGs:** Empowering the tribal women by enabling them to improve their food security, incomes and overall quality of life through natural resource management and improved agricultural practices among the SHG members and farmers, is the objective of the Company's CSR. Towards this end, the villagers are facilitated in the formation of CBOs like SHGs & VDCs. After formation of the CBOs, the members were trained & engaged with organization like KVK, Sunabeda & ICAR, Sunabeda, ORMAS, OLM, financial institutes for learning sustainable agricultural practices, and other income generating activities under their technical guidance. Through convergence with the horticulture & agriculture dept., farmers have been benefitted by availing different schemes and packages of Govt. Keeping the success of mushroom farming by SHG members in mind and the growing demand and interest shown by them for adopting other alternative ways of income generation, several steps have been undertaken in the reported year. Vegetable seeds are being provided to women farmers. In the reported year along with Mushroom and Jack fruit chips, women earned handsome income



from ginger, cabbage, green chilies cultivation. Also SHGs have earned a good income from selling fish which they have cultivated from the pond renovated by NALCO. Technical guidance and handholding support are also given in other similar areas with input support to bring sustainability in farmer's income.

**E.2. Providing Incentive Stick Making machine** to Charity Foundation Trust, an association of People With Disability (PWDs) for ensuring an alternative livelihood source for them.

**E.3. Supported SEBAGHAR institution** to undertake repair & maintenance of Creche-cum School & run Sewing Training Centre for slum dwelling children.

## F. ENVIRONMENTAL SUSTAINABILITY

**F.1.** Large scale plantation had 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.

## G. INFRASTRUCTURE DEVELOPMENT PROJECTS

It is significant to note that in the remote areas of Damanjodi, the tribal population face extreme difficulties while travelling. Road facilities with drainages are constructed in large numbers not only to facilitate smooth communication but also help them for economic empowerment by making them accessible to urban areas to explore different livelihood prospects. Apart from that, following works were also carried out:

**G.1.** Construction of Community Hall at Amabagaon.

**G.2.** Construction road from Malkarbandh to Maliput which also involves culvert.

**G.3.** Construction of BT road from NALCO Thana Chowk to IAPL Square.

**G.4.** Construction of road from Karnapur Level Crossing to Bharatpur Common Point.

**G.5.** Construction of RCC road inside Amabagaon village.

## H. DISASTER MANAGEMENT

To combat the challenges of YASS cyclone, the State Administration has been supported with DG set, Plasma Cutter and Tree Cutting Machine.

## I. ICONIC CITY PROJECTS:

Discharging his obligation as a corporate partner of GoI in the Swachh Iconic Place development programme and continuing its pioneering work of conservation of national heritage, NALCO has contributed in the work of developing Puri, the old and historical city famous for Lord Jagannath Temple, sea and scenic beauty, as a Swachh Iconic Place. In this direction, the following progress have been achieved in spite of the lockdowns and shut downs-

- 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 visitor's 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 provided 12 nos. of RO based clean water posts in various places of Puri which would benefit lakhs of devotees.

## J. SOCIAL CELEBRATIONS

In commemoration of 75 years of Indian Independence, GoI celebrated Azadi Ka Amrut Mahotshav. Extending a supporting hand, NALCO undertook several programs to glorify the celebration initiated by GoI. Some of the programs undertaken are:

- (1) Establishment of 300 Smart Classes in Puri, Khordha, Angul, Koraput, Nabrangpur and Dhenkanal Districts of Odisha and Vizag district of Andhra Pradesh.
- (2) Free food distribution in old Age homes.
- (3) Dry ration and dress distribution at a Child Care Institute named- "Ama-ghara." An organization supporting orphan children.

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

Sustainability of the projects depends upon the acceptance and adoption of the change by the beneficiaries. A participatory approach from the conception and during implementation of the CSR projects, keep the Company in the advantageous position in establishing acceptance. Since before implementation all projects are checked through the lens of need and expectation of the community and projects are being prioritized by mutually involving the beneficiaries, community started owning the projects as their own and become responsible for its output and outcome. The identification of needs are done through the community engagement process and the communities involved are capacitated to prioritize their needs through the application of Participatory Rural Appraisal (PRA) tools. Further, the community based organisations (CBOs) like- Self Help Groups (SHGs), Village Development Committee (VDC), Youth clubs, farmer's group etc. are being formulated and nurtured through capacity building programs, who 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 these community based projects, leading to adoption.

NALCO also explore 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 ?**

Following a laid down procedure accentuated by ISO 9001 stipulations customer complaints regarding various issues such as payment, late delivery, quality, quantity or documentation etc. are dealt with. 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 our processes and products.

Status report on Customer Complaints as on 31.03.2022 is:

Complaints pending as on 31.03.2021	Nil
Complaints received during FY 2021-22	05
Complaints disposed during FY 2021-22	05
Complaints pending as on 31.03.2022	Nil
Percentage of Customer Complaints Pending as on 31.03.2022	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. Capturing the perception of customers and consumers on our products and associated service, is given top priority in our organization. Our Quality Policy professes meeting the needs and expectations of the customer and consistently improving our system and work ethos as the chosen path for achieving excellence in business. We collect feedback about our products and services both through formal and informal channels and constantly work on it to enhance our 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. The trend observed in customer satisfaction index is taken as one of the basic indicators to assess our own performance in marketing front and is utilized to develop strategy for further market penetration.



## ANNEXURE-IV

## REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING 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 2021-22.

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 49.95 KL of HSD.
- 1.2.1.2 Reduction in diesel consumption by parking of vehicles at mining face has resulted in saving of 128.48 KL of HSD.
- 1.2.1.3 Reduction in diesel consumption by increasing usage of backhoe shovels in place of ripper dozers-wheel loader combination has resulted in savings of 57 KL of HSD.
- 1.2.1.4 Reduction in diesel consumption by direct loading of Bauxite to tippers from Mining Pit has resulted in savings of 43.75 KL of HSD.
- 1.2.1.5 Installation & commissioning of new 130 KWp grid connected roof top solar plant has been done in all respect in June, 2021 and till 31<sup>st</sup> March, 2022, the total solar energy generation is 1,09,744 KWh.

##### 1.2.2 Alumina Refinery:

- 1.2.2.1 Installation of stand-by Pre-Heat Exchanger in Calciner-C has resulted in preventing Alumina production loss.
- 1.2.2.2 Reduction in filter water and energy consumption in DM Plant by recirculating the service rinse water of MB I, II, III to degasser Tank.
- 1.2.2.3 Reduction of steam wastages through venting from safety valves.
- 1.2.2.4 Replacement of 20 nos. of old and multiple rewound motors by energy efficient IE2/IE# class LT motors.
- 1.2.2.5 Replacement of 18 nos. old and low efficiency ACs by 3 star and above rated energy efficient ACs.
- 1.2.2.6 Use of additive to decrease HFO consumption in Calcination Plant.
- 1.2.2.7 In FY 2021-22, energy saving of 8,96,724 kWh was achieved through installation of total 7,100 nos. LED fitting in place of conventional light fitting.
- 1.2.2.8 Solar power generation through 2\*20 KW Roof top solar plant of DM plant has been implemented.

##### 1.2. Smelter Plant:

- 1.2.3.1 864 graphitized pots are in operation, out of that 74 pots have been graphitised in 2021-22, 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 in the range of 150 KWH/MT in the pot line.
- 1.2.3.3 Replacement of old motors with energy efficient IE3 Motors: A total of 111 nos. of motors (ranging from 0.55 KW to 55KW) were replaced in 2021-22 leading to energy saving of 8,36,556 KWH/annum (0.83 MU).
- 1.2.3.4 In old Compressor House Drier-1 & 2: Two nos. of desiccant driers were replaced by energy efficient refrigerant type driers, resulting an annual electrical energy saving of 25,92,960 KWh.
- 1.2.3.5 In Cooling Tower-3, existing 3 nos. cold well pumps were replaced by 3 nos. new energy efficient pumps by optimizing the required head and flow. Annual electrical energy saving of 2,86,452 KWh was achieved.
- 1.2.3.6 In old Compressor House, existing screw compressor was replaced with similar capacity centrifugal compressor. It resulted in improvement in specific energy consumption, availability and improved compressed air quantity. Specific power consumption is expected to decrease by 0.04 KWh/M3 of compressed air. Annual energy saving is 13,82,480 KWh.
- 1.2.3.7 The CII team recognized the effort of your Company, on energy saving and awarded with “State Winner- Odisha” in the Large Scale Category of Energy Conservation Awards (ENCON Award) 2021, during presentation of 14th ENCON awards, 2021 by CII- Easter Region at Kolkata.



**1.2.4 Captive Power Plant:**

- 1.2.4.1 Renovation & Modernization of existing Air-Preheater in Unit-3 with advanced profile heating element and double sealing arrangement completed in December, 2021. This has resulted in increase in boiler efficiency due to reduction in air leakage and increased heat transfer.
- 1.2.4.2 De-staging of existing Condensate Extraction Pump (CEP) from 7 stages to 6 stages completed in Unit-3 & 9, which resulted in reduction of power consumption by 40 kW per unit.
- 1.2.4.3 Replacement of HP-IP rotor including inner casing with new one in Unit-8 completed in October, 2021. After replacement, Unit-8 heat rate reduced by 170 kcal/KWh.
- 1.2.4.4 In FY 2021-22, energy saving of 15,29,732 KWh was achieved through installation of total 8,343 nos. LED fitting in place of conventional light fitting.

**1.3 Energy conservation projects proposed or in progress during 2021-22:****1.3.1 Bauxite Mines:**

- 1.3.1.1 A Cost Reduction Project on HSD saving by direct loading of Bauxite to tippers from Mining Pit is in progress.
- 1.3.1.2 Solar roof tops for few more buildings with capacity 40 KWp and 10 KWp are under process.

**1.3.2 Alumina Refinery:**

- 1.3.2.1 Replacement of old lighting transformer by new energy efficient transformer with wider range of output voltage adjustment.
- 1.3.2.2 Provision of VFD in Stacker-001 travel drive smooth & controlled start/stop of travel drive to reduce breakdown & saving of energy.
- 1.3.2.3 Replacement of conventional profile heating elements with advanced profile heating elements in Unit #1 air pre-heater.
- 1.3.2.4 Replacement of Unit #1/ #2/ #3 furnace insulation cladding to reduce radiation loss.
- 1.3.2.5 Installation of standby PHE in Calciner-D is under conceptualization stage.
- 1.3.2.6 Interconnection of BM-1001 & 1002 Air-compressors in order to have prospected power savings by running one compressor at a time for both the mills.
- 1.3.2.7 Refurbishment of TG #2 Rotor and Casing.
- 1.3.2.8 Replacement of old reciprocating compressors with centrifugal compressor to save electrical energy.

**1.3.3 Smelter Plant:**

- 1.3.3.1 Installation of 84 nos. Main Ring Dampers at Anode Baking Furnace (ABF)-I is under progress to reduce fuel oil consumption in Baking furnace.
- 1.3.3.2 Installation of Anode Slot Cutting Machine at Rodding Shop-II completed so as to reduce specific DC energy consumption in Pots and to improve process stability.
- 1.3.3.3 After successful installation of Refrigerant type dryers in old compressor house (Two nos.) for energy saving, your Company is in process of installation of three new Refrigerant type dryers. This will further lead to more energy saving.
- 1.3.3.4 Installation & commissioning in progress for Furnace 8 Solid metal charging door (SMCD) replacement for enhancement of thermal efficiency in Cast House-A.
- 1.3.3.5 In Furnace-D of Billet Casting Facility, VFD's installation in Combustion and Atomizing air blowers (45 KW & 22 KW) in progress.
- 1.3.3.6 In Cooling Tower-1, VFD's installation in progress in Pump-16 and 20 (75 KW each). This will yield 50% energy saving.
- 1.3.3.7 In holding pool, VFD is being installed in 75 KW pump. This will operate at 50% load resulting 50% energy saving.

**1.3.4 Captive Power Plant:**

- 1.3.4.1 Renovation & Modernization of 03 sets of existing Air-Preheater in Unit-2, 4 & 5 with advanced profile heating element and double sealing arrangement. This will increase boiler efficiency due to reduction in air leakage and increased heat transfer.
- 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 Variable Voltage Variable Frequency Drive panel in cooling tower fans of #1 to #5: This will help in reduction of power consumption of cooling tower fans. Erection job under progress.
- 1.3.4.4 Construction of Clarifloculator for turbidity reduction in return water from ash pond overflow for use in cooling water. Reduced turbidity in cooling water will improve Condenser vacuum and thereby reduction in heat rate and coal consumption. Construction under progress.

**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 800 KWp Capacity Rooftop Solar Photo-Voltaic Plant at NALCO Bhawan, NALCO Nagar, NALCO Research & Technology Center, Refinery and Panchpatmali Bauxite Mines Office Buildings.
- 1.4.2 During the FY 2021-22, your Company has generated 332 MU from Wind Power and 0.63 MU from Solar Power.
- 1.4.3 Action taken towards utilization of alternate sources of energy during 2021-22 & implementation during 2022-23:
- 1.4.3.1 A 130 KWp RT SPV Plant installed at Mines, which had already been commissioned.
- 1.4.3.2 A 995 KWp RT SPV Plant at Alumina Refinery Buildings is in pipe line.
- 1.4.3.3 A 100 KWp RT SPV Plant at Port Facilities is in pipe line.
- 1.4.3.4 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)
1.	Use of fuel additive	09.60
2.	Installation of Roof top Solar Power Plant (130 KWp)	78.44
3.	Installation of Roof top Solar Power Plant (50 KWp)	25.00

#### 1.5.2 Alumina Refinery:

Sl. No.	Item	Investment (₹ in lakh)
1.	TG #5 Internal Steam Path Cleaning	10.00
2.	Provision of Standby PHE in Calciner C	22.00
3.	Reduction in filter water and energy consumption in DM Plant by recirculating the service rinse water of MB-I, II & III to Degasser Tank	0.30
4.	Reduction of steam wastages through venting from safety valves	06.00
5.	630 KVA 11/0.415 kV Energy Efficient Lighting Transformer	14.82
6.	Use of additive to decrease HFO consumption in Calcination Plant	361.00

#### 1.5.3 Smelter Plant:

Sl. No.	Item	Investment (₹ in lakh)
1.	Graphitization of Cathode blocks in 74 pots	7,354.59
2.	Replacement of 111 nos. of old motors (Ranging from 0.55 KW up to 55 KW) with energy efficient IE3 Motors	127.83
3.	Two driers were replaced by energy efficient driers	23.6
4.	Screw compressor was replaced with similar capacity centrifugal compressor	145.00
5.	3 nos. of cold well pumps were replaced by 3 nos. of new energy efficient pumps	14.26

#### 1.5.4 Captive Power Plant:

Sl. No.	Item	Investment (₹ in lakh)
1.	Renovation & modernization of existing Air-Preheater in Unit-3	478.88
2.	De-staging of existing Condensate Extraction Pump (CEP) from 7 stages to 6 stages completed in Unit-3 & 9	05.40
3.	Replacement of HP-IP rotor including inner casing with new one in Unit-8	2,666.00
4.	Installation of LED fitting in place of conventional light fittings	64.39

**2.0 TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:**

Technology	Benefits thereof
Development of low energy cell technology for Smelter Plant (AP2XN).	Pilot project with an objective to reduce specific energy consumption under the development co-operation agreement between Rio Tinto/Alcan, Canada and NALCO has been carried out with 15 pots. Reduction of specific DC energy consumption in the range of 150 KWH/MT in the pot line is achieved. Procurement action initiated for conversion of another 45 Pots to low energy cell technology (AP2XN).

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

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
Medium Pressure Digestion for Bauxite	-	-	Under implementation for the expansion proposed.

**4.0 EXPENDITURE ON R&D:**

₹ in crore

Nature	2021-22	2020-21
Capital	37.58	0.79
Revenue	27.64	11.83
Total	65.21	12.62
R&D Expenditure as % of turnover	0.45	0.14

5.0 The foreign exchange earnings for the year 2021-22, ₹ 6,404.24 crore is as against ₹ 5,060.72 crore in 2020-21. The foreign exchange outgo for the year under report was ₹ 227.41 crore as against ₹ 277.84 crore in 2020-21.





## 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 resulted 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 plays 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 them 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 (Independent) Directors

2.1.2 The composition of the Board as on 31<sup>st</sup> March, 2022, is as detailed below:

Sl. No.	Name of Director	DIN	Date of Appointment
<b>FUNCTIONAL DIRECTORS:</b>			
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)	08951624	01.11.2020
4.	Shri Bijay Kumar Das, Director (Production)	08984700	01.12.2020
5.	Shri Ramesh Chandra Joshi, Director (Finance)*	08765394	04.02.2022
6.	Shri Sadashiv Samantaray, Director (Commercial)#	08130130	22.03.2022
<b>PART-TIME OFFICIAL DIRECTORS:</b>			
7.	Shri Sanjay Lohiya, IAS	07151125	09.11.2020
8.	Dr. Veena Kumar Dermal, IPoS^	08890469	20.01.2022
<b>PART-TIME NON-OFFICIAL (INDEPENDENT) DIRECTORS:</b>			
9.	Shri Ravi Nath Jha@	09396382	11.11.2021
10.	Dr. B. R. Ramakrishna@	02251602	15.11.2021
11.	Adv. George Kurian@	09398434	12.11.2021
12.	Dr. Ajay Narang@	00368054	16.11.2021
13.	Shri Y. P. Chillio@	09396182	11.11.2021
14.	Ms. (Dr.) Shatorupa@	09396503	12.11.2021
15.	Adv. Dushyant Upadhyay@	09397101	12.11.2021
16.	Shri Sanjay Ramanlal Patel@	09545270	23.03.2022

\* Shri Ramesh Chandra Joshi was appointed as Director (Finance) w.e.f. 04.02.2022.

# Shri Sadashiv Samantaray was appointed as Director (Commercial) w.e.f. 22.03.2022.

^ Dr. Veena Kumari Dermal, IPoS, was appointed as Part-time Official Director w.e.f. 20.01.2022.

@ Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 10.11.2021 appointed 7 (Seven) Part-time Non-official (Independent) Directors for a period of three years. Further, Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 22.03.2022 appointed Shri Sanjay Ramanlal Patel as a Part-time Non-official (Independent) Director for a period of three years.

2.1.3 As on 31.03.2022, Non-executive Directors constitute 62.50% of the total Board strength and Part-time Non-official (Independent) Directors including one Woman Independent Director constitute 50% of the total Board strength.

- 2.1.4 The composition of the Board was not in compliance with relevant provisions of the Companies Act, 2013 (“Act”) and the SEBI (LODR) Regulations, 2015 (“SEBI Regulations”) till 7 (seven) Independent Directors were appointed on 10.11.2021.
- 2.1.5 During the financial year 2021-22, penalties were imposed by both NSE and BSE for non-compliances of various provisions of SEBI Regulations relating to composition of the Board and constitution of the various Statutory Committees. Administrative Ministry, being the appointing authority for appointment of Directors in a Government Company, was informed about the penalties imposed by NSE and BSE and request was made to 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.

After appointment of requisite number of Part-time Non-official (Independent) Directors by Ministry of Mines, Govt. of India on 10.11.2021 and further appointment of one more Part-time Non-official (Independent) Director on 22.03.2022, the Board was in compliance with all the required provisions of the Act and SEBI Regulations thereafter. The fact about compliance of all the required provisions of the Act and SEBI Regulations pertaining to composition of Board of Directors was brought to the notice of both the Stock Exchanges and requests were made to both the Stock Exchanges for condonation of all the penalties imposed.

## 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 out of which some are statutory and some are non-statutory in nature.
- 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 normally by giving at least 7 day’s advance notice. Agendas with detailed agenda notes are also normally circulated at least a week before the scheduled date of meeting for meaningful and informed discussions in the meeting.
- 2.2.5 The meetings of the Board of Directors and Committee meetings are mostly held at the Registered Office of the Company. During the year, various meetings viz. Technology Committee, Stakeholders Relationship Committee and Separate meeting of Part-time Non-official (Independent) Directors were held at Puri & Chilika, Odisha complying with the Office Memorandum of DPE to hold meeting in one of the 30 tourist places, identified by the Govt. of India.
- 2.2.6 5 (Five) 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)		
329 <sup>th</sup> 28.06.2021	6	4	2	0	6	100.00
330 <sup>th</sup> 06.08.2021	6	4	2	0	6	100.00
331 <sup>st</sup> 06.09.2021	6	4	2	0	6	100.00
332 <sup>nd</sup> 12.11.2021	6	4	2	0	6	100.00
333 <sup>rd</sup> 07.02.2022	14	5	2	7	14	100.00

### Notes:

- (a) The maximum time gap between any two meetings was 87 days.
- (b) Necessary quorum (minimum number of Directors) was present during 329<sup>th</sup> to 332<sup>nd</sup> Board meetings without the presence of any Part-time Non-official (Independent) Director. However, after appointment of 7 (seven) Independent Directors including one Independent Woman Director by the Govt. of India vide Order dated 10.11.2021, requisite number of Part-time Non-official (Independent) Directors including Independent Woman Director were present in the 333<sup>rd</sup> Board meeting.

2.2.7 The table below shows the individual attendance of Directors in the Board meetings held during 2021-22, 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 40 <sup>th</sup> AGM held on 30.09.2021	No. of other directorships	Membership in the Committees of other companies	
	Held during the tenure	Attended			Membership	Chairmanship
Shri S. Patra Chairman-cum-Managing Director	5	5	Yes	2	Nil	Nil
Shri R. S. Mahapatro Director (HR)	5	5	Yes	Nil	Nil	Nil
Shri M. P. Mishra Director (P&T)	5	5	Yes	Nil	Nil	Nil
Shri B. K. Das Director (Production)	5	5	Yes	Nil	Nil	Nil
Shri R. C. Joshi Director (Finance)*	1	1	NA	1	Nil	Nil
Shri S. Samantaray Director (Commercial)#	0	0	NA	Nil	Nil	Nil
Shri Satendra Singh, IAS Part-time Official Director\$	4	4	No	1	Nil	Nil
Shri Sanjay Lohiya, IAS Part-time Official Director	5	5	No	1	Nil	Nil
Dr. V. K. Dermal, IPOS Part-time Official Director^	1	1	NA	3	1	Nil
Shri Ravi Nath Jha Part-time Non-official (Independent) Director@	1	1	NA	Nil	Nil	Nil
Dr. B. R. Ramakrishna Part-time Non-official (Independent) Director@	1	1	NA	Nil	Nil	Nil
Adv. George Kurian Part-time Non-official (Independent) Director@	1	1	NA	Nil	Nil	Nil
Dr. Ajay Narang Part-time Non-official (Independent) Director@	1	1	NA	3	Nil	Nil
Shri Y. P. Chillio Part-time Non-official (Independent) Director@	1	1	NA	Nil	Nil	Nil
Ms. (Dr.) Shatorupa Part-time Non-official (Independent) Director@	1	1	NA	Nil	Nil	Nil
Adv. Dushyant Upadhyay Part-time Non-official (Independent) Director@	1	1	NA	Nil	Nil	Nil
Shri Sanjay Ramanlal Patel Part-time Non-official (Independent) Director@	0	0	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.

\* Shri Ramesh Chandra Joshi was appointed as Director (Finance) w.e.f. 04.02.2022.

# Shri Sadashiv Samantaray was appointed as Director (Commercial) w.e.f. 22.03.2022 and no Board meeting was held since his appointment till 31.03.2022.

\$ Tenure of Shri Satendra Singh, IAS, Part-time Official Director ended on 20.01.2022.

^ Dr. Veena Kumari Dermal, IPOS, was appointed as Part-time Official Director w.e.f. 20.01.2022.

@ Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 10.11.2021 appointed 7 (Seven) Part-time Non-official (Independent) Directors for a period of three years. Only one Board meeting was held after their appointment. Further, Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 22.03.2022 appointed Shri Sanjay Ramanlal Patel as a Part-time Non-official (Independent) Director for a period of three years and no Board meeting was held since his appointment till 31.03.2022.

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 2021-22, the Ministry of Mines, Govt. of India has appointed 8 (eight) Independent Directors and the formal appointment letters were issued to them and copies of the same are available in the website of the Company in the following link: <https://nalcoindia.com/investor-services/directors/formal-letter-of-appointment-of-independent-directors/>
- 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 from time to time, 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/2022/03/Fam-Programme-1.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) Liability Insurance taken by the Company.
- 2.3.10 No Non-executive Director on the Board is above 75 years.

#### 2.4 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 by the President of India through the Administrative Ministry. The skills/expertise/competency of the Board as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of Directors on the Board of the Company is made by the Government of India. As such, all the Board members of the Company have expertise and competency as per the industry requirement.

#### 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.
- 2.5.6 DPE has introduced a system of performance assessment of Non-official Directors of CPSEs in terms of DPE DO letter dated 08.05.2018. The assessment /evaluation of performance of Independent Directors is done on basis of attendance, contribution during the period.

### 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 the date of assuming charge or till date of superannuation or until 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 2021-22.
- 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 2021-22 are given below:

Name	Remuneration for the year 2021-22 (₹)		
	All elements of remuneration	Other benefits	Total
Shri S. Patra Chairman-cum-Managing Director	53,58,322	22,60,866	76,19,188
Shri R. S. Mahapatro Director (HR)	49,89,893	9,18,305	59,08,198
Shri M. P. Mishra Director (P&T)	52,60,811	12,15,408	64,76,219
Shri B. K. Das Director (Production)	65,18,186	12,19,848	77,38,034
Shri R. C. Joshi Director (Finance)*	8,47,636	1,724	8,49,360
Shri S. Samantaray Director (Commercial)#	1,50,219	1,103	1,51,322

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

\* Shri R. C. Joshi was appointed as Director (Finance) w.e.f. 04.02.2022.

# Shri S. Samantaray was appointed as Director (Commercial) w.e.f. 22.03.2022

## 3.10 Details of sitting fees paid to the Independent Directors during 2021-22 are given below:

Name	Sitting Fees (₹)		Total (₹)
	Board Meetings	Committee Meetings	
Shri Ravi Nath Jha Part-time Non-official (Independent) Director@	27,000/-	45,000/-	72,000/-
Dr. B. R. Ramakrishna Part-time Non-official (Independent) Director@	27,000/-	90,000/-	1,17,000/-
Adv. George Kurian Part-time Non-official (Independent) Director@	27,000/-	90,000/-	1,17,000/-
Dr. Ajay Narang Part-time Non-official (Independent) Director@	27,000/-	90,000/-	1,17,000/-
Shri Y. P. Chillio Part-time Non-official (Independent) Director@	27,000/-	90,000/-	1,17,000/-
Ms. (Dr.) Shatorupa Part-time Non-official (Independent) Director@	27,000/-	45,000/-	72,000/-
Adv. Dushyant Upadhyay Part-time Non-official (Independent) Director@	27,000/-	67,500/-	94,500/-
Shri Sanjay Ramanlal Patel Part-time Non-official (Independent) Director@	Nil	Nil	Nil

Note: Amount was paid as sitting fee after deducting TDS.

@ Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 10.11.2021 appointed 7 (Seven) Part-time Non-official (Independent) Directors for a period of three years. Further, Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 22.03.2022 appointed Shri Sanjay Ramanlal Patel as a Part-time Non-official (Independent) Director for a period of three years.

## 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, Stakeholders Relationship Committee and Risk Management Committee could not take place, till appointment of 7 (seven) Independent Directors was made vide Order no. 2/8/2020-Met-I dated 10.11.2021 of Ministry of Mines, Govt. of India. After appointment of 7 (seven) Independent Directors, all Committees i.e. statutory and non-statutory were re-constituted.

4.2 Secretarial Standards relating to Board meeting are equally applicable to Committee meetings.

4.3 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 no Independent Directors on the Board of the Company w.e.f. 08.09.2020. Hence, the Committee could not be re-constituted as per the provisions of SEBI Regulations and the Act till appointment of 7 (seven) Independent Directors vide Order no. 2/8/2020-Met-I dated 10.11.2021 was made by Ministry of Mines, Govt. of India, after which the Committee was re-constituted.

5.1.2 During the year, the Audit Committee met once i.e. on 07.02.2022.

5.1.3 The members of the Audit Committee and attendance of each member in the meeting held on 07.02.2022 are as follows:

Members of Audit Committee	Category of Director	Position	Meeting	
			held	attended
Dr. Ajay Narang@	Independent	Chairman	1	1
Dr. B. R. Ramakrishna@	Independent	Member	1	1
Shri Dushyant Upadhyay@	Independent	Member	1	1
Shri Y. P. Chillio@	Independent	Member	1	1
Shri B. K. Das	Functional	Member	1	1

@ Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 10.11.2021 appointed these Part-time Non-official (Independent) Directors for a period of three years.

5.1.4 Director (Finance) is a permanent special invitee to the Audit Committee.

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

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

5.1.7 In absence of Independent Directors, the position of Chairman was vacant on the date of 40<sup>th</sup> AGM held on 30.09.2021.

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

5.1.8.1 Powers of the Audit Committee:

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

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

- (i) 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.
- (ii) 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.
- (iii) Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
- (iv) Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Directors' Responsibility Statement for the Directors' Report in terms of Section 134(5) of the Act.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgment by the management.
  - (d) Significant adjustments made in financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Disclosure of related party transactions.
  - (g) Qualifications in draft audit report.
- (v) Reviewing with the management, the quarterly and annual financial statements before submission to the Board for approval.
- (vi) 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.
- (vii) Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
- (viii) Approval or any subsequent modification of transactions of the Company with related parties.
- (ix) Scrutiny of inter-corporate loans and investments, if any.
- (x) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (xi) Evaluation of internal financial controls and risk management systems.
- (xii) Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems.
- (xiii) 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.
- (xiv) Discussion with internal auditors of any significant findings and follow-up thereon.
- (xv) 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.
- (xvi) 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.
  - (xvii) 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.
  - (xviii) To review the functioning of the Whistle Blower mechanism.
  - (xix) 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.
  - (xx) 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.
  - (xxi) 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.

#### 5.1.8.3 Mandatory review of the following information by Audit Committee:

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

#### 5.1.8.4 The functions of Audit Committee also include:

- (i) To check whether cost controls are adequate and commensurate with size of the operations.
- (ii) To study the areas where income can be increased and the areas where cost can be reduced.
- (iii) 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 no Independent Directors on the Board of the Company w.e.f. 08.09.2020. Hence, the Committee could not be re-constituted as per the provisions of SEBI Regulations and the Act till appointment of 7 (seven) Independent Directors vide Order no. 2/8/2020-Met-I dated 10.11.2021 was made by Ministry of Mines, Govt. of India, after which the Committee was re-constituted.

#### 5.2.2 The Terms of Reference of the Committee:

- (i) Approval of the annual bonus/variable pay pool and policy for the distribution across the executives and non-unionized supervisors within the prescribed limit.
- (ii) 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 The Composition of the Nomination and Remuneration Committee as on 31.03.2022 is as follows:

Members of Nomination and Remuneration Committee	Category of Director	Position
Ms. (Dr.) Shatorupa@	Independent	Chairperson
Shri Ravi Nath Jha@	Independent	Member
Shri Y. P. Chillio@	Independent	Member

@ Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 10.11.2021 appointed these Part-time Non-official (Independent) Directors for a period of three years.

5.2.6 Director (HR) and Director (Finance) are invitees to the Nomination and Remuneration Committee.

5.2.7 In absence of Independent Directors, the position of Chairman was vacant on the date of 40<sup>th</sup> AGM held on 30.09.2021.

### 5.3 Stakeholders Relationship Committee:

5.3.1 There were no Independent Directors on the Board of the Company w.e.f. 08.09.2020. Hence, the Committee could not be re-constituted as

per the provisions of SEBI Regulations and the Act till appointment of 7 (seven) Independent Directors vide Order no. 2/8/2020-Met-I dated 10.11.2021 was made by Ministry of Mines, Govt. of India, after which the Committee was re-constituted.

- 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 Limited (Formerly M/s. KFin Technologies Private Limited) has been appointed as Registrar and Transfer Agents 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, Group General Manager & Company Secretary is designated as the Compliance Officer as required under Regulation 6(1) of the SEBI Regulations.
- 5.3.6 One meeting took place on 26.02.2022 during the year.
- 5.3.7 The composition of the Stakeholders Relationship Committee and attendance of each member in the meeting held on 26.02.2022 are as follows:

Members of Stakeholders Relationship Committee	Category of Director	Position	Meeting	
			held	attended
Adv. George Kurian@	Independent	Chairman	1	1
Shri Ravi Nath Jha@	Independent	Member	1	1
Shri Y. P. Chillio@	Independent	Member	1	1

@ Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 10.11.2021 appointed these Part-time Non-official (Independent) Directors for a period of three years.

- 5.3.8 In absence of Independent Directors, the position of Chairman was vacant on the date of 40th AGM held on 30.09.2021.
- 5.3.9 Details of complaints received and redressed during the year 2021-22 are as follows:

Received From	Opening Balance	Received during the year	Resolved during the year	Closing Balance
SEBI	0	0	0	0
Stock Exchange	0	1	1	0
Individuals	0	2,252	2,252	0
<b>TOTAL</b>	<b>0</b>	<b>2,253</b>	<b>2,253</b>	<b>0</b>

**Note:** No. of complaints received constitute 0.39% 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	25
Non-receipt of Dividend	2,216
Non-receipt of Annual Report	10
Non-receipt of Redemption Warrant	1
Non-receipt of Interest Warrant	1
<b>Total</b>	<b>2,253</b>

- 5.3.11 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. Further, in terms of circular dated 25.01.2022 of SEBI, 'Letter of confirmation' is sent to the concerned shareholders, requesting them to submit the same with their Depository Participants within 120 days of its issuance for dematerialization of shares in respect of issue of duplicate share certificate, transmission of shares, consolidation of certificates/folios etc.

#### 5.4 Risk Management Committee:

5.4.1 There were no Independent Directors on the Board of the Company w.e.f. 08.09.2020. Hence, the Committee could not be re-constituted as per the provisions of SEBI Regulations and the Act till appointment of 7 (seven) Independent Directors vide Order no. 2/8/2020-Met-I dated 10.11.2021 was made by Ministry of Mines, Govt. of India, after which the Committee was re-constituted.

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

- (i) 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.
- (ii) Overall responsibility for monitoring and approving the risk policies and associated practices of the Company.
- (iii) 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 S. B. Mohanty, GM (Finance) has been designated as Chief Risk Officer of the Company w.e.f. 23.02.2022.

5.4.5 One meeting took place on 10.03.2022 during the year.

5.4.6 The composition of the Risk Management Committee and attendance of each member in the meeting held on 10.03.2022 were as follows:

Members of Risk Management Committee	Category of Director	Position	Meeting	
			held	Attended
Dr. B. R. Ramakrishna@	Independent	Chairman	1	1
Adv. George Kurian@	Independent	Member	1	1
Dr. Ajay Narang@	Independent	Member	1	1
Shri B. K. Das	Functional	Member	1	1
Shri R. C. Joshi*	Functional	Member	1	1

@ Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 10.11.2021 appointed these Part-time Non-official (Independent) Directors for a period of three years.

\* Shri R. C. Joshi was appointed as Director (Finance) w.e.f. 04.02.2022.

#### 5.5 CSR & Sustainability Development Committee:

5.5.1 There were no Independent Directors on the Board of the Company w.e.f. 08.09.2020. Hence, the Committee could not be re-constituted as per the provisions of SEBI Regulations and the Act till appointment of 7 (seven) Independent Directors vide Order no. 2/8/2020-Met-I dated 10.11.2021 was made by Ministry of Mines, Govt. of India, after which the Committee was re-constituted.

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

- (i) Overseeing peripheral development activities being undertaken by the Company through the respective Rehabilitation and Periphery Development Advisory Committees (RPDAC) and proposed to be taken under MMDR Act.
- (ii) NALCO Foundation.
- (iii) Environment Protection & Pollution controls.

5.5.3 The Committee met once on 07.02.2022 during the year.

5.5.4 The composition of the CSR & Sustainability Development Committee and attendance of each member in the meeting held on 07.02.2022 are as follows:

Members of CSR & Sustainability Development Committee	Category of Director	Position	Meeting	
			held	attended
Shri Dushyant Upadhyay@	Independent	Chairman	1	1
Dr. B. R. Ramakrishna@	Independent	Member	1	1
Ms. (Dr.) Shatorupa@	Independent	Member	1	1
Shri R. S. Mahapatro, Director (HR)	Functional	Member	1	1
Shri B. K. Das, Director (Production)	Functional	Member	1	1

@ Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 10.11.2021 appointed these Part-time Non-official (Independent) Directors for a period of three years.



**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 The Committee met once on 26.02.2022 during the year.
- 5.6.4 The composition of the Technology Committee and meeting attended by each member in the meeting held on 26.02.2022 were as follows:

Members of Technology Committee	Category of Director	Position	Meeting	
			held	attended
Shri Y. P. Chillio@	Independent	Chairman	1	1
Adv. George Kurian@	Independent	Member	1	1
Dr. Ajay Narang@	Independent	Member	1	1
Shri M. P. Mishra, Director (P&T)	Functional	Member	1	1
Shri B. K. Das, Director (Production)	Functional	Member	1	1

@ Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 10.11.2021 appointed these Part-time Non-official (Independent) Directors for a period of three years.

**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 except Chairman-cum-Managing Director.
- 5.7.2 The Committee met thrice on 05.05.2021, 08.12.2021 and 15.02.2022 during the year.
- 5.7.3 The composition of the Share Transfer Committee and attendance of each member in the meetings, as on 31.03.2022, were as follows:

Members of Share Transfer Committee	Category of Director	Position	Meeting	
			Held during the tenure	attended
Shri R. S. Mahapatro, Director (HR)	Functional	Chairman	3	3
Shri M. P. Mishra, Director (P&T)	Functional	Member	3	3
Shri B. K. Das, Director (Production)	Functional	Member	3	3
Shri R. C. Joshi, Director (Finance)*	Functional	Member	1	1
Shri S. Samantaray, Director (Commercial)#	Functional	Member	0	0

\* Shri R. C. Joshi was appointed as Director (Finance) w.e.f. 04.02.2022.

# Shri Sadashiv Samantaray was appointed as Director (Commercial) w.e.f. 22.03.2022 and no meeting was held since his appointment till 31.03.2022.

**6.0 NON-STATUTORY COMMITTEES OF THE BOARD:**

Apart from the statutory committees of the Board as per the Act, SEBI Regulations and DPE Guidelines, the Board also has constituted the following Non-statutory Committees and power has been delegated for smooth operation of the Company:

- (i) HR Committee.
- (ii) Ethics and Corporate Governance Committee.
- (iii) Committee of Directors for Projects & New Ventures.

**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 26.02.2022. Company Secretary facilitated convening and holding of the meeting on the advice of the Independent Directors.

7.5 The attendance of Independent Directors in the meeting held on 26.02.2022 was as follows:

Name	Category of Director	Position	Meeting held	Meeting attended
Dr. B. R. Ramakrishna@	Independent	Chairman	1	1
Shri Ravi Nath Jha@	Independent	Member	1	1
Adv. George Kurian@	Independent	Member	1	1
Dr. Ajay Narang@	Independent	Member	1	1
Shri Y. P. Chillio@	Independent	Member	1	1
Ms. (Dr.) Shatorupa@	Independent	Member	1	1
Adv. Dushyant Upadhyay@	Independent	Member	1	1

@ Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 10.11.2021 appointed 7 (Seven) Part-time Non-official (Independent Directors for a period of three years.

**Note:** Ministry of Mines, Govt. of India vide Order No. 2/8/2020-Met-I dated 22.03.2022 appointed Shri Sanjay Ramanlal Patel as a Part-time Non-official (Independent) Director for a period of three years and no separate meeting of Independent Directors was held since his appointment till 31.03.2022.

7.6 Minutes of the meeting is 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
2018-19	18.09.2019	11:00 AM	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")
2020-21	30.09.2021	11:00 AM	No	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 also allowed companies to conduct Annual General Meetings through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") during the calendar year 2021, 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 30.09.2021. Members were provided with e-voting facility during the AGM, who could not exercise their vote through remote E-voting process.

8.6 Postal Ballot through e-voting\*:

8.6.1 During the year under review, ordinary/special resolutions for appointment of following Directors were passed by shareholders by requisite majority by way of postal ballot through notice dated 11<sup>th</sup> March, 2022 through e-voting process:

Sl. No.	Description of the Resolution	Resolution
1.	Appointment of Dr. Veena Kumari Dermal [DIN: 08890469] as a Director of the Company	Ordinary
2.	Appointment of Shri Ramesh Chandra Joshi [DIN: 08765394] as Director (Finance) of the Company.	Ordinary
3.	Appointment of Shri Ravi Nath Jha [DIN: 09396382] as an Independent Director of the Company.	Special
4.	Appointment of Shri Y. P. Chillio [DIN: 09396182] as an Independent Director of the Company.	Special
5.	Appointment of Adv. Dushyant Upadhyay [DIN: 09397101] as an Independent Director of the Company.	Special
6.	Appointment of Adv. George Kurian [DIN: 09398434] as an Independent Director of the Company.	Special
7.	Appointment of Ms. (Dr.) Shatorupa [DIN: 09396503] as an Independent Director of the Company.	Special
8.	Appointment of Dr. B. R. Ramakrishna [DIN: 02251602] as an Independent Director of the Company.	Special
9.	Appointment of Dr. Ajay Narang [DIN: 00368054] as an Independent Director of the Company.	Special

8.6.2 The Board of Directors of your Company appointed Ms. Savita Jyoti (M. No.: F3738, C. P. No.: 1796) of M/s. Savita Jyoti Associates, Practicing Company Secretaries, Hyderabad, as the Scrutinizer for scrutinizing the postal ballot through e-voting.

8.6.3 Despatch of the Postal Ballot Notice dated 11<sup>th</sup> March, 2022, along with explanatory statement, to the eligible shareholders of the Company was completed on 14<sup>th</sup> March, 2022.

- 8.6.4 E-voting period commenced on Wednesday, the 16<sup>th</sup> March, 2022 at 09.00 a.m. (IST) and ended on Thursday, the 14<sup>th</sup> April, 2022 at 5.00 p.m. (IST).
- 8.6.5 Based on the Scrutinizer's Report, the results of the postal ballot process through e-voting were declared on 18<sup>th</sup> April, 2022.
- 8.6.6 All statutory formalities relating to the above Postal Ballot were completed within the statutory time limit, as required under the provisions of the Act and SEBI Regulations.

\*Note: Since, the above postal ballot process dated 11<sup>th</sup> March, 2022 started in FY 2021-22 and all activities for the same were completed on 18<sup>th</sup> April, 2022 i.e. in the FY 2022-23, the above disclosures about postal ballot is made in the Corporate Governance Report of FY 2021-22.

## 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 and audited financial results for the fourth quarter and full year of the Company were announced within scheduled time as per SEBI (LODR) Regulations,
- 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](http://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
1st Qtr.- (Apr-June, 2021)	06.08.2021	Business Line (English) and Samaja (Odia)	07.08.2021
2nd Qtr.- (July-Sept., 2021)	12.11.2021	Financial Express (English) and Sambad (Odia)	13.11.2021
3rd Qtr.- (Oct- Dec., 2021)	07.02.2022	Business Standard (English) and Dharitri (Odia)	08.02.2022
4th Qtr. (Jan.-March, 2022 and year 2021-22)	25.05.2022	Economic Times (English) and Prameya (Odia)	26.05.2022

- 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 <sup>th</sup> January, 1981
Financial Year	: 1 <sup>st</sup> April - 31 <sup>st</sup> March
Registered Office of the Company	: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751 013, Odisha.

### 10.2 Annual General Meeting for the financial year 2021-22:

Keeping in view the ongoing COVID pandemic, MCA vide General Circular NO. 2/2022 dated 05.05.2022 have allowed holding Annual General Meeting through Video Conferencing (VC)/Other Audio Visual Means (OAVM) till 31<sup>st</sup> December, 2022. Accordingly, the 41<sup>st</sup> Annual General Meeting for this year is proposed to be held on Thursday, the 22<sup>nd</sup> September, 2022 as detailed below:

Day and Date	Thursday, the 22 <sup>nd</sup> September, 2022
Time	11:00 AM
Deemed Venue	NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751 013
Mode	Through VC/OAVM



## 10.3 Financial Calendar for 2022-23:

Events	Tentative Date
Unaudited Financial results for the first three quarters	Within 45 days of closure of respective quarter
Audited Financial results for the year including 4th quarter results	Within 60 days from date of closure of the Financial Year.
Annual General Meeting for the year ending March 31, 2023	By September, 2023

## 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 @ ₹ 5.00 per equity share amounting in total ₹ 918.32 crore in two tranches and final dividend for the FY 2020-21 @ ₹ 1.00 per equity share amounting to ₹ 183.66 crore. The total dividend payout for the financial year 2021-22 is ₹ 1,101.98 crore as against ₹ 460.61 crore during the previous year. Dividend payout of 37.33% of the PAT against 35.44% of the previous financial year.

10.5.2 The Board of Directors have recommended final dividend @ 30% i.e. ₹ 1.50 per equity share for FY 2021-22 subject to approval of the shareholders in the ensuing Annual General Meeting.

10.5.3 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 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
2016-17	(I) - ₹ 2.80 (F) - Nil	(I)- 23.03.2017 (F)- NA	541.22	80.96
2017-18	(I) - ₹ 4.70 (F) - ₹ 1.00	(I)- 28.02.2018 (F)- 24.09.2018	1,101.77	82.07
2018-19	(I) - ₹ 4.50 (F) - ₹ 1.25	(I)- 28.03.2019 (F)- 14.10.2019	1,072.73	161.49
2019-20	(I) - ₹ 1.50 (F) - Nil	(I)- 06.03.2020 (F)- NA	279.84	202.45
2020-21	1 <sup>st</sup> (I) - ₹ 0.50 2 <sup>nd</sup> (I) - ₹ 2.00 (F) - ₹ 1.00	1 <sup>st</sup> (I)-16.12.2021 2 <sup>nd</sup> (I)-31.03.2021 (F)-25.10.2021	644.27	49.58

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 2022-23	Paid on 25.04.2022	Paid on 25.04.2022

Note: Annual Custody/Issuer fee for the year 2022-23 has been paid by the Company to NSDL and CDSL.

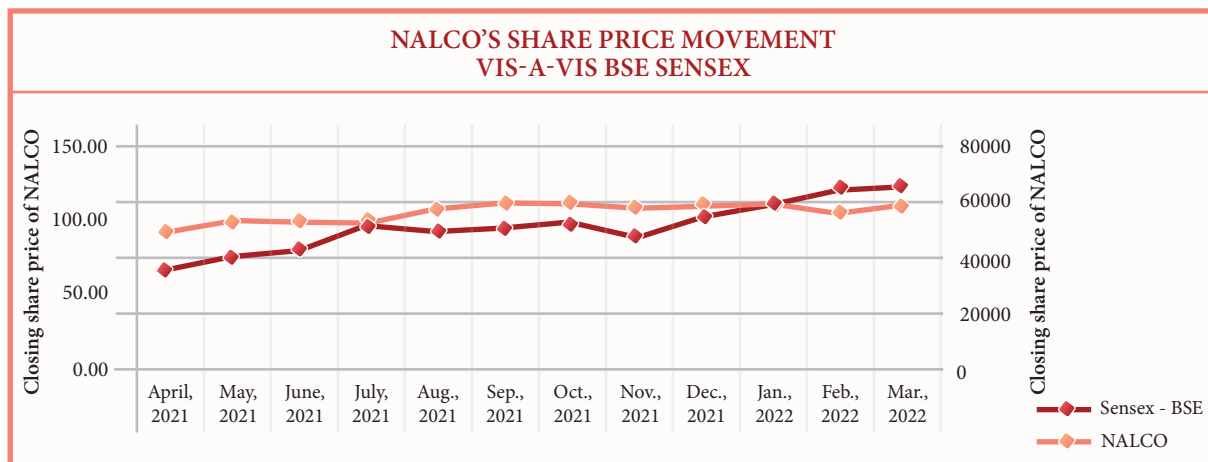
## 10.8 Market Price Data for Financial year 2021-22:

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, 2021	66.55	53.05	1979068.89	66.50	52.75	32828065.74	10814.66	10815.92
May	82.30	64.05	3575634.75	82.10	64.15	53285575.55	12780.75	13412.19
June	82.50	65.05	2966756.68	84.30	65.05	35171004.00	13252.50	13257.64
July	96.00	77.60	3481376.00	96.00	77.60	41459022.81	15590.03	15598.16
August	97.45	71.20	3587696.10	97.45	71.25	41839143.76	15591.01	15595.02
September	102.30	83.90	2514738.48	102.45	85.20	36596706.10	17172.08	17179.59
October	124.75	90.10	3022268.70	127.95	90.05	47956382.20	19031.46	19033.84
November	105.00	86.30	2252640.05	104.40	86.30	28331093.80	17973.01	17974.56
December	105.90	87.05	1593783.52	105.95	87.05	25169593.48	17999.61	18003.14
January, 2022	115.25	99.30	1538436.21	115.25	99.10	23781073.95	19821.80	19855.64
February	128.30	108.85	1629690.43	128.25	108.85	28225760.65	21644.91	21736.17
March	132.75	112.50	1730626.43	132.70	112.50	31446495.29	22380.24	22374.11

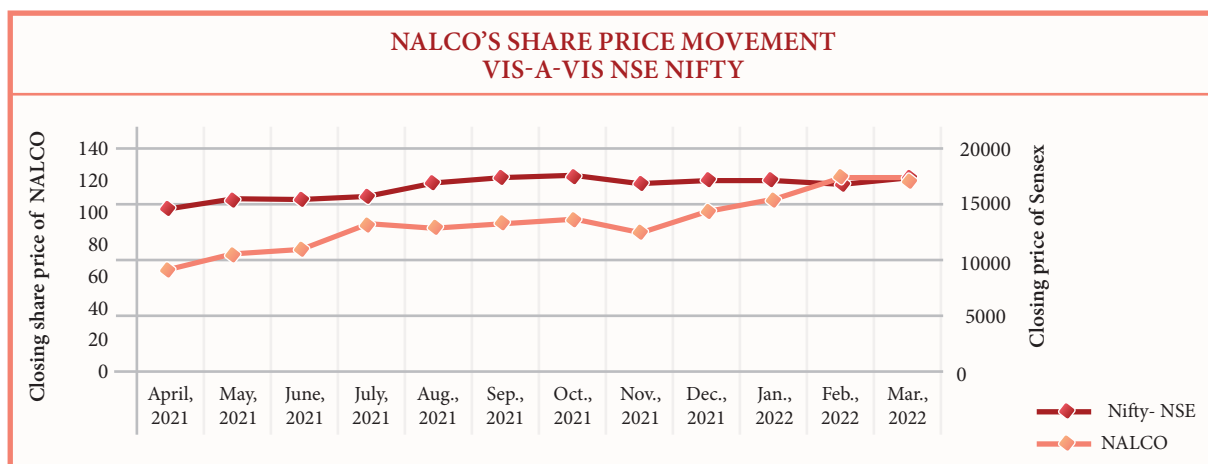
H=Highest, L=Lowest, Source: Websites of BSE & NSE

## 10.9 Performance in comparison to broad - based Indices:

BSE:



NSE:



**10.10 Registrar and 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 were outsourced to M/s. KFin Technologies Limited (Formerly M/s. KFin Technologies Private Limited). M/s. KFin Technologies 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, processing and payment of dividend, 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 Limited is as follows:

M/s. KFin Technologies Limited (Formerly M/s. KFin Technologies Private Limited).  
Unit: National Aluminium Company Limited

M/s. KFin Technologies Limited  
Selenium Tower B, Plot 31 & 32,  
Financial District, Nanakramguda, Serilingampally Mandal,  
Hyderabad - 500 032, Telangana.  
Toll Free No.: 1800-309-4001, Email: [einward.ris@kfinotech.com](mailto:einward.ris@kfinotech.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 except 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.

Compliance certificate, as required under Regulation 7(3) of SEBI Regulations, duly signed by the Company Secretary & Compliance Officer and Registrar & Transfer Agents had 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 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 31.03.2022:**

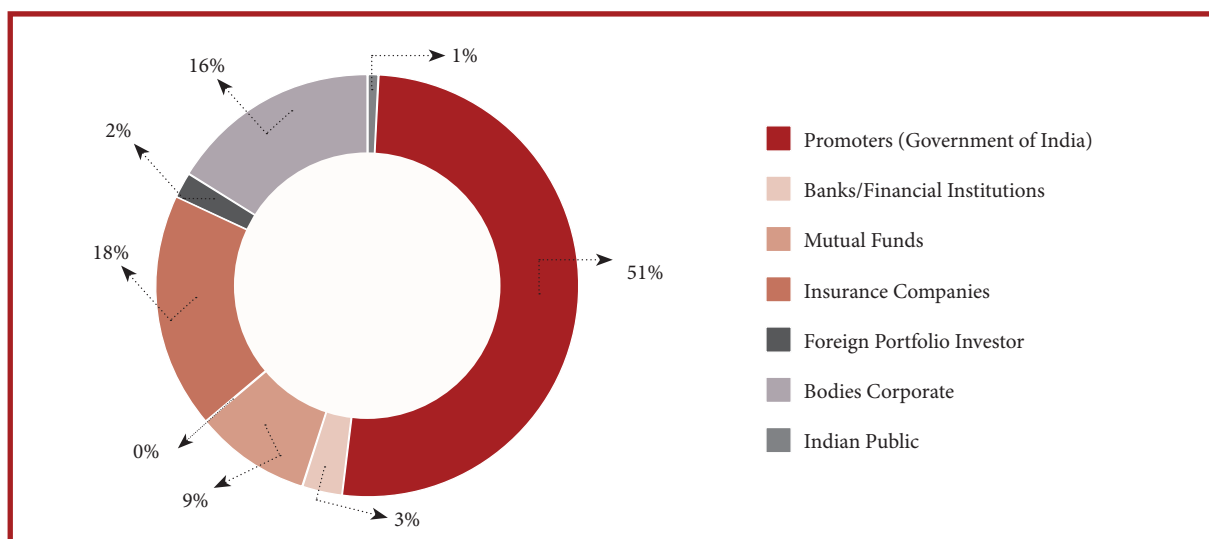
Sl. No.	Category	No. of Shareholders	No. of shares	% of shareholding
1.	Promoters (Government of India)	1	94,17,93,011	51.28
2.	Banks/ Financial Institutions	53	5,32,55,019	2.90
3.	Mutual Funds	87	15,97,29,284	8.70
4.	Insurance Companies	2	1,600	0.00
6.	Foreign Portfolio Investor	302	33,12,45,606	18.04
6.	Bodies Corporate	1,697	3,23,68,044	1.76
7.	Indian Public	5,56,954	29,29,94,159	15.95
8.	Others	13,955	2,52,45,064	1.37
	<b>TOTAL</b>	<b>5,73,051</b>	<b>1,83,66,31,787</b>	<b>100.00</b>

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

Name promoter	No. of shares of (Beginning of the Year)	% of holding	Decrease during the year	Date of Change	Mode	Share balance	% of holding
President of India	94,17,93,011	51.28	-	-	-	94,17,93,011	51.28



## 10.14 Category-wise shareholding as on 31.03.2022:



## 10.15 Distribution of shareholding as on 31.03.2022:

No. of shares	No. of Shareholders	% of shareholders	No. of shares	% of share capital
1-200	4,30,529	75.13	2,44,74,630	1.33
201-500	71,622	12.50	2,59,45,856	1.41
501-1,000	33,789	5.90	2,76,51,134	1.51
1,001-50,000	36,323	6.34	15,25,62,106	8.31
50,001-1,00,000	299	0.05	2,13,16,331	1.16
1,00,001 and above	489	0.09	1,58,46,81,730	86.28
<b>TOTAL</b>	<b>5,73,051</b>	<b>100.00</b>	<b>1,83,66,31,787</b>	<b>100.00</b>

## 10.16 Top 10 equity shareholders besides the promoter of the Company as on 31.03.2022:

Sl. No.	Name of shareholder	No. of shares	% of holding
1.	ICICI Prudential Midcap 150 Index Fund	4,05,81,090	2.21
2.	Rakesh Jhujhunwala	2,50,00,000	1.36
3.	Mirae Asset Equity Savings Fund	1,96,00,999	1.07
4.	Societe Generale - ODI	1,95,39,457	1.06
5.	SBI Magnum Midcap Fund	1,59,34,762	0.87
6.	The New India Assurance Company Limited	1,44,50,689	0.79
7.	Aditya Birla Sun Life Trustee Private Limited	1,41,31,192	0.77
8.	Quant Mutual Fund - Quant Small Cap Fund	1,39,37,800	0.76
9.	Life Insurance Corporation of India	1,31,87,074	0.72
10.	City of New York Group Trust	1,27,08,803	0.69
	<b>TOTAL</b>	<b>18,90,71,866</b>	<b>10.29</b>

## 10.17 Dematerialisation / Rematerialisation of listed shares &amp; 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 Reconciliation of the Share Capital Audit Report obtained from Practicing Company Secretary, has been submitted within statutory time period to the Stock Exchanges on quarterly basis.

10.17.3 Total no. of shares held in physical and in dematerialization mode as on 31.03.2022:

Particulars	No. of Shares	% to total shares	No. of shareholders
Physical	17,75,592	0.10	2,318
<b>Demat (Electronic):</b>			
NSDL	1,68,73,31,333	91.87	1,79,495
CDSL	14,75,24,862	8.03	3,91,238
<b>Total</b>	<b>1,83,66,31,787</b>	<b>100.00</b>	<b>5,73,051</b>

10.17.4 During the year, 85 dematerialization requests involving 35,800 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, ₹ 12,84,679/- pertaining to unclaimed interim dividend for financial year 2013-14 and an amount of ₹ 5,18,852/- pertaining to unclaimed final dividend for financial year 2013-14 have been transferred to Investor Education and Protection Fund, during the financial year 2021-22.

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, 31,770 shares of 115 shareholders were transferred to the demat account of IEPF Authority, opened with NSDL. Till the year ended 31<sup>st</sup> March, 2022, the Company has transferred 2,93,123 shares of 1,028 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/2022/07/Shares-Transferred-to-IEPF.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. The 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				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
Nil	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 M/s. India Ratings & Research with their rating action publication of 10.05.2022.

**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. 39 of both standalone financial statements and consolidated financial statements of the Company for the financial year 2021-22. There were no material transactions with any related party during the financial year. The related party transactions in the prescribed Form AOC -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 upto the quarter ended 31.12.2021, 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. However, the Company has complied with all the requirements of SEBI Regulations, the Act and DPE Guidelines for the quarter ended 31.03.2022. Accordingly, 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](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 at present which is reviewed considering changes in the regulatory provision if any and market dynamics. However, the Company does 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., Practicing 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 ₹ 89 lakhs during the year towards fees and expenses for all services rendered by the Statutory Auditors.

11.10 During the year, one 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/Code of Conduct.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, 2022.

Sd/-  
(S. Patra)  
Chairman-cum-Managing Director  
DIN : 06500954

#### 11.16 CEO/CFO Certification:

The CEO/CFO certificate under Regulation 17(8) of SEBI (LODR) Regulations, 2015, duly signed by Shri Sridhar Patra, Chairman-cum-Managing Director and Shri R. C. Joshi, Director (Finance) was placed before the meeting of the Board of Directors held on 25.05.2022.

#### 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:

Particulars	(₹ in crore)	
	2021-22	2020-21
Administrative and office expenses	101.88	103.23
Total expenses	10,523.36	7,785.87
Administrative and office expenses as a % of total expenses	0.97	1.33
Financial expenses	23.12	7.08

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 2021-22. The self-appraisal report for 2021-22 can be accessed in the website at <https://nalcoindia.com/wp-content/uploads/2022/04/Self-appraisal-Report.pdf>

11.17.5 The Company has not received any presidential directives during the year and during last three years.

11.17.6 In absence of Independent Directors w.e.f. 08.09.2020, the Company complied with the requirements of the DPE Guidelines on Corporate Governance except w.r.t. composition of Board and Statutory Board-level Committees till 09.11.2021. Thereafter, the Company is complying with all the requirements of the DPE Guidelines on Corporate Governance after induction Independent Directors.

**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:

- (i) 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.
- (ii) 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:**

<b>Registered &amp; Corporate Office :</b> NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar – 751013, (Odisha)	<b>Smelter Plant</b> Nalco Nagar, Angul - 759 145, (Odisha)
<b>Mines &amp; Refinery</b> Mines & Refinery Complex, Damanjodi - 763 008, Dist.-Koraput, (Odisha)	<b>Captive Power Plant</b> Angul - 759 122, (Odisha)
<b>Port Facilities</b> Opposite Ore Handling Complex, Port Area, Visakhapatnam-530035, (Andhra Pradesh)	<b>Jaisalmer 47.6 MW Wind Power Plant</b> National Aluminium Company Limited Village - Ludarva, Kahela, Khadero-Ki-Dhani, Tawariya, Chatrel Division/Taluk/District - Jaisalmer, Rajasthan – 345001
<b>Gandikota 50.4 MW Wind Power Plant</b> National Aluminium Company Limited Village - Gandikota, Division - Prodattur, Taluka – Jammalmadugu, District – Kadapa, Andhra Pradesh	<b>Sangli 50.4 MW Wind Power Plant</b> National Aluminium Company Ltd. Village-Mendhigiri, Taluk-Jath, Dist.- Sangli, Maharashtra- 416404
<b>Jaisalmer 50 MW Wind Power Plant</b> National Aluminium Company Limited Village –Devikot, Tehsil-Fatehgarh, Division/Taluk/District – Jaisalmer Rajasthan- 245009	<b>Kayathar 25.5 MW Wind Power Plant</b> National Aluminium Company Limited Village- Onamakulam, Tehsil- Kayathar, District- Tuticorin, Tamil Nadu- 628303
<b>PORT FACILITIES:</b>	
<b>Visakhapatnam</b> Opp. Ore Handling Complex, Port Area, Visakhapatnam - 530 035 Andhra Pradesh	<b>Paradip (Port Office)</b> 'V' Point, Badapadia, Paradip - 751 142
<b>REGIONAL OFFICES:</b>	
<b>Eastern Region</b> 1st Floor, J K Millenium Centre, 46-D, Chowringhee Road, Kolkata - 700 071	<b>Western Region</b> 215, T.V. Industrial Estate, S.K. Ahire Marg, Worli, Mumbai - 400 030
<b>Northern Region</b> Core - 4, 5th Floor, South Tower, District Centre, Scope Minar, Laxmi Nagar, Delhi - 110 092	<b>Southern Region</b> 3E, Century Plaza, 560, Anna Salai, Teynampet, Chennai-600 018
<b>STOCK YARDS:</b>	
<b>Raipur</b> M/s. National Aluminium Company Limited C/o Ekta Enterprises, Monet Road, Mandir Hasaud, Raipur, Chhattisgarh - 492101	<b>Kolkata</b> M/s. National Aluminium Company Limited C/o. Balmer Lawrie & Company Limited, WH, 1-Sonapur Road, Kolkata - 700 088, West Bengal
<b>Jaipur</b> 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	<b>Visakhapatnam</b> M/s. National Aluminium Company Limited C/o Visakhapatnam Port Logistics Park Ltd. Beside Mindi Railway Yard, Mulagada Village, Visakhapatnam - 530 012

STOCK YARDS:	
<b>Baddi</b> M/s. National Aluminium Company Limited C/o. NSIC Limited, Village : Dharampur, P.O. : Baddi, Tehsil : Nalagarh, Dist. : Solan - 173205, Himachal Pradesh	<b>Chennai</b> M/s. National Aluminium Company Limited C/o. NSIC Ltd., Plot No. A12, CMDA Truck Terminal, Ponnamanmedu Post, Madhavaram, Chennai - 600 110.
<b>Vadodara</b> M/s. National Aluminium Company Limited C/o. Central Warehousing Corporation, 1B, Central Warehouse, Near Ranoli Flyover, Ranoli, Karachiya, Vadodara, Gujarat - 391350	<b>New Delhi</b> 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

#### 14.0 ADDRESS FOR CORRESPONDENCE:

##### 14.1 Compliance Officer:

GGM & Company Secretary  
National Aluminium Company Ltd  
NALCO Bhawan, P/1, Nayapalli  
Bhubaneswar - 751 013  
E-mail: [company\\_secretary@nalcoindia.co.in](mailto:company_secretary@nalcoindia.co.in)

##### 14.2 Registrar and Transfer Agents:

M/s. KFin Technologies Limited (Formerly M/s. KFin Technologies Private Limited)  
Unit: National Aluminium Company Limited  
M/s. KFin Technologies Limited  
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](mailto: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 Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities 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 Director 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 31<sup>st</sup> March, 2022 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 Sanjay Lohiya, IAS	07151125	09.11.2020
5.	Shri Bijay Kumar Das	08984700	01.12.2020
6.	Shri Ravi Nath Jha	09396382	11.11.2021
7.	Shri Y.P. Chillio	09396182	11.11.2021
8.	Adv. George Kurian	09398434	12.11.2021
9.	Ms. (Dr.) Shatorupa	09396503	12.11.2021
10.	Adv. Dushyant Upadhyay	09397101	12.11.2021
11.	Dr. B. R. Ramakrishna	02251602	15.11.2021
12.	Dr. Ajay Narang	00368054	16.11.2021
13.	Dr. Veena Kumari Dermal, IPoS	08890469	20.01.2022
14.	Shri Ramesh Chandra Joshi	08765394	04.02.2022
15.	Shri Sadashiv Samantaray	08130130	22.03.2022
16.	Shri Sanjay Ramanlal Patel	09545270	23.03.2022

Ensuring eligibility of every Director on their appointment/continuity on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on their appointment/continuity, 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.

Place: Bhubaneswar  
Date: 26.05.2022  
UDIN: F003911D000391408

For Deba Mohaptra & Co.  
Company Secretaries

Sd/-  
CS Arabinda Acharya, FCS  
Managing Partner  
CP No. : 23836, FCS No. : 3911

## 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 07.06.2022
2. We have examined the compliance of conditions of Corporate Governance by National Aluminium Company Limited ("the Company") for the year ended 31<sup>st</sup> March, 2022, 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 for compliance with the conditions of the Regulations:

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 31<sup>st</sup> March, 2022.
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 31<sup>st</sup> March 2022, except for the following:
  - A. No Independent Directors were on the Board of the Company till 9<sup>th</sup> November 2021. Seven (7) Independent Directors, including one (1) Independent Woman Director, were appointed by Government of India vide order dated 10.11.2021. Therefore
    - i. The composition of the Board was not in compliance till 9<sup>th</sup> November 2021 (Regulation 17 (1)(a) of the Regulations).
    - ii. Half of the Board of Directors strength did not have Independent Directors till 9<sup>th</sup> November 2021
    - iii. The meetings of the Board held on 28.06.2021, 06.08.2021, 06.09.2021 and 12.11.2021 were without proper quorum but with minimum number of directors i.e., 3 were present in all these meetings. (Regulation 17 (2A) of the Regulations).
  - B. In absence of Independent Directors on the Board till 9<sup>th</sup> November 2021:
    - i. The Company had not constituted the Audit Committee. (Regulation 18(1), 18(1)(a), 18(1)(b) of the Regulations).

After the induction of Independent Directors on the Board by Government of India vide order dated 10.11.2021, Audit Committee was re-constituted with requisite number of Independent Directors with an Independent Director as Chairman on dated 01.12.2021. Though all the members of the Audit Committee were financially literate but no member in the Committee was having accounting or related financial management expertise (Regulation 18(1)(c), 18(1)(d) of the Regulations).

The Committee had one meeting instead of required four meetings during the financial year (Regulation 18(2) of the Regulations)

Based on the decisions of the Board, matters which were required to be placed before the Audit Committee for recommendation to the Board were directly placed before the Board. Due to absence of Independent Directors on the Board, the chairperson of the Audit Committee was not present during the last Annual General Meeting held on 30.09.2021.

- ii. The Nomination and Remuneration Committee could not be re-constituted (Regulation 19 (1), 19 (2) of the Regulations) and after the induction of Independent Directors on the Board by Government of India vide order dated 10.11.2021, Nomination and Remuneration Committee was re-constituted with requisite number of Directors with an Independent Director as Chairman on dated 01.12.2021.

The Committee had not met during the financial year (Regulation 19 (3A) of the Regulations) and the chairperson was not present at the Annual General Meeting held on 30.09.2021 (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.

- iii. The Stakeholders Relationship Committee could not be re-constituted (Regulation 20(2), 20(2A) of the Regulations) and after the induction of Independent Directors on the Board by Government of India vide order dated 10.11.2021, Stakeholders Relationship Committee was re-constituted with requisite number of Independent Directors with an Independent Director as Chairman on dated 01.12.2021.

The chairperson was not present at the Annual General Meeting held on 30.09.2021 (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.

- iv. The Risk Management Committee could not be re-constituted and after the induction of Independent Directors on the Board by Government of India vide order dated 10.11.2021, Risk Management Committee was re-constituted with requisite number of Directors with an Independent Director as Chairman on dated 01.12.2021. (Regulation 21(1), 21(2) of the Regulations).

The Committee met once during the financial year instead of required two meetings during the financial year (Regulation 21(3A) of the Regulations).

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 GNS & Associates  
Chartered Accountants  
FRN : 318171E

Sd/-  
(CA Narad P. Sahu)  
Partner  
Membership No.: 055224  
UDIN: 2205522ANZVRZ5209

For A. K. Sabat & Co.  
Chartered Accountants  
FRN : 321012E

Sd/-  
(CA A. K. Sabat)  
Partner  
Membership No.: 030310  
UDIN: 22030310ANZVGV6335

Place: Bhubaneswar  
Date: 01<sup>st</sup> August, 2022





## 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:**

- (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) Date(s) of approval by the Board, if any: Not Applicable.
- (f) Amount paid as advances, if any: Not Applicable.

For and on behalf of the Board of Directors

Sd/-  
(Sridhar Patra)  
Chairman-cum-Managing Director  
DIN : 06500954



## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2021-22

[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 **31<sup>st</sup> March, 2022**. 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 and its officers during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has complied with the statutory provisions listed hereunder during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 and 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 31<sup>st</sup> March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act), and the 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, as amended; **Not applicable during the period under report.**
  - 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, as amended; **Not applicable during the period under report.**
  - f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended; **Not applicable during the period under report.**
  - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended; **Not applicable during the period under report.**
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended; **Not applicable during the period under report.**
  - i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended;
- (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.

We have also examined compliance with the applicable Clauses of the Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.

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:**

As on 31.03.2022, there were 6 (Six) Whole time Directors (Executive Directors) including Chairman-cum-Managing Director, 2 (Two) Part-time Official Directors and 8 (Eight) Part-time Non-Official (Independent) Directors including one Independent Woman Director on the Board of the Company.

The details of the composition of the Board of Directors are given below:

LIST OF DIRECTORS DURING THE FINANCIAL YEAR-2021-22				
Sl. No.	Name of the Directors	Position Held	Date of Appointment	Date of Cessation
<b>WHOLE-TIME DIRECTORS:</b>				
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)*	01.11.2020	-
4.	Shri Bijay Kumar Das	Director (Production)#	01.12.2020	-
5.	Shri Ramesh Chandra Joshi	Director (Finance)	04.02.2022	-
6.	Shri Sadashiv Samantaray	Director (Commercial)	22.03.2022	-
<b>PART-TIME OFFICIAL DIRECTORS:</b>				
1.	Shri Satendra Singh, IAS	Director	05.08.2020	20.01.2022
2.	Shri Sanjay Lohiya, IAS	Director	09.11.2020	-
3.	Dr. Veena Kumari Dermal, IPoS	Director	20.01.2022	-
<b>PART-TIME NON-OFFICIAL (INDEPENDENT) DIRECTORS:</b>				
1.	Shri Ravi Nath Jha	Director	11.11.2021	-
2.	Dr. B. R. Ramakrishna	Director	15.11.2021	-
3.	Adv. George Kurian	Director	12.11.2021	-
4.	Dr. Ajay Narang	Director	16.11.2021	-
5.	Shri Y.P. Chillio	Director	11.11.2021	-
6.	Ms. (Dr.) Shatorupa	Director	12.11.2021	-
7.	Adv. Dushyant Upadhyay	Director	12.11.2021	-
8.	Shri Sanjay Ramanlal Patel	Director	23.03.2022	-

\* Held additional charge of Director (Finance) w.e.f. 01.03.2021 to 03.02.2022

# Held additional charge of Director (Commercial) w.e.f. 01.03.2021 to 21.03.2022



During the financial year under review:

- i. Seven (7) Part-time Non-official (Independent) Directors viz. Shri Ravi Nath Jha, Dr. B. R. Ramakrishna, Adv. George Kurian, Dr. Ajay Narang, Shri Y.P. Chillio, Ms. (Dr.) Shatorupa & Adv. Dushyant Upadhyay were appointed on the Board of the Company for a period of three years vide Ministry of Mines, Government of India Order No. 2/8/2020-Met-I dtd. 10th November, 2021. After completion of necessary pre-requisite statutory formalities, these seven Independent Directors were inducted to the Board, on respective dates stated above. However, the tenure of three years is reckoned from the date of Government of India order dated 10.11.2021.
- ii. Dr. Veena Kumari Dermal was inducted to the Board as a Part-time Official Director vice Shri Satendra Singh w.e.f. 20.01.2022.
- iii. Shri Ramesh Chandra Joshi was inducted to the Board as Director (Finance) of the Company w.e.f. 04.02.2022.
- iv. Shri Sadashiv Samantaray was inducted to the Board as Director (Commercial) of the Company w.e.f. 22.03.2022.
- v. Shri Sanjay Ramanlal Patel was appointed as a Part-time Non-official (Independent) Director for a period of three years vide Ministry of Mines, Government of India Order No. 2/8/2020-Met-I dated 22nd March, 2022. After completion of necessary pre-requisite statutory formalities, he was inducted to the Board w.e.f. 23.03.2022. However, the tenure of three years is reckoned from the date of Government of India order dated 22.03.2022.

There were no Independent Director on the Board of the Company from beginning of the financial year till 9th November, 2021. Seven (7) Part-time Non-official (Independent) Directors, were appointed in compliance with Section 149(1) & 149(4) of the Companies Act, 2013 and Regulation 17(1) (a) & 17(1)(b) of the SEBI (LODR) Regulations, 2015. Later, one (1) more Part-time Non-official (Independent) Director was appointed on the Board of the Company, during the financial year ended 31.03.2022.

#### 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 financial year under review, the Company did not have requisite no. of Independent Directors on the Board till 09.11.2021. There was no woman director on the Board as well and the position remained vacant till 09.11.2021.

Accordingly, the composition of the Board was not in compliance with the provisions under Section 149(1) and 149(4) of the Companies Act, 2013 from 01.04.2021 till 09.11.2021.

##### Under SEBI (LODR) Regulations, 2015 (The Regulations):

As per Regulation 17(1) (a) of the Regulations, not less than 50% of the Board of Directors shall comprise of Non-Executive Directors, including at least one Independent Woman Director.

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.

At the beginning of the financial year, Non-executive Directors i.e. Part-time Official Directors constituted 33.33% of the total Board strength. The Company did not have Independent Directors including at least one Woman Director till 09.11.2021, during the financial year under review. Seven Independent Directors were appointed by the Government of India on 10.11.2021 and one more Independent Director was appointed on the Board on 22.03.2022.

Accordingly, the composition of the Board was not in compliance with the provisions under Regulation 17(1)(a) and Regulation 17(1)(b) of the SEBI (LODR) Regulations, 2015 from 01.04.2021 till 09.11.2021.

##### Penalties imposed by Stock Exchanges:

NSE and BSE have imposed Penalties for the quarter ended on 30.06.2021, 30.09.2021 & 31.12.2021 for non-compliances with various provisions of the Regulations. The Company has informed the same to Ministry of Mines, the Administrative Ministry, being the authority for appointment of Directors in the Company and requested the Ministry 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 both the Stock Exchanges with a request to condone the penalty.

#### (B) Board Meetings:

During the financial year under review, 5 (Five) Meeting of the Board of Directors i.e. 329th to 333rd were held on 28.06.2021, 06.08.2021, 06.09.2021, 12.11.2021 & 07.02.2022 in compliance with the DPE Guidelines, Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

All the meetings were held through video conferencing by following the procedures specified by the Ministry of Corporate Affairs (MCA) vide circular dt.19th March, 2020.

Agenda and detailed notes on the agendas were sent 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 meetings.

All decisions taken at the Board Meetings were carried out unanimously and recorded in the minute books 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 atleast one Independent Director.

During the year under review, the meetings of the Board of Directors held on 28.06.2021, 06.08.2021, 06.09.2021 and 12.11.2021 without valid quorum i.e. presence of at least one Independent Director, though the maximum number i.e. three directors were at least present in each of the meetings.

**(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. 8<sup>th</sup> meeting of Part-time Non-official (Independent) Directors of the Company was held on 26.02.2022. The Meeting of Independent Directors was held with the presence of following Independent Directors:

1. Dr. B. R. Ramakrishna – Independent Director & Chairman of the Meeting
2. Shri Ravi Nath Jha - Independent Director
3. Adv. George Kurian - Independent Director
4. Dr. Ajay Narang - Independent Director
5. Shri Y.P. Chillio - Independent Director
6. Ms. (Dr.) Shatorupa - Independent Director
7. Adv. Dushyant Upadhyay - Independent Director

**(D) Statutory Committees of the Board:**

**i. Audit Committee:**

In absence of Independent Directors on the Board, the Company had not reconstituted the Audit Committee as per the provisions of the Regulations, 2015 and Companies Act, 2013. Based on the decision of the Board, matters which were required to be placed before the Audit Committee for recommendation to the Board, were directly placed before the Board. However, after induction of Independent Directors on the Board, Audit Committee was re-constituted comprising of the following Directors:

1. Dr. Ajay Narang, Independent Director-Chairman
2. Dr. B. R. Ramakrishna, Independent Director-Member
3. Adv. Dushyant Upadhyay, Independent Director-Member
4. Shri Y. P. Chillio, Independent Director-Member
5. Director (Production)

Director (Finance) is a special invitee to the Committee.

During the financial year under review, only one (1) Audit Committee Meeting i.e. 127<sup>th</sup> meeting was held on 07.02.2022.

Adequate Notice for the Audit Committee Meeting was sent to all the Members of the Committee. Agenda and detailed notes on agendas 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 taken at the Audit Committee Meeting were carried out unanimously and recorded in the minutes book maintained for the purpose as per the provisions of the Act.

**Non-compliances:**

The Committee could not meet minimum four times during the year under review, as required under the Act and SEBI Regulations and the gap between two consecutive Audit Committee Meeting is more than 120 days, since Audit Committee was not in place from 01.04.2021 till its reconstitution after appointment of 7 (Seven) Independent Directors.

**ii. CSR & Sustainability Development Committee:**

In absence of Independent Directors on the Board, the Company had not reconstituted the CSR & Sustainability Development Committee as per the provisions of the Companies Act, 2013. Based on the decision of the Board, matters which were required to be placed before the CSR & Sustainability

Development Committee for recommendation to the Board, were directly placed before the Board. However, after induction of Independent Directors on the Board, CSR & SD Committee has been re-constituted comprising of the following Directors:

1. Adv. Dushyant Upadhyay, Independent Director- Chairman
2. Dr. B. R. Ramakrishna, Independent Director-Member
3. Ms. (Dr.) Shatorupa, Independent Director-Member
4. Director (HR)
5. Director (Production)

During the financial year under review, one (1) CSR & Sustainability Development Committee Meeting i.e. 24<sup>th</sup> meeting was held on 07.02.2022.

Adequate Notice for the CSR & Sustainability Development Committee Meeting was 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 taken at the CSR & Sustainability Development Committee Meeting were carried out unanimously and recorded in the minutes book maintained for the purpose as per the provisions of the Act.

### iii. Nomination and Remuneration Committee:

In absence of Independent Directors on the Board, the Company had not reconstituted the Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Based on the decision of the Board, matters which were required to be placed before the Nomination and Remuneration Committee for recommendation to the Board were directly placed before the Board. However, after induction of Independent Directors on the Board, Nomination and Remuneration Committee has been re-constituted comprising of the following Directors:

1. Ms. (Dr.) Shatorupa, Independent Director-Chairperson
2. Shri Ravi Nath Jha, Independent Director-Member
3. Shri Y. P. Chillio, Independent Director-Member

Director (HR) and Director (Finance) are invitees to the Committee.

During the financial year under review, no meeting of Nomination and Remuneration Committee was held, since there was no specific agenda item for deliberation in line with the terms of reference of the Nomination & Remuneration Committee.

### Non-compliance:

As per provisions under SEBI Regulations, the committee should meet at least once in every year. However, there was no meeting of the committee held during the year under review, since there was no specific agenda item for deliberation in line with the terms of reference of the Nomination & Remuneration Committee.

### iv. Stakeholders Relationship Committee:

In absence of Independent Directors on the Board, the Company had not reconstituted Stakeholders Relationship Committee as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Based on the decision of the Board, matters which were required to be placed before the Stakeholders Relationship Committee for recommendation to the Board, were directly placed before the Board. However, after induction of Independent Directors on the Board, Stakeholders Relationship Committee has been re-constituted comprising of the following Directors:

1. Adv. George Kurian, Independent Director-Chairman
2. Shri Ravi Nath Jha, Independent Director-Member
3. Shri Y. P. Chillio, Independent Director-Member

During the financial year under review, one (1) Stakeholders Relationship Committee Meeting i.e. 23<sup>rd</sup> meeting was held on 26.02.2022.

Adequate Notice for the Stakeholders Relationship Committee Meeting was sent to all the Members of the Committee. Agenda and detailed notes on agendas 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 Stakeholders Relationship Committee Meeting were carried out unanimously and recorded in the minute books maintained for the purpose as per the provisions of the Act.

### v. Risk Management Committee:

In absence of Independent Directors on the Board, the Company had not reconstituted Risk Management Committee as per provisions under SEBI



(LODR) Regulations, 2015. However, after induction of Independent Directors on the Board, the Committee was re-constituted comprising of the following Directors in line with the requirement under SEBI (LODR) (Second Amendment) Regulations, 2021 effective from 05.05.2021.

1. Dr. B. R. Ramakrishna, Independent Director-Chairman
2. Adv. George Kurian, Independent Director-Member
3. Dr. Ajay Narang, Independent Director-Member
4. Director (Production)-Member
5. Director (Finance)-Member

During the financial year under review, one (1) Risk Management Committee Meeting i.e. 13<sup>th</sup> meeting was proposed on 26.02.2022 which was adjourned and held on 10.03.2022.

Adequate Notice for the Risk Management Committee Meeting was sent to all the Members of the Committee. Agenda and detailed notes on agendas 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 taken at the Risk Management Committee Meeting were carried out unanimously and recorded in the minutes book maintained for the purpose as per the provisions of the Act.

**Non-compliance:**

The Committee did not meet at least twice during the year under review, as required under the provisions of the Regulations.

**vi. Technology Committee:**

The Technology Committee of the Company was reconstituted w.e.f. 01.12.2021 with the following Directors:

1. Shri Y. P. Chillio, Independent Director-Chairman
2. Adv. George Kurian, Independent Director-Member
3. Dr. Ajay Narang, Independent Director-Member
4. Director (P&T)
5. Director (Production)

During the financial year under review, one meeting of Technology Committee was held on 26.02.2022.

Adequate Notice for the Technology Committee Meeting was sent to all the Members of the Committee. Agenda and detailed notes on agendas 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 taken at the Technology Committee Meeting were carried out unanimously and recorded in the minute books maintained for the purpose as per the provisions of the Act.

**(E) Other Committees of the Board:**

After induction of seven Independent Directors on the Board, other non-statutory Committees were also re-constituted, as detailed below:

**i. Human Resource (HR) Committee:**

1. Shri Ravi Nath Jha, Independent Director-Chairman
2. Adv. George Kurian, Independent Director-Member
3. Ms. (Dr.) Shatorupa, Independent Director-Member
4. Director (HR)-Member

During the financial year under review, no meeting of Human Resource (HR) Committee was held.

**ii. Committee of Directors (COD) for Projects & New Ventures:**

1. Chairman-cum-Managing Director
2. Joint Secretary, Ministry of Mines, Part-time Official Director
3. Director (P&T)
4. Director (Production)
5. Director (Finance)
6. Director (Commercial)

During the financial year under review, one meeting of COD for Projects & New Ventures was held on 28.07.2021.

Adequate Notice for the COD for Projects & New Ventures Meeting was sent to all the Members of the Committee. Agenda and detailed notes on agendas 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 taken at the COD for Projects & New Ventures Meeting were carried out unanimously and recorded in the minute books maintained for the purpose as per the provisions of the Act.

### iii. Ethics and Corporate Governance Committee:

1. Adv. Dushyant Upadhyay, Independent Director-Chairman
2. Shri Ravi Nath Jha, Independent Director-Member
3. Dr. B. R. Ramakrishna, Independent Director-Member
4. Director (Commercial)-Member

During the financial year under review, no meeting of Ethics and Corporate Governance Committee was held.

### (F) 40<sup>th</sup> Annual General Meeting:

During the financial year under review, the Company has conducted its 40<sup>th</sup> Annual General Meeting on 30<sup>th</sup> September, 2021 at 11.00 a.m. through Video Conferencing ("VC")/ Other Audio Visual means ("OAVM"). The meeting was convened as per the provisions of the Companies Act, 2013.

21 clear days notice for the 40<sup>th</sup> Annual General Meeting was sent to all the members in compliance with the provisions of the Companies Act and the Secretarial Standards.

The Register of Members and Share Transfer Books of the Company remained closed from Monday, the 27<sup>th</sup> September, 2021 to Thursday, the 30<sup>th</sup> September, 2021 (both days inclusive), for the purpose of final dividend declared at the 40<sup>th</sup> Annual General Meeting of the Company.

### (G) Postal Ballot:

During the financial year under review, the Board of Directors through Resolution by Circulation dated 11.03.2022 has approved and accordingly, the Company had sent the Postal Ballot Notice dated 11.03.2022 to all the members seeking their approval for the regularization of appointment of 9 (Nine) newly appointed Directors of the Company. The notice was sent to all the members, whose names appeared in the Register of Members / list of Beneficial Owners, as received from National Securities Depository Limited and Central Depository Services (India) Limited as on the Cut-off date i.e. 11<sup>th</sup> March, 2022.

In line with the relaxations specified in the MCA Circulars, the Company sent Notice only in electronic form, to the Members. The Company had provided remote e-voting facility to its Members, to enable them to cast their votes electronically instead of submitting the Postal Ballot Form physically. The Company had engaged Registrar and Transfer Agent ('RTA'), M/s. KFin Technologies Limited (formerly known as M/s. KFin Technologies Private Limited) ('KFINTECH') for the purpose of providing remote e-voting facility to the Members. The voting period had started on 16<sup>th</sup> March, 2022 and ended on 14<sup>th</sup> April, 2022. The Company had intimated result of the Postal Ballot to the Stock Exchanges on 18.04.2022 and posted it on its website on the same day.

### (H) 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.

### (I) 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 due dates.

### (J) Registrar and Transfer Agents & Redressal of Investors Grievances:

M/s. KFin Technologies Limited (formerly known as M/s. KFin Technologies Private Limited), Hyderabad is the Registrar and Transfer Agents (RTA) of the Company.

All complaints/grievances relating to share transmissions, transposition, 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, 2,253 complaints were received by the Company and all of them were resolved within the prescribed time limit.

**(K) Transmission/Transposition/Issue of Duplicate Shares:**

The Company has outsourced its Share Registry activities to the RTA i.e. M/s. KFin Technologies Limited (formerly known as 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.

**(L) Transfer of unpaid/unclaimed dividend and shares 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, shares of the Company in respect of which dividend entitlements have remained unclaimed or unpaid for 7 (seven) consecutive years or more, 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:

- i) an amount of ₹12,84,679/- pertaining to unclaimed interim dividend for financial year 2013-14 and 9,739 shares were transferred to Investor Education and Protection Fund on 09.04.2021 and 12.05.2021 respectively.
- ii) an amount of ₹ 5,18,852/- pertaining to unclaimed final dividend for the financial year 2013-14 and 22,031 shares were transferred to Investor Education and Protection Fund on 23.11.2021 and 24.12.2021 respectively.

**(M) Declaration & Payment of Dividend:**

During the financial year under review:

The Board of Directors in their meeting held on 6th September, 2021 had recommended Final Dividend @ ₹1/- per share (20% on face value of ₹ 5/- each) on the paid-up equity share capital of ₹ 918.32 crores for the financial year 2021-22. After approval of the same by the Shareholders of the Company in their 40th Annual General Meeting held on 30.09.2021, the said dividend was paid to the eligible shareholders on 25.10.2021.

Further, the Board of Directors in their meeting held on 12th November, 2021 had approved payment of 1st Interim Dividend @ ₹ 2/- per share (40% on Face value of ₹ 5/- each) on the paid-up equity share capital of ₹ 918.32 crores for the financial year 2021-22. The dividend was paid to the eligible shareholders on 10.12.2021.

Further, the Board of Directors in their meeting held on 7th February, 2022 had approved payment of 2nd interim dividend @ ₹ 3/ per share (60% on face value of ₹ 5/- each) on the paid-up equity share capital of ₹ 918.32 crores for the financial year 2021-22. Accordingly, dividend was paid to the eligible shareholders on 04.03.2022.

All the provisions of the Companies Act, 2013, Secretarial Standard and the Regulations relating to the declaration and payment of dividend to the shareholders have been complied with, by the Company.

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

Sd/-  
CS Arabinda Acharya, FCS  
Managing Partner  
CP No. 23836, FCS No. 3911

Place: Bhubaneswar  
Date: 16.05.2022  
UDIN: F003911D000330481

*(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)*



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.

Place: Bhubaneswar  
Date: 16.05.2022  
UDIN: F003911D000330481

For Deba Mohapatra & Co.  
Company Secretaries

Sd/-  
CS Arabinda Acharya, FCS  
Managing Partner  
CP No. 23836, FCS No. 3911

## Management's explanation on the qualifying remarks of Secretarial Auditor

The qualifying remarks, reported by the Secretarial Auditor in their report for the Financial Year ended 31<sup>st</sup> March, 2022 and the explanations of the management are tabulated below:

Sl. No.	Qualifying remarks of Secretarial Auditor	Management's explanation
1.	<p><b>Composition of Board:</b> <b>Companies Act, 2013:</b></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, 1/3<sup>rd</sup> of the total strength of the Board should be Independent Directors.</p> <p>During the financial year under review, the Company did not have requisite no. of Independent Directors on the Board till 09.11.2021. There was no woman director on the Board as well and the position remained vacant till 09.11.2021.</p> <p>Accordingly, the composition of the Board was not in compliance with the provisions under Section 149(1) and 149(4) of the Companies Act, 2013 from 01.04.2021 till 09.11.2021.</p> <p><b>SEBI (LODR) Regulations, 2015:</b></p> <p>As per Regulation 17(1) (a) of the Regulations, not less than 50% of the Board of Directors shall comprise of Non-Executive Directors, including at least one Independent Woman Director.</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>At the beginning of the financial year, Non-executive Directors i.e. Part-time Official Directors constituted 33.33% of the total Board strength. The Company did not have Independent Directors including at least one Woman Director till 09.11.2021, during the financial year under review. Seven Independent Directors were appointed by the Government of India on 10.11.2021 and one more Independent Director was appointed on the Board on 22.03.2022.</p> <p>Accordingly, the composition of the Board was not in compliance with the provisions under Regulation 17(1)(a) and Regulation 17(1)(b) of the SEBI (LODR) Regulations, 2015 from 01.04.2021 till 09.11.2021.</p>	<p>During the financial year under review, the Company did not have requisite no. of Independent Directors on the Board till 09.11.2021. There was no Woman Director on the Board as well and the position remained vacant till 09.11.2021.</p> <p>After appointment of Seven (7) Part-time Non-official (Independent) Directors including one Independent Woman Director vide Ministry of Mines, Government of India Order No. 2/8/2020-Met-I dated 10<sup>th</sup> November, 2021, the Company complied with the required provisions Section 149 of the Companies Act, 2013 and Regulations 17(1)(a) and 17(1)(b) of the SEBI (LODR) Regulations, 2015 relating to composition of the Board, since then.</p>
2.	<p><b>Board Meetings:</b></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 atleast one Independent Director.</p> <p>During the year under review, the meetings of the Board of Directors held on 28.06.2021, 06.08.2021, 06.09.2021 and 12.11.2021 without valid quorum i.e. presence of at least one Independent Director, though the maximum number i.e. three directors were at least present in each of the meetings.</p>	<p>During the financial year under review, the Company did not have requisite no. of Independent Directors including one Independent Woman Director on the Board till 09.11.2021. Though there was no valid quorum with regard to presence of at least one Independent Director in the Board meetings held on 28.06.2021, 06.08.2021, 06.09.2021 and 12.11.2021, but minimum required number of at least three Directors were present in all these meetings.</p> <p>After appointment of Seven (7) Part-time Non-official (Independent) Directors vide Ministry of Mines, Government of India Order No. 2/8/2020-Met-I dtd. 10<sup>th</sup> November, 2021, the requirement of valid quorum was fulfilled in the subsequent Board meeting held on 07.02.2022 during the FY 2021-22.</p>
3.	<p><b>Audit Committee:</b></p> <p>The Committee could not meet minimum four times during the year under review, as required under the Act and SEBI Regulations and the gap between two consecutive Audit Committee Meeting is more than 120 days, since Audit Committee was not in place from 01.04.2021 till its reconstitution after appointment of 7 (Seven) Independent Directors.</p>	<p>During the financial year under review, the Company did not have requisite no. of Independent Directors on the Board till 09.11.2021. Hence, the Audit Committee was not in place from the beginning of the FY 2021-22.</p> <p>After appointment of Seven (7) Part-time Non-official (Independent) Directors vide Ministry of Mines, Government of India Order No. 2/8/2020-Met-I dtd. 10<sup>th</sup> November, 2021, the Audit Committee was re-constituted in compliance with the provisions of the Companies Act as well as SEBI (LODR) Regulations, 2015.</p>

Sl. No.	Qualifying remarks of Secretarial Auditor	Management's explanation
4.	<p><b>Nomination and Remuneration Committee:</b></p> <p>As per provisions under SEBI Regulations, the committee should meet at least once in every year. However, there was no meeting of the committee held during the year under review, since there was no specific agenda item for deliberation in line with the terms of reference of the Nomination &amp; Remuneration Committee.</p>	<p>During the financial year under review, the Company did not have requisite no. of Independent Directors on the Board till 09.11.2021. Hence, the Nomination and Remuneration Committee was not in place from the beginning of the FY 2021-22.</p> <p>Though the Nomination and Remuneration Committee was re-constituted after the appointment of Seven (7) Part-time Non-official (Independent) Directors vide Ministry of Mines, Government of India Order No. 2/8/2020-Met-I dtd. 10<sup>th</sup> November, 2021, no meeting of the Nomination and Remuneration Committee was held since there was no specific agenda item for deliberation in line with the terms of reference the Committee.</p>
5.	<p><b>Risk Management Committee:</b></p> <p>The Committee did not meet at least twice during the year under review, as required under the provisions of the Regulations.</p>	<p>During the financial year under review, the Company did not have requisite no. of Independent Directors on the Board till 09.11.2021. Hence, the Risk Management Committee was not in place from the beginning of the FY 2021-22.</p> <p>After appointment of Seven (7) Part-time Non-official (Independent) Directors vide Ministry of Mines, Government of India Order No. 2/8/2020-Met-I dtd. 10<sup>th</sup> November, 2021, the Risk Management Committee was re-constituted in compliance with the provisions of SEBI (LODR) Regulations, 2015 and one meeting of the said Committee was held on 10.03.2022 during the FY 2021-22.</p>

For and on behalf of Board of Directors

Sd/-  
(Sridhar Patra)  
Chairman-cum-Managing Director  
DIN : 06500954





## 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 31<sup>st</sup> March, 2022, 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 "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Act 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 31<sup>st</sup> March, 2022, and its Profit, 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 Standalone 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
<b>1. Carrying value of Property, Plant and Equipment, Intangible assets (including Capital work-in-progress and Intangible Assets under Development)</b>	
<p>Property, plant and equipment, capital work-in-progress (CWIP), intangible assets and Intangible assets under development represent significant balances recorded in the statement of financial position in the Standalone Financial Statements.</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 including impairment provisions related to the 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, intangible assets (including and capital work-in-progress and intangible assets under development) included the following:</p> <ul style="list-style-type: none"> <li>• 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>.</li> <li>• 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.</li> <li>• We compared the useful lives of each class of asset in the current year to the previous 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.</li> <li>• We assessed whether indicators of impairment existed as at 31<sup>st</sup> March, 2022 based on our knowledge of the business and the industry and wherever required the provision of impairment of assets/ CWIP were reviewed.</li> <li>• 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.</li> <li>• 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.</li> </ul> <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
<b>2. Valuation of employees' defined benefit obligations and other long-term benefits</b>	
<p>The Company has recognised long-term employee benefit liabilities and defined benefit obligations (net of plan asset against funded gratuity obligation) in the Standalone Financial Statements.</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"> <li>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.</li> <li>We evaluated the assumptions made by management and the actuary to ensure that these are consistent with the principles of Ind AS 19.</li> <li>Furthermore, we have examined the sensitivity analysis on the key assumptions in valuing the defined benefit obligations.</li> </ul> <p>Based on the above procedures, we are satisfied that the methodology and assumptions applied in relation to determining the liabilities are acceptable.</p>
<b>3. Ascertainment, disclosure and provisioning in respect of contingent liabilities</b>	
<p>The Company disclosed contingent liabilities in the Standalone Financial Statements.</p> <p>The Company has material uncertain tax matters, both direct and indirect, under dispute involving material aggregate demand which require significant judgement 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 or other agencies constituted by the Government and by contractors/suppliers 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"> <li>Assessment of the process and relevant controls implemented to identify tax litigations and pending administrative proceedings.</li> <li>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.</li> <li>Discussion with the management regarding the status of the most significant disputes and inspection of the key relevant documentation.</li> <li>Analysis of opinion received from tax experts where available.</li> <li>Review of the adequacy of the disclosures in the notes to the financial statements.</li> </ul> <p>In assessing the potential exposures of the Company in respect of other contingent liabilities, we have:</p> <ul style="list-style-type: none"> <li>assessed the design and implementation of controls in relation to the monitoring of known exposures;</li> <li>referred Board and other meeting minutes to identify areas subject to Company consideration;</li> <li>consulted with the Company's internal legal advisors in understanding on-going and potential legal matters impacting the Company;</li> <li>reviewed available legal opinions from experts; and</li> <li>reviewed the proposed accounting and disclosure of actual and potential legal liabilities.</li> </ul> <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>
<b>4. Advances and deposits in respect of tax matters under litigation continuing as assets</b>	
<p>The Standalone Financial Statements has disclosed other assets, which includes material recoverable claims of direct and indirect tax deposits (net of provision) including VAT and Cenvat credits 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"> <li>We obtained from management details of completed tax assessments and demands and appeal orders of the appellate authority.</li> <li>We involved our internal experts to challenge the management's underlying assumptions in estimating the tax liability and the possible outcome of the disputes.</li> <li>Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</li> <li>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.</li> </ul> <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
<b>5. Valuation of deferred tax assets and liabilities</b>	
<p>The Company has disclosed deferred tax assets/ liabilities in the Standalone Financial Statements.</p> <p>The Company operates in activities which involves application of various provisions in income tax.</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 judgemental 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"> <li>• Ascertained the completeness and accuracy of the deferred tax assets/liabilities and recognizing uncertain tax positions.</li> <li>• 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.</li> <li>• 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.</li> <li>• We analysed the tax positions and evaluated the assumptions and methodologies used by the Company.</li> <li>• 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.</li> </ul> <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 Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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; and
- 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, 2020 ("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 Standalone 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; and
  - (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 26 to the Standalone Financial Statements;
    - ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, in respect of long term contracts. As explained to us, there are no derivative contracts entered into by the Company;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and
- iv. As stated in Para 18.3 to the Standalone Financial Statements:
- a. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable; and
- b. The interim dividends declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

For GNS & Associates  
Chartered Accountants  
FRN: 318171E

Sd/-  
(CA Narad P. Sahu)  
Partner  
Membership No.: 055224  
UDIN: 22055224AJJOYEN2606

For A. K. Sabat & Co.  
Chartered Accountants  
FRN: 321012E

Sd/-  
(CA A. K. Sabat)  
Partner  
Membership No.: 030310  
UDIN: 22030310AJJOYDX2384

Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

## ANNEXURE “A”

ANNEXURE TO THE INDEPENDENT AUDITORS’ REPORT ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022 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) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment;  
(B) The Company is maintaining proper records showing full particulars of intangible assets;
- (b) Movable Property, Plant and Equipment have been physically verified by the Management every year. Pursuant to the program, of immovable Property, Plant and Equipment were physically verified during the year and there were no material discrepancies noticed on such verification conducted during the year;

Immovable Property, Plant and Equipment have been physically verified by the Management in phased manner of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its business. No material discrepancies between book records and physical assets have been noticed during the year;

- (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 8202.55 acres of freehold land and 10928.98 acres of leasehold land held by the Company, title/lease deeds in respect of 66.64 acres of freehold land and 1597.35 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 operations on the said land.

The details are as follows:

Description of Property	Gross Carrying value (₹ Crores)	Held in name of	Whether promoter, director or their relative	Period held	Reason for not being held in name of Company	Whether disputed
19.74 Acres of Freehold land at Koraput district of Odisha	0.11	Govt. of Odisha	No	1982-83	Pending Registration	No
46.90 Acres of Freehold land at Angul district of Odisha	0.33	Industrial Development Corporation of Odisha	No	1987-88	Pending Registration	No
845.94 Acres of Leasehold land at Koraput district of Odisha	0.35	Govt. of Odisha	No	1982-83	Pending Registration	No
656.05 Acres of Leasehold land at Angul district of Odisha	1.47	Industrial Development Corporation of Odisha	No	1987-88	Pending Registration	No
94.7 Acres of Leasehold land at Angul district of Odisha	16.50	Industrial Development Corporation of Odisha	No	2021-22	Pending Registration	No
0.66 Acres of Leasehold land at Dhenkanal district of Odisha	0.09	Industrial Development Corporation of Odisha	No	1987-88	Pending Registration	No

- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year;
- (e) According to information and explanations given to us, the Company doesn't hold any benami property and therefore there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made there under;
- ii. (a) Inventories, except stocks in-transit, have been physically verified at reasonable intervals by the Management. In our opinion, the coverage and procedure of such verification by the Management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed;
- (b) The Company has been sanctioned/renewed working capital limits in excess of rupees five crores, in aggregate, from banks on the basis of security of stocks and receivables. The Company has filed the monthly statements of stocks and receivables with the banks and the same are in agreement with the books of accounts of the Company except for March 2022 which was based on provisional financial statements;
- iii. During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Consequently clauses iii (a), (b), (c), (d), (e) and (f) of paragraph 3 of the Order are not applicable;
- iv. According to information and explanations 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 to 76 of the Act and the Rules framed thereunder except for deposit taken under Nalco Employees Family Financial Assistance and Rehabilitation (NEFFAR) scheme, wherein the Company retains the terminal benefits as deposit in the event of disablement/death, the Company pays monthly benefit to the employee/nominee/legal heir at their option upto the date of notional retirement (refer note 24.2);
- 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. Undisputed statutory dues as at 31<sup>st</sup> March, 2022 outstanding for a period of more than six months from the date they became payable are given below:

Nature of statutory dues	Amounts (₹ Crore)
Royalty on Mining	80.33

The Company has not been able to deposit the undisputed dues on account of non-availability of portal/payment gateway.

- (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 authorities (₹ Crore)
1	Income Tax Act, 1961	Income Tax / TDS /Interest	2014-15 2019-20	Commissioner of Income Tax (Appeals)	43.96	15.86
			2010-11 2015-16	Asst. Commissioner / Deputy Commissioner of Income Tax	42.06	31.26
2	Central Excise Act, 1944	Central Excise	1999-2000 to 2014-15	Tribunal	404.35	10.37
			2007-08 to 2015-16	Appellate Authority	5.99	0.21
3	Finance Act, 1994	Service Tax	2007-08 to 2016-17	Tribunal	7.14	2.12
			2007-08 to 2018-19	Appellate Authority	7.67	0.29
4	Custom Act, 1962	Custom Duty	2000-01 to 2012-13	Tribunal	102.77	1.95
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	-
6	The Orissa Sales Tax Act, 1947	OST	1995-96 to 2002-03	Orissa High Court	1.63	0.37
			1992-93 to 2004-05	Tribunal	1.00	0.64
			2003-04	Appellate Authority	1.08	-
7	The Orissa Entry Tax Act, 1999	ET	1999-2000 to 2010-11	Orissa High Court	8.79	3.56
			1999-2000 to 2013-14	Tribunal	133.43	54.81
			1999-2000 to 2015-16	Appellate Authority	75.04	8.51
			1999-2000 to 2009-10	Assessing Officer	4.94	3.35
8	The Central Sales Tax Act, 1956	CST	1992-93 to 2008-09	Tribunal	277.06	77.84
9	Motor Vehicles Act	Road Tax	2008-09 to 2020-21	Orissa High Court	2.65	-
10	Indian Stamp (Odisha Amendment) Act, 2013	Stamp Duty/ Registration	2018-19	Orissa High Court	213.29	-
11	Finance Act, 2010	Clean Energy Cess	2015-16, 2016-17, 2018-19	Orissa High Court	230.50	-
12	The National Green Tribunal Act, 2010	Claims from (NGT)	2018-19	Supreme Court	109.01	-
13	Industrial Policy Resolution, 1996, Govt. of Odisha	Land acquisition and interest thereon	1982-83, 2021-22	Orissa High Court	78.07	-
14	MMDR Act, 1957	Royalty	2011-12 to 2015-16	Orissa High Court	136.32	-
15	Water resources Deptt., Govt. of Odisha	Water dispute	2014-15	Orissa High Court	119.24	-
<b>Grand Total</b>					<b>2,018.66</b>	<b>213.31</b>

- viii. According to the information and explanations given to us and on examining the books of accounts, no transactions were recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;
- ix. According to the information and explanations given to us, except bills discounting arrangement with banks, the Company does not have any loans or borrowings from any financial institutions, banks, Government or debentures holders. The Company has not defaulted in repayment of the loans obtained under the bill discounting facility. Consequently, clause ix (a), (b), (c), (d), (e) and (f) of paragraph 3 of the Order are not applicable;
- x. (a) 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) (a) of the Order is not applicable to the Company;
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly, paragraph 3 (ix) (b) of the Order is not applicable to the Company;
- xi. (a) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company been noticed or reported during the year;
- (b) No report has been filed under Sub-section (12) of Section 143 of the Companies Act by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report;

- (c) According to the information and explanations given to us, there are no whistle blower complaints during the year;
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) (a), (b) and (c) of the Order is not applicable to the 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;
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business and  
 (b) We have considered the reports of Internal Auditors for the period under audit, issued to the Company during the year and till the date of this report, in determining the nature, timing and extent of our audit procedure;
- 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;
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year;
- xviii. There has been no resignation of the statutory auditors during the year;
- xix. Based on the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- xx. (a) According to the information and explanations given to us, there has been no unspent amount in respect of other than ongoing projects during the year and  
 (b) According to the information and explanations given to us, there has been no unspent amount in respect of ongoing projects during the year.

For GNS & Associates  
 Chartered Accountants  
 FRN: 318171E

Sd/-  
 (CA Narad P. Sahu)  
 Partner  
 Membership No.: 055224  
 UDIN: 22055224AJ0YEN2606

For A. K. Sabat & Co.  
 Chartered Accountants  
 FRN: 321012E

Sd/-  
 (CA A. K. Sabat)  
 Partner  
 Membership No.: 030310  
 UDIN: 22030310AJ0YDX2384

Place: Bhubaneswar  
 Date: 25<sup>th</sup> May, 2022

**ANNEXURE “B”****ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022 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 &amp; Auditor General of India

Sl. No.	Directions u/s 143(5) of the Act	Auditors’ reply on action taken on the directions	Impact on Standalone Financial Statements
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system. SAP-ERP has been implemented for all the processes like Financial Accounting (FI), Controlling (CO), Sales and Distribution (SD), Materials Management (MM), etc. Citrix system has been implemented for processing the payroll.  Based on the information and explanations given to us and audit procedures carried out, no accounting transactions have been processed or carried outside the IT system. Therefore, there are no implications on the integrity of the accounts.	Nil
2	Whether there is any restructuring of any existing loan or cases of waiver/write off of debts/loans/interest etc., made by a lender to the Company due to the Company’s inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	Based on the information and explanations given to us and audit procedures carried out, there are no restructuring of any existing loan or cases of waiver/write off of debts/loans/interest made by a lender to Company due to the Company’s inability to repay the loan.	Nil
3	Whether funds (grants/subsidy etc.) received or receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilised as per its term and conditions? List the case of deviation.	Based on the information and explanations given to us and audit procedures carried out, no fund has been received/receivable by the Company from Central/State Government or its agencies for any scheme.	Nil

For GNS & Associates  
Chartered Accountants  
FRN: 318171E

Sd/-  
(CA Narad P. Sahu)  
Partner  
Membership No.: 055224  
UDIN: 22055224AJ0YEN2606

For A. K. Sabat & Co.  
Chartered Accountants  
FRN: 321012E

Sd/-  
(CA A. K. Sabat)  
Partner  
Membership No.: 030310  
UDIN: 22030310AJ0YDX2384

Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022



## ANNEXURE “C”

### ANNEXURE TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022 OF NATIONAL ALUMINIUM COMPANY LIMITED

(Referred paragraph 2(f) under the head “Report on Other Legal and Regulatory Requirements” of our Report of even date)

**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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022, 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 GNS & Associates  
Chartered Accountants  
FRN: 318171E

Sd/-  
CA Narad P. Sahu  
Partner  
Membership No.: 055224  
UDIN: 22055224AJJOYEN2606

For A. K. Sabat & Co.  
Chartered Accountants  
FRN: 321012E

Sd/-  
CA A. K. Sabat  
Partner  
Membership No.: 030310  
UDIN: 22030310AJJOYDX2384

Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENT OF NATIONAL ALUMINIUM COMPANY LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

The preparation of financial statements of National Aluminium Company Limited for the year ended 31 March 2022 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 25 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of National Aluminium Company Limited for the year ended 31 March 2022 under Section 143(6)(a) of the Act. 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 the behalf of the  
Comptroller & Auditor General of India

Sd/-  
(Mausumi Ray Bhattacharyya)  
Director General Audit (Mines)  
Kolkata

Place: Kolkata  
Date: 28.07.2022

## Standalone Balance Sheet as at March 31, 2022

Amount in ₹ Crore

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
<b>Assets</b>			
(1) <b>Non-current assets</b>			
(a) Property, plant and equipment	5	7,001.94	7,317.28
(b) Capital work-in-progress	6	1,763.42	1,180.95
(c) Intangible assets	7	341.27	343.18
(d) Intangible assets under development	8	471.40	394.50
(e) Financial assets			
(i) Investments	9		
(a) Investments in joint ventures	9	313.22	313.22
(b) Other Investments	9	0.03	0.03
(ii) Trade receivables	10	-	-
(iii) Loans	11	87.38	85.95
(iv) Other financial assets	12	9.74	11.24
(f) Other non-current assets	14	804.39	757.90
<b>Total non-current assets</b>		<b>10,792.79</b>	<b>10,404.25</b>
(2) <b>Current assets</b>			
(a) Inventories	15	1,646.17	1,476.32
(b) Financial assets			
(i) Investments	9	64.01	248.38
(ii) Trade receivables	10	75.25	147.39
(iii) Cash and cash equivalents	16	412.80	213.52
(iv) Bank balances other than (iii) above	16	3,293.27	1,536.26
(v) Loans	11	32.92	30.16
(vi) Other financial assets	12	22.17	-
(c) Current tax assets (Net)	13	55.38	85.50
(d) Other current assets	14	883.03	568.80
<b>Total current assets</b>		<b>6,485.00</b>	<b>4,306.33</b>
<b>Total assets</b>		<b>17,277.79</b>	<b>14,710.58</b>
<b>Equity and liabilities</b>			
(1) <b>Equity</b>			
(a) Equity share capital	17	918.32	918.32
(b) Other equity	18	11,636.32	9,762.38
<b>Total equity</b>		<b>12,554.64</b>	<b>10,680.70</b>
<b>Liabilities</b>			
(2) <b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	19	50.91	50.48
(ii) Trade payables			
(a) Dues of micro and small enterprises	21	-	-
(b) Dues of creditors other than micro and small enterprises	21	23.61	37.70
(iii) Other financial liabilities	22	88.57	36.07
(b) Provisions	23	260.98	633.34
(c) Other non-current liabilities	24	331.76	328.77
(d) Deferred tax liabilities (Net)	25	868.18	893.72
<b>Total non-current liabilities</b>		<b>1,624.01</b>	<b>1,980.08</b>
(3) <b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	20.67	46.11
(ii) Lease liabilities	19	5.52	5.49
(iii) Trade payables			
(a) Dues of micro and small enterprises	21	31.50	11.70
(b) Dues of creditors other than micro and small enterprises	21	1,425.60	927.84
(iv) Other financial liabilities	22	500.35	293.91
(b) Other current liabilities	24	988.55	605.29
(c) Provisions	23	126.95	159.46
<b>Total current liabilities</b>		<b>3,099.14</b>	<b>2,049.80</b>
<b>Total liabilities</b>		<b>4,723.15</b>	<b>4,029.88</b>
<b>Total equity and liabilities</b>		<b>17,277.79</b>	<b>14,710.58</b>

See accompanying notes (1-42) to the financial statements

For and on behalf of Board of Directors

(CS N. K. Mohanty)  
Company Secretary(R.C. Joshi)  
Director (Finance)  
DIN: 08765394(CA Sridhar Patra)  
Chairman-Cum-Managing Director  
DIN: 06500954

In terms of our attached report of even date.

For GNS & Associates  
Chartered Accountants  
FRN-318171E  
(CA Narad P. Sahu)  
Partner (M No.055224)For A. K. Sabat & Co.  
Chartered Accountants  
FRN-321012E  
(CA A. K. Sabat)  
Partner (M No.: 030310)Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

## Standalone statement of Profit and Loss for the year ended March 31, 2022

			Amount in ₹ Crore	
	Notes	Year ended 31.03.2022	Year ended 31.03.2021	
<b>I</b>	<b>Revenue from operations</b>	28	14,180.81	8,955.79
<b>II</b>	<b>Other Income</b>	29	297.42	146.60
<b>III</b>	<b>Total Income (I + II)</b>		<b>14,478.23</b>	<b>9,102.39</b>
<b>IV</b>	<b>Expenses</b>			
(a)	Cost of raw materials consumed	30	1,971.13	1,315.43
(b)	Cost of power and fuel consumed	30	3,388.48	2,638.09
(c)	Changes in inventories of finished goods and work-in-progress	31	(116.83)	(5.76)
(d)	Employee benefits expense	32	2,355.80	1,930.24
(e)	Finance costs	33	23.12	7.08
(f)	Depreciation, amortisation and impairment expenses			
(i)	Property Plant and Equipment - Depreciation	5	567.72	549.47
(ii)	Property Plant and Equipment - Impairment	5	237.62	(3.49)
(iii)	Intangible Assets - Amortisation	7	31.25	59.84
(g)	Other expenses	34	2,065.07	1,294.97
	<b>Total expenses (IV)</b>		<b>10,523.36</b>	<b>7,785.87</b>
<b>V</b>	<b>Profit/(loss) before exceptional items and tax (III - IV)</b>		<b>3,954.87</b>	<b>1,316.52</b>
<b>VI</b>	<b>Exceptional Items</b>		-	-
<b>VII</b>	<b>Profit/(loss) before tax (V - VI)</b>		<b>3,954.87</b>	<b>1,316.52</b>
<b>VIII</b>	<b>Tax Expense</b>			
a)	Current tax	35		
(i)	Current year		1,061.63	204.02
(ii)	Earlier years		(9.88)	(26.32)
(b)	Deferred tax	35	(48.85)	(160.71)
<b>IX</b>	<b>Profit/(loss) for the year (VII - VIII)</b>		<b>2,951.97</b>	<b>1,299.53</b>
<b>X</b>	<b>Other comprehensive income</b>			
(i)	Items that will not be reclassified to profit or loss - Remeasurement gains / (losses) on defined benefit plans		47.25	17.65
(ii)	Income tax relating to items that will not be reclassified to profit or loss	35	(23.30)	6.18
	<b>Other comprehensive income for the year (net of tax) (X)</b>		<b>23.95</b>	<b>23.83</b>
<b>XI</b>	<b>Total comprehensive income for the year (IX+X) [comprising profit/(loss) and other comprehensive income for the period]</b>		<b>2,975.92</b>	<b>1,323.36</b>
<b>XII</b>	<b>Earnings per equity share:</b>			
(i)	Basic (in ₹)	37	16.07	6.97
(ii)	Diluted (in ₹)	37	16.07	6.97

See accompanying notes (1-42) to the financial statements

For and on behalf of Board of Directors

(CS N. K. Mohanty)  
Company Secretary(R.C. Joshi)  
Director (Finance)  
DIN:08765394(CA Sridhar Patra)  
Chairman-Cum-Managing Director  
DIN: 06500954

In terms of our attached report of even date.

For GNS & Associates  
Chartered Accountants  
FRN-318171E  
(CA Narad P. Sahu)  
Partner (M No.: 055224)For A. K. Sabat & Co.  
Chartered Accountants  
FRN-321012E  
(CA A. K. Sabat)  
Partner (M No.: 030310)Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022



## Standalone statement of changes in equity for the year ended March 31, 2022

Amount in ₹ Crore

A. Equity share capital					
Balance as at 31.03.2020		932.81			
Changes during the year					
Buy-back of equity shares		(14.49)			
Balance as at 31.03.2021		918.32			
Changes during the year		-			
Balance as at 31.03.2022		918.32			
B. Other equity		Amount in ₹ Crore			
		Reserves and surplus			
Other equity	Capital redemption reserve	General reserve	Retained earnings	Total	
Balance as at 31.03.2020	355.81	8,112.98	586.47	9,055.26	
Change in accounting policy or prior period errors	-	-	-	-	
Restated 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	
<b>Total comprehensive income for the year</b>	-	-	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)		(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	
Change in accounting policy or prior period errors	-	-	-	-	
Restated balance as at 31.03.2021	370.30	7,942.86	1,449.22	9,762.38	
Profit for the year	-	-	2,951.97	2,951.97	
Other comprehensive income (net of taxes)	-	-	23.95	23.95	
<b>Total comprehensive income for the year</b>	-	-	2,975.92	2,975.92	
Final dividend for the previous year			(183.66)	(183.66)	
Interim dividend for the year			(918.32)	(918.32)	
Balance as at 31.03.2022	370.30	7,942.86	3,323.16	11,636.32	

For and on behalf of Board of Directors

(CS N. K. Mohanty)  
Company Secretary(R.C. Joshi)  
Director (Finance)  
DIN: 08765394(CA Sridhar Patra)  
Chairman-Cum-Managing Director  
DIN: 06500954

In terms of our attached report of even date.

For GNS & Associates  
Chartered Accountants  
FRN-318171E  
(CA Narad P. Sahu)  
Partner (M No.: 055224)For A. K. Sabat & Co.  
Chartered Accountants  
FRN-321012E  
(CA A. K. Sabat)  
Partner (M No.: 030310)Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

## Standalone Cash Flow Statement for the year ended March 31, 2022

Amount in ₹ Crore

	Year ended 31.03.2022	Year ended 31.03.2021
<b>A. Cash flows from operating activities</b>		
Profit for the year	2,951.97	1,299.53
Adjustments for:		
Income tax expense recognised in profit or loss	1,002.90	16.99
Finance costs recognised in profit or loss	23.12	7.08
Interest income recognised in profit or loss	(210.36)	(84.89)
Dividend income recognised in profit or loss	(13.91)	(5.48)
Net (gain) / loss on disposal of property, plant and equipment	(0.44)	(0.82)
Net (gain) / loss arising on financial assets mandatorily measured at fair value through profit or loss	0.36	(0.38)
Impairment loss recognised on other assets	46.03	22.86
Inventories of stores, spares written off	9.95	11.18
Depreciation and amortisation of non-current assets	836.59	605.82
Net foreign exchange (gain)/loss	1.59	1.85
<b>Operating profit before working capital changes</b>	<b>4,647.80</b>	<b>1,873.74</b>
Movements in working capital:		
(Increase) / decrease in inventories	(179.80)	209.41
(Increase) / decrease in trade receivables	72.14	(7.30)
(Increase) / decrease in loans and other financial asset	(24.95)	(3.64)
(Increase) / decrease in other assets	(370.83)	53.62
Increase / (decrease) in trade payables	501.88	179.77
Increase / (decrease) in other financial liabilities	44.47	(16.10)
Increase / (decrease) in other liabilities	383.61	7.09
Increase / (decrease) in provisions	(360.46)	0.33
<b>Cash (used in) / generated from operations</b>	<b>4,713.86</b>	<b>2,296.92</b>
Income taxes paid	(755.51)	(97.52)
<b>Net cash flow from operating activities</b>	<b>3,958.35</b>	<b>2,199.40</b>
<b>B. Cash flows from investing activities</b>		
Payments to acquire financial assets	(52.00)	(225.00)
Proceeds from sale of financial assets	236.39	32.39
Payments to acquire equity in joint ventures and associates	-	(36.00)
(Investment in) / redemption of term deposits with banks	(1,754.37)	(58.45)
Dividends received from other investments	13.91	5.48
Interest received from banks and others	210.36	84.89
Payments for property, plant and equipment (including capital advances)	(1,176.63)	(922.44)
Proceeds from disposal of property, plant and equipment	9.35	11.81
Payments for other intangible assets	(106.24)	(296.38)
<b>Net cash flow from investing activities</b>	<b>(2,619.23)</b>	<b>(1,403.70)</b>
<b>C. Cash flows from financing activities</b>		
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	(25.44)	33.80
Payment of lease liability	(4.23)	(3.51)
Finance cost paid	(8.19)	(0.21)
Dividends paid on equity shares	(1,101.98)	(460.61)
<b>Net cash flow from financing activities</b>	<b>(1,139.84)</b>	<b>(600.65)</b>
<b>Net increase or (decrease) in cash or cash equivalents</b>	<b>199.28</b>	<b>195.05</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>213.52</b>	<b>18.47</b>
<b>Cash and cash equivalents at the end of the year [refer note 16.A]</b>	<b>412.80</b>	<b>213.52</b>

Note: Figures in the brackets are cash outflow/inflow as the case may be.

For and on behalf of Board of Directors

(CS N. K. Mohanty)  
Company Secretary(R.C. Joshi)  
Director (Finance)  
DIN:08765394(CA Sridhar Patra)  
Chairman-Cum-Managing Director  
DIN: 06500954

In terms of our attached report of even date.

For GNS & Associates  
Chartered Accountants  
FRN-318171E(CA Narad P. Sahu)  
Partner (M No.: 055224)For A. K. Sabat & Co.  
Chartered Accountants  
FRN-321012E(CA A. K. Sabat)  
Partner (M No.: 030310)Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

**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 (Ludherva & 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.

**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.

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.

**Notes to the financial statements**

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.

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.



**Notes to the financial statements**

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 & peripherals	03 - 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:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the ore body for which access has been improved can be identified; and
- 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.

**Notes to the financial statements****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 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

**Notes to the financial statements**

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 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:**

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.

**Notes to the financial statements**

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.

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.



**Notes to the financial statements****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.

**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.

**Notes to the financial statements****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.

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 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.

**Notes to the financial statements****3.17 Revenue:**

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;
- (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.

**Notes to the financial statements**

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.

**3.22 Recent accounting pronouncements:**

Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 - Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract? Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

**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.

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.



**Notes to the financial statements****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 standalone financial statements

## 5 - Property, plant and equipment

Amount in ₹ Crore

Cost or deemed cost	Freehold land	Leasehold land (Right of Use)	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Railway sidings	Total
Balance as at 31.03.2020	81.88	86.54	756.48	8,331.44	22.44	51.50	31.90	64.16	9,426.34
Additions	0.58	98.33	56.66	536.50	1.17	2.01	3.55	4.53	703.33
Disposals	-	(0.01)	(0.03)	(60.31)	(0.08)	(1.04)	(0.15)	-	(61.62)
Balance as at 31.03.2021	82.46	184.86	813.11	8,807.63	23.53	52.47	35.30	68.69	10,068.05
Additions	0.30	15.68	28.53	431.59	2.76	16.23	3.48	0.28	498.85
Disposals	-	-	-	(29.25)	(0.14)	(0.47)	(0.22)	-	(30.08)
Balance as at 31.03.2022	82.76	200.54	841.64	9,209.97	26.15	68.23	38.56	68.97	10,536.82
Accumulated depreciation and impairment									
Balance as at 31.03.2020	-	3.18	179.86	1,994.72	12.07	28.34	13.42	20.21	2,251.80
Depreciation Expense	-	5.86	33.91	491.83	2.24	8.44	3.06	4.13	549.47
Impairment Expense	-	-	-	(3.49)	-	-	-	-	(3.49)
Disposals	-	-	(0.02)	(45.78)	(0.07)	(1.03)	(0.11)	-	(47.01)
Balance as at 31.03.2021	-	9.04	213.75	2,437.28	14.24	35.75	16.37	24.34	2,750.77
Depreciation Expense	-	7.77	32.32	509.26	2.21	8.61	3.25	4.30	567.72
Impairment Expense	-	-	-	237.62	-	-	-	-	237.62
Disposals	-	-	-	(20.74)	(0.10)	(0.24)	(0.15)	-	(21.23)
Balance as at 31.03.2022	-	16.81	246.07	3,163.42	16.35	44.12	19.47	28.64	3,534.88
	Freehold land	Leasehold land (Right of Use)	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Railway sidings	Total
Carrying amount									
Balance as at 31.03.2020	81.88	83.36	576.62	6,336.72	10.37	23.16	18.48	43.95	7,174.54
Additions	0.58	98.33	56.66	536.50	1.17	2.01	3.55	4.53	703.33
Disposals	-	(0.01)	(0.01)	(14.53)	(0.01)	(0.01)	(0.04)	-	(14.61)
Depreciation Expense	-	5.86	33.91	491.83	2.24	8.44	3.06	4.13	549.47
Impairment Expense	-	-	-	(3.49)	-	-	-	-	(3.49)
Balance as at 31.03.2021	82.46	175.82	599.36	6,370.35	9.29	16.72	18.93	44.35	7,317.28
Additions	0.30	15.68	28.53	431.59	2.76	16.23	3.48	0.28	498.85
Disposals	-	-	-	(8.51)	(0.04)	(0.23)	(0.07)	-	(8.85)
Depreciation Expense	-	7.77	32.32	509.26	2.21	8.61	3.25	4.30	567.72
Impairment Expense	-	-	-	237.62	-	-	-	-	237.62
Balance as at 31.03.2022	82.76	183.73	595.57	6,046.55	9.80	24.11	19.09	40.33	7,001.94

Notes: 5.1 Title deeds have been executed for freehold land acquired through Govt. of Odisha, except for land measuring 66.64 acres. The Company is in the process of conversion of freehold land for Industrial use and has taken-up matter with Revenue Authorities.

5.2 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.

5.3 The Company has 1597.35 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.

5.4 The Company incurred ₹ 0.81 crores (previous year ₹ 0.90 crores) for the year ended 31st March, 2022 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 4.13 crores (previous year ₹ 4.41 crores) for the year ended 31st March, 2022, including cash outflow of short-term leases and leases of low-value assets.

5.5 The Company has invested ₹ 280.62 crore (previous year ₹ 280.62 crore) in Wind Power Plant(WPP) with 47.6 MW of installed capacity at Ludherva, Rajasthan and ₹ 338.19 crore (previous year ₹ 338.19 crore) in Wind Power Plant with 50.0 MW of installed capacity at Devikot, Rajasthan. The said plants have carrying amount (Gross Value less accumulated depreciation and before impairment) of ₹ 176.27 crore and ₹ 258.54 crore respectively. Initially the power purchase agreement(PPA) for 3 years with Jodhpur Vidyut Vitran Nigam Ltd., Rajasthan which could not be extended since 01.04.2019. The Company filed an appeal in the Hon'ble High Court of Rajasthan for extension of PPA. Till now it could not be executed. However, the Company has been continuously injecting the power to the grid which is recorded by the authority. However, the Rajasthan Renewable Energy Corporation Ltd (RRECL) had offered the Company to accept ₹ 2.44 per unit for both WPP at Ludherva and Devikot and execute the PPA. In view of non-existence of PPA and continuous generation, impairment assessment was done for these Wind Power Plants and an amount of ₹ 241.11 crore has been provided during the current year.

## Notes to the standalone financial statements

## 5.A Title deeds of Immovable Property not held in name of the Company

(other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee)

							Amount in ₹ Crore
Description of the Property	Freehold/ Leasehold	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of	Property held since which date	Reason for not being held in the name of Company	Whether disputed
<b>PPE</b>							
<b>Land</b>							
19.74 Acres of Land at Koraput District of Odisha	Freehold	0.11	Govt. of Odisha	No	1982-83	Pending Registration	No
845.94 Acres of Land at Koraput District of Odisha	Leasehold	0.35	Govt. of Odisha	No	1982-83	Execution of Lease Agreement is pending	No
46.90 Acres of Land at Angul district of Odisha	Freehold	0.33	Industrial Development Corporation of Odisha (IDCO)	No	1987-88	Pending Registration	No
656.05 Acres of Land at Angul district of Odisha	Leasehold	1.47	Industrial Development Corporation of Odisha (IDCO)	No	1987-88	Execution of Lease Agreement is pending	No
94.7 Acres of Land at Angul district of Odisha	Leasehold	16.50	Industrial Development Corporation of Odisha (IDCO)	No	2021-22	Execution of Lease Agreement is pending	No
0.66 Acres of Land at Dhenkanal district of Odisha	Leash-old	0.09	Industrial Development Corporation of Odisha (IDCO)	No	1987-88	Execution of Lease Agreement is pending	No
<b>Building</b>	-	-	-				
<b>Investment Property</b>							
<b>Land</b>	-	-	-				
<b>Building</b>	-	-	-				
<b>Non Current asset held for sale</b>							
<b>Land</b>	-	-	-				
<b>Building</b>	-	-	-				
<b>Others</b>	-	-	-				

## 6.A - Capital work-in-progress (CWIP)

			Amount in ₹ Crore
	As at 31.03.2022	As at 31.03.2021	
Capital Work-in-progress	1,700.54	1,170.06	
Construction materials including in transit	110.99	11.44	
	<b>1,811.53</b>	<b>1,181.50</b>	
Less: Provision for impairment	(48.11)	(0.55)	
<b>Total Capital Work-in-progress</b>	<b>1,763.42</b>	<b>1,180.95</b>	
<b>Movement in provision for impairment</b>	As at 31.03.2022	As at 31.03.2021	
Opening balance	0.55	-	
Provision made during the year	47.56	0.55	
Provision write back during the year	-	-	
<b>Closing balance</b>	<b>48.11</b>	<b>0.55</b>	

6.A.1. The amount of capital work in progress includes an amount of ₹ 36.29 crore (previous year ₹ 53.97 crore) towards infrastructural development expenditure attributable to Utkal-D and Utkal-E Coal Block. It also includes directly attributable expenses of ₹ 152.90 crore (previous year ₹ 105.59 crore) for 5th Stream Alumina Refinery expansion.

6.A.2. The Company on 27.09.2017, had awarded a contract favouring M/s. Regen Powertech. Pvt. Ltd. for supply, erection and commissioning of 25.5MW Wind Power Project (WPP) at Kayathar, Tamilnadu for a value of ₹ 163.13 crore. There was no progress in execution due to financial crisis and liquidity of the agency. The agency had executed ₹ 119.63 crore worth of work (previous year ₹ 119.63). Under Insolvency and Bankruptcy Board of India- 2016, the insolvency resolution process was initiated and Hon'ble National Company Law Tribunal (NCLT), Chennai passed the Resolution Plan which was not acceptable to the Company. The Company preferred an appeal in NCLAT.

As there was no progress in the project since 2018-19 and the stringent conditions mentioned in the said order, the Company considers these as indication for impairment assessment of the project and carried out the assessment internally and provided for ₹ 44.26 crore (previous year ₹ nil) during the current year.

## Notes to the standalone financial statements

## 6.B - Capital Work in Progress

6.B.1 Ageing of Capital Work in Progress			Amount in ₹ Crore			
Particulars		Amount in CWIP for a period of				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Project in progress</b>						
(a) M&R Complex	As on 31.03.2022	699.01	230.10	311.02	85.53	1,325.66
	As on 31.03.2021	261.47	355.92	39.45	69.38	726.22
(b) S&P Complex	As on 31.03.2022	127.62	68.73	65.38	96.64	358.37
	As on 31.03.2021	24.25	74.36	79.24	155.01	332.86
(c) Others	As on 31.03.2022	5.83	0.38	0.11	119.63	125.95
	As on 31.03.2021	1.15	0.10	17.78	101.84	120.87
<b>Project temporarily suspended</b>						
(a) M&R Complex	As on 31.03.2022	-	-	-	-	-
	As on 31.03.2021	-	-	-	-	-
(b) S&P Complex	As on 31.03.2022	-	-	-	1.55	1.55
	As on 31.03.2021	-	-	-	1.55	1.55
(c) Others	As on 31.03.2022	-	-	-	-	-
	As on 31.03.2021	-	-	-	-	-
<b>Total as on 31.03.2022</b>		<b>832.46</b>	<b>299.21</b>	<b>376.51</b>	<b>303.35</b>	<b>1,811.53</b>
<b>Total as on 31.03.2021</b>		<b>286.87</b>	<b>430.38</b>	<b>136.47</b>	<b>327.78</b>	<b>1,181.50</b>

6.B.2 Ageing of Capital Work in Progress whose completion is overdue or has exceeded its cost compared to its original plan			To be completed in			
Particulars		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(a) M&R Complex	As on 31.03.2022	154.54	76.78	-	-	231.32
	As on 31.03.2021	126.79	155.37	-	-	282.16
(b) S&P Complex	As on 31.03.2022	175.38	1.46	10.21	19.41	206.46
	As on 31.03.2021	88.70	28.00	47.60	52.08	216.38
(c) Others	As on 31.03.2022	-	-	0.11	119.63	119.74
	As on 31.03.2021	-	0.11	17.78	101.85	119.74
<b>Total as on 31.03.2022</b>		<b>329.92</b>	<b>78.24</b>	<b>10.32</b>	<b>139.04</b>	<b>557.52</b>
<b>Total as on 31.03.2021</b>		<b>215.49</b>	<b>183.48</b>	<b>65.38</b>	<b>153.93</b>	<b>618.28</b>

6.B.3 Details of project where activity has been suspended					
Sl. Nos	Particulars	Amount	Suspended from	Brief reason of suspension	
(a)	M&R Complex As on 31.03.2022	-	-	-	
	As on 31.03.2021	-	-	-	
(b)	S&P Complex As on 31.03.2022	1.55	01-Apr-20	The project is not appropriate for the execution.	
	As on 31.03.2021	1.55	01-Apr-20	The project is not appropriate for the execution.	
(c)	Others As on 31.03.2022	-	-	-	
	As on 31.03.2021	-	-	-	
<b>Total as on 31.03.2022</b>		<b>1.55</b>			
<b>Total as on 31.03.2021</b>		<b>1.55</b>			



## Notes to the standalone financial statements

## 7. Intangible assets

Amount in ₹ Crore

	User right	Computer software	Mining rights	Licenses	Total intangible assets
<b>Cost or deemed cost</b>					
Balance as at 31.03.2020	79.79	11.24	288.39	10.25	389.67
Additions	-	0.13	91.36	1.30	92.79
Disposals	-	-	-	-	-
Balance as at 31.3.2021	79.79	11.37	379.75	11.55	482.46
Additions	0.39	1.90	27.05	-	29.34
Disposals	-	-	-	-	-
Balance as at 31.03.2022	80.18	13.27	406.80	11.55	511.80
<b>Accumulated depreciation and impairment</b>					
Balance as at 31.03.2020	11.28	7.70	51.22	9.24	79.44
Depreciation Expense	4.00	1.76	52.83	1.25	59.84
Impairment Expense	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31.3.2021	15.28	9.46	104.05	10.49	139.28
Depreciation Expense	4.01	1.35	25.74	0.15	31.25
Impairment Expense	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31.03.2022	19.29	10.81	129.79	10.64	170.53
	User right	Computer software	Mining rights	Licenses	Total intangible assets
<b>Carrying amount</b>					
Balance as at 31.03.2020	68.51	3.54	237.17	1.01	310.23
Additions/Adjustments	-	0.13	91.36	1.30	92.79
Disposals	-	-	-	-	-
Depreciation Expense	4.00	1.76	52.83	1.25	59.84
Impairment Expense	-	-	-	-	-
Balance as at 31.3.2021	64.51	1.91	275.70	1.06	343.18
Additions	0.39	1.90	27.05	-	29.34
Disposals	-	-	-	-	-
Depreciation Expense	4.01	1.35	25.74	0.15	31.25
Impairment Expense	-	-	-	-	-
Balance as at 31.03.2022	60.89	2.46	277.01	0.91	341.27

Note: 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 A. Intangible assets under development

Amount in ₹ Crore

	As at 31.03.2022	As at 31.03.2021
(i) Mining right	469.73	394.50
(ii) Software	1.67	-
	471.40	394.50

Note: 8 A.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. It also includes pre-project expenses of ₹ 322.78 crores (previous year ₹ 250.11 crore) towards expenditure incurred/payments made to Government of Odisha on various developmental schemes as per commitment to Government of Odisha for allotment of Pottangi Mines.

## Notes to the standalone financial statements

## 8B - Intangible assets under development

8.B.1 Ageing of Intangible assets under development		Amount in ₹ Crore					
Particulars		Amount in CWIP for a period of					
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	
<b>Project in progress</b>							
(a)	M&R Complex	As on 31.03.2022	72.62	188.10	62.01	-	327.73
		As on 31.03.2021	188.10	62.01	-	-	250.11
(b)	S&P Complex	As on 31.03.2022	2.94	10.40	108.23	25.43	147.00
		As on 31.03.2021	10.41	108.23	-	25.43	144.07
(c)	Others	As on 31.03.2022	1.67	-	-	-	1.67
		As on 31.03.2021	0.32	-	-	-	0.32
<b>Project temporarily suspended</b>							
(a)	M&R Complex	As on 31.03.2022	-	-	-	-	-
		As on 31.03.2021	-	-	-	-	-
(b)	S&P Complex	As on 31.03.2022	-	-	-	-	-
		As on 31.03.2021	-	-	-	-	-
(c)	Others	As on 31.03.2022	-	-	-	-	-
		As on 31.03.2021	-	-	-	-	-
<b>Total as on 31.03.2022</b>			<b>77.23</b>	<b>198.50</b>	<b>170.24</b>	<b>25.43</b>	<b>471.40</b>
<b>Total as on 31.03.2021</b>			<b>198.83</b>	<b>170.24</b>	<b>-</b>	<b>25.43</b>	<b>394.50</b>

9. Investments		Amount in ₹ Crore	
		As at	As at
		31.03.2022	31.03.2021
<b>A. Non-current</b>			
<b>A.1 Investments in equity instruments</b>			
<b>A.1.1 Investment in associates</b>			
<b>A.1.2 Trade Investment in joint ventures at cost</b>			
<b>Unquoted investments</b>			
a)	Utkarsha Aluminium Dhatu Nigam Limited (As at 31.03.2022 : 2,00,00,000 shares of ₹ 10 each fully paid up, As at 31.03.2021 : 2,00,00,000 shares of ₹ 10 each fully paid up).	20.00	20.00
		<b>Total</b>	<b>20.00</b>
[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 31.03.2022 : 10,00,000 shares of ₹ 10 each fully paid up, As at 31.03.2021 : 10,00,000 shares of ₹ 10 each fully paid up).	1.00	1.00
		<b>Total</b>	<b>1.00</b>
[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 31.03.2022 : 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
		<b>Total</b>	<b>16.22</b>
d)	GACL-NALCO Alkalies & Chemicals Private Limited (As at 31.03.2022: 27,60,00,000 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	276.00
		<b>Total</b>	<b>276.00</b>
[3,60,00,000 nos. of fully paid equity shares of ₹ 10/- each has been issued by GACL-NALCO Alkalies & Chemicals Private Limited on 16.02.2021 under Rights Issue]			
<b>Total investment in joint ventures</b>		<b>313.22</b>	<b>313.22</b>

## 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	
		As at 31.03.2022	As at 31.03.2021
(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%

A.1.3 Other investment at cost		Amount in ₹ Crore	
Unquoted investments		As at 31.03.2022	As at 31.03.2021
Odisha Capital Market & Enterprises Limited.		0.03	0.03
(As at 31.03.2022 2,89,000 shares of ₹ 1 each fully paid up)			
(As at 31.03.2021 2,89,000 shares of ₹ 1 each fully paid up)			
Total - Investments in other entities		0.03	0.03
Total - investments in equity instruments		313.25	313.25
<b>Additional information</b>			
Aggregate carrying amount of unquoted investments		313.25	313.25

B. Current	As at 31.03.2022			As at 31.03.2021			
	Investments in Mutual Funds	Units in '000	Nav in ₹	Amount in ₹ Crore	Units in '000	Nav in ₹	Amount in ₹ Crore
<b>Quoted Investments</b>							
Canara Rebeco Liquid Fund	119	1,005.50	12.00	239	1,005.50	24.05	
Baroda BNP Paribas Liquid Fund	309	1,002.08	31.01	1,009	1,002.08	101.14	
SBI Liquid Fund	56	1,075.55	6.00	684	1,039.58	71.10	
Union Liquid Fund	150	1,000.79	15.00	520	1,000.79	52.09	
<b>Total - Other current Investments</b>			<b>64.01</b>			<b>248.38</b>	
<b>Additional Information</b>							
Aggregate cost of quoted investments			64.00				248.00
Aggregate market value of quoted investments			64.01				248.38
Aggregate cost of unquoted investments			-				-
Aggregate amount of impairment in value of investments			-				-
<b>Category-wise classification:</b>							
Financial assets (quoted investments) mandatorily measured at fair value through profit or loss (FVTPL)			64.01				248.38
			<b>64.01</b>				<b>248.38</b>

10 A - Trade receivables		Amount in ₹ Crore	
A. Non-current		As at 31.03.2022	As at 31.03.2021
(a)	Considered good - Secured	-	-
(b)	Considered good - Unsecured	-	-
(c)	Having significant increase in credit risk	-	-
(d)	Credit impaired	36.90	37.11
Less: Allowance for credit impaired		36.90	37.11
<b>Non-current trade receivables</b>		-	-
B. Current		As at 31.03.2022	As at 31.03.2021
(a)	Considered good - Secured	-	-
(b)	Considered good - Unsecured	75.25	147.39
(c)	Having significant increase in credit risk	20.24	20.24
Less: Allowance for doubtful debts		20.24	20.24
<b>Current trade receivables</b>		<b>75.25</b>	<b>147.39</b>

## Notes to the standalone financial statements

## Notes:

10.A.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.A.2 Customers that individually represent more than 5% of the total trade receivable as on 31.03.2022:

Customers	Customer Category	As at 31.03.2022	As at 31.03.2021
a. APSPDCL	Wind Power	49%	19%
b. NTPC Vidyut Vyapar Nigam Ltd	Wind Power	13%	-
c. Gupta Power Infrastructure Ltd	Wind Power	12%	-
d. RDPPC, Devikot, Rajasthan	Wind Power	-	12%
e. Dubai Aluminium PJSC	Alumina	-	44%

10.A.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.

10.A.4 Trade receivable are hypothecated/pledged against cash credit facility from Banks.

10. B. Trade receivables ageing								Amount in ₹ Crore
(a) Ageing when due date of payment is specified								
Sl. No.	Particulars	Outstanding from the due date of payment						Total
		Less than 6 months	6 months - 1 Years	1-2 Years	2-3 Years	More than 3 Years		
(i)	Undisputed Trade receivables- considered good	As on 31.03.2022	45.89	21.07	2.83	5.46	-	75.25
		As on 31.03.2021	136.08	5.45	5.46	0.38	0.02	147.39
(ii)	Undisputed Trade receivables- significant increase in credit risk	As on 31.03.2022	-	-	-	-	-	-
		As at 31.03.2021	-	-	-	-	-	-
(iii)	Undisputed Trade receivables- credit impaired	As on 31.03.2022	-	0.74	0.74	11.6	7.9	20.24
		As at 31.03.2021	-	-	11.6	7.4	0.5	20.24
(iv)	Disputed Trade receivables- considered good	As on 31.03.2022	-	-	-	-	-	-
		As at 31.03.2021	-	-	-	-	-	-
(v)	Disputed Trade receivables- significant increase in credit risk	As on 31.03.2022	-	-	-	-	-	-
		As at 31.03.2021	-	-	-	-	-	-
(vi)	Disputed Trade receivables- credit impaired	As on 31.03.2022	-	-	-	-	36.9	36.90
		As at 31.03.2021	-	-	-	-	37.11	37.11
		<b>Total as on 31.03.2022</b>	<b>45.89</b>	<b>21.07</b>	<b>3.57</b>	<b>17.06</b>	<b>44.80</b>	<b>132.39</b>
		<b>Total as on 31.03.2021</b>	<b>136.08</b>	<b>6.19</b>	<b>17.06</b>	<b>7.78</b>	<b>37.63</b>	<b>204.74</b>

11 - Loans			Amount in ₹ Crore	
A.	Non-current		As at 31.03.2022	As at 31.03.2021
(a)	Loans to employees			
	Secured, considered good		67.64	66.48
	Unsecured, considered good		19.51	19.26
(b)	Loans to others			
	Secured, considered good		0.23	0.21
<b>Total non-current loans</b>			<b>87.38</b>	<b>85.95</b>
B.	Current		As at 31.03.2022	As at 31.03.2021
(a)	Loans to employees			
	Considered good-Secured		17.12	17.71
	Considered good-Unsecured		11.14	9.47
(b)	Loans to related parties			
	Considered good-Secured [refer note 11.2]		0.09	0.01
(c)	Loans to others			
	Considered good - Secured		4.66	2.97
	Less: Allowance for bad and doubtful loans		0.09	
<b>Total current loans</b>			<b>32.92</b>	<b>30.16</b>

## Notes:

11.1 Loans to employees and others are carried at amortised cost. Deferred employee benefits represents the benefits on account of interest rate on loans being lower than the market rate of interest. The same is amortised on a straight line basis over the remaining period of the loan.

11.2 The amount of loan outstanding from related parties (Directors) is the amount of motor vehicle and House building advance taken from the Company in their capacity as employees. Further information on these loans is set out in note 39-Related party disclosure.

11.3 Loans to the employee are secured against the mortgage of the House property and hypothecation of vehicles for which such loan is given as per the policy of the Company.



## Notes to the standalone financial statements

<b>12 - Other financial assets</b>		<b>Amount in ₹ Crore</b>	
<b>A.</b>	<b>Non-current</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
	Security deposits	9.18	11.24
	Mines closure deposits	0.56	-
<b>Total other non-current financial assets</b>		<b>9.74</b>	<b>11.24</b>
<b>B.</b>	<b>Current</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(a)	Advances to employees	-	-
(b)	Insurance claims receivables and others	7.22	7.22
(c)	Gratuity(funded)	22.17	-
<b>Gross - other current financial assets</b>		<b>29.39</b>	<b>7.22</b>
Less: Allowance for bad and doubtful other current financial assets			
a)	Insurance claims	7.22	7.22
<b>Total allowance for bad and doubtful - other current assets</b>		<b>7.22</b>	<b>7.22</b>
<b>Net other current financial assets</b>		<b>22.17</b>	<b>-</b>
<b>Classification of other current financial assets:</b>			
Unsecured, considered good		22.17	-
Considered doubtful		7.22	7.22
<b>Gross other current financial assets</b>		<b>29.39</b>	<b>7.22</b>

## Notes:

12.1 Other financial assets are carried at amortised cost.

<b>13 - Current tax assets</b>		<b>Amount in ₹ Crore</b>	
		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
	Income tax (Net)	55.38	85.50
<b>Total current tax assets</b>		<b>55.38</b>	<b>85.50</b>
<b>Gross other current financial assets</b>		<b>29.39</b>	<b>7.22</b>

## Notes:

13.1 Net of tax provision of ₹ 203.95 crore (previous year ₹ 124.55 crore)

<b>14 - Other assets</b>		<b>Amount in ₹ Crore</b>	
<b>A.</b>	<b>Non-current</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(a)	Capital advances	493.65	240.61
(b)	Advances other than capital advance:		
	Advance with Govt. authorities		
	(1) Customs, excise, sales tax, port trusts etc.	179.71	170.60
	(2) Deposits with Income Tax Authority (net)	109.53	326.80
	(3) Other Government authorities	6.01	3.52
(c)	Others		
	Prepaid expenses		
	(1) Deferred employee benefits [refer Note 11.1]	15.50	16.63
<b>Gross other non-current assets</b>		<b>804.40</b>	<b>758.16</b>
Less: Allowance for bad and doubtful for other non-current assets			
(a)	Capital advances	0.01	0.26
<b>Total allowance for bad and doubtful for other non-current assets</b>		<b>0.01</b>	<b>0.26</b>
<b>Total other non-current assets</b>		<b>804.39</b>	<b>757.90</b>

## Notes to the standalone financial statements

<b>14 - Other assets (Contd.)</b>		<b>Amount in ₹ Crore</b>	
<b>B. Current</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
	Advances other than capital advances		
(a)	Claims with statutory authorities		
	(1) Export Incentive Claims	71.42	28.53
	(2) Generation Based Incentive on power generated from renewable source and Renewable energy certificates	5.10	2.94
	(3) VAT, CENVAT and GST Credit Recoverable	295.64	332.80
	(4) Claims receivable from customs, excise and railway authorities	7.68	8.84
(b)	Prepaid expenses		
	(1) Deferred employee benefits [ refer Note 11.1]	2.04	2.39
	(2) Other prepaid expenses	9.34	4.91
(c)	Stamp in hand	0.01	0.01
(d)	Other receivables	1.07	1.23
(e)	Other advances		
	(1) Advances to employees	38.22	29.23
	(2) Advances to suppliers and service providers	656.34	363.20
	(3) Others	4.16	3.84
	<b>Gross other current assets</b>	<b>1,091.02</b>	<b>777.92</b>
	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	5.98	7.09
(c)	Other receivables	0.36	0.39
(d)	Advances to suppliers and service providers	2.02	2.02
(e)	Others	1.82	1.81
	<b>Total allowance for bad and doubtful for other current assets</b>	<b>207.99</b>	<b>209.12</b>
	<b>Total other current assets</b>	<b>883.03</b>	<b>568.80</b>

<b>15 - Inventories</b>		<b>Amount in ₹ Crore</b>	
		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(a)	Raw materials	161.03	72.69
	(1) Cost	161.03	72.69
	(2) Less: Provision		
(b)	Coal and fuel oil	170.82	215.62
	(1) Cost	170.82	215.62
	(2) Less: Provision		
(c)	Carbon Anodes (Intermediaries)	136.67	118.57
	(1) Cost	136.67	118.57
	(2) Less: Provision		
(d)	Work-in-progress	319.04	298.35
	(1) Cost	319.04	298.35
	(2) Less: Provision		
(e)	Finished goods	542.47	464.43
	(1) Cost	542.47	464.43
	(2) Less: Provision		
(f)	Stores and spares	299.23	292.84
	(1) Cost	299.23	292.84
	(2) Less: Provision		

## Notes to the standalone financial statements

15. Inventories (Contd.)		Amount in ₹ Crore	
		As at 31.03.2022	As at 31.03.2021
(g)	Scraps	16.91	13.82
	(1) Cost	16.91	13.82
	(2) Less: Provision		
<b>Total inventories</b>		<b>1,646.17</b>	<b>1,476.32</b>
<b>Included above, goods-in-transit:</b>			
	(i) Raw materials	20.79	4.15
	(ii) Coal and fuel oil	57.79	25.12
	(iii) Stores and spares	6.31	4.45
<b>Total goods-in-transit</b>		<b>84.89</b>	<b>33.72</b>

## Notes:

- 15.1 Cost of inventories recognised as expenses during the year is ₹ 4,603.84 crore (previous year : ₹ 3,806.06 crore).
- 15.2 Cost of inventories recognised as expenses during the year includes ₹ 1.46 crore (previous year: ₹ 2.00 crore) in respect of write-downs of inventory for non moving items.
- 15.3 Inventories are hypothecated/pledged against cash credit facility availed from Banks.
- 15.4 Mode 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 31.03.2022	As at 31.03.2021
(a)	Balances with banks		
	(1) Balance with scheduled banks		
	(i) In current account	412.80	213.52
<b>Total cash and cash equivalents</b>		<b>412.80</b>	<b>213.52</b>

16.B- Bank balances (other than Cash and cash equivalents)		Amount in ₹ Crore	
		As at 31.03.2022	As at 31.03.2021
(a)	In deposit account (having original maturity between 3-12 months)	3,217.37	1,463.00
	Principal	3,156.00	1,446.00
	Accrued Interest	61.37	17.00
(b)	Earmarked balance with scheduled banks	75.90	73.26
<b>Total other bank balances</b>		<b>3,293.27</b>	<b>1,536.26</b>

## Notes:

- 16.B.1 The earmarked balance of ₹ 75.90 crore (previous year ₹ 73.26 crore) with scheduled banks includes the amount deposited towards unclaimed dividend amounting to ₹ 4.29 crore (previous year ₹ 3.87 crore). The balance amount of ₹ 71.61 crore (previous year ₹ 69.39 crore) represents deposits with State Bank of India as per direction of Hon'ble High Court of Odisha.
- 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 standalone financial statements

17 - Share Capital	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
<b>Authorised share capital:</b>		
As at 31.03.2022: 6,00,00,00,000 equity shares of ₹ 5 each [As at 31.03.2021: 6,00,00,00,000 equity shares of ₹ 5 each]	3,000.00	3,000.00
	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued and subscribed capital comprises:</b>		
1,83,66,31,787 fully paid-up equity shares of ₹ 5 each [As at 31.03.2021: 1,83,66,31,787 fully paid-up equity shares of ₹ 5 each]	918.32	918.32
	<b>918.32</b>	<b>918.32</b>

17.1 Reconciliation of the number of equity shares	Amount in ₹ Crore	
	Number of shares	Amount ₹ in Crore
<b>Balance as at 31.03.2020</b>	<b>1,865,617,498</b>	<b>932.81</b>
Changes during the year		
Buy-back of shares	(28,985,711)	(14.49)
<b>Balance as at 31.03.2021</b>	<b>1,836,631,787</b>	<b>918.32</b>
Changes during the year	-	-
<b>Balance as at 31.03.2022</b>	<b>1,836,631,787</b>	<b>918.32</b>

(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 2018-19 the Company bought back 6,73,11,386 number of equity shares of ₹ 5 each which led to decrease in equity share capital from ₹ 966.46 crore to ₹ 932.81 crore.

During 2020-21, the Company bought back 2,89,85,711 numbers of equity shares of ₹ 5 each which led to decrease in 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 Bharat 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 2020-21, 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 promoters	Amount in ₹ Crore			
	As at 31.03.2022		As at 31.03.2021	
	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	941,793,011	51.28%	941,793,011	51.28%
<b>Total</b>	<b>941,793,011</b>	<b>51.28%</b>	<b>941,793,011</b>	<b>51.28%</b>



## Notes to the standalone financial statements

18 - Other equity		Amount in ₹ Crore	
		As at 31.03.2022	As at 31.03.2021
(a)	Capital redemption reserves	370.30	370.30
(b)	General reserve	7,942.86	7,942.86
(c)	Retained earnings	3,323.16	1,449.22
Total		11,636.32	9,762.38

18.1 Movement in other equity		Amount in ₹ Crore			
		Reserves and Surplus			
Other equity		Capital redemption reserve	General reserve	Retained earnings	Total
Balance as at 01.04.2020		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
<b>Total comprehensive income for the year</b>		-	-	<b>1,323.36</b>	<b>1,323.36</b>
Premium on Buy-back of equity shares		-	(152.18)	-	(152.18)
Expenses on Buy-back of equity shares(net of tax)		-	(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)
<b>Balance as at 31.03.2021</b>		<b>370.30</b>	<b>7,942.86</b>	<b>1,449.22</b>	<b>9,762.38</b>
Profit for the year		-	-	2,951.97	2,951.97
Other comprehensive income (net of taxes)		-	-	23.95	23.95
<b>Total comprehensive income for the year</b>		-	-	<b>2,975.92</b>	<b>2,975.92</b>
Final dividend for the previous year		-	-	(183.66)	(183.66)
Interim dividend for the year		-	-	(918.32)	(918.32)
<b>Balance as at 31.03.2022</b>		<b>370.30</b>	<b>7,942.86</b>	<b>3,323.16</b>	<b>11,636.32</b>

18.2 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 year 2020-21, 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 During the year, the Company has paid Final Dividend for FY 2020-21 at ₹ 1.00 per equity share amounting to ₹ 183.66 crore on October 25, 2021. The Company has also paid the first tranche of Interim dividend for FY 2021-22 at ₹ 2.00 per equity share amounting to ₹ 367.33 crore on December 10, 2021. The second tranche of Interim dividend for FY 2021-22 at ₹ 3.00 per equity share amounting to ₹ 550.99 crore was paid on March 4, 2022 with the total payout is ₹ 918.32 crore. During the preceding year, the Company has paid first tranche Interim dividend of ₹ 93.28 crore & second tranche of Interim Dividend of ₹ 367.33 crore for financial year 2020-21.

## Notes to the standalone financial statements

19 A - Lease Liability	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
Non-current lease liability	50.91	50.48
Current lease liability	5.52	5.49
<b>Total Lease liabilities</b>	<b>56.43</b>	<b>55.97</b>

19 B - Movement of Lease Liability	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
Balance at the beginning	55.97	55.47
Additions during the year	0.56	
Finance Cost added during the year	4.13	4.01
Payment of lease liability	4.23	3.51
<b>Balance at the end</b>	<b>56.43</b>	<b>55.97</b>

20 - Borrowings	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
Current (secured) (at amortised cost)		
Liabilities towards bills discounted	20.67	46.11
<b>Total other current financial liabilities</b>	<b>20.67</b>	<b>46.11</b>

21 A - Trade payables	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
<b>A. Non-current</b>		
(1) Creditors for supplies and services		
- Dues to micro and small enterprises	-	-
- Others	23.61	37.70
<b>Total non-current trade payables</b>	<b>23.61</b>	<b>37.70</b>
<b>B. Current</b>		
(1) Creditors for supplies and services		
- Dues to micro and small enterprises	31.50	11.70
- Others	788.52	702.45
Accrued wages and salaries	637.08	225.39
<b>Total current trade payables</b>	<b>1,457.10</b>	<b>939.54</b>

## Notes:

21.1 Trade and other payables are subject to confirmation/reconciliation and consequential adjustment, if any.

21.2 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 disclosures pursuant to said Act in respect of such dues included in trade payables (Note-21) and other financial liabilities (Note-22) are as under:

Particulars	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
i) Principal amount due	31.50	11.70
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

## Notes to the standalone financial statements

<b>21. B - Trade Payable ageing</b>		<b>Amount in ₹ Crore</b>				
(a) Ageing when due date of payment is specified						
(b) Ageing when due date of payment is not specified						
Sl. No.	Particulars	Outstanding from the due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	As on 31.03.2022	13.05	-	-	-	13.05
	As on 31.03.2021	12.39	-	-	-	12.39
(ii) Others	As on 31.03.2022	61.33	99.61	22.51	370.97	554.42
	As on 31.03.2021	3.43	38.56	382.65	90.29	514.93
(iii) Disputed Dues- MSME	As on 31.03.2022	0.69	0.72	-	-	1.41
	As at 31.03.2021	0.72	-	-	-	0.72
(iv) Disputed Dues- Others	As on 31.03.2022	0.06	0.12	0.16	74.25	74.59
	As at 31.03.2021	-	0.07	0.11	65.44	65.62
<b>Total as on 31.03.2022</b>		<b>75.13</b>	<b>100.45</b>	<b>22.67</b>	<b>445.22</b>	<b>643.47</b>
<b>Total as on 31.03.2021</b>		<b>16.54</b>	<b>38.63</b>	<b>382.76</b>	<b>155.73</b>	<b>593.66</b>

<b>(c) Ageing of Unbilled dues</b>		<b>Amount in ₹ Crore</b>				
Sl. No.	Particulars	Outstanding from the due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	As on 31.03.2022	76.54	16.43	6.62	6.71	106.30
	As on 31.03.2021	-	-	-	-	-
(ii) Others	As on 31.03.2022	610.23	65.20	14.81	40.70	730.94
	As on 31.03.2021	119.25	65.28	37.25	161.80	383.58
(iii) Disputed Dues- MSME	As on 31.03.2022	-	-	-	-	-
	As at 31.03.2021	-	-	-	-	-
(iv) Disputed Dues- Others	As on 31.03.2022	-	-	-	-	-
	As at 31.03.2021	-	-	-	-	-
<b>Total as on 31.03.2022</b>		<b>686.77</b>	<b>81.63</b>	<b>21.43</b>	<b>47.41</b>	<b>837.24</b>
<b>Total as on 31.03.2021</b>		<b>119.25</b>	<b>65.28</b>	<b>37.25</b>	<b>161.80</b>	<b>383.58</b>

<b>22 - Other financial liabilities</b>		<b>Amount in ₹ Crore</b>	
<b>A. Non current</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Creditors for capital supplies and services			
- Dues to micro and small enterprises		-	-
- Others		88.57	36.07
<b>Total other non-current financial liabilities</b>		<b>88.57</b>	<b>36.07</b>
<b>B. Current</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(a) Unpaid dividends		4.29	3.87
(b) Creditors for other liabilities			
(1) Creditors for capital supplies and services			
- Dues to micro and small enterprises		-	-
- Others		316.13	211.01
(2) Security deposits from customers		4.95	3.88
(3) Refund due to customers		34.67	7.61
(4) Liabilities for discount on sales to customers		140.21	67.27
(5) Employees' recoveries		0.10	0.27
<b>Total other current financial liabilities</b>		<b>500.35</b>	<b>293.91</b>

## Notes to the standalone financial statements

## 23. Provisions (Contd.)

	Amount in ₹ Crore		
<b>A. Non-current</b>		As at 31.03.2022	As at 31.03.2021
(a) Provision for employee benefits			
(1) Retirement benefits obligations			
(i) Post retirement medical benefits scheme (PRMBS)		152.83	147.48
(ii) Settling in benefit on retirement		13.73	16.02
(iii) Nalco benevolent fund scheme (NBFS)		2.15	2.21
(iv) Nalco retirement welfare scheme( NRWS)		8.88	9.51
(v) Retirement gift		5.36	6.17
(2) Other long-term employee benefits			
(i) Compensated absences (refer note 23.4)		-	375.78
(ii) Long service rewards		11.55	12.83
(iii) Nalco employees family financial assistance rehabilitation scheme(NEFFARS)		25.51	25.54
(b) Other Provisions			
(1) Asset restoration obligations/dismantling		40.59	37.42
(2) Other legal and constructive obligations		0.38	0.38
<b>Total non-current provisions</b>		<b>260.98</b>	<b>633.34</b>
<b>B. Current</b>		As at 31.03.2022	As at 31.03.2021
(a) Provision for employee benefits			
(1) Retirement benefits obligations			
(i) Gratuity (funded)		-	10.63
(ii) Post retirement medical benefits scheme (PRMBS)		9.48	7.85
(iii) Settling in benefit on retirement		3.79	3.57
(iv) Nalco benevolent fund scheme (NBFS)		0.48	0.51
(v) Nalco retirement welfare scheme( NRWS)		2.90	2.87
(vi) Retirement gift		1.17	0.99
(2) Other Long-term employee benefits			
(i) Compensated absences		18.99	54.59
(ii) Long service rewards		0.93	0.30
(iii) Nalco employees family financial assistance rehabilitation scheme(NEFFARS)		9.84	6.34
(b) Other Provisions			
(1) towards peripheral development expenses		30.30	30.47
(2) towards other legal and constructive obligations		49.07	41.34
<b>Total current provisions</b>		<b>126.95</b>	<b>159.46</b>
<b>C. Movement of provisions</b>			
<b>(1) Movement of retirement benefit obligations [refer note 32]</b>			
<b>(2) Movement of employee benefits</b>			
		Amount in ₹ Crore	
		Compensated absences	Long service rewards
			NEFFARS
<b>Balance at 31.03.2020</b>	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	-
<b>Balance at 31.03.2021</b>	<b>430.37</b>	<b>13.13</b>	<b>31.88</b>
Additional provisions recognised	121.28	1.49	31.59
Reductions arising from payments	(112.33)	(0.92)	(28.12)
Changes arising from remeasurement	25.62	(1.22)	-
Others [refer note 23.4]	(445.95)	-	-
<b>Balance at 31.03.2022</b>	<b>18.99</b>	<b>12.48</b>	<b>35.35</b>



## Notes to the standalone financial statements

(3) Movement of other Provisions			
	Asset restoration obligation	Legal and Constructive Obligation	Peripheral Development Expenses
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
Additional provisions recognised	0.11	12.53	-
Reductions arising from payments	-	(4.95)	(0.17)
Unwinding of discount	3.06	0.15	-
Balance at 31.03.2022	40.59	49.45	30.30

- Note:** 23.1 Provision related to retirement and other long term employee benefits are provided, in the case of gratuity as per the Payment Gratuity Act 1972, 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.
- 23.2 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.
- 23.3 Provision for peripheral development expenditure is the unspent development obligation of the Company prior to introduction of the Companies Act 2013.
- 23.4 During the current year, the Company has funded ₹ 445.95 crore (previous year nil) to LIC as plan assets by subscribing to LIC-GLS (Group leave encashment scheme).

24. Other liabilities		Amount in ₹ Crore	
A. Non-current		As at 31.03.2022	As at 31.03.2021
(i) Deposits under NEFFARS		101.26	98.27
(ii) Others [Refer note 24.1]		230.50	230.50
<b>Total other non-current liabilities</b>		<b>331.76</b>	<b>328.77</b>
<b>B. Current</b>			
(i) Revenue received in advance		125.57	97.27
(ii) Statutory and other dues			
(a) Electricity duty		108.49	107.47
(b) Tax deducted and collected at source		36.05	29.35
(c) Contribution to NEPF trust and NPS		41.07	43.58
(d) Dues towards stamp duty		212.78	212.78
(e) Others (Service tax, excise duty, GST, Royalty etc)		356.01	63.71
(iii) Renewable energy purchase obligation		68.71	24.99
(iv) Deposits under NEFFARS		38.94	25.20
(v) Grants for property, plant and equipment		0.48	0.51
(vi) Other credit balances		0.45	0.43
<b>Total other current liabilities</b>		<b>988.55</b>	<b>605.29</b>

- Note:** 24.1 The Hon'ble CESTAT, Kolkata had issued refund order of ₹ 230.50 crore during FY 2020-21 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 Orissa.
- 24.2 The Company obtains deposits (from the dependent of the employee pursuant to the NEFFAR Scheme who died or suffered disability) for which the Company is in the process of applying to the Ministry of Corporate Affairs, Govt. of India for availing exemption in respect of applicability of Section 73 to 76 of the Companies Act, 2013.

## Notes to the standalone financial statements

25. Deferred tax liabilities		Amount in ₹ Crore		
		As at 31.03.2022	As at 31.03.2021	
Deferred tax liabilities		1,090.08		1,145.60
Deferred tax assets		221.90		251.88
		868.18		893.72
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
<b>Deferred tax liabilities relating to:</b>				
Property, plant and equipment		(1,573.82)	433.37	-
Provision for defined benefit obligation (OCI)		(11.33)	-	6.18
<b>Deferred tax liabilities</b>		<b>(1,585.15)</b>	<b>433.37</b>	<b>6.18</b>
<b>Deferred tax assets in relation to:</b>				
Provision for compensated absences and other employee benefits		149.40	(41.08)	-
Provision for defined benefit obligation		90.82	(24.70)	-
Provision for doubtful debts / advances		89.02	(20.01)	-
FVTPL financial assets		2.36	1.96	-
Temporary Difference due to application of section 43B		188.52	(187.59)	-
Others		4.42	(1.24)	-
<b>Deferred tax assets</b>		<b>524.54</b>	<b>(272.66)</b>	<b>-</b>
<b>Deferred tax (liabilities) / assets - [net]</b>		<b>(1,060.61)</b>	<b>160.71</b>	<b>6.18</b>
2021-22	Opening balance as at 01.04.2020	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as at 31.03.2021
<b>Deferred tax liabilities relating to:</b>				
Property, plant and equipment		(1,140.45)	78.82	-
Provision for defined benefit obligation (OCI)		(5.15)	-	(23.30)
<b>Deferred tax liabilities</b>		<b>(1,145.60)</b>	<b>78.82</b>	<b>(23.30)</b>
<b>Deferred tax assets in relation to:</b>				
Provision for compensated absences and other employee benefits		108.32	(103.54)	-
Provision for defined benefit obligation		66.12	19.35	-
Provision for doubtful debts / advances		69.01	(0.32)	-
FVTPL financial assets		4.32	(0.27)	-
Temporary Difference due to application of section 43B		0.93	54.80	-
Others		3.18	-	-
<b>Deferred tax assets</b>		<b>251.88</b>	<b>(29.98)</b>	<b>-</b>
<b>Deferred tax (liabilities) / assets [net]</b>		<b>(893.72)</b>	<b>48.84</b>	<b>(23.30)</b>

**Note:** In pursuance to Section 115BAA of the Income Tax Act, 1961 notified by the Government of India through Taxation Laws Ordinance, 2019, the Company had an irrevocable option of shifting to a lower tax rate foregoing other tax incentives during 2020-21 and non applicability of Minimum alternate tax (MAT) u/s 115JB of Income tax Act 1961. The Company has exercised the said option during the FY 2020-21 (relevant to AY 2021-22) for lower rates of taxes and deferred tax assets and liabilities were measured accordingly. The impact of such change in rate of taxes on the deferred tax of FY 2020-21 was ₹ 345.15 crore. The applicable rate for the current year is 25.168% (previous year 25.168%).

26. Contingent liabilities (to the extent not provided for)		Amount in ₹ Crore	
		As at 31.03.2022	As at 31.03.2021
<b>Claims against the Company not acknowledged as debts</b>			
a.	<b>Demand from statutory authority</b>		
1.	Odisha Sales tax	4.09	3.72
2.	Central Sales tax	280.55	281.01
3.	VAT	12.64	12.64
4.	Excise duty	410.44	410.44
5.	Custom duty	102.77	104.47
6.	Service tax	14.82	21.98
7.	Income tax	223.75	162.66
8.	Entry tax	222.21	221.37
9.	Road tax	2.65	2.65
10.	Stamp duty	0.51	0.51
11.	Claim From Govt. (NGT)	109.01	62.30
12.	Claim From PSUs	322.92	247.59
13.	Land acquisition and interest there on	78.07	73.73
14.	Dept. of mines Govt. of Odisha	136.32	136.32
15.	Water Resources Deptt. Govt. of Odisha for Water Conservation fund	119.24	119.24
b.	<b>Claim by contractors/suppliers and others</b>		
1.	Claims of Contractor's suppliers and others	338.41	292.85
<b>Total</b>		<b>2,378.40</b>	<b>2,153.48</b>

## Notes to the standalone financial statements

## 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 31.03.2022 accordingly.

26.1 Movement of contingent liabilities		Amount in ₹ Crore			
		As at 31.03.2021	Reduction during the year	Addition during the year	As at 31.03.2022
<b>a.</b>	<b>Demand by statutory authority</b>				
	1. Odisha Sales tax	3.72	-	0.38	4.09
	2. Central Sales tax	281.01	(0.46)	-	280.55
	3. VAT	12.64	-	-	12.64
	4. Excise duty	410.44	(397.48)	397.48	410.44
	5. Custom duty	104.47	(1.70)	-	102.77
	6. Service tax	21.98	(9.23)	2.07	14.82
	7. Income tax	162.66	(24.49)	85.58	223.75
	8. Entry tax	221.37	(4.10)	4.94	222.21
	9. Road tax	2.65	-	-	2.65
	10. Stamp duty	0.51	-	-	0.51
	11. Claim From Govt. (NGT)	62.30	-	46.71	109.01
	12. Claim From PSUs	247.59	-	75.33	322.92
	13. Land acquisition and interest there on	73.73	-	4.34	78.07
	14. Demand from Dept. of mines Govt. of Odisha	136.32	-	-	136.32
	15. Demand from Water Resources Deptt. Govt. of Odisha for Water Conservation fund	119.24	-	-	119.24
<b>b.</b>	<b>Claim by contractors/suppliers and others</b>				
	1. Claims of Contractor's suppliers and others	292.85	(6.79)	52.35	338.41
	<b>Total</b>	<b>2,153.48</b>	<b>(444.25)</b>	<b>669.18</b>	<b>2,378.40</b>

27. Commitments		Amount in ₹ Crore	
		As at 31.03.2022	As at 31.03.2021
a)	Estimated amount of Contracts remaining to be executed on capital account and not provided for	3,404.69	1,308.97
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.	Nil	18.11
	(2) Export obligation for import of capital goods under Export Promotion Capital Goods Scheme.	278.79	Nil
	(3) Estimated amount of commitment to Govt. of Odisha for allotment of Pottangi Bauxite Mines	Nil	49.89
	(4) Estimated amount of commitment to Govt. of India (MoEFCC) for 5th Stream Refinery project.	Nil	10.81
	(5) Corporate environment responsibility (CER) for capital investments	6.00	12.00
	<b>Total</b>	<b>3,689.48</b>	<b>1,399.78</b>

## Notes to the standalone financial statements

28. Revenue from operations		Amount in ₹ Crore	
		Year ended 31.03.2022	Year ended 31.03.2021
(a)	Sale of products		
	1) Export:		
	i) Alumina	3,664.61	2,534.63
	ii) Aluminium	2,699.54	2,628.31
	2) Domestic:		
	i) Alumina	278.47	141.95
	ii) Aluminium	7,370.62	3,524.48
(b)	Sale of power		
	i) Wind Power [Refer note no. 28.1]	45.74	39.92
(c)	Other operating income	121.83	86.50
	Export Incentives		
	i) Alumina	36.11	25.08
	ii) Aluminium [Refer note no. 28.2]	66.49	45.11
	2) Incentives on Renewable Energy		
	i) Renewable Energy certificates	8.11	6.97
	ii) Generation based incentives	3.98	3.49
	3) Own manufactured goods internally used /capitalised	7.14	5.85
	<b>Revenue from operations</b>	<b>14,180.81</b>	<b>8,955.79</b>

Note: 28.1 The Company has not recognised the revenue from its two wind power plants located in the state of Rajasthan due to non availability of Power Purchase Agreement (PPA) since 2018-19.

28.2 Consequent to introduction of Remission of Duties and Taxes on Export Products schemes w.e.f 01.01.2022, the Company has recognised ₹41.59 crore as income (net of discount of 20%) during the current year for export of metal.

29. Other income		Amount in ₹ Crore	
		Year ended 31.03.2022	Year ended 31.03.2021
(a)	Interest income		
	(i) Interest income earned from financial assets that are not designated as at fair value through profit or loss:		
	- Bank deposits	103.18	69.99
	- Loans to employees	9.25	9.42
	- Other financial assets carried at amortised cost	13.42	5.48
	(ii) Interest income earned from Income tax refund	84.51	-
(b)	Dividend income		
	- Dividends from current investments	13.91	5.48
(c)	Net foreign exchange gain/(loss)	(1.59)	(1.85)
(d)	Net gain/(loss) on financial assets designated as at FVTPL	(0.36)	0.38
(e)	Net gain/(loss) on sale of other investments	-	-
(f)	Write back of liabilities no longer required [refer note: 29.1]	23.00	8.86
(g)	Income from internally generated scrap	33.77	15.71
(h)	Others	18.33	33.13
	<b>Total other income</b>	<b>297.42</b>	<b>146.60</b>

Note: 29.1 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 standalone financial statements

<b>30. Cost of materials consumed</b>		<b>Amount in ₹ Crore</b>	
		Year ended 31.03.2022	Year ended 31.03.2021
<b>A.</b>	<b>Raw material</b>		
	(1) Caustic soda	873.17	687.62
	(2) C.P. coke	693.19	351.00
	(3) C.T. pitch	225.98	130.67
	(4) Aluminium fluoride	87.18	74.80
	(5) Lime	52.24	44.14
	(6) Others	39.37	27.20
	<b>Total raw materials consumed</b>	<b>1,971.13</b>	<b>1,315.43</b>
<b>B.</b>	<b>Power and Fuel</b>		
	(1) Coal	1,502.24	1,584.74
	(2) Fuel oil	864.58	576.49
	(3) Duty on own generation	375.05	415.35
	(4) Purchase of power	637.96	55.25
	(5) Power transmission charges	8.65	6.26
	<b>Total Power and Fuel consumed</b>	<b>3,388.48</b>	<b>2,638.09</b>
<b>31. Changes in inventories of finished goods, intermediaries and work-in-process</b>		<b>Amount in ₹ Crore</b>	
		Year ended 31.03.2022	Year ended 31.03.2021
<b>Finished goods</b>			
<b>Opening stock</b>			
	(1) Bauxite	4.34	3.74
	(2) Chemical	232.28	159.30
	(3) Aluminium	227.81	276.97
	<b>Opening stock</b>	<b>464.43</b>	<b>440.01</b>
	<b>Total opening stock of finished goods</b>	<b>464.43</b>	<b>440.01</b>
<b>Less:</b>			
<b>Closing stock</b>			
	(1) Bauxite	18.54	4.34
	(2) Chemical	253.91	232.28
	(3) Aluminium	270.02	227.81
	<b>Closing stock</b>	<b>542.47</b>	<b>464.43</b>
	<b>Total Closing stock of finished goods</b>	<b>542.47</b>	<b>464.43</b>
	<b>(Accretion)/Depletion in finished goods</b>	<b>(78.04)</b>	<b>(24.42)</b>
<b>Intermediaries</b>			
<b>Opening stock</b>			
	Anodes	100.83	136.37
	Others	17.74	16.67
	<b>Total opening stock of intermediaries</b>	<b>118.57</b>	<b>153.04</b>
<b>Less: Closing stock</b>			
	Anodes	113.19	100.83
	Others	23.48	17.74
	<b>Total closing stock of intermediaries</b>	<b>136.67</b>	<b>118.57</b>
	<b>(Accretion)/depletion in intermediaries</b>	<b>(18.10)</b>	<b>34.47</b>
<b>Work-in-process</b>			
<b>Opening stock</b>		298.35	282.54
<b>Less: Closing stock</b>		319.04	298.35
	<b>(Accretion)/depletion in work in process</b>	<b>(20.69)</b>	<b>(15.81)</b>
	<b>Total (Accretion)/Depletion in inventory</b>	<b>(116.83)</b>	<b>(5.76)</b>

## Notes to the standalone financial statements

32. Employee benefits expense		Amount in ₹ Crore	
		Year ended 31.03.2022	Year ended 31.03.2021
(a)	Salaries and wages, including bonus	1,938.42	1,544.25
(b)	Contribution to provident and other funds		
	1) Provident fund	115.87	120.10
	2) Gratuity	30.01	42.85
	3) Post employment pension scheme	104.00	107.03
(c)	Staff welfare expenses	167.50	116.01
	<b>Total employee benefit expense</b>	<b>2,355.80</b>	<b>1,930.24</b>

## Notes:

## 32.A. Employee benefit Plans

## 32.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.

## 32.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 Rs. 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.

## 32.B. 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.
  - 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.
  - 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.
- 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.
- 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.

## Notes to the standalone financial statements

- 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	
	31.03.2022	31.03.2021
Discount rate(s)	7.00%	6.60%
Expected rate(s) of salary increase	6.65%	8.00%
Mortality	IALM 2012-2014 ULTIMATE	IALM 2012-2014 ULTIMATE
Attrition Rate	1%	1%

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:-

	Amount in ₹ Crore	
	Year ended 31.03.2022	Year ended 31.03.2021
<b>Service Cost:</b>		
- Current Service cost	(35.10)	(52.67)
- Past Service Cost and (gain)/loss from settlements	17.36	16.10
- Net Interest expense	(10.91)	(5.11)
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>(28.65)</b>	<b>(41.68)</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on the net defined benefit liability	4.68	(1.78)
Actuarial (Gains)/losses arising from changes in financial assumptions	24.61	5.10
Actuarial (Gains)/losses arising from experience assumptions	17.96	14.31
Others		
Adjustments for restrictions on the defined benefit asset		
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>47.25</b>	<b>17.63</b>
<b>Total</b>	<b>18.60</b>	<b>(24.05)</b>

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

	Amount in ₹ Crore					
	Post retirement medical benefit	Settling-in-benefit	NALCO benevolent fund scheme	NALCO retirement welfare scheme	Superannuation gift scheme	Gratuity (Funded)
<b>March 31, 2021</b>						
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
<b>Net liability arising from defined benefit obligation</b>	<b>(155.35)</b>	<b>(19.58)</b>	<b>(2.73)</b>	<b>(12.38)</b>	<b>(7.16)</b>	<b>(10.63)</b>
<b>March 31, 2022</b>						
Present value of defined benefit obligation	(162.31)	(17.51)	(2.63)	(11.78)	(6.53)	(532.70)
Fair value of plan assets	-	-	-	-	-	554.86
<b>Net liability arising from defined benefit obligation</b>	<b>(162.31)</b>	<b>(17.51)</b>	<b>(2.63)</b>	<b>(11.78)</b>	<b>(6.53)</b>	<b>22.16</b>

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)
<b>Opening defined benefit obligations as at April 01, 2020</b>	<b>(140.42)</b>	<b>(20.59)</b>	<b>(2.99)</b>	<b>(12.52)</b>	<b>(7.26)</b>	<b>(632.24)</b>
Current service cost	-	(3.14)	-	-	-	(49.53)
Interest Cost	(9.06)	(1.26)	(0.17)	(0.75)	(0.45)	(38.65)
<b>Remeasurement (gains)/losses</b>						
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
Benefits paid	6.26	3.02	0.86	2.33	0.93	93.22
Others	-	-	-	-	-	-
<b>Closing defined benefit obligation as at March 31, 2021</b>	<b>(155.35)</b>	<b>(19.58)</b>	<b>(2.73)</b>	<b>(12.38)</b>	<b>(7.16)</b>	<b>(595.80)</b>

## Notes to the standalone financial statements

32. Employee benefits expense (Contd.)						Amount in ₹ Crore
	Post retirement medical benefit	Settling-in-benefit	NALCO benevolent fund scheme	NALCO retirement welfare scheme	Superannuation gift scheme	Gratuity (Funded)
Current service cost	-	(2.94)	-	-	-	(32.16)
Interest Cost	(10.46)	(1.17)	(0.16)	(0.79)	(0.47)	(38.82)
<b>Remeasurement (gains)/losses</b>						
Actuarial (Gains)/losses arising from changes in financial assumptions	1.33	0.39	0.05	0.25	0.20	22.39
Actuarial (Gains)/losses arising from experience assumptions	(9.58)	0.04	(0.62)	(1.01)	-	29.13
Benefits paid	11.75	5.75	0.83	2.15	0.90	82.56
Others	-	-	-	-	-	-
<b>Closing defined benefit obligation as at March 31, 2022</b>	<b>(162.31)</b>	<b>(17.51)</b>	<b>(2.63)</b>	<b>(11.78)</b>	<b>(6.53)</b>	<b>(532.70)</b>

32. Employee benefits expense		Amount in ₹ Crore
Movements in the fair value of the plan assets are as follows:		
		Gratuity (Funded)
<b>Opening fair value of plan assets as at April 01, 2020</b>		576.26
Interest income		45.23
<b>Remeasurement gains/(losses)</b>		
Return on plan assets (excluding amounts included in net interest income)		(1.78)
Others		
Contribution from the employer		58.68
Benefits paid		(93.22)
<b>Closing fair value of plan assets as at March 31, 2021</b>		585.17
<b>Interest income</b>		40.96
<b>Remeasurement gains/(losses)</b>		
Return on plan assets (excluding amounts included in net interest income)		4.68
Others		-
Contribution from the employer		6.61
Contribution from plan participant		-
Assets distributed on settlements		-
Assets acquired in a business combination		-
Exchange differences on foreign plans		-
Benefits paid		(82.56)
Others		-
<b>Closing fair value of plan assets as at March 31, 2022</b>		554.86

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	
	31.03.2022	31.03.2021
Investments in Funds:		
1. Insurance Companies	554.86	585.17
<b>Total</b>	<b>554.86</b>	<b>585.17</b>

## 32.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.



## Notes to the standalone financial statements

Amount in ₹ Crore

Sensitivity Analysis						
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 [+ /(-)%]	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%)	0.71	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 Mortality 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%

Particulars	Post retirement medical benefit		Settling-in-benefit		NALCO benevolent fund scheme	
	Increase by	Decrease by	Increase by	Decrease by	Increase by	Decrease by
2021-22						
Impact on amount due to change in Discount rate (-/+0.5%)	4.69	4.79	0.51	0.52	0.07	0.07
% 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%)	0.19	0.19	0.02	0.02	0.06	0.06
% 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%)	0.19	0.19	0.02	0.02	-	-
% Change compared to base due to sensitivity [+ /(-)%]	0.12%	0.12%	0.12%	0.12%	0.15%	0.15%
Impact on amount due to change in Mortality rate (-/+10%)	0.75	0.75	0.08	0.08	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
2021-22						
Impact on amount due to change in Discount rate (-/+0.5%)	0.32	0.33	0.18	0.18	17.57	16.45
% Change compared to base due to sensitivity [+ /(-)%]	2.71%	2.76%	2.71%	2.76%	3.30%	3.09%
Impact on amount due to change in Salary growth (+/-0.5%)	0.29	0.28	0.16	0.15	3.90	16.45
% Change compared to base due to sensitivity [+ /(-)%]	2.42%	2.37%	2.42%	2.37%	0.73%	3.09%
Impact on amount due to change in Attrition rate (+/-0.5%)	0.02	0.02	0.01	0.01	0.11	16.45
% Change compared to base due to sensitivity [+ /(-)%]	0.15%	0.15%	0.15%	0.15%	0.02%	3.09%
Impact on amount due to change in Mortality rate (-/+10%)	0.03	0.03	0.02	0.02	0.50	0.50
% Change compared to base due to sensitivity [+ /(-)%]	0.26%	0.26%	0.26%	0.26%	0.09%	0.09%

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 standalone financial statements

33 - Finance costs	Amount in ₹ Crore	
	Year ended 31.03.2022	Year ended 31.03.2021
<b>Finance cost</b>		
a. Interest expenses on lease liabilities	4.13	4.01
b. Interest on shortfall in payment of advance income tax	7.62	-
c. Others	11.37	3.07
<b>Total finance cost</b>	<b>23.12</b>	<b>7.08</b>

Note: 33.1. The other finance cost includes ₹ nil (previous year ₹ 0.21 crore) of interest on loan from bank.

34 - Other expenses	Amount in ₹ Crore	
	Year ended 31.03.2022	Year ended 31.03.2021
(a) Stores and spares consumed	381.26	333.16
(b) Repair and maintenance to		
(1) Buildings	55.43	65.82
(2) Machinery	170.73	157.94
(3) Others	25.50	24.63
(c) Other Manufacturing Expenses		
(1) Water charges	34.57	34.13
(2) Royalty	435.51	132.57
(3) Contribution to District Mineral Fund and National Mineral Exploration Trust	69.68	41.81
(4) Continuous Technical Assistance expenses	-	-
(5) Others	105.61	92.34
(d) Freight and handling charges		
(1) Incoming materials (Alumina)	118.96	109.35
(2) Outgoing materials	172.41	163.22
(e) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	0.45	0.35
(ii) For Taxation matters	0.08	0.07
(iii) For Other services	0.36	0.29
(iv) For reimbursement of expenses	-	0.02
(f) Payment to Cost Auditors	0.03	0.03
(g) Security and fire fighting expenses	150.96	150.24
(h) Corporate social responsibility expenses [refer note 34.1]	36.91	35.00
(i) Administrative and general expenses	101.88	103.23
(j) Renewable purchase obligation	51.84	(261.86)
(k) Provision towards disputed Government dues and others	-	0.01
(l) Selling and distribution expenses	33.43	34.81
(m) Write off of Inventories, Claims etc.	9.95	11.18
(n) Bad and doubtful Provisions/ (write back)	46.03	22.86
(o) Others	63.49	43.77
(1) Rent	0.81	0.88
(2) Rates and Taxes	4.01	4.59
(3) Net (gain)/ loss on disposal of property, plant and equipment	(0.44)	(0.82)
(4) Insurance charges	17.80	12.53
(5) Other miscellaneous expenses	41.31	26.59
<b>Total other expenses</b>	<b>2,065.07</b>	<b>1,294.97</b>

Note:

**34.1 Expenditure on Corporate Social Responsibility.**

- a) Gross amount required to be spent by the company during the year ended March 31, 2022 is ₹ 28.60 crore (March 31, 2021 is ₹ 33.42 crore)
- b) Amount spent during the year ended March 31, 2022
  - i) Construction/acquisition of assets ₹ Nil crore (previous year ₹ Nil)
  - ii) On purpose other than (i) above ₹ 36.91 crore (previous year ₹ 35.00 crore)

**Total ₹ 36.91 crore (previous year ₹ 35.00 crore)**
- c) Nalco Foundation, the CSR wings of NALCO is in the process of getting registered with MCA21 portal.

## Notes to the standalone financial statements

## 35. Income taxes

35.1 Income tax recognised in profit or loss	Amount in ₹ Crore	
	Year ended 31.03.2022	Year ended 31.03.2021
<b>Current tax</b>		
In respect of current year	1,061.63	204.02
In respect of prior years	(9.88)	(26.32)
	1,051.75	177.70
<b>Deferred tax</b>		
In respect of current year	(48.85)	(160.71)
	(48.85)	(160.71)
Total income tax expense recognised in current year	1,002.90	16.99

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	3,954.87	1,316.52
Income tax expense thereon @ 25.168%	995.36	331.34
Tax effect of -		
i) disallowable expenses (permanent difference)	21.26	6.78
ii) expenses allowable in excess of expenditure incurred	(16.15)	(55.24)
iii) Adjustment relating to earlier years	(9.88)	(26.32)
iv) others	12.31	(239.57)
Income tax expense recognised in profit or loss	1,002.90	16.99

## 35.2 Income tax recognised directly in equity

Current tax		
Share buy-back costs	-	(1.16)
Income tax recognised directly in equity	-	(1.16)

## 35.3 Income tax recognised in other comprehensive income

	Year ended 31.03.2022	Year ended 31.03.2021
Tax on remeasurement gain or loss of defined benefit obligations		
- Current Tax	-	-
- Deferred Tax	(23.30)	6.18
<b>Total income tax recognised in other comprehensive income</b>	<b>(23.30)</b>	<b>6.18</b>
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	(23.30)	6.18

## 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 and non applicability of Minimum alternate Tax. 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 25.168%).

## 36. Segment information

## 36.1 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

## Notes to the standalone financial statements

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.

## 36.2 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 31.03.2022	Year ended 31.03.2021
Chemical segment	5,377.45	3,950.50
Aluminium segment	10,157.34	6,263.47
Unallocated	57.83	50.38
<b>Total for operations</b>	<b>15,592.62</b>	<b>10,264.35</b>
Less: Intersegment revenue	1,411.81	1,308.56
<b>Revenue from operations</b>	<b>14,180.81</b>	<b>8,955.79</b>

Operating Segments	Segment results	
	Year ended 31.03.2022	Year ended 31.03.2021
Chemical segment	1,127.41	635.75
Aluminium segment	3,257.20	867.67
<b>Segment result before exceptional items, interest and tax</b>	<b>4,384.61</b>	<b>1,503.42</b>
Interest & financing charges	23.12	7.08
Interest and dividend income	223.91	90.75
Other unallocated income net of unallocated expenses	(630.53)	(270.57)
<b>Profit before tax</b>	<b>3,954.87</b>	<b>1,316.52</b>

## 36.3 Segment assets and liabilities

	Segment Assets		Segment Liabilities	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Chemical segment	4,353.60	4,216.76	1,529.51	1,191.18
Aluminium segment	5,667.36	5,337.53	1,541.39	1,560.93
<b>Total segment assets and liabilities</b>	<b>10,020.96</b>	<b>9,554.29</b>	<b>3,070.90</b>	<b>2,752.11</b>
Unallocated	7,256.83	5,156.29	602.00	384.04
<b>Total assets and Liabilities</b>	<b>17,277.79</b>	<b>14,710.58</b>	<b>3,672.90</b>	<b>3,136.15</b>

## 36.4 Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Chemical segment	229.08	268.03	51.62	(110.26)
Aluminium segment	296.95	271.53	26.12	(53.24)
Unallocated	310.55	66.26	310.80	575.93
<b>Total for operations</b>	<b>836.59</b>	<b>605.82</b>	<b>388.54</b>	<b>412.43</b>

	Material non-cash expenditure	
	Year ended 31.03.2022	Year ended 31.03.2021
Chemical segment	(244.48)	(9.24)
Aluminium segment	(182.75)	(12.33)
Unallocated	36.97	(1.60)
	<b>(390.26)</b>	<b>(23.17)</b>

## 36.5 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 31.03.2022	Year ended 31.03.2021
Chemical segment (Hydrate and Alumina)	3,943.08	2,676.58
Aluminium segment (Aluminium)	10,070.16	6,152.79
	<b>14,013.24</b>	<b>8,829.37</b>



## Notes to the standalone financial statements

## 36.6 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 31.03.2022	Year ended 31.03.2021	As at 31.03.2022	Year ended 31.03.2021
India	7,649.09	3,666.43	10,792.79	10,404.25
Outside India	6,364.15	5,162.94	-	-
<b>Total</b>	<b>14,013.24</b>	<b>8,829.37</b>	<b>10,792.79</b>	<b>10,404.25</b>

## 37. Earnings per share

	Year ended 31.03.2022	Year ended 31.03.2021
	₹ per share	₹ per share
<b>37.1 Basic Earnings per share (Rs.)</b>		
From total operations	16.07	6.97
<b>Total Basic earnings per share</b>	<b>16.07</b>	<b>6.97</b>

## 37.2 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 31.03.2022	Year ended 31.03.2021
Profit for the year attributable to Owners of the Company	2,951.97	1,299.53
<b>Earnings used in the calculation of basic earnings per share</b>	<b>2,951.97</b>	<b>1,299.53</b>
Weighted average number of equity shares used in calculation of basic earnings per share	183.66	186.44

## Note:

The weighted average number of equity shares for FY 2020-21 has been computed considering the 2,89,85,711 no. of shares bought back on 17.03.2021.

## 38. Financial Instruments

38.1 Categories of financial instruments		Amount in ₹ Crore	
		As at 31.03.2022	As at 31.03.2021
<b>Financial Assets</b>			
<b>Measured at fair value through profit or loss (FVTPL)</b>			
(a)	Mandatorily measured:		
	(i) Investments in mutual funds	64.01	248.38
	(ii) Forward contract on foreign currency	Nil	Nil
<b>Measured at Amortised cost</b>			
(a)	Cash and bank balances	412.80	213.52
(b)	Other financial assets at amortised cost	3,520.73	1,811.00
		<b>3,997.54</b>	<b>2,272.90</b>
<b>Financial Liabilities</b>			
Measured at Amortised cost		<b>2,095.82</b>	<b>1,358.82</b>

## 38.2 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.

## Notes to the standalone financial statements

**38.3 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.

**38.4 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:-

	Liabilities as at		Assets as at	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
USD	27.60	0.48	144.72	277.62
EURO	21.36	14.82	-	-

**38.4.1 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, 2022 and March 31, 2021:

	Amount in ₹ Crore			
	USD impact		EURO impact	
	Year ended	Year ended	Year ended	Year ended
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Impact on profit or loss for the year	11.7	27.7	2.14	1.48

**38.5 Other price risks****38.5.1 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.

**38.6 Credit risk management**

Credit risk is the risk of financial loss arising from counter party 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 credit worthiness 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.

**38.7 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 standalone financial statements

## 39. Related party disclosures

## 39.1. 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 R. C. Joshi	Director (Finance) [w.e.f. 04.02.2022]
(f)	Shri S. Samantaray	Director (Commercial) [w.e.f. 22.03.2022]

\* Entrusted with additional charge of Director (Finance) from 01.03.2021 to 03.02.2022

# Entrusted with additional charge of Director (Commercial) from 01.03.2021 to 21.03.2022

## Others

Shri N. K. Mohanty GGM & Company Secretary

## (II) Part-time Official Directors: (Nominee of Govt. of India):

(a)	Shri Sanjay Lohiya, IAS
(b)	Shri Satendra Singh, IAS [up to 20.01.2022]
(c)	Dr. Veena Kumari Dermal, IPoS [w.e.f. 20.01.2022]

## (III) Part time Non-official (Independent) Directors:

(a)	Shri Ravi Nath Jha [w.e.f. 11.11.2021]
(b)	Dr. B. R. Ramakrishna [w.e.f. 15.11.2021]
(c)	Adv. George Kurian [w.e.f. 12.11.2021]
(d)	Dr. Ajay Narang [w.e.f. 16.11.2021]
(e)	Shri Y.P. Chillio [w.e.f. 11.11.2021]
(f)	Ms. (Dr.) Shatorupa [w.e.f. 12.11.2021]
(g)	Adv. Dushyant Upadhyay [w.e.f. 12.11.2021]
(h)	Shri Sanjay Ramanlal Patel [w.e.f. 23.03.2022]

## B. Joint Ventures &amp; associates

(a)	Angul Aluminium Park Pvt. Ltd.
(b)	GACL NALCO Alkalis & Chemicals Pvt. 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/Govt. Undertaking.

## i) Purchase of Goods and Services

1	Balmer Lawrie & Co. Ltd.	12	Central Warehousing Corporation
2	Banaras Locomotive Works	13	CISF
3	Bharat Earth Movers Ltd.	14	Delhi Jal Board
4	Bharat Heavy Electrical Ltd.	15	Diesel Locomotive Works
5	Bharat Petroleum Corporation Ltd.	16	East Central Railway
6	Bridge & Roof Co.(India) Ltd.	17	Engineers India Ltd.
7	BSES Rajdhani Power Ltd	18	Executive Engineer Upper Kolab, Head Works Division, Jeypore
8	BSES Yamuna Power Ltd	19	Gujarat Alkalies & Chemicals Ltd
9	BSNL	20	Hindustan Petroleum Corporation Ltd.
10	Central Power Research Institute	21	H. P. Corporation
11	Central Railway	22	HMT Machine Tools Ltd.
		23	Indian Oil Corporation Ltd

## Notes to the standalone financial statements

24	Instrumentation Ltd.	41	Post Office
25	Keltron Controls	42	Power Grid Corporation
26	Life Insurance Company Ltd	43	RITES Limited
27	Mahanadi Coal Fields Ltd	44	Shipping Corporation of India
28	Mahanagr Telephone Nigam Ltd	45	South Central Railway
29	Mecon Limited.	46	Southern Railway
30	Mineral Exploration Corporation Ltd	47	Steel Authority of India Ltd
31	Ministry Of Railways	48	Visakhapatnam Port Trust
32	MSTC Limited	49	Western Coalfield Limited
33	National Institute of Rock Mechanics	ii)	<b>Sale of Goods</b>
34	National Insurance Co. Ltd.	1	National Small Industries Corp
35	National Textile Cooperation	2	Steel Authority Of India Ltd
36	National Small Industries Corporation Ltd	3	Rashtriya Ispat Nigam Ltd
37	Northern Coalfields Ltd	4	National Thermal Power Corpora
38	NTPC Limited	5	Bridge & Roof Co (India) Ltd
39	Numaligarh Refinery Limited	6	Yantra India Ltd
40	Oriental Insurance Co Ltd	7	Sail Refractory Unit IFICO

## 39.2 Related Party Transactions

## I. Key Managerial Personnel

## Remuneration to Key Managerial Personnel

Amount in ₹ Crore

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Short-term employee benefits		
- Salaries	3.54	3.95
- Contribution to Provident Fund	0.23	0.24
- Medical Benefits	0.02	0.01
- Other Benefits	0.01	0.03
Post employment benefits #	0.02	(0.03)
Other long term benefits	0.01	0.01
<b>Total</b>	<b>3.82</b>	<b>4.20</b>

# 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 31.03.2022	As at 31.03.2021
Outstanding at the end of the year	0.09	0.01
Maximum amount due at any time during the year	0.11	0.01

## 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 31.03.2022	Year ended 31.03.2021
GACL NALCO Alkalis & Chemicals Pvt. Ltd.	Equity Contribution (rights issue)	-	36.00
GACL NALCO Alkalis & Chemicals Pvt. Ltd.	Receivable- man power assistance and other expenses	0.70	0.70

## Balance at the end of the reporting day

Name of JV/Associate	Nature of Transaction	As at 31.03.2022	As at 31.03.2021
Angul Aluminium Park Pvt Ltd.	Investment in equity	16.22	16.22
GACL NALCO Alkalis & Chemicals Pvt. Ltd.	Investment in equity	276.00	276.00
Utkarsha Aluminium Dhatu Nigam Limited	Investment in equity	20.00	20.00
Khanij Bidesh India Limited	Investment in equity	1.00	1.00
GACL NALCO Alkalis & Chemicals Pvt. Ltd.	Receivable - Man power assistance	0.70	0.70



## Notes to the standalone financial statements

## III. Post Employment Benefit Plan

## Transactions during the year

Amount in ₹ Crore

Name of Trust	Nature of Transaction	Year ended 31.03.2022	Year ended 31.03.2021
NEPF Trust	PF-Contribution	543.71	485.86
NEGG Trust	Funding of shortfall	6.61	55.98

## Outstanding balance at the end of the year

Name of Trust	Nature of Transaction	As at 31.03.2022	As at 31.03.2021
NEPF Trust	PF-Contribution payable	30.34	33.25
NEGG Trust	Funding of shortfall payable	-22.18	10.63

## IV. Nalco Foundation

Amount in ₹ Crore

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Contribution to CSR Trust	21.00	14.41

## V. Govt. Of India : Transaction during the year

Amount in ₹ Crore

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Buyback of shares	-	109.25
Dividend paid during the year	565.08	236.40

## VI. CPSEs/ Govt Undertakings – Transaction during the year

Amount in ₹ Crore

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Purchase of goods and services from CPSEs/ Govt undertakings	3443.02	2388.83
Sale of goods to CPSEs and Govt. undertakings	1695.29	1194.72

## Outstanding balance at the end of the year

Particulars	As at 31.03.2022	As at 31.03.2021
Advance/(Payable) for purchase of goods and services from CPSEs/ Govt. undertakings	87.74	75.19
Receivable/(Advance) for sale of goods to CPSEs and Govt undertakings	(44.22)	-

## 40. Transaction with struck-off Company

Amount in ₹ Crore

Sl. Nos.	Nature of transaction with struck-off Company	Balance outstanding	Relationship with struck-off Company, if any
1	Investment in securities	-	-
2	Receivables	-	-
3	Payables	-	-
4	Share held by struck off Company#	-	-
5	Other outstanding balance (to be specified)	-	-
<b>Total</b>		-	-

#The Company is in the process of identifying the shares held by the struck off Companies.

## Notes to the standalone financial statements

## 41. Analytical Ratio

Sl. Nos.	Ratios	Numerator	Denominator	31.03.2022	31.03.2021	Variance
1	Current Ratio	Current Asset Total	Current Liability Total	2	2	0%
2	Debt-Equity Ratio <sup>1</sup>	Total Debt	Shareholders Equity	-	-	-
3	Debt Service Coverage Ratio	Earning available for Debt service	Interest + Installments	-	-	-
4	Return on Equity Ratio <sup>2</sup>	Net profit after tax less Pref. dividend	Equity Shareholder's fund	24%	12%	93%
5	Inventory turnover ratio <sup>2</sup>	Sales	Average Inventory	9	6	61%
6	Trade Receivables turnover ratio <sup>3</sup>	Credit Sale	Average trade receivable	0.59	0.35	68%
7	Trade payables turnover ratio	Annual credit purchase	Average account payable	4.36	4.09	7%
8	Net capital turnover ratio <sup>2</sup>	Sale	Net Asset or Capital employed	1.31	0.89	47%
9	Net profit ratio <sup>2</sup>	Net profit	Sale	21%	15%	43%
10	Return on Capital employed <sup>2</sup>	Earning before interest and tax (EBIT)	Capital employed	37%	13%	178%
11	Return on investment <sup>2</sup>	Net profit	Equity fund	24%	12%	93%

1. The Company does not have any borrowings/debt except bill discounting (refer Note 20).

2. The improvement in ratios are due to changes in the respective factors.

3. The trade receivable turnover ratio has been computed considering the sale and receivable of the Wind Power only.

## 42. Regrouping of previous year's figures

Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable

For GNS & Associates  
Chartered Accountants  
FRN-318171E

Sd/-  
(CA Narad P. Sahu)  
Partner  
(M No.: 055224)

For A. K. Sabat & Co.  
Chartered Accountants  
FRN-321012E

Sd/-  
(CA A. K. Sabat)  
Partner  
(M No.: 030310)

Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

## 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"> <li>- 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.</li> <li>- The measurement basis used in preparing the financial statements and accounting policies adopted have been disclosed.</li> <li>- 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.</li> <li>- 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.</li> </ul>
Ind AS 2	Inventories	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul>
Ind AS 7	Statement of Cash Flow	<ul style="list-style-type: none"> <li>- 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.</li> <li>- The cash flows are segregated into operating, investing and financing activities.</li> </ul>
Ind AS 8	Accounting Policies, Change in Accounting Estimates & Errors	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> </ul>
Ind AS 10	Events after Reporting Period	<ul style="list-style-type: none"> <li>- The Company adjusts the amounts recognised in its financial statements to reflect the adjusting events after the reporting period.</li> <li>- 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.</li> </ul>
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"> <li>- 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.</li> <li>- 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.</li> </ul>
Ind AS 16	Property, Plant & Equipment	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul>
Ind AS 19	Employee Benefits	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- A reconciliation between the opening liability and the closing liability against each defined benefit obligations showing service cost, interest expenses/ income, remeasurement gains or losses due to change in demographic and financial assumptions are disclosed at note 31.B.</li> <li>- 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.</li> </ul>

## Status of Compliance to Ind ASs notified by MCA:

Ind As	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.
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.



## Status of Compliance to Ind ASs notified by MCA:

Ind As	Nomenclature	Description
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 quantitative 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 AUDITOR'S 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 ("the Company") and its joint ventures which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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 31<sup>st</sup> March, 2022, 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 Consolidated Financial Statements 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 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
<b>1. Carrying value of Property, Plant and Equipment, Intangible assets (including Capital work-in-progress and Intangible Assets under Development)</b>	
<p>Property, plant and equipment, capital work-in-progress (CWIP), intangible assets and Intangible assets under development represent significant balances recorded in the statement of financial position in the Consolidated Financial Statements.</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 including impairment provisions related to the 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, intangible assets (including and capital work-in-progress and intangible assets under development) included the following:</p> <ul style="list-style-type: none"> <li>• 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>.</li> <li>• 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.</li> <li>• We compared the useful lives of each class of asset in the current year to the previous 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.</li> <li>• We assessed whether indicators of impairment existed as at 31<sup>st</sup> March, 2022 based on our knowledge of the business and the industry and wherever required the provision of impairment of assets/ CWIP were reviewed.</li> <li>• 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.</li> <li>• 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.</li> </ul> <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
<b>2. Valuation of employees' defined benefit obligations and other long-term benefits</b>	
<p>The Company has recognised long-term employee benefit liabilities and defined benefit obligations (net of plan asset against funded gratuity obligation) in the Consolidated Financial Statements.</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"> <li>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.</li> <li>We evaluated the assumptions made by management and the actuary to ensure that these are consistent with the principles of Ind AS 19</li> <li>Furthermore, we have examined the sensitivity analysis on the key assumptions in valuing the defined benefit obligations.</li> </ul> <p>Based on the above procedures, we are satisfied that the methodology and assumptions applied in relation to determining the liabilities are acceptable.</p>
<b>3. Ascertainment, disclosure and provisioning in respect of contingent liabilities</b>	
<p>The Company disclosed contingent liabilities in the Consolidated Financial Statements.</p> <p>The Company has material uncertain tax matters, both direct and indirect, under dispute involving material aggregate demand which require significant judgement 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 or other agencies constituted by the Government and by contractors/suppliers 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"> <li>Assessment of the process and relevant controls implemented to identify tax litigations and pending administrative proceedings.</li> <li>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.</li> <li>Discussion with the management regarding the status of the most significant disputes and inspection of the key relevant documentation.</li> <li>Analysis of opinion received from tax experts where available.</li> <li>Review of the adequacy of the disclosures in the notes to the financial statements.</li> </ul> <p>In assessing the potential exposures of the Company in respect of other contingent liabilities, we have:</p> <ul style="list-style-type: none"> <li>assessed the design and implementation of controls in relation to the monitoring of known exposures;</li> <li>referred Board and other meeting minutes to identify areas subject to Company consideration;</li> <li>consulted with the Company's internal legal advisors in understanding on-going and potential legal matters impacting the Company;</li> <li>reviewed available legal opinions from experts; and</li> <li>reviewed the proposed accounting and disclosure of actual and potential legal liabilities.</li> </ul> <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>
<b>4. Advances and deposits in respect of tax matters under litigation continuing as assets</b>	
<p>The Consolidated Financial Statements has disclosed other assets, which includes material recoverable claims of direct and indirect tax deposits (net of provision) including VAT and Cenvat credits 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"> <li>We obtained from management details of completed tax assessments and demands and appeal orders of the appellate authority.</li> <li>We involved our internal experts to challenge the management's underlying assumptions in estimating the tax liability and the possible outcome of the disputes.</li> <li>Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</li> <li>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.</li> </ul> <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
<b>5. Valuation of deferred tax assets and liabilities</b>	
<p>The Company has disclosed deferred tax assets/ liabilities in the Consolidated Financial Statements.</p> <p>The Company operates in activities which involves application of various provisions in income tax.</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"> <li>• Ascertained the completeness and accuracy of the deferred tax assets/liabilities and recognizing uncertain tax positions.</li> <li>• 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.</li> <li>• 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.</li> <li>• We analysed the tax positions and evaluated the assumptions and methodologies used by the Company.</li> <li>• 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.</li> </ul> <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 Board of Directors of the Company is responsible for the other information. The other information comprises the information contained in the Company's Annual Report but does not include the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 the 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 the 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 the 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 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 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 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 Income/ (loss) (comprising of net loss after tax and other comprehensive income of) of ₹(1.17) crore for the year ended 31<sup>st</sup> March, 2022, in respect of two audited 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/ (Loss) (comprising of net profit after tax and other comprehensive income) of ₹ 0.61 crores of two joint ventures which are unaudited and certified by the Management. These financial statements of two audited 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. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and issued by other auditors in respect of its joint ventures included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except the following:

Sl. No.	Name of the company	Holding Company/ Subsidiary/ Associate/ Joint Venture	paragraph numbers of the CARO report containing the Qualifications or Adverse Remarks
1	National Aluminium Company Limited	The Holding Company	i (c)
2	National Aluminium Company Limited	The Holding Company	v
3	National Aluminium Company Limited	The Holding Company	vii (a)

2. 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 31<sup>st</sup> March, 2022 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 audited joint ventures incorporated in India 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.  
On the basis of the reports of the auditors of the joint ventures incorporated in India, the remuneration paid to their directors during the year are in accordance to the provisions of Section 197 of the Act.
- (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 26 to the Consolidated Financial Statements.
  - ii. The Company and its joint ventures have made provisions, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, in respect of long term contracts. As explained to us and as per reports of auditors of the joint ventures, there are no derivative contracts entered into by the Company or its joint ventures.
  - iii. As explained to us and as per reports of auditors of the joint ventures, 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.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and based on reports of the auditors of the joint ventures, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. As stated in Para 18.3 to the Consolidated Financial Statements:
    - a. The final dividends proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
    - b. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

For GNS & Associates  
Chartered Accountants  
FRN: 318171E

Sd/-  
(CA Narad P. Sahu)  
Partner  
Membership No.: 055224  
UDIN: 22055224AJ0YGM3089

For A. K. Sabat & Co.  
Chartered Accountants  
FRN: 321012E

Sd/-  
(CA A. K. Sabat)  
Partner  
(Membership No.: 030310)  
UDIN: 22030310AJ0YHX7901

Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

## ANNEXURE “A”

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022 OF NATIONAL ALUMINIUM COMPANY LIMITED**

(Referred paragraph 2(f) under the head “Report on Other Legal and Regulatory Requirements” of our Report of even date)

**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 31<sup>st</sup> March, 2022, 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 audited 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, 2022, based on the internal control over financial reporting criteria established by the respective companies 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 GNS & Associates  
Chartered Accountants  
FRN: 318171E

Sd/-  
(CA Narad P. Sahu)  
Partner  
Membership No.: 055224  
UDIN: 22055224AJJOYGM3089

For A. K. Sabat & Co.  
Chartered Accountants  
FRN: 321012E

Sd/-  
(CA A. K. Sabat)  
Partner  
Membership No.: 030310  
UDIN: 22030310AJJOYHX7901

Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

**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 2022**

The preparation of consolidated financial statements of National Aluminium Company Limited for the year ended 31 March 2022 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 25 May 2022.

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 2022 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 and its joint venture company Utkarsha Aluminium Dhatu Nigam Limited but did not conduct supplementary audit of financial statements of its joint venture companies 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 its joint venture company 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 the behalf of the  
Comptroller & Auditor General of India

Sd/-  
(Mausumi Ray Bhattacharyya)  
Director General Audit (Mines)  
Kolkata

Place: Kolkata  
Date: 28.07.2022



## Consolidated Balance Sheet as at March 31, 2022

Particulars	Notes	Amount in ₹ Crore	
		As at 31.03.2022	As at 31.03.2021
<b>Assets</b>			
(1) <b>Non-current assets</b>			
(a) Property, plant and equipment	5	7,001.94	7,317.28
(b) Capital work-in-progress	6	1,763.42	1,180.95
(c) Intangible assets	7	341.27	343.18
(d) Intangible assets under development	8	471.40	394.50
(e) Financial assets			
(i) Investments		-	-
(a) Investments in joint ventures	9	310.97	311.53
(b) Other Investments	9	0.03	0.03
(ii) Trade receivables	10	-	-
(iii) Loans	11	87.38	85.95
(iv) Other financial assets	12	9.74	11.24
(f) Other non-current assets	14	804.39	757.90
<b>Total non-current assets</b>		<b>10,790.54</b>	<b>10,402.56</b>
(2) <b>Current assets</b>			
(a) Inventories	15	1,646.17	1,476.32
(b) Financial assets			
(i) Investments	9	64.01	248.38
(ii) Trade receivables	10	75.25	147.39
(iii) Cash and cash equivalents	16	412.80	213.52
(iv) Bank balances other than (iii) above	16	3,293.27	1,536.26
(v) Loans	11	32.92	30.16
(vi) Other financial assets	12	22.17	-
(c) Current tax assets (Net)	13	55.38	85.50
(d) Other current assets	14	883.03	568.80
<b>Total current assets</b>		<b>6,485.00</b>	<b>4,306.33</b>
<b>Total assets</b>		<b>17,275.54</b>	<b>14,708.89</b>
<b>Equity and liabilities</b>			
(1) <b>Equity</b>			
(a) Equity share capital	17	918.32	918.32
(b) Other equity	18	11,634.07	9,760.69
<b>Total equity</b>		<b>12,552.39</b>	<b>10,679.01</b>
<b>Liabilities</b>			
(2) <b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	19	50.91	50.48
(ii) Trade payables			
(a) Dues of micro and small enterprises	21	-	-
(b) Dues of creditors other than micro and small enterprises	21	23.61	37.70
(iii) Other financial liabilities	22	88.57	36.07
(b) Provisions	23	260.98	633.34
(c) Other non-current liabilities	24	331.76	328.77
(d) Deferred tax liabilities (Net)	25	868.18	893.72
<b>Total non-current liabilities</b>		<b>1,624.01</b>	<b>1,980.08</b>
(3) <b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	20.67	46.11
(ii) Lease liabilities	19	5.52	5.49
(iii) Trade payables			
(a) Dues of micro and small enterprises	21	31.50	11.70
(b) Dues of creditors other than micro and small enterprises	21	1,425.60	927.84
(iv) Other financial liabilities	22	500.35	293.91
(b) Other current liabilities	24	988.55	605.29
(c) Provisions	23	126.95	159.46
<b>Total current liabilities</b>		<b>3,099.14</b>	<b>2,049.80</b>
<b>Total liabilities</b>		<b>4,723.15</b>	<b>4,029.88</b>
<b>Total equity and liabilities</b>		<b>17,275.54</b>	<b>14,708.89</b>

See accompanying notes (1-44) to the financial statements

For and on behalf of Board of Directors

(CS N. K. Mohanty)  
Company Secretary(R. C. Joshi)  
Director (Finance)  
DIN: 08765394(CA Sridhar Patra)  
Chairman-Cum-Managing Director  
DIN: 06500954

In terms of our attached report of even date.

For GNS & Associates  
Chartered Accountants  
FRN-318171E  
(CA Narad P. Sahu)  
Partner (M No.: 055224)For A. K. Sabat & Co.  
Chartered Accountants  
FRN-321012E  
(CA A. K. Sabat)  
Partner (M No.: 030310)Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

## Consolidated Statement of Profit and Loss for the year ended March 31, 2022

Amount in ₹ Crore

	Notes	Year ended 31.03.2022	Year ended 31.03.2021	
<b>I</b>	<b>Revenue from operations</b>	28	14,180.81	8,955.79
<b>II</b>	<b>Other Income</b>	29	297.42	146.60
<b>III</b>	<b>Total Income (I + II)</b>		<b>14,478.23</b>	<b>9,102.39</b>
<b>IV</b>	<b>Expenses</b>			
(a)	Cost of raw materials consumed	30	1,971.13	1,315.43
(b)	Cost of power and fuel consumed	30	3,388.48	2,638.09
(c)	Changes in inventories of finished goods and work-in-progress	31	(116.83)	(5.76)
(d)	Employee benefits expense	32	2,355.80	1,930.24
(e)	Finance costs	33	23.12	7.08
(f)	Depreciation, amortisation and impairment expenses			
(i)	Property Plant and Equipment - Depreciation	5	567.72	549.47
(ii)	Property Plant and Equipment - Impairment	5	237.62	(3.49)
(iii)	Intangible Assets - Amortisation	7	31.25	59.84
(g)	Other expenses	34	2,065.07	1,294.97
	<b>Total expenses (IV)</b>		<b>10,523.36</b>	<b>7,785.87</b>
<b>V</b>	<b>Profit before exceptional items and tax (III - IV)</b>		<b>3,954.87</b>	<b>1,316.52</b>
<b>VI</b>	<b>Exceptional Items</b>		-	-
<b>VII</b>	<b>Share of Profit/(loss) of Joint Ventures</b>		(0.56)	(0.12)
<b>VIII</b>	<b>Profit before tax (V - VI + VII)</b>		<b>3,954.31</b>	<b>1,316.40</b>
<b>IX</b>	<b>Tax Expense</b>			
(a)	Current tax	35		
(i)	Current year		1,061.63	204.02
(ii)	Earlier years		(9.88)	(26.32)
(b)	Deferred tax	35	(48.85)	(160.71)
<b>X</b>	<b>Profit for the year (VIII - IX)</b>		<b>2,951.41</b>	<b>1,299.41</b>
<b>XI</b>	<b>Other comprehensive income</b>			
(i)	Items that will not be reclassified to profit or loss			
	- Remeasurement gains / (losses) on defined benefit plans		47.25	17.65
(ii)	Income tax relating to items that will not be reclassified to profit or loss	35	(23.30)	6.18
	<b>Other comprehensive income for the year (net of tax) (XI)</b>		<b>23.95</b>	<b>23.83</b>
<b>XII</b>	<b>Total comprehensive income for the year (X+XI)</b>			
	<b>[comprising profit and other comprehensive income for the period]</b>		<b>2,975.36</b>	<b>1,323.24</b>
<b>XIII</b>	<b>Earnings per equity share:</b>			
(i)	Basic (in ₹)	37	16.07	6.97
(ii)	Diluted (in ₹)	37	16.07	6.97

See accompanying notes (1-44) to the financial statements

For and on behalf of Board of Directors

(CS N. K. Mohanty)  
Company Secretary(R. C. Joshi)  
Director (Finance)  
DIN: 08765394(CA Sridhar Patra)  
Chairman-Cum-Managing Director  
DIN: 06500954

In terms of our attached report of even date.

For GNS & Associates  
Chartered Accountants  
FRN-318171E  
(CA Narad P. Sahu)  
Partner (M No.: 055224)For A. K. Sabat & Co.  
Chartered Accountants  
FRN-321012E  
(CA A. K. Sabat)  
Partner (M No.:030310)Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

## Consolidated Statement of changes in equity for the year ended March 31, 2022

Amount in ₹ Crore

A. Equity share capital					
Balance as at 31.03.2020		932.81			
Changes during the year					
Buy-back of equity shares		(14.49)			
Balance as at 31.03.2021		918.32			
Changes during the year		-			
Balance as at 31.03.2022		918.32			
B. Other equity		Amount in ₹ Crore			
		Reserves and surplus			
Other equity	Capital redemption reserve	General reserve	Retained earnings	Total	
Balance as at 31.03.2020	355.81	8,113.10	584.78	9,053.69	
Change in accounting policy or prior period errors	-	-	-	-	
Restated 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	
<b>Total comprehensive income for the year</b>	-	-	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)	-	(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	
Restated balance as at 31.03.2021	370.30	7,942.98	1,447.41	9,760.69	
Profit for the year	-	-	2,951.41	2,951.41	
Other comprehensive income (net of taxes)	-	-	23.95	23.95	
<b>Total comprehensive income for the year</b>	-	-	2,975.36	2,975.36	
Final dividend for the previous year	-	-	(183.66)	(183.66)	
Interim dividend for the year	-	-	(918.32)	(918.32)	
Balance as at 31.03.2022	370.30	7,942.98	3,320.79	11,634.07	

(CS N. K. Mohanty)  
Company Secretary

For and on behalf of Board of Directors

(R. C. Joshi)  
Director (Finance)  
DIN: 08765394

(CA Sridhar Patra)  
Chairman-Cum-Managing Director  
DIN: 06500954

In terms of our attached report of even date.

For GNS & Associates  
Chartered Accountants  
FRN-318171E  
(CA Narad P. Sahu)  
Partner (M No.: 055224)

For A. K. Sabat & Co.  
Chartered Accountants  
FRN-321012E  
(CA A. K. Sabat)  
Partner (M No.: 030310)

Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

## Consolidated Cash Flow Statement for the year ended March 31, 2022

Amount in ₹ Crore

	Year ended 31.03.2022	Year ended 31.03.2021
<b>A. Cash flows from operating activities</b>		
Profit for the year	2,951.41	1,299.41
Adjustments for:		
Income tax expense recognised in profit or loss	1,002.90	16.99
Share of (profit) / loss of Joint Ventures	0.56	0.12
Finance costs recognised in profit or loss	23.12	7.08
Interest income recognised in profit or loss	(210.36)	(84.89)
Dividend income recognised in profit or loss	(13.91)	(5.48)
Net (gain) / loss on disposal of property, plant and equipment	(0.44)	(0.82)
Net (gain) / loss arising on financial assets mandatorily measured at fair value through profit or loss	0.36	(0.38)
Impairment loss recognised on other assets	46.03	22.86
Inventories of stores, spares written off	9.95	11.18
Depreciation and amortisation of non-current assets	836.59	605.82
Net foreign exchange (gain)/loss	1.59	1.85
<b>Operating profit before working capital changes</b>	<b>4,647.80</b>	<b>1,873.74</b>
Movements in working capital:		
(Increase) / decrease in inventories	(179.80)	209.41
(Increase) / decrease in trade receivables	72.14	(7.30)
(Increase) / decrease in loans and other financial asset	(24.95)	(3.64)
(Increase) / decrease in other assets	(370.83)	53.62
Increase / (decrease) in trade payables	501.88	179.77
Increase / (decrease) in other financial liabilities	44.47	(16.10)
Increase / (decrease) in other liabilities	383.61	7.09
Increase / (decrease) in provisions	(360.46)	0.33
<b>Cash (used in) / generated from operations</b>	<b>4,713.86</b>	<b>2,296.92</b>
Income taxes paid	(755.51)	(97.52)
<b>Net cash flow from operating activities</b>	<b>3,958.35</b>	<b>2,199.40</b>
<b>B. Cash flows from investing activities</b>		
Payments to acquire financial assets	(52.95)	(225.00)
Proceeds from sale of financial assets	237.90	32.39
Payments to acquire equity in joint ventures and associates	(0.56)	(36.00)
(Investment in) / redemption of term deposits with banks	(1,754.37)	(58.45)
Dividends received from other investments	13.91	5.48
Interest received from banks and others	210.36	84.89
Payments for property, plant and equipment (including capital advances)	(1,176.63)	(922.44)
Proceeds from disposal of property, plant and equipment	9.35	11.81
Payments for other intangible assets	(106.24)	(296.38)
<b>Net cash flow from investing activities</b>	<b>(2,619.23)</b>	<b>(1,403.70)</b>
<b>C. Cash flows from financing activities</b>		
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	(25.44)	33.80
Payment of lease liability	(4.23)	(3.51)
Finance cost paid	(8.19)	(0.21)
Dividends paid on equity shares	(1,101.98)	(460.61)
<b>Net cash flow from financing activities</b>	<b>(1,139.84)</b>	<b>(600.65)</b>
<b>Net increase or (decrease) in cash or cash equivalents</b>	<b>199.28</b>	<b>195.05</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>213.52</b>	<b>18.47</b>
<b>Cash and cash equivalents at the end of the year [refer note 16.A]</b>	<b>412.80</b>	<b>213.52</b>

Note: Figures in the brackets are cash outflow/inflow as the case may be.

For and on behalf of Board of Directors

(CS N. K. Mohanty)  
(Company Secretary)(R.C. Joshi)  
Director (Finance)  
DIN:08765394(CA Sridhar Patra)  
Chairman-Cum-Managing Director  
DIN: 06500954

In terms of our attached report of even date.

For GNS & Associates  
Chartered Accountants  
FRN: 318171E  
(CA Narad P. Sahu)  
Partner (M No.: 055224)For A. K. Sabat & Co.  
Chartered Accountants  
FRN: 321012E  
(CA A. K. Sabat)  
Partner (M No.:030310)Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022



**Notes to the consolidated 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 (Ludherva & Devikot) and Maharashtra (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 Chemicals 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, 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.

**Notes to the financial statements**

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.

**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.

## Notes to the financial statements

**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 Rs.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 & peripherals	03 - 06

**Notes to the 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 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.

## Notes to the financial statements

### 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.

### 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:

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.

## Notes to the financial statements

### 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.

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.

**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 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 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:

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.

#### 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.

**Notes to the financial statements****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 Rs.50 crore.

**3.22 Recent accounting pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 - Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets - The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

**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 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 consolidated financial statements and also revenues and expenses during the reported period.

## Notes to the financial statements

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.

### 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 - Property, plant and equipment

Amount in ₹ Crore

Cost or deemed cost	Freehold land	Leasehold land (Right of Use)	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Railway sidings	Total
Balance as at 31.03.2020	81.88	86.54	756.48	8,331.44	22.44	51.50	31.90	64.16	9,426.34
Additions	0.58	98.33	56.66	536.50	1.17	2.01	3.55	4.53	703.33
Disposals	-	(0.01)	(0.03)	(60.31)	(0.08)	(1.04)	(0.15)	-	(61.62)
Balance as at 31.03.2021	82.46	184.86	813.11	8,807.63	23.53	52.47	35.30	68.69	10,068.05
Additions	0.30	15.68	28.53	431.59	2.76	16.23	3.48	0.28	498.85
Disposals	-	-	-	(29.25)	(0.14)	(0.47)	(0.22)	-	(30.08)
Balance as at 31.03.2022	82.76	200.54	841.64	9,209.97	26.15	68.23	38.56	68.97	10,536.82
Accumulated depreciation and impairment									
Balance as at 31.03.2020	-	3.18	179.86	1,994.72	12.07	28.34	13.42	20.21	2,251.80
Depreciation Expense	-	5.86	33.91	491.83	2.24	8.44	3.06	4.13	549.47
Impairment Expense	-	-	-	(3.49)	-	-	-	-	(3.49)
Disposals	-	-	(0.02)	(45.78)	(0.07)	(1.03)	(0.11)	-	(47.01)
Balance as at 31.03.2021	-	9.04	213.75	2,437.28	14.24	35.75	16.37	24.34	2,750.77
Depreciation Expense	-	7.77	32.32	509.26	2.21	8.61	3.25	4.30	567.72
Impairment Expense	-	-	-	237.62	-	-	-	-	237.62
Disposals	-	-	-	(20.74)	(0.10)	(0.24)	(0.15)	-	(21.23)
Balance as at 31.03.2022	-	16.81	246.07	3,163.42	16.35	44.12	19.47	28.64	3,534.88
	Freehold land	Leasehold land (Right of Use)	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Railway sidings	Total
Carrying amount									
Balance as at 31.03.2020	81.88	83.36	576.62	6,336.72	10.37	23.16	18.48	43.95	7,174.54
Additions	0.58	98.33	56.66	536.50	1.17	2.01	3.55	4.53	703.33
Disposals	-	(0.01)	(0.01)	(14.53)	(0.01)	(0.01)	(0.04)	-	(14.61)
Depreciation Expense	-	5.86	33.91	491.83	2.24	8.44	3.06	4.13	549.47
Impairment Expense	-	-	-	(3.49)	-	-	-	-	(3.49)
Balance as at 31.03.2021	82.46	175.82	599.36	6,370.35	9.29	16.72	18.93	44.35	7,317.28
Additions	0.30	15.68	28.53	431.59	2.76	16.23	3.48	0.28	498.85
Disposals	-	-	-	(8.51)	(0.04)	(0.23)	(0.07)	-	(8.85)
Depreciation Expense	-	7.77	32.32	509.26	2.21	8.61	3.25	4.30	567.72
Impairment Expense	-	-	-	237.62	-	-	-	-	237.62
Balance as at 31.03.2022	82.76	183.73	595.57	6,046.55	9.80	24.11	19.09	40.33	7,001.94

- Notes: 5.1 Title deeds have been executed for freehold land acquired through Govt. of Odisha, except for land measuring 66.64 acres. The Company is in the process of conversion of freehold land for Industrial use and has taken-up matter with Revenue Authorities.
- 5.2 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.
- 5.3 The Company has 1597.35 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.
- 5.4 The Company incurred ₹ 0.81 crores (previous year ₹ 0.90 crores) for the year ended 31st March, 2022 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 4.13 crores (previous year ₹ 4.41 crores) for the year ended 31st March, 2022, including cash outflow of short-term leases and leases of low-value assets.
- 5.5 The Company has invested ₹ 280.62 crore (previous year ₹ 280.62 crore) in Wind Power Plant(WPP) with 47.6 MW of installed capacity at Ludherva, Rajasthan and ₹ 338.19 crore (previous year ₹ 338.19 crore) in Wind Power Plant with 50.0 MW of installed capacity at Devikot, Rajasthan. The said plants have carrying amount (Gross Value less accumulated depreciation and before impairment) of ₹ 176.27 crore and ₹ 258.54 crore respectively. Initially the power purchase agreement(PPA) for 3 years with Jodhpur Vidyut Vitran Nigam Ltd., Rajasthan which could not be extended since 01.04.2019. The Company filed an appeal in the Hon'ble High Court of Rajasthan for extension of PPA. Till now it could not be executed. However, the Company has been continuously injecting the power to the grid which is recorded by the authority. However, the Rajasthan Renewable Energy Corporation Ltd (RRECL) had offered the Company to accept ₹ 2.44 per unit for both WPP at Ludherva and Devikot and execute the PPA. In view of non-existence of PPA and continuous generation, impairment assessment was done for these Wind Power Plants and an amount of ₹ 241.11 crore has been provided during the current year.



## Notes to the consolidated financial statements

## 5.A Title deeds of Immovable Property not held in name of the Company

(other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee)

Amount in ₹ Crore

Description of the Property	Freehold/Leasehold	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of	Property held since which date	Reason for not being held in the name of Company	Whether disputed
<b>PPE</b>							
Land							
19.74 Acres of Land at Koraput District of Odisha	Freehold	0.11	Govt. of Odisha	No	1982-83	Pending Registration	No
845.94 Acres of Land at Koraput District of Odisha	Leasehold	0.35	Govt. of Odisha	No	1982-83	Execution of Lease Agreement is pending	No
46.90 Acres of Land at Angul district of Odisha	Freehold	0.33	Industrial Development Corporation of Odisha (IDCO)	No	1987-88	Pending Registration	No
656.05 Acres of Land at Angul district of Odisha	Leasehold	1.47	Industrial Development Corporation of Odisha (IDCO)	No	1987-88	Execution of Lease Agreement is pending	No
94.7 Acres of Land at Angul district of Odisha	Leasehold	16.50	Industrial Development Corporation of Odisha (IDCO)	No	2021-22	Execution of Lease Agreement is pending	No
0.66 Acres of Land at Dhenkanal district of Odisha	Leasehold	0.09	Industrial Development Corporation of Odisha (IDCO)	No	1987-88	Execution of Lease Agreement is pending	No
Building	-	-	-	-	-	-	-
<b>Investment Property</b>							
Land	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-
<b>Non Current asset held for sale</b>							
Land	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-

## 6.A - Capital work-in-progress (CWIP)

Amount in ₹ Crore

	As at 31.03.2022	As at 31.03.2021
Capital Work-in-progress	1,700.54	1,170.06
Construction materials including in transit	110.99	11.44
	<b>1,811.53</b>	<b>1,181.50</b>
Less: Provision for impairment	(48.11)	(0.55)
<b>Total Capital Work-in-progress</b>	<b>1,763.42</b>	<b>1,180.95</b>
<b>Movement in provision for impairment</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Opening balance	0.55	-
Provision made during the year	47.56	0.55
Provision write back during the year	-	-
<b>Closing balance</b>	<b>48.11</b>	<b>0.55</b>

6.A.1. The amount of capital work in progress includes an amount of ₹ 36.29 crore (previous year ₹ 53.97 crore) towards infrastructural development expenditure attributable to Utkal-D and Utkal-E Coal Block. It also includes directly attributable expenses of ₹ 152.90 crore (previous year ₹ 105.59 crore) for 5th Stream Alumina Refinery expansion.

6.A.2. The Company on 27.09.2017, had awarded a contract favouring M/s. Regen Powertech. Pvt. Ltd. for supply, erection and commissioning of 25.5 MW Wind Power Project (WPP) at Kayathar, Tamilnadu for a value of ₹163.13 crore. There was no progress in execution due to financial crisis and liquidity of the agency.

The agency had executed ₹ 119.63 crore worth of work (previous year ₹ 119.63 crore). Under Insolvency and Bankruptcy Board of India- 2016, the insolvency resolution process was initiated and Hon'ble National Company Law Tribunal (NCLT), Chennai passed the Resolution Plan which was not acceptable to the Company. The Company preferred an appeal in NCLAT.

As there was no progress in the project since 2018-19 and the stringent conditions mentioned in the said order, the Company considers these as indication for impairment assessment of the project and carried out the assessment internally and provided for ₹ 44.26 crore (previous year ₹ nil) during the current year.

## Notes to the consolidated financial statements

## 6.B - Capital Work in Progress

6.B.1 Ageing of Capital Work in Progress		Amount in ₹ Crore				
		Amount in CWIP for a period of				
Particulars		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Project in progress</b>						
(a) M&R Complex	As on 31.03.2022	699.01	230.10	311.02	85.53	1,325.66
	As on 31.03.2021	261.47	355.92	39.45	69.38	726.22
(b) S&P Complex	As on 31.03.2022	127.62	68.73	65.38	96.64	358.37
	As on 31.03.2021	24.25	74.36	79.24	155.01	332.86
(c) Others	As on 31.03.2022	5.83	0.38	0.11	119.63	125.95
	As on 31.03.2021	1.15	0.10	17.78	101.84	120.87
<b>Project temporarily suspended</b>						
(a) M&R Complex	As on 31.03.2022	-	-	-	-	-
	As on 31.03.2021	-	-	-	-	-
(b) S&P Complex	As on 31.03.2022	-	-	-	1.55	1.55
	As on 31.03.2021	-	-	-	1.55	1.55
(c) Others	As on 31.03.2022	-	-	-	-	-
	As on 31.03.2021	-	-	-	-	-
<b>Total as on 31.03.2022</b>		<b>832.46</b>	<b>299.21</b>	<b>376.51</b>	<b>303.35</b>	<b>1,811.53</b>
<b>Total as on 31.03.2021</b>		<b>286.87</b>	<b>430.38</b>	<b>136.47</b>	<b>327.78</b>	<b>1,181.50</b>

6.B.2 Ageing of Capital Work in Progress whose completion is overdue or has exceeded its cost compared to its original plan		To be completed in				
Particulars		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(a) M&R Complex	As on 31.03.2022	154.54	76.78	-	-	231.32
	As on 31.03.2021	126.79	155.37	-	-	282.16
(b) S&P Complex	As on 31.03.2022	175.38	1.46	10.21	19.41	206.46
	As on 31.03.2021	88.70	28.00	47.60	52.08	216.38
(c) Others	As on 31.03.2022	-	-	0.11	119.63	119.74
	As on 31.03.2021	-	0.11	17.78	101.85	119.74
<b>Total as on 31.03.2022</b>		<b>329.92</b>	<b>78.24</b>	<b>10.32</b>	<b>139.04</b>	<b>557.52</b>
<b>Total as on 31.03.2021</b>		<b>215.49</b>	<b>183.48</b>	<b>65.38</b>	<b>153.93</b>	<b>618.28</b>

6.B.3 Details of project where activity has been suspended					
Sl. Nos.	Particulars	Amount	Suspended from	Brief reason of suspension	
(a)	M&R Complex	-	-	-	
	As on 31.03.2022	-	-	-	
	As on 31.03.2021	-	-	-	
(b)	S&P Complex	1.55	01-Apr-20	The project is not appropriate for the execution.	
	As on 31.03.2022	1.55	01-Apr-20	The project is not appropriate for the execution.	
	As on 31.03.2021	1.55	01-Apr-20	The project is not appropriate for the execution.	
(c)	Others	-	-	-	
	As on 31.03.2022	-	-	-	
	As on 31.03.2021	-	-	-	
<b>Total as on 31.03.2022</b>		<b>1.55</b>			
<b>Total as on 31.03.2021</b>		<b>1.55</b>			

## Notes to the consolidated financial statements

## 7 - Intangible assets

Amount in ₹ Crore

	User right	Computer software	Mining rights	Licenses	Total intangible assets
<b>Cost or deemed cost</b>					
Balance as at 31.03.2020	79.79	11.24	288.39	10.25	389.67
Additions	-	0.13	91.36	1.30	92.79
Disposals	-	-	-	-	-
Balance as at 31.3.2021	79.79	11.37	379.75	11.55	482.46
Additions	0.39	1.90	27.05	-	29.34
Disposals	-	-	-	-	-
Balance as at 31.03.2022	80.18	13.27	406.80	11.55	511.80
<b>Accumulated depreciation and impairment</b>					
Balance as at 31.03.2020	11.28	7.70	51.22	9.24	79.44
Depreciation Expense	4.00	1.76	52.83	1.25	59.84
Impairment Expense	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31.3.2021	15.28	9.46	104.05	10.49	139.28
Depreciation Expense	4.01	1.35	25.74	0.15	31.25
Impairment Expense	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31.03.2022	19.29	10.81	129.79	10.64	170.53
	User right	Computer software	Mining rights	Licenses	Total intangible assets
<b>Carrying amount</b>					
Balance as at 31.03.2020	68.51	3.54	237.17	1.01	310.23
Additions/Adjustments	-	0.13	91.36	1.30	92.79
Disposals	-	-	-	-	-
Depreciation Expense	4.00	1.76	52.83	1.25	59.84
Impairment Expense	-	-	-	-	-
Balance as at 31.3.2021	64.51	1.91	275.70	1.06	343.18
Additions	0.39	1.90	27.05	-	29.34
Disposals	-	-	-	-	-
Depreciation Expense	4.01	1.35	25.74	0.15	31.25
Impairment Expense	-	-	-	-	-
Balance as at 31.03.2022	60.89	2.46	277.01	0.91	341.27

**Note: 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 A. Intangible assets under development	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
(i) Mining right	469.73	394.50
(ii) Software	1.67	-
	471.40	394.50

**Note: 8 A.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. It also includes pre-project expenses of ₹ 322.78 crores (previous year ₹ 250.11 crore) towards expenditure incurred/payments made to Government of Odisha on various developmental schemes as per commitment to Government of Odisha for allotment of Pottangi Mines.

## Notes to the consolidated financial statements

## 8B. Intangible assets under development

8.B.1 Ageing of Intangible assets under development		Amount in ₹ Crore				
Particulars		Amount in CWIP for a period of				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Project in progress</b>						
(a) M&R Complex	As on 31.03.2022	72.62	188.10	62.01	-	322.73
	As on 31.03.2021	188.10	62.01	-	-	250.11
(b) S&P Complex	As on 31.03.2022	2.94	10.40	108.23	25.43	147.00
	As on 31.03.2021	10.41	108.23	-	25.43	144.07
(c) Others	As on 31.03.2022	1.67	-	-	-	1.67
	As on 31.03.2021	0.32	-	-	-	0.32
<b>Project temporarily suspended</b>						
(a) M&R Complex	As on 31.03.2022	-	-	-	-	-
	As on 31.03.2021	-	-	-	-	-
(b) S&P Complex	As on 31.03.2022	-	-	-	-	-
	As on 31.03.2021	-	-	-	-	-
(c) Others	As on 31.03.2022	-	-	-	-	-
	As on 31.03.2021	-	-	-	-	-
<b>Total as on 31.03.2022</b>		<b>77.23</b>	<b>198.50</b>	<b>170.24</b>	<b>25.43</b>	<b>471.40</b>
<b>Total as on 31.03.2021</b>		<b>198.83</b>	<b>170.24</b>	<b>-</b>	<b>25.43</b>	<b>394.50</b>

## 9. Investments

			Amount in ₹ Crore	
			As at 31.03.2022	As at 31.03.2021
<b>A. Non-current</b>				
<b>A.1 Investments in equity instruments accounted for using Equity Method</b>				
<b>A.1.1 Investment in associates</b>				
<b>A.1.2 Trade Investment in joint ventures at cost</b>				
<b>Unquoted investments</b>				
a)	Utkarsha Aluminium Dhatu Nigam Limited (As at 31.03.2022 : 2,00,00,000 shares of ₹ 10 each fully paid up, As at 31.03.2021 : 2,00,00,000 shares of ₹ 10 each fully paid up).		18.81	18.50
			<b>Total</b>	<b>18.81</b>
[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 31.03.2022 : 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).		0.61	0.64
			<b>Total</b>	<b>0.61</b>
[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 31.03.2022 : 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).		19.00	18.36
			<b>Total</b>	<b>19.00</b>
d)	GACL-NALCO Alkalies & Chemicals Private Limited (As at 31.03.2022 : 27,60,00,000 shares of ₹ 10 each fully paid up, As at 31.03.2021 : 27,60,00,000 shares of ₹ 10 each fully paid up).		272.55	274.03
			<b>Total</b>	<b>272.55</b>
[3,60,00,000 nos. of fully paid equity shares of ₹ 10/- each has been issued by GACL-NALCO Alkalies & Chemicals Private Limited on 16.02.2021 under Rights Issue.]				
<b>Total investment in joint ventures</b>			<b>310.97</b>	<b>311.53</b>



## 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	
		As at 31.03.2022	As at 31.03.2021
(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%

## Financial Information in respect of individually material Joint Ventures

Amount in ₹ Crore

Particulars	UADNL		KABIL		AAPPL		GNAL	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Non- current assets	9.50	7.58	0.03	0.00	81.75	58.75	2,036.64	1,756.48
Current asset	28.19	29.63	1.50	1.58	29.68	53.43	290.56	147.10
Non- current liabilities	-	-	-	-	-	34.01	-	1,069.88
Current liabilities	0.06	0.20	0.02	0.01	39.20	40.68	116.28	148.60
The above amounts of assets and liabilities includes the following:								
Cash and cash equivalents	27.32	28.74	0.20	1.58	28.44	51.80	244.85	95.07
Current financials liabilities (excluding trade payables and provisions)	-	-	-	-	-	-	114.13	133.83
Non- current financials liabilities (excluding trade payables and provisions)	-	-	-	-	-	-	1,529.52	1,069.88
Revenue	1.37	0.75	-	-	1.87	1.43	0.62	0.59
Profit or loss from continuing operations	0.62	0.26	(0.08)	(0.00)	1.30	1.01	(3.70)	(1.86)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	0.62	0.26	(0.08)	(0.00)	1.30	1.01	(3.70)	(1.86)
The above profit / (loss) for the year include the following:								
Depreciation and amortisation	0.08	0.07	-	-	-	-	0.87	0.19
Interest Income	1.37	0.75	-	-	1.30	1.43	0.19	0.33
Interest expenses	-	-	-	-	0.02	-	0.14	-
Income tax expense/(income)	0.03	0.11	0.02	0.00	0.52	0.39	-	0.15
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	37.63	37.01	1.50	1.57	38.79	37.49	681.41	685.10
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)	18.82	18.50	0.60	0.63	19.01	18.37	272.56	274.03
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	18.82	18.50	0.60	0.63	19.01	18.37	272.56	274.03
Carrying amount of the Group's interest in JV	18.82	18.50	0.60	0.63	19.01	18.37	272.56	274.03

## Notes to the consolidated financial statements

## A.1.3 Investment in other entities

	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
Unquoted investments		
Odisha Capital Market & Enterprises Limited.	0.03	0.03
(As at 31.03.2022 : 2,89,000 shares of ₹ 1 each fully paid up) (As at 31.03.2021 : 2,89,000 shares of ₹ 1 each fully paid up)		
<b>Total - Investments in other entities</b>	<b>0.03</b>	<b>0.03</b>
<b>Total - investments in equity instruments</b>	<b>311.00</b>	<b>311.56</b>
<b>Additional information</b>		
Aggregate carrying amount of unquoted investments	311.00	311.56

## B. Current

			Amount in ₹ Crore			
			As at 31.03.2022		As at 31.03.2021	
Investments in Mutual Funds	Units in '000	Nav in ₹	Amount in ₹ Crore	Units in '000	Nav in ₹	Amount in ₹ Crore
<b>Quoted Investments</b>						
Canara Rebeco Liquid Fund	119	1,005.50	12.00	239	1,005.50	24.05
Baroda BNP Paribas Liquid Fund	309	1,002.08	31.01	1,009	1,002.08	101.14
SBI Liquid Fund	56	1,075.55	6.00	684	1,039.58	71.10
Union Liquid Fund	150	1,000.79	15.00	520	1,000.79	52.09
<b>Total - Other current Investments</b>			<b>64.01</b>			<b>248.38</b>
<b>Additional Information</b>						
Aggregate cost of quoted investments			64.00			248.00
Aggregate market value of quoted investments			64.01			248.38
Aggregate cost of unquoted investments			-			-
Aggregate amount of impairment in value of investments			-			-
<b>Category-wise classification:</b>			<b>As at 31.03.2022</b>			<b>As at 31.03.2021</b>
Financial assets (quoted investments) mandatorily measured at fair value through profit or loss (FVTPL)			64.01			248.38
			<b>64.01</b>			<b>248.38</b>

<b>10 A - Trade receivables</b>		Amount in ₹ Crore	
		As at 31.03.2022	As at 31.03.2021
<b>A. Non-current</b>			
(a)	Considered good - Secured	-	-
(b)	Considered good - Unsecured	-	-
(c)	Having significant increase in credit risk	-	-
(d)	Credit impaired	36.90	37.11
	Less: Allowance for doubtful debts	36.90	37.11
	<b>Non-current trade receivables</b>	<b>-</b>	<b>-</b>
<b>B. Current</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(a)	Considered good - Secured	-	-
(b)	Considered good - Unsecured	75.25	147.39
(c)	Having significant increase in credit risk	20.24	20.24
	Less: Allowance for doubtful debts	20.24	20.24
	<b>Current trade receivables</b>	<b>75.25</b>	<b>147.39</b>

## Notes:

10.A.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.

## Notes to the consolidated financial statements

10.A.2 Customers that individually represent more than 5% of the total trade receivable as on 31.03.2022:

Customers	Customer Category	As at 31.03.2022	As at 31.03.2021
a. APSPDCL	Wind Power	49%	19%
b. NTPC Vidyut Vyapar Nigam Ltd	Wind Power	13%	-
c. Gupta Power Infrastructure Ltd	Wind Power	12%	-
d. RDPPC, Devikot, Rajasthan	Wind Power	-	12%
e. Dubai Aluminium PJSC	Alumina	-	44%

10.A.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.

10.A.4 Trade receivable are hypothecated/pledged against cash credit facility from Banks.

### 10. B - Trade receivables ageing

(a) Ageing when due date of payment is specified		Amount in ₹ Crore						
		Outstanding from the due date of payment						
Sl. No.	Particulars		Less than 6 months	6 months - 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	Undisputed Trade receivables- considered good	As on 31.03.2022	45.89	21.07	2.83	5.46	-	75.25
		As on 31.03.2021	136.08	5.45	5.46	0.38	0.02	147.39
(ii)	Undisputed Trade receivables- significant increase in credit risk	As on 31.03.2022	-	-	-	-	-	-
		As on 31.03.2021	-	-	-	-	-	-
(iii)	Undisputed Trade receivables- credit impaired	As on 31.03.2022	-	-	0.74	11.6	7.9	20.24
		As on 31.03.2021	-	0.74	11.6	7.4	0.5	20.24
(iv)	Disputed Trade receivables- considered good	As on 31.03.2022	-	-	-	-	-	-
		As on 31.03.2021	-	-	-	-	-	-
(v)	Disputed Trade receivables- significant increase in credit risk	As on 31.03.2022	-	-	-	-	-	-
		As on 31.03.2021	-	-	-	-	-	-
(vi)	Disputed Trade receivables- credit impaired	As on 31.03.2022	-	-	-	-	36.90	36.90
		As on 31.03.2021	-	-	-	-	37.11	37.11
<b>Total as on 31.03.2022</b>			<b>45.89</b>	<b>21.07</b>	<b>3.57</b>	<b>17.06</b>	<b>44.80</b>	<b>132.39</b>
<b>Total as on 31.03.2021</b>			<b>136.08</b>	<b>6.19</b>	<b>17.06</b>	<b>7.78</b>	<b>37.63</b>	<b>204.74</b>

11 - Loans		Amount in ₹ Crore	
		As at 31.03.2022	As at 31.03.2021
<b>A.</b>	<b>Non-current</b>		
(a)	Loans to employees		
	Secured, considered good	67.64	66.48
	Unsecured, considered good	19.51	19.26
(b)	Loans to others		
	Secured, considered good	0.23	0.21
<b>Total non-current loans</b>		<b>87.38</b>	<b>85.95</b>
<b>B.</b>	<b>Current</b>		
(a)	Loans to employees		
	Considered good-Secured	17.12	17.71
	Considered good-Unsecured	11.14	9.47
(b)	Loans to related parties		
	Considered good-Secured [refer note 11.2]	0.09	0.01
(c)	Loans to others		
	Considered good - Secured	4.66	2.97
	Less: Allowance for bad and doubtful loans	0.09	
<b>Total current loans</b>		<b>32.92</b>	<b>30.16</b>

#### Notes:

- 11.1 Loans to employees and others are carried at amortised cost. Deferred employee benefits represents the benefits on account of interest rate on loans being lower than the market rate of interest. The same is amortised on a straight line basis over the remaining period of the loan.
- 11.2 The amount of loan outstanding from related parties (Directors) is the amount of motor vehicle and House building advance taken from the Company in their capacity as employees. Further information on these loans is set out in Note 39-Related party disclosure.
- 11.3 Loans to the employee are secured against the mortgage of the House property and hypothecation of vehicles for which such loan is given as per the policy of the Company.

## Notes to the consolidated financial statements

<b>12 - Other financial assets</b>		<b>Amount in ₹ Crore</b>	
<b>A.</b>	<b>Non-current</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
	Security deposits	9.18	11.24
	Mines closure deposits	0.56	-
	<b>Total other non-current financial assets</b>	<b>9.74</b>	<b>11.24</b>
<b>B.</b>	<b>Current</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(a)	Advances to employees	-	-
(b)	Insurance claims receivables and others	7.22	7.22
(c)	Gratuity(funded)	22.17	-
	<b>Gross - other current financial assets</b>	<b>29.39</b>	<b>7.22</b>
	<b>Less: Allowance for bad and doubtful other current financial assets</b>		
a)	Insurance claims	7.22	7.22
	<b>Total allowance for bad and doubtful - other current assets</b>	<b>7.22</b>	<b>7.22</b>
	<b>Net other current financial assets</b>	<b>22.17</b>	<b>-</b>
	<b>Classification of other current financial assets:</b>		
	Unsecured, considered good	22.17	-
	Considered doubtful	7.22	7.22
	<b>Gross other current financial assets</b>	<b>29.39</b>	<b>7.22</b>

## Note:

12.1 Other financial assets are carried at amortised cost.

<b>13 - Current tax assets</b>		<b>Amount in ₹ Crore</b>	
		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
	Income tax (Net)	55.38	85.50
	<b>Total current tax assets</b>	<b>55.38</b>	<b>85.50</b>

13.1 Net of tax provision of ₹ 203.95 crore (previous year ₹ 124.55 crore)

<b>14 - Other assets</b>		<b>Amount in ₹ Crore</b>	
<b>A.</b>	<b>Non-current</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(a)	Capital advances	493.65	240.61
(b)	Advances other than capital advance:		
	Advance with Govt. authorities		
(1)	Customs, excise, sales tax, port trusts etc.	179.71	170.60
(2)	Deposits with Income Tax Authority (net)	109.53	326.80
(3)	Other Government authorities	6.01	3.52
(c)	Others		
	Prepaid expenses		
(1)	Deferred employee benefits [ refer Note 11.1]	15.50	16.63
	<b>Gross other non-current assets</b>	<b>804.40</b>	<b>758.16</b>
	<b>Less: Allowance for bad and doubtful for other non-current assets</b>		
(a)	Capital advances	0.01	0.26
	<b>Total allowance for bad and doubtful for other non-current assets</b>	<b>0.01</b>	<b>0.26</b>
	<b>Total other non-current assets</b>	<b>804.39</b>	<b>757.90</b>



## Notes to the consolidated financial statements

<b>14 - Other assets (Contd.)</b>		<b>Amount in ₹ Crore</b>	
<b>B. Current</b>		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
	Advances other than capital advances		
(a)	Claims with statutory authorities		
(1)	Export Incentive Claims	71.42	28.53
(2)	Generation Based Incentive on power generated from renewable source and Renewable energy certificates	5.10	2.94
(3)	VAT, CENVAT and GST Credit Recoverable	295.64	332.80
(4)	Claims receivable from customs, excise and railway authorities	7.68	8.84
(b)	Prepaid expenses		
(1)	Deferred employee benefits [ refer Note 11.1]	2.04	2.39
(2)	Other prepaid expenses	9.34	4.91
(c)	Stamp in hand	0.01	0.01
(d)	Other receivables	1.07	1.23
(e)	Other advances		
(1)	Advances to employees	38.22	29.23
(2)	Advances to suppliers and service providers	656.34	363.20
(3)	Others	4.16	3.84
	<b>Gross other current assets</b>	<b>1,091.02</b>	<b>777.92</b>
	<b>Less: Allowance for bad and doubtful for other current assets</b>		
(a)	VAT and CENVAT Credit Recoverable	197.81	197.81
(b)	Claims receivable from customs, excise and railway authorities	5.98	7.09
(c)	Other receivables	0.36	0.39
(d)	Advances to suppliers and service providers	2.02	2.02
(e)	Others	1.82	1.81
	<b>Total allowance for bad and doubtful for other current assets</b>	<b>207.99</b>	<b>209.12</b>
	<b>Total other current assets</b>	<b>883.03</b>	<b>568.80</b>

<b>15. Inventories</b>		<b>Amount in ₹ Crore</b>	
		<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(a)	Raw materials	161.03	72.69
(1)	Cost	161.03	72.69
(2)	Less: Provision		
(b)	Coal and fuel oil	170.82	215.62
(1)	Cost	170.82	215.62
(2)	Less: Provision		
(c)	Carbon Anodes (Intermediaries)	136.67	118.57
(1)	Cost	136.67	118.57
(2)	Less: Provision		
(d)	Work-in-progress	319.04	298.35
(1)	Cost	319.04	298.35
(2)	Less: Provision		
(e)	Finished goods	542.47	464.43
(1)	Cost	542.47	464.43
(2)	Less: Provision		
(f)	Stores and spares	299.23	292.84
(1)	Cost	299.23	292.84
(2)	Less: Provision		
(g)	Scraps	16.91	13.82
(1)	Cost	16.91	13.82
(2)	Less: Provision		
	<b>Total inventories</b>	<b>1,646.17</b>	<b>1,476.32</b>

## Notes to the consolidated financial statements

<b>15. Inventories (Contd.)</b>		<b>Amount in ₹ Crore</b>	
Included above, goods-in-transit:		As at 31.03.2022	As at 31.03.2021
(i)	Raw materials	20.79	4.15
(ii)	Coal and fuel oil	57.79	25.12
(iii)	Stores and spares	6.31	4.45
<b>Total goods-in-transit</b>		<b>84.89</b>	<b>33.72</b>

**Note:**

- 15.1 Cost of inventories recognised as expenses during the year is ₹ 4,603.84 crore (previous year : ₹ 3,806.06 crore).
- 15.2 Cost of inventories recognised as expenses during the year includes ₹ 1.46 crore (previous year: ₹ 2.00 crore) in respect of write-downs of inventory for non moving items.
- 15.3 Inventories are hypothecated/pledged against cash credit facility availed from Banks.
- 15.4 Mode of valuation of inventories is stated in note 3.10 of Significant Accounting Policies.

<b>16.A-Cash and cash equivalents</b>		<b>Amount in ₹ Crore</b>	
		As at 31.03.2022	As at 31.03.2021
(a)	Balances with banks		
	(1) Balance with scheduled banks		
	(i) In current account	412.80	213.52
<b>Total cash and cash equivalents</b>		<b>412.80</b>	<b>213.52</b>

<b>16.B- Bank balances (other than Cash and cash equivalents)</b>			
		As at 31.03.2022	As at 31.03.2021
(a)	In deposit account ( having original maturity between 3-12 months)	3,217.37	1,463.00
	Principal	3,156.00	1,446.00
	Accrued Interest	61.37	17.00
(b)	Earmarked balance with scheduled banks	75.90	73.26
<b>Total other bank balances</b>		<b>3,293.27</b>	<b>1,536.26</b>

**Note:**

- 16.B.1 The earmarked balance of ₹ 75.90 crore (previous year ₹ 73.26 crore) with scheduled banks includes the amount deposited towards unclaimed dividend amounting to ₹ 4.29 crore (previous year ₹ 3.87 crore). The balance amount of ₹ 71.61 crore (previous year ₹ 69.39 crore) represents deposits with State Bank of India as per direction of Hon'ble High Court of Odisha.
- 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 31.03.2022	As at 31.03.2021
<b>Authorised share capital:</b>		
As at 31.03.2022: 6,00,00,00,000 equity shares of ₹ 5 each [As at 31.03.2021: 6,00,00,00,000 equity shares of ₹ 5 each]	3,000.00	3,000.00
	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued and subscribed capital comprises:</b>		
1,83,66,31,787 fully paid-up equity shares of ₹ 5 each [As at 31.03.2021: 1,83,66,31,787 fully paid-up equity shares of ₹ 5 each]	918.32	918.32
	<b>918.32</b>	<b>918.32</b>

17.1 Reconciliation of the number of equity shares	Number of shares	Amount ₹ in Crore
<b>Balance as at 31.03.2020</b>	<b>1,86,56,17,498</b>	<b>932.81</b>
Changes during the year Buy-back of shares	(2,89,85,711)	(14.49)
<b>Balance as at 31.03.2021</b>	<b>1,83,66,31,787</b>	<b>918.32</b>
Changes during the year	-	-
<b>Balance as at 31.03.2022</b>	<b>1,83,66,31,787</b>	<b>918.32</b>

(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 2018-19 the Company bought back 6,73,11,386 number of equity shares of ₹ 5 each which led to decrease in equity share capital from ₹ 966.46 crore to ₹ 932.81 crore.

During 2020-21, the Company bought back 2,89,85,711 numbers of equity shares of ₹ 5 each which led to decrease in 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 Bharat 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 year 2020-21, consequent upon buy-back of equity shares, the holding of Government of India has come down from 96,07,93,011 Nos. (51.50%) 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 promoters	Amount in ₹ Crore			
	As at 31.03.2022		As at 31.03.2021	
	Number of shares held	% of holding of equity shares	Number of shares held	% of holding of equity shares
<b>Fully paid equity shares</b>				
Government of India	94,17,93,011	51.28%	94,17,93,011	51.28%
<b>Total</b>	<b>94,17,93,011</b>	<b>51.28%</b>	<b>94,17,93,011</b>	<b>51.28%</b>

## Notes to the consolidated financial statements

18 - Other equity		Amount in ₹ Crore	
		As at 31.03.2022	As at 31.03.2021
(a)	Capital redemption reserves	370.30	370.30
(b)	General reserve	7,942.98	7,942.98
(c)	Retained earnings	3,320.79	1,447.41
<b>Total</b>		<b>11,634.07</b>	<b>9,760.69</b>

18.1 Movement in other equity		Amount in ₹ Crore			
		Reserves and Surplus			
Other equity		Capital redemption reserve	General reserve	Retained earnings	Total
<b>Balance as at 01.04.2020</b>		<b>355.81</b>	<b>8,113.10</b>	<b>584.78</b>	<b>9,053.69</b>
Profit for the year		-	-	1,299.41	1,299.41
Other comprehensive income (net of taxes)		-	-	23.83	23.83
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>1,323.24</b>	<b>1,323.24</b>
Premium on Buy-back of equity shares		-	(152.18)	-	(152.18)
Expenses on Buy-back of equity shares(net of tax)		-	(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)
<b>Balance as at 31.03.2021</b>		<b>370.30</b>	<b>7,942.98</b>	<b>1,447.41</b>	<b>9,760.69</b>
Profit for the year		-	-	2,951.41	2,951.41
Other comprehensive income (net of taxes)		-	-	23.95	23.95
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>2,975.36</b>	<b>2,975.36</b>
Final dividend for the previous year		-	-	(183.66)	(183.66)
Interim dividend for the year		-	-	(918.32)	(918.32)
<b>Balance as at 31.03.2022</b>		<b>370.30</b>	<b>7,942.98</b>	<b>3,320.79</b>	<b>11,634.07</b>

18.2 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 year 2020-21, 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 During the year, the Company has paid Final Dividend for FY 2020-21 at ₹ 1.00 per equity share amounting to ₹ 183.66 crore on October 25, 2021. The Company has also paid the first tranche of Interim dividend for FY 2021-22 at ₹ 2.00 per equity share amounting to ₹ 367.33 crore on December 10, 2021. The second tranche of Interim dividend for FY 2021-22 at ₹ 3.00 per equity share amounting to ₹ 550.99 crore was paid on March 4, 2022 with the total payout is ₹ 918.32 crore. During the preceding year, the Company has paid first tranche Interim dividend of ₹ 93.28 crore & second tranche of Interim Dividend of ₹ 367.33 crore for financial year 2020-21.



## Notes to the consolidated financial statements

## 19 A - Lease Liability

	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
Non-current lease liability	50.91	50.48
Current lease liability	5.52	5.49
<b>Total Lease liabilities</b>	<b>56.43</b>	<b>55.97</b>

## 19 B - Movement of Lease Liability

	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
Balance at the beginning	55.97	55.47
Additions during the year	0.56	-
Finance Cost added during the year	4.13	4.01
Payment of lease liability	4.23	3.51
<b>Balance at the end</b>	<b>56.43</b>	<b>55.97</b>

## 20 - Borrowings

	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
<b>Current (secured) ( at amortised cost)</b>		
Liabilities towards bills discounted	20.67	46.11
<b>Total other current financial liabilities</b>	<b>20.67</b>	<b>46.11</b>
20.1 Secured by hypothecation of inventories and trade receivable		

## 21 A - Trade payables

	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
<b>A. Non-current</b>		
(1) Creditors for supplies and services		
- Dues to micro and small enterprises	-	-
- Others	23.61	37.70
<b>Total non-current trade payables</b>	<b>23.61</b>	<b>37.70</b>
<b>B. Current</b>		
(1) Creditors for supplies and services		
- Dues to micro and small enterprises	31.50	11.70
- Others	788.52	702.45
Accrued wages and salaries	637.08	225.39
<b>Total current trade payables</b>	<b>1,457.10</b>	<b>939.54</b>

Notes: 21.1 Trade and other payables are subject to confirmation/reconciliation and consequential adjustment, if any.

21.2 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 disclosures pursuant to said Act in respect of such dues included in trade payables (Note-21) and other financial liabilities (Note-22) are as under:

	Amount in ₹ Crore	
Particulars	As at 31.03.2022	As at 31.03.2021
i) Principal amount due	31.50	11.70
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

## Notes to the consolidated financial statements

## 21. B - Trade Payable ageing

Amount in ₹ Crore

Sl.No.		Particulars	Outstanding from the due date of payment				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(a) Ageing when due date of payment is specified							
(b) Ageing when due date of payment is not specified							
(i)	MSME	As on 31.03.2022	13.05	-	-	-	13.05
		As on 31.03.2021	12.39	-	-	-	12.39
(ii)	Others	As on 31.03.2022	61.33	99.61	22.51	370.97	554.42
		As on 31.03.2021	3.43	38.56	382.65	90.29	514.93
(iii)	Disputed Dues- MSME	As on 31.03.2022	0.69	0.72	-	-	1.41
		As at 31.03.2021	0.72	-	-	-	0.72
(iv)	Disputed Dues- Others	As on 31.03.2022	0.06	0.12	0.16	74.25	74.59
		As at 31.03.2021	-	0.07	0.11	65.44	65.62
Total as on 31.03.2022			75.13	100.45	22.67	445.22	643.47
Total as on 31.03.2021			16.54	38.63	382.76	155.73	593.66

## (c) Ageing of Unbilled dues

Amount in ₹ Crore

Sl.No.		Particulars	Outstanding from the due date of payment				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i)	MSME	As on 31.03.2022	76.54	16.43	6.62	6.71	106.30
		As on 31.03.2021	-	-	-	-	-
(ii)	Others	As on 31.03.2022	610.23	65.20	14.81	40.70	730.94
		As on 31.03.2021	119.25	65.28	37.25	161.80	383.58
(iii)	Disputed Dues- MSME	As on 31.03.2022	-	-	-	-	-
		As at 31.03.2021	-	-	-	-	-
(iv)	Disputed Dues- Others	As on 31.03.2022	-	-	-	-	-
		As at 31.03.2021	-	-	-	-	-
Total as on 31.03.2022			686.77	81.63	21.43	47.41	837.24
Total as on 31.03.2021			119.25	65.28	37.25	161.80	383.58

## 22 - Other financial liabilities

Amount in ₹ Crore

A. Non current		As at 31.03.2022	As at 31.03.2021
		Creditors for capital supplies and services	
- Dues to micro and small enterprises		-	-
- Others		88.57	36.07
<b>Total other non-current financial liabilities</b>		<b>88.57</b>	<b>36.07</b>
B. Current		As at 31.03.2022	As at 31.03.2021
		(a) Unpaid dividends	4.29
(b) Creditors for other liabilities			
(1) Creditors for capital supplies and services			
- Dues to micro and small enterprises		-	-
- Others		316.13	211.01
(2) Security deposits from customers		4.95	3.88
(3) Refund due to customers		34.67	7.61
(4) Liabilities for discount on sales to customers		140.21	67.27
(5) Employees' recoveries		0.10	0.27
<b>Total other current financial liabilities</b>		<b>500.35</b>	<b>293.91</b>

## Notes to the consolidated financial statements

## 23 - Provisions

	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
<b>A. Non current</b>		
(a) Provision for employee benefits		
(1) Retirement benefits obligations		
(i) Post retirement medical benefits scheme (PRMBS)	152.83	147.48
(ii) Settling in benefit on retirement	13.73	16.02
(iii) Nalco benevolent fund scheme (NBFS)	2.15	2.21
(iv) Nalco retirement welfare scheme( NRWS)	8.88	9.51
(v) Retirement gift	5.36	6.17
(2) Other long-term employee benefits		
(i) Compensated absences (refer note 23.4)	-	375.78
(ii) Long service rewards	11.55	12.83
(iii) Nalco employees family financial assistance rehabilitation scheme (NEFFARS)	25.51	25.54
(b) Other Provisions		
(1) Asset restoration obligations/dismantling	40.59	37.42
(2) Other legal and constructive obligations	0.38	0.38
<b>Total non current provisions</b>	<b>260.98</b>	<b>633.34</b>
<b>B. Current</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
(a) Provision for employee benefits		
(1) Retirement benefits obligations		
(i) Gratuity (funded)	-	10.63
(ii) Post retirement medical benefits scheme (PRMBS)	9.48	7.85
(iii) Settling in benefit on retirement	3.79	3.57
(iv) Nalco benevolent fund scheme (NBFS)	0.48	0.51
(v) Nalco retirement welfare scheme( NRWS)	2.90	2.87
(vi) Retirement gift	1.17	0.99
(2) Other Long-term employee benefits		
(i) Compensated absences	18.99	54.59
(ii) Long service rewards	0.93	0.30
(iii) Nalco employees family financial assistance rehabilitation scheme (NEFFARS)	9.84	6.34
(b) Other Provisions		
(1) towards peripheral development expenses	30.30	30.47
(2) towards other legal and constructive obligations	49.07	41.34
<b>Total current provisions</b>	<b>126.95</b>	<b>159.46</b>

<b>C. Movement of provisions</b>			
<b>(1) Movement of retirement benefit obligations [refer note 32]</b>			
<b>(2) Movement of employee benefits</b>			
	Amount in ₹ Crore		
	Compensated absences	Long service rewards	NEFFARS
<b>Balance at 31.03.2020</b>	<b>427.57</b>	<b>11.54</b>	<b>32.09</b>
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	-
<b>Balance at 31.03.2021</b>	<b>430.37</b>	<b>13.13</b>	<b>31.88</b>
Additional provisions recognised	121.28	1.49	31.59
Reductions arising from payments	(112.33)	(0.92)	(28.12)
Changes arising from remeasurement	25.62	(1.22)	-
Others [refer note 23.4]	(445.95)	-	-
<b>Balance at 31.03.2022</b>	<b>18.99</b>	<b>12.48</b>	<b>35.35</b>

## Notes to the consolidated financial statements

(3) Movement of other Provisions			
	Asset restoration obligation	Legal and Constructive Obligation	Peripheral Development Expenses
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
Additional provisions recognised	0.11	12.53	-
Reductions arising from payments	-	(4.95)	(0.17)
Unwinding of discount	3.06	0.15	-
Balance at 31.03.2022	40.59	49.45	30.30

- Note:** 23.1 Provision related to retirement and other long term employee benefits are provided, in the case of gratuity as per the Payment Gratuity Act 1972, 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.
- 23.2 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.
- 23.3 Provision for peripheral development expenditure is the unspent development obligation of the Company prior to introduction of the Companies Act, 2013.
- 23.4 During the current year, the Company has funded ₹ 445.95 crore (previous year nil) to LIC as plan assets by subscribing to LIC-GLS (Group leave encashment scheme).

## 24. Other liabilities

A. Non-current	Amount in ₹ Crore	
	As at 31.03.2022	As at 31.03.2021
(i) Deposits under NEFFARS	101.26	98.27
(ii) Others [Refer note 24.1]	230.50	230.50
<b>Total other non-current liabilities</b>	<b>331.76</b>	<b>328.77</b>
<b>B. Current</b>		
(i) Revenue received in advance	125.57	97.27
(ii) Statutory and other dues		
(a) Electricity duty	108.49	107.47
(b) Tax deducted and collected at source	36.05	29.35
(c) Contribution to NEPF trust and NPS	41.07	43.58
(d) Dues towards stamp duty	212.78	212.78
(e) Others (Service tax, excise duty, GST, royalty etc)	356.01	63.71
(iii) Renewable energy purchase obligation	68.71	24.99
(iv) Deposits under NEFFARS [Refer note 24.2]	38.94	25.20
(v) Grants for property, plant and equipment	0.48	0.51
(vi) Other credit balances	0.45	0.43
<b>Total other current liabilities</b>	<b>988.55</b>	<b>605.29</b>

- Note:** 24.1 The Hon'ble CESTAT, Kolkata had issued refund order of ₹ 230.50 crore during FY 2020-21 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 Orissa.
- 24.2 The Company obtains deposits (from the dependent of the employee pursuant to the NEFFAR Scheme who died or suffered disability) for which the Company is in the process of applying to the Ministry of Corporate Affairs, Govt. of India for availing exemption in respect of applicability of Section 73 to 76 of the Companies Act, 2013.



## Notes to the consolidated financial statements

## 25. Deferred tax liabilities (net)

			Amount in ₹ Crore	
			As at 31.03.2022	As at 31.03.2021
Deferred tax liabilities			1,090.08	1,145.60
Deferred tax assets			221.90	251.88
			868.18	893.72
<b>2020-21</b>	<b>Opening balance as at 01.04.2020</b>	<b>Recognised in profit or loss</b>	<b>Recognised in other comprehensive income</b>	<b>Closing balance as at 31.03.2021</b>
<b>Deferred tax liabilities relating to:</b>				
Property, plant and equipment	(1,573.82)	433.37	-	(1,140.45)
Provision for defined benefit obligation (OCI)	(11.33)	-	6.18	(5.15)
<b>Deferred tax liabilities</b>	<b>(1,585.15)</b>	<b>433.37</b>	<b>6.18</b>	<b>(1,145.60)</b>
<b>Deferred tax assets in relation to:</b>				
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
FVTPL financial assets	2.36	1.96	-	4.32
Temporary Difference due to application of section 43B	188.52	(187.59)	-	0.93
Others	4.42	(1.24)	-	3.18
<b>Deferred tax assets</b>	<b>524.54</b>	<b>(272.66)</b>	<b>-</b>	<b>251.88</b>
<b>Deferred tax (liabilities) / assets - [net]</b>	<b>(1,060.61)</b>	<b>160.71</b>	<b>6.18</b>	<b>(893.72)</b>
<b>2021-22</b>	<b>Opening balance as at 01.04.2020</b>	<b>Recognised in profit or loss</b>	<b>Recognised in other comprehensive income</b>	<b>Closing balance as at 31.03.2021</b>
<b>Deferred tax liabilities relating to:</b>				
Property, plant and equipment	(1,140.45)	78.82	-	(1,061.63)
Provision for defined benefit obligation (OCI)	(5.15)	-	(23.30)	(28.45)
<b>Deferred tax liabilities</b>	<b>(1,145.60)</b>	<b>78.82</b>	<b>(23.30)</b>	<b>(1,090.08)</b>
<b>Deferred tax assets in relation to:</b>				
Provision for compensated absences and other employee benefits	108.32	(103.54)	-	4.78
Provision for defined benefit obligation	66.12	19.35	-	85.47
Provision for doubtful debts / advances	69.01	(0.32)	-	68.69
FVTPL financial assets	4.32	(0.27)	-	4.05
Temporary Difference due to application of section 43B	0.93	54.80	-	55.73
Others	3.18	-	-	3.18
<b>Deferred tax assets</b>	<b>251.88</b>	<b>(29.98)</b>	<b>-</b>	<b>221.90</b>
<b>Deferred tax (liabilities) / assets [net]</b>	<b>(893.72)</b>	<b>48.84</b>	<b>(23.30)</b>	<b>(868.18)</b>

**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 during 2020-21 and non applicability of Minimum alternate tax (MAT) u/s 115JB of Income tax Act 1961. The Company has exercised the said option during the FY 2020-21 (relevant to AY 2021-22) for lower rates of taxes and deferred tax assets and liabilities were measured accordingly. The impact of such change in rate of taxes on the deferred tax of FY 2020-21 was Rs.345.15 crore. The applicable rate for the current year is 25.168% (previous year 25.168%).

## 26 - Contingent liabilities (to the extent not provided for)

			Amount in ₹ Crore	
			As at 31.03.2022	As at 31.03.2021
<b>Claims against the Company not acknowledged as debts</b>				
<b>a. Demand from statutory authority</b>				
1.	Odisha Sales tax		4.09	3.72
2.	Central Sales tax		280.55	281.01
3.	VAT		12.64	12.64
4.	Excise duty		410.44	410.44
5.	Custom duty		102.77	104.47
6.	Service tax		14.82	21.98
7.	Income tax		223.75	162.66
8.	Entry tax		222.21	221.37
9.	Road tax		2.65	2.65
10.	Stamp duty		0.51	0.51
11.	Claim From Govt. (NGT)		109.01	62.30
12.	Claim From PSUs		322.92	247.59
13.	Land acquisition and interest there on		78.07	73.73
14.	Dept. of mines Govt. of Odisha		136.32	136.32
15.	Water Resources Deptt. Govt. of Odisha for Water Conservation fund		119.24	119.24
<b>b. Claim by contractors/suppliers and others</b>				
1.	Claims of Contractor's suppliers and others		338.41	292.85
<b>Total</b>			<b>2,378.40</b>	<b>2153.48</b>

## Notes to the consolidated financial statements

## 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 31.03.2022 accordingly.

## 26.1 Movement of contingent liabilities

		Amount in ₹ Crore			
		As at 31.03.2021	Reduction during the year	Addition during the year	As at 31.03.2022
<b>a.</b>	<b>Demand by statutory authority</b>				
	1. Odisha Sales tax	3.72	-	0.38	4.09
	2. Central Sales tax	281.01	(0.46)	-	280.55
	3. VAT	12.64	-	-	12.64
	4. Excise duty	410.44	(397.48)	397.48	410.44
	5. Custom duty	104.47	(1.70)	-	102.77
	6. Service tax	21.98	(9.23)	2.07	14.82
	7. Income tax	162.66	(24.49)	85.58	223.75
	8. Entry tax	221.37	(4.10)	4.94	222.21
	9. Road tax	2.65	-	-	2.65
	10. Stamp duty	0.51	-	-	0.51
	11. Claim From Govt. (NGT)	62.30	-	46.71	109.01
	12. Claim From PSUs	247.59	-	75.33	322.92
	13. Land acquisition and interest there on	73.73	-	4.34	78.07
	14. Demand from Dept. of mines Govt. of Odisha <sup>n</sup>	136.32	-	-	136.32
	15. Demand from Water Resources Deptt. Govt. of Odisha for Water Conservation fund	119.24	-	-	119.24
<b>b.</b>	<b>Claim by contractors/suppliers and others</b>				
	1. Claims of Contractor's suppliers and others	292.85	(6.79)	52.35	338.41
	<b>Total</b>	<b>2,153.48</b>	<b>(444.25)</b>	<b>669.18</b>	<b>2,378.40</b>

## 27 - Commitments

		Amount in ₹ Crore	
		As at 31.03.2022	As at 31.03.2021
a)	Estimated amount of Contracts remaining to be executed on capital account and not provided for	3404.69	1308.97
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.	Nil	18.11
	(2) Export obligation for import of capital goods under Export Promotion Capital Goods Scheme.	278.79	Nil
	(3) Estimated amount of commitment to Govt. of Odisha for allotment of Pottangi Bauxite Mines	Nil	49.89
	(4) Estimated amount of commitment to Govt. of India (MoEFCC) for 5th Stream Refinery project.	Nil	10.81
	(5) Corporate environment responsibility (CER) for capital investments	6.00	12.00
	<b>Total</b>	<b>3,689.48</b>	<b>1,399.78</b>

## Notes to the consolidated financial statements

## 28. Revenue from operations

		Amount in ₹ Crore	
		Year ended 31.03.2022	Year ended 31.03.2021
(a)	<b>Sale of products</b>		
	1) Export:		
	i) Alumina	3,664.61	2,534.63
	ii) Aluminium	2,699.54	2,628.31
	2) Domestic:		
	i) Alumina	278.47	141.95
	ii) Aluminium	7,370.62	3,524.48
(b)	<b>Sale of power</b>		
	i) Wind Power [Refer note no. 28.1]	45.74	39.92
(c)	<b>Other operating income</b>	<b>121.83</b>	<b>86.50</b>
	Export Incentives		
	i) Alumina	36.11	25.08
	ii) Aluminium [Refer note no. 28.2]	66.49	45.11
	2) Incentives on Renewable Energy		
	i) Renewable Energy certificates	8.11	6.97
	ii) Generation based incentives	3.98	3.49
	3) Own manufactured goods internally used /capitalised	7.14	5.85
	<b>Revenue from operations</b>	<b>14,180.81</b>	<b>8,955.79</b>

**Note:** 28.1 The Company has not recognised the revenue from its two wind power plants located in the State of Rajasthan due to non availability of Power Purchase Agreement (PPA) since 2018-19.

28.2 Consequent to introduction of Remission of Duties and Taxes on Export Products schemes w.e.f 01.01.2022, the Company has recognised Rs.41.59 crore as income (net of discount of 20%) during the current year for export of metal.

## 29. Other income

		Amount in ₹ Crore	
		Year ended 31.03.2022	Year ended 31.03.2021
(a)	<b>Interest income</b>		
	(i) Interest income earned from financial assets that are not designated as at fair value through profit or loss:		
	- Bank deposits	103.18	69.99
	- Loans to employees	9.25	9.42
	- Other financial assets carried at amortised cost	13.42	5.48
	(ii) Interest income earned from Income tax refund	84.51	-
(b)	<b>Dividend income</b>		
	- Dividends from current investments	13.91	5.48
(c)	Net foreign exchange gain/(loss)	(1.59)	(1.85)
(d)	Net gain/(loss) on financial assets designated as at FVTPL	(0.36)	0.38
(e)	Net gain/(loss) on sale of other investments	-	-
(f)	Write back of liabilities no longer required [refer note: 29.1]	23.00	8.86
(g)	Income from internally generated scrap	33.77	15.71
(h)	Others	18.33	33.13
	<b>Total other income</b>	<b>297.42</b>	<b>146.60</b>

**Note:** 29.1 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

## 30. Cost of materials consumed

		Amount in ₹ Crore	
		Year ended 31.03.2022	Year ended 31.03.2021
<b>A.</b>	<b>Raw material</b>		
	(1) Caustic soda	873.17	687.62
	(2) C.P. coke	693.19	351.00
	(3) C.T. pitch	225.98	130.67
	(4) Aluminium fluoride	87.18	74.80
	(5) Lime	52.24	44.14
	(6) Others	39.37	27.20
	<b>Total raw materials consumed</b>	<b>1,971.13</b>	<b>1,315.43</b>
<b>B.</b>	<b>Power and Fuel</b>		
	(1) Coal	1,502.24	1,584.74
	(2) Fuel oil	864.58	576.49
	(3) Duty on own generation	375.05	415.35
	(4) Purchase of power	637.96	55.25
	(5) Power transmission charges	8.65	6.26
	<b>Total Power and Fuel consumed</b>	<b>3,388.48</b>	<b>2,638.09</b>

## 31. Changes in inventories of finished goods, intermediaries and work-in-process

		Amount in ₹ Crore	
		Year ended 31.03.2022	Year ended 31.03.2021
	<b>Finished goods</b>		
	<b>Opening stock</b>		
	(1) Bauxite	4.34	3.74
	(2) Chemical	232.28	159.30
	(3) Aluminium	227.81	276.97
	<b>Opening stock</b>	<b>464.43</b>	<b>440.01</b>
	<b>Total opening stock of finished goods</b>	<b>464.43</b>	<b>440.01</b>
	<b>Less:</b>		
	<b>Closing stock</b>		
	(1) Bauxite	18.54	4.34
	(2) Chemical	253.91	232.28
	(3) Aluminium	270.02	227.81
	<b>Closing stock</b>	<b>542.47</b>	<b>464.43</b>
	<b>Total Closing stock of finished goods</b>	<b>542.47</b>	<b>464.43</b>
	<b>(Accretion)/Depletion in finished goods</b>	<b>(78.04)</b>	<b>(24.42)</b>
	<b>Intermediaries</b>		
	<b>Opening stock</b>		
	Anodes	100.83	136.37
	Others	17.74	16.67
	<b>Total opening stock of intermediaries</b>	<b>118.57</b>	<b>153.04</b>
	<b>Less: Closing stock</b>		
	Anodes	113.19	100.83
	Others	23.48	17.74
	<b>Total closing stock of intermediaries</b>	<b>136.67</b>	<b>118.57</b>
	<b>(Accretion)/depletion in intermediaries</b>	<b>(18.10)</b>	<b>34.47</b>
	<b>Work-in-process</b>		
	<b>Opening stock</b>		
	Opening stock	298.35	282.54
	<b>Less: Closing stock</b>		
	Closing stock	319.04	298.35
	<b>(Accretion)/depletion in work-in-process</b>	<b>(20.69)</b>	<b>(15.81)</b>
	<b>Total (Accretion)/Depletion in inventory</b>	<b>(116.83)</b>	<b>(5.76)</b>



## Notes to the consolidated financial statements

## 32. Employee benefits expense

		Amount in ₹ Crore	
		Year ended 31.03.2022	Year ended 31.03.2021
(a)	Salaries and wages, including bonus	1,938.42	1,544.25
(b)	Contribution to provident and other funds		
	1) Provident fund	115.87	120.10
	2) Gratuity	30.01	42.85
	3) Post employment pension scheme	104.00	107.03
(c)	Staff welfare expenses	167.50	116.01
	<b>Total employee benefit expense</b>	<b>2,355.80</b>	<b>1,930.24</b>

## Notes:

## 32.A. Employee benefit Plans

## 32.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.

## 32.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.

## 32.B. 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.
  - 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.
  - 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.
- 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.

## Notes to the consolidated financial statements

- 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	
	31.03.2022	31.03.2021
Discount rate(s)	7.00%	6.60%
Expected rate(s) of salary increase	6.65%	8.00%
Mortality	IALM 2012-2014 ULTIMATE	IALM 2012-2014 ULTIMATE
Attrition Rate	1%	1%

**Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:-**

Amount in ₹ Crore

<b>Service Cost:</b>		
-Current Service cost	(35.10)	(52.67)
-Past Service Cost and (gain)/loss from settlements	17.36	16.10
-Net Interest expense	(10.91)	(5.11)
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>(28.65)</b>	<b>(41.68)</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on the net defined benefit liability	4.68	(1.78)
Actuarial (Gains)/losses arising from changes in financial assumptions	24.61	5.10
Actuarial (Gains)/losses arising from experience assumptions	17.96	14.31
Others		
Adjustments for restrictions on the defined benefit asset		
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>47.25</b>	<b>17.63</b>
<b>Total</b>	<b>18.60</b>	<b>(24.05)</b>

**The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:**

Amount in ₹ Crore

	Post retirement medical benefit	Settling-in-benefit	NALCO benevolent fund scheme	NALCO retirement welfare scheme	Superannuation gift scheme	Gratuity (Funded)
<b>March 31, 2021</b>						
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
<b>Net liability arising from defined benefit obligation</b>	<b>(155.35)</b>	<b>(19.58)</b>	<b>(2.73)</b>	<b>(12.38)</b>	<b>(7.16)</b>	<b>(10.63)</b>
<b>March 31, 2022</b>						
Present value of defined benefit obligation	(162.31)	(17.51)	(2.63)	(11.78)	(6.53)	(532.70)
Fair value of plan assets	-					554.86
<b>Net liability arising from defined benefit obligation</b>	<b>(162.31)</b>	<b>(17.51)</b>	<b>(2.63)</b>	<b>(11.78)</b>	<b>(6.53)</b>	<b>22.16</b>

**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)
<b>Opening defined benefit obligations as at April 01, 2020</b>	(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)
<b>Remeasurement (gains)/losses</b>						
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
Benefits paid	6.26	3.02	0.86	2.33	0.93	93.22
Others	-	-	-	-	-	-
<b>Closing defined benefit obligation as at March 31, 2021</b>	<b>(155.35)</b>	<b>(19.58)</b>	<b>(2.73)</b>	<b>(12.38)</b>	<b>(7.16)</b>	<b>(595.80)</b>

## Notes to the consolidated financial statements

Amount in ₹ Crore						
	Post retirement medical benefit	Settling-in-benefit	NALCO benevolent fund scheme	NALCO retirement welfare scheme	Superannuation gift scheme	Gratuity (Funded)
Current service cost	-	(2.94)	-	-	-	(32.16)
Interest Cost	(10.46)	(1.17)	(0.16)	(0.79)	(0.47)	(38.82)
<b>Remeasurement (gains)/losses</b>						
Actuarial (Gains)/losses arising from changes in financial assumptions	1.33	0.39	0.05	0.25	0.20	22.39
Actuarial (Gains)/losses arising from experience assumptions	(9.58)	0.04	(0.62)	(1.01)	-	29.13
Benefits paid	11.75	5.75	0.83	2.15	0.90	82.56
Others	-	-	-	-	-	-
<b>Closing defined benefit obligation as at March 31, 2022</b>	<b>(162.31)</b>	<b>(17.51)</b>	<b>(2.63)</b>	<b>(11.78)</b>	<b>(6.53)</b>	<b>(532.70)</b>

Movements in the fair value of the plan assets are as follows:	
	Gratuity (Funded)
<b>Opening fair value of plan assets as at April 01, 2020</b>	<b>576.26</b>
Interest income	45.23
<b>Remeasurement gains/(losses)</b>	
Return on plan assets (excluding amounts included in net interest income)	(1.78)
Others	
Contribution from the employer	58.68
Benefits paid	(93.22)
<b>Closing fair value of plan assets as at March 31, 2021</b>	<b>585.17</b>
Interest income	40.96
<b>Remeasurement gains/(losses)</b>	
Return on plan assets (excluding amounts included in net interest income)	4.68
Others	-
Contribution from the employer	6.61
Contribution from plan participant	-
Assets distributed on settlements	-
Assets acquired in a business combination	-
Exchange differences on foreign plans	-
Benefits paid	(82.56)
Others	-
<b>Closing fair value of plan assets as at March 31, 2022</b>	<b>554.86</b>

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	
	31.03.2022	31.03.2021
Investments in Funds:		
1. Insurance Companies	554.86	585.17
<b>Total</b>	<b>554.86</b>	<b>585.17</b>

## Notes to the consolidated financial statements

## 32.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 Particulars	Amount in ₹ Crore					
	Post retirement medical benefit		Settling-in-benefit		NALCO benevolent fund scheme	
2020-21	Increase by	Decrease by	Increase by	Decrease by	Increase by	Decrease by
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 [+ /(-)%]	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%)	0.71	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 Mortality 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%

Particulars	Post retirement medical benefit		Settling-in-benefit		NALCO benevolent fund scheme	
	Increase by	Decrease by	Increase by	Decrease by	Increase by	Decrease by
2021-22						
Impact on amount due to change in Discount rate (-/+0.5%)	4.69	4.79	0.51	0.52	0.07	0.07
% 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%)	0.19	0.19	0.02	0.02	0.06	0.06
% 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%)	0.19	0.19	0.02	0.02	-	-
% Change compared to base due to sensitivity [+ /(-)%]	0.12%	0.12%	0.12%	0.12%	0.15%	0.15%
Impact on amount due to change in Mortality rate (-/+10%)	0.75	0.75	0.08	0.08	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
2021-22						
Impact on amount due to change in Discount rate (-/+0.5%)	0.32	0.33	0.18	0.18	17.57	16.45
% Change compared to base due to sensitivity [+ /(-)%]	2.71%	2.76%	2.71%	2.76%	3.30%	3.09%
Impact on amount due to change in Salary growth (+/-0.5%)	0.29	0.28	0.16	0.15	3.90	16.45
% Change compared to base due to sensitivity [+ /(-)%]	2.42%	2.37%	2.42%	2.37%	0.73%	3.09%
Impact on amount due to change in Attrition rate (+/-0.5%)	0.02	0.02	0.01	0.01	0.11	16.45
% Change compared to base due to sensitivity [+ /(-)%]	0.15%	0.15%	0.15%	0.15%	0.02%	3.09%
Impact on amount due to change in Mortality rate (-/+10%)	0.03	0.03	0.02	0.02	0.50	0.50
% Change compared to base due to sensitivity [+ /(-)%]	0.26%	0.26%	0.26%	0.26%	0.09%	0.09%

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.



**Notes to the consolidated financial statements**

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.

	Amount in ₹ Crore	
	Year ended 31.03.2022	Year ended 31.03.2021
<b>33 - Finance costs</b>		
<b>Finance cost</b>		
a. Interest expenses on lease liabilities	4.13	4.01
b. Interest on shortfall in payment of advance income tax	7.62	-
c. Others	11.37	3.07
<b>Total finance cost</b>	<b>23.12</b>	<b>7.08</b>

Note: 33.1. The other finance cost includes ₹ nil (previous year ₹ 0.21 crore) of interest on loan from bank.

	Amount in ₹ Crore	
	Year ended 31.03.2022	Year ended 31.03.2021
<b>34. Other expenses</b>		
(a) Stores and spares consumed	381.26	333.16
(b) Repair and maintenance to		
(1) Buildings	55.43	65.82
(2) Machinery	170.73	157.94
(3) Others	25.50	24.63
(c) Other Manufacturing Expenses		
(1) Water charges	34.57	34.13
(2) Royalty	435.51	132.57
(3) Contribution to District Mineral Fund and National Mineral Exploration Trust	69.68	41.81
(4) Continuous Technical Assistance expenses	-	-
(5) Others	105.61	92.34
(d) Freight and handling charges		
(1) Incoming materials (Alumina)	118.96	109.35
(2) Outgoing materials	172.41	163.22
(e) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	0.45	0.35
(ii) For Taxation matters	0.08	0.07
(iii) For Other services	0.36	0.29
(iv) For reimbursement of expenses	-	0.02
(f) Payment to Cost Auditors	0.03	0.03
(g) Security and fire fighting expenses	150.96	150.24
(h) Corporate social responsibility expenses [refer note 34.1]	36.91	35.00
(i) Administrative and general expenses	101.88	103.23
(j) Renewable purchase obligation	51.84	(261.86)
(k) Provision towards disputed Government dues and others	-	0.01
(l) Selling and distribution expenses	33.43	34.81
(m) Write off of Inventories, Claims etc.	9.95	11.18
(n) Bad and doubtful Provisions/ (write back)	46.03	22.86
(o) Others	63.49	43.77
(1) Rent	0.81	0.88
(2) Rates and Taxes	4.01	4.59
(3) Net (gain)/ loss on disposal of property, plant and equipment	(0.44)	(0.82)
(4) Insurance charges	17.80	12.53
(5) Other miscellaneous expenses	41.31	26.59
<b>Total other expenses</b>	<b>2,065.07</b>	<b>1,294.97</b>

## Notes to the consolidated financial statements

## Note:

## 34.1 Expenditure on Corporate Social Responsibility.

- a) Gross amount required to be spent by the company during the year ended March 31, 2022 is ₹ 28.60 crore (March 31, 2021 is ₹ 33.42 crore)
- b) Amount spent during the year ended March 31, 2022
- |                                       |  |
|---------------------------------------|--|
| i) Construction/acquisition of assets | ₹ Nil crore (previous year ₹ Nil)                  |
| ii) On purpose other than (i) above   | ₹ 36.91.00 crore (previous year ₹ 35.00 crore)     |
| <b>Total</b>                          | <b>₹ 36.91 crore (previous year ₹ 35.00 crore)</b> |
- c) Nalco Foundation, the CSR wings of NALCO is in the process of getting registered with MCA21 portal.

## 35. Income taxes

## 35.1 Income tax recognised in profit or loss

	Amount in ₹ Crore	
	Year ended 31.03.2022	Year ended 31.03.2021
<b>Current tax</b>		
In respect of current year	1061.63	204.02
In respect of prior years	(9.88)	(26.32)
	<b>1,051.75</b>	<b>177.70</b>
<b>Deferred tax</b>		
In respect of current year	(48.85)	(160.71)
	<b>(48.85)</b>	<b>(160.71)</b>
<b>Total income tax expense recognised in current year</b>	<b>1,002.90</b>	<b>16.99</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	3,954.87	1,316.52
Income tax expense thereon @ 25.168%	995.36	331.34
Tax effect of -		
ii) disallowable expenses (permanent difference)	21.26	6.78
iii) expenses allowable in excess of expenditure incurred	(16.15)	(55.24)
iv) Adjustment relating to earlier years	(9.88)	(26.32)
v) others	12.31	(239.57)
<b>Income tax expense recognised in profit or loss</b>	<b>1,002.90</b>	<b>16.99</b>

## 35.2 Income tax recognised directly in equity

<b>Current tax</b>		
Share buy-back costs	-	(1.16)
<b>Income tax recognised directly in equity</b>	<b>-</b>	<b>(1.16)</b>

## 35.3 Income tax recognised in other comprehensive income

	Year ended 31.03.2022	Year ended 31.03.2021
Tax on remeasurement gain or loss of defined benefit obligations		
- Current Tax	-	-
- Deferred Tax	(23.30)	6.18
<b>Total income tax recognised in other comprehensive income</b>	<b>(23.30)</b>	<b>6.18</b>
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to profit or loss	-	-
<b>Items that will not be reclassified to profit or loss</b>	<b>(23.30)</b>	<b>6.18</b>

## 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 and non applicability of Minimum alternate Tax. 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 25.168%).

## Notes to the consolidated financial statements

## 36 - Segment information

## 36.1 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

## 36.2 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 31.03.2022	Year ended 31.03.2021
Chemical segment	5,377.45	3,950.50
Aluminium segment	10,157.34	6,263.47
Unallocated	57.83	50.38
<b>Total for operations</b>	<b>15,592.62</b>	<b>10,264.35</b>
Less: Inter segment revenue	1,411.81	1,308.56
<b>Revenue from operations</b>	<b>14,180.81</b>	<b>8,955.79</b>

Operating Segments	Segment results	
	Year ended 31.03.2022	Year ended 31.03.2021
Chemical segment	1,127.41	635.75
Aluminium segment	3,257.20	867.67
<b>Segment result before exceptional items, interest and tax</b>	<b>4,384.61</b>	<b>1,503.42</b>
Interest & financing charges	23.12	7.08
Interest and dividend income	223.91	90.75
Other unallocated income net of unallocated expenses	(630.53)	(270.57)
Share of Profit/(loss) of Joint Venture	(0.56)	(0.12)
<b>Profit before tax</b>	<b>3,954.31</b>	<b>1,316.40</b>

## 36.3 Segment assets and liabilities

Amount in ₹ Crore

	Segment Assets		Segment Liabilities	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Chemical segment	4,353.60	4,216.76	1,529.51	1,191.18
Aluminium segment	5,667.36	5,337.53	1,541.39	1,560.93
Total segment assets and liabilities	10,020.96	9,554.29	3,070.90	2,752.11
Unallocated	7,254.58	5,154.60	602.00	384.04
<b>Total assets and Liabilities</b>	<b>17,275.54</b>	<b>14,708.89</b>	<b>3,672.90</b>	<b>3,136.15</b>

## 36.4 Other segment information

Amount in ₹ Crore

	Depreciation and amortisation		Additions to non-current assets	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Chemical segment	229.08	268.03	51.62	(110.26)
Aluminium segment	296.95	271.53	26.12	(53.24)
Unallocated	310.55	66.26	310.80	575.93
<b>Total for operations</b>	<b>836.59</b>	<b>605.82</b>	<b>388.54</b>	<b>412.43</b>

	Material non-cash expenditure	
	Year ended 31.03.2022	Year ended 31.03.2021
Chemical segment	(244.48)	(9.24)
Aluminium segment	(182.75)	(12.33)
Unallocated	36.97	(1.60)
	<b>(390.26)</b>	<b>(23.17)</b>

## Notes to the consolidated financial statements

## 36.5 Revenue from major products

The following is an analysis of the Company's revenue from continuing operations from its major products and services

Amount in ₹ Crore

	Year ended 31.03.2022	Year ended 31.03.2021
Chemical segment (Hydrate and Alumina)	3,943.08	2,676.58
Aluminium segment (Aluminium)	10,070.16	6,152.79
	14,013.24	8,829.37

## 36.6 Geographical information

The Company operates mainly in principal geographical areas-India (country of domicile) and Outside India

Amount in ₹ Crore

	Revenue from external customers		Non-current assets	
	Year ended 31.03.2022	Year ended 31.03.2021	As at 31.03.2022	Year ended 31.03.2021
India	7,649.09	3,666.43	10,790.54	10,402.56
Outside India	6,364.15	5,162.94	-	-
Total	14,013.24	8,829.37	10,790.54	10,402.56

## 37. Earnings per share

	Year ended 31.03.2022	Year ended 31.03.2021
	₹ per share	₹ per share
<b>37.1 Basic Earnings per share (₹)</b>		
From total operations	16.07	6.97
Total Basic earnings per share	16.07	6.97

## 37.2 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

	Year ended 31.03.2022	Year ended 31.03.2021
Profit for the year attributable to Owners of the Company	2,951.41	1,299.41
Earnings used in the calculation of basic earnings per share	2,951.41	1,299.41
Weighted average number of equity shares used in calculation of basic earnings per share	183.66	186.44

Note: The weighted average number of equity shares for FY 2020-21 has been computed considering the 2,89,85,711 no. of shares bought back on 17.03.2021.

## 38. Financial Instruments

## 38.1 Categories of financial instruments

Amount in ₹ Crore

		As at 31.03.2022	As at 31.03.2021
<b>Financial Assets</b>			
Measured at fair value through profit or loss (FVTPL)			
(a)	Mandatorily measured:		
	(i) Investments in mutual funds	64.01	248.38
	(ii) Forward contract on foreign currency	Nil	Nil
Measured at Amortised cost			
(a)	Cash and bank balances	412.80	213.52
(b)	Other financial assets at amortised cost	3,520.73	1,811.00
		3,997.54	2,272.90
<b>Financial Liabilities</b>			
Measured at Amortised cost		2,095.82	1,358.82

## 38.2 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



## Notes to the consolidated financial statements

- 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.

**38.3 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.

**38.4 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:-

	Liabilities as at		Assets as at	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
USD	27.60	0.48	144.72	277.62
EURO	21.36	14.82	-	-

**38.4.1 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, 2022 and March 31, 2021:

	Amount in ₹ Crore			
	USD impact		EURO impact	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Impact on profit or loss for the year	11.7	27.7	2.14	1.48

**38.5 Other price risks****38.5.1 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.

**38.6 Credit risk management**

Credit risk is the risk of financial loss arising from counter party 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.

## Notes to the consolidated financial statements

**38.7 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.

**39 - Related party disclosures****39.1- 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 R. C. Joshi	Director (Finance) [w.e.f. 04.02.2022]
(f) Shri S. Samantaray	Director (Commercial) [w.e.f. 22.03.2022]

\* Entrusted with additional charge of Director (Finance) from 01.03.2021 to 03.02.2022

# Entrusted with additional charge of Director (Commercial) from 01.03.2021 to 21.03.2022

**Others**

Shri N K Mohanty GGM & Company Secretary

**(II) Part time Official Directors: (Nominee of Govt. of India):**

(a) Shri Sanjay Lohiya, IAS
(b) Shri Satendra Singh, IAS [up to 20.01.2022]
(c) Dr. Veena Kumari Dermal, IPoS [w.e.f. 20.01.2022]

**(III) Part time non official (Independent) Directors:**

(a) Shri Ravi Nath Jha [w.e.f. 11.11.2021]
(b) Dr. B. R. Ramakrishna [w.e.f. 15.11.2021]
(c) Adv. George Kurian [w.e.f. 12.11.2021]
(d) Dr. Ajay Narang [w.e.f. 16.11.2021]
(e) Shri Y.P. Chillio [w.e.f. 11.11.2021]
(f) Ms. (Dr.) Shatorupa [w.e.f. 12.11.2021]
(g) Adv. Dushyant Upadhyay [w.e.f. 12.11.2021]
(h) Shri Sanjay Ramanlal Patel [w.e.f. 23.03.2022]

**B. Post Employment Benefit Plan**

(a) Nalco Employees Provident Fund Trust
(b) Nalco Employees Group Gratuity Trust

**C. Entity controlled by a person identified in (A) as KMP**

(a) Nalco Foundation
----------------------

**D. Government that has control or significance influence:**

(a) Govt. of India
--------------------

**E. 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/Govt. Undertaking.

**i) Purchase of Goods and Services**

1 Balmer Lawrie & Co Ltd.	11 Central Railway
2 Banaras Locomotive Works	12 Central Warehousing Corporation
3 Bharat Earth Movers Ltd.	13 CISF
4 Bharat Heavy Electrical Ltd.	14 Delhi Jal Board
5 Bharat Petroleum Corporation Ltd.	15 Diesel Locomotive Works
6 Bridge & Roof Co.(India) Ltd.	16 East Central Railway
7 BSES Rajdhani Power Ltd	17 Engineers India Ltd.
8 BSES Yamuna Power Ltd	18 Executive Engineer Upper Kolab, Head Works Division, Jeypore
9 BSNL	19 Gujarat Alkalies & Chemicals Ltd
10 Central Power Research Institute	20 Hindustan Petroleum Corporation Ltd.

## Notes to the consolidated financial statements

21	H. P. Corporation	35	National Textile Corporation
22	HMT Machine Tools Ltd.	36	National Small Industries Corporation Ltd
23	Indian Oil Corporation Ltd	37	Northern Coalfields Ltd
24	Instrumentation Ltd.	38	NTPC Limited
25	Keltron Controls	39	Numaligarh Refinery Limited
26	Life Insurance Company Ltd	40	Oriental Insurance Co Ltd
27	Mahanadi Coal Fields Ltd	41	Post Office
28	Mahanagr Telephone Nigam Ltd	42	Power Grid Corporation
29	Mecon Limited.	43	RITES Limited
30	Mineral Exploration Corporation Ltd	44	Shipping Corporation of India
31	Ministry Of Railways	45	South Central Railway
32	MSTC Limited	46	Southern Railway
33	National Institute of Rock Mechanics	47	Steel Authority of India Ltd
34	National Insurance Co. Ltd.	48	Visakhapatnam Port Trust
		49	Western Coalfield Limited

## ii) Sale of Goods

1	National Small Industries Corp
2	Steel Authority Of India Ltd
3	Rashtriya Ispat Nigam Ltd
4	National Thermal Power Corpora
5	Bridge & Roof Co (India) Ltd
6	Yantra India Ltd
7	Sail Refractory Unit IFICO

## 39.2 Related Party Transactions

## I. Key Managerial Personnel

## Remuneration to Key Managerial Personnel

Amount in ₹ Crore

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Short-term employee benefits		
- Salaries	3.54	3.95
- Contribution to Provident Fund	0.23	0.24
- Medical Benefits	0.02	0.01
- Other Benefits	0.01	0.03
Post employment benefits #	0.02	(0.03)
Other long term benefits	0.01	0.01
<b>Total</b>	<b>3.82</b>	<b>4.20</b>

# 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	Year ended 31.03.2022	Year ended 31.03.2021
Outstanding at the end of the year	0.09	0.01
Maximum amount due at any time during the year	0.11	0.01

## II. Post Employment Benefit Plan

## Transactions during the year

Amount in ₹ Crore

Name of Trust	Nature of Transaction	Year ended 31.03.2022	Year ended 31.03.2021
NEPF Trust	PF - Contribution	543.71	485.86
NEGG Trust	Funding of shortfall	6.61	55.98

## Outstanding balance at the end of the year

		As at 31.03.2022	As at 31.03.2021
NEPF Trust	PF - Contribution payable	30.34	33.25
NEGG Trust	Funding of shortfall payable	(22.18)	10.63

## Notes to the consolidated financial statements

## III. Nalco Foundation

Amount in ₹ Crore

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Contribution to CSR Trust	21.00	14.41

## IV. Govt. of India : Transaction during the year

Amount in ₹ Crore

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Buyback of shares	-	109.25
Dividend paid during the year	565.08	236.4

## V. CPSEs/ Govt Undertakings – Transaction during the year

Amount in ₹ Crore

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Purchase of goods and services from CPSEs/ Govt. undertakings	3,443.02	2,388.83
Sale of goods to CPSEs and Govt. undertakings	1,695.29	1,194.72

## Outstanding balance at the end of the year

Particulars	As at 31.03.2022	As at 31.03.2021
Advance/(Payable) for purchase of goods and services from CPSEs/ Govt. undertakings	87.74	75.19
Receivable/(Advance) for sale of goods to CPSEs and Govt. undertakings	(44.22)	-

## 40. Transaction with struck-off Company

Amount in ₹ Crore

Sl. Nos	Nature of transaction with struck-off Company	Balance outstanding	Relationship with struck-off Company, if any
1	Investment in securities	-	
2	Receivables	-	
3	Payables	-	
4	Share held by struck off Company#	-	
5	Other outstanding balance (to be specified)	-	
<b>Total</b>		-	

#The Company is in the process of identifying the shares held by the struck off Companies.

## 41. Disclosure of additional information :

Amount in ₹ Crore

(a) As at and for the year ended March 31, 2022								
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
<b>Joint Ventures (Investments as per the Equity method)</b>								
<b>Indian</b>								
Utkarsha Aluminium Dhatu Nigam Limited	0.30%	37.63	0.01%	0.31	-	-	0.01%	0.31
Khanij Bidesh India Limited	0.01%	1.50	0.00%	(0.03)	-	-	0.00%	(0.03)
Angul Aluminium Park Private Limited	0.31%	38.79	0.02%	0.64	0.00%	0.00	0.02%	0.64
GACL NALCO Alkalies & Chemicals Private Limited	5.43%	681.41	(0.05%)	(1.48)	0.00%	0.00	(0.05%)	(1.48)
<b>Total</b>	<b>6.05%</b>	<b>759.33</b>	<b>(0.02%)</b>	<b>(0.56)</b>	<b>0.00%</b>	<b>-</b>	<b>(0.02%)</b>	<b>(0.56)</b>



## Notes to the consolidated financial statements

## 41 Disclosure of additional information (Contd.)

Amount in ₹ Crore

(b) As at and for the year ended March 31, 2021								
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
<b>Joint Ventures (Investments as per the Equity method)</b>								
<b>Indian</b>								
Utkarsha Aluminium Dhatu Nigam Limited	0.00	37.01	0.00	0.13	-	-	0.00	0.13
Khanij Bidesh India Limited	0.00	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)
<b>Total</b>	<b>7.13%</b>	<b>761.17</b>	<b>(0.01%)</b>	<b>(0.12)</b>	<b>0.00%</b>	<b>-</b>	<b>(0.01%)</b>	<b>(0.12)</b>

## 42. 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	31.03.2022	31.03.2021	31.03.2021	31.03.2022
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 42.2]	[refer note 42.2]	[refer note 42.2]	[refer note 42.2]
4. Reason why the associate / joint venture is not consolidated	-	-	-	-
5. Net worth attributable to share holding as per latest audited Balance sheet (₹)	18,81,50,000	60,00,000	19,00,71,000	2,72,56,40,000
6. Profit/(Loss) for the year (₹)				
i. Considered in Consolidation	31,00,000	(3,00,000)	64,00,0000	(1,48,00,000)
ii. Not Considered in Consolidation	-	-	-	-

Note: 42.1 None of the joint ventures have commenced operations except GACL NALCO Alkalies & Chemicals Pvt. Ltd.

42.2 Voting power as per the percentage of equity held.

42.3 Out of the four joint venture companies whose financials have been consolidated, financials of two joint venture companies namely M/s. Khanij Bidesh India Limited and M/s. Angul Aluminium Park Company Limited have been consolidated on the basis of financials as certified by the management as on reporting date.

## Notes to the consolidated financial statements

## 43. Analytical Ratio

Amount in ₹ Crore

Sl. Nos	Ratios	Numerator	Denominator	31.03.2022	31.03.2021	Variance
1	Current Ratio	Current Asset Total	Current Liability Total	2	2	0%
2	Debt-Equity Ratio <sup>1</sup>	Total Debt	Shareholders Equity	-	-	-
3	Debt Service Coverage Ratio	Earning available for Debt Service	Interest + Instalments	-	-	-
4	Return on Equity Ratio <sup>2</sup>	Net profit after tax less Pref. dividend	Equity Shareholder's fund	24%	12%	93%
5	Inventory turnover ratio <sup>2</sup>	Sales	Average Inventory	9	6	61%
6	Trade Receivables turnover ratio <sup>3</sup>	Credit Sale	Average trade receivable	0.59	0.35	68%
7	Trade payables turnover ratio	Annual credit purchase	Average account payable	4.36	4.09	7%
8	Net capital turnover ratio <sup>2</sup>	Sale	Net Asset or Capital employed	1.31	0.89	47%
9	Net profit ratio <sup>2</sup>	Net profit	Sale	21%	15%	43%
10	Return on Capital employed <sup>2</sup>	Earning before interest and tax (EBIT)	Capital employed	37%	13%	178%
11	Return on investment <sup>2</sup>	Net profit	Equity fund	24%	12%	93%

- The Company does not have any borrowings/debt except bill discounting (refer Note 20).
- The improvement in ratios are due to changes in the respective factors.
- The trade receivable turnover ratio has been computed considering the sale and receivable of the Wind Power only.

## 44. Regrouping of previous year's figures

Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable

For GNS & Associates  
Chartered Accountants  
FRN-318171E

Sd/-  
(CA Narad P. Sahu)  
Partner  
(M No.: 055224)

For A. K. Sabat & Co.  
Chartered Accountants  
FRN-321012E

Sd/-  
(CA A. K. Sabat)  
Partner  
(M No.: 030310)

Place: Bhubaneswar  
Date: 25<sup>th</sup> May, 2022

## 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"> <li>- 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</li> <li>- The measurement basis used in preparing the financial statements and accounting policies adopted have been disclosed.</li> <li>- 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.</li> </ul>
Ind AS 2	Inventories	<ul style="list-style-type: none"> <li>- 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</li> <li>- 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.</li> </ul>
Ind AS 7	Statement of Cash Flow	<ul style="list-style-type: none"> <li>- 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.</li> <li>- The cash flows are segregated into operating, investing and financing activities</li> </ul>
Ind AS 8	Accounting Policies, Change in Accounting Estimates & Errors	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- On discovery of any prior period error(s) with an impact of Rs.50 crore during a period, the error is corrected retrospectively as guided by the standard.</li> </ul>
Ind AS 10	Events after Reporting Period	<ul style="list-style-type: none"> <li>- The Company adjusts the amounts recognised in its financial statements to reflect the adjusting events after the reporting period.</li> <li>- 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.</li> </ul>
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"> <li>- 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.</li> <li>- 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.</li> </ul>
Ind AS 16	Property, Plant & Equipment	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul>
Ind AS 19	Employee Benefits	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- A reconciliation between the opening liability and the closing liability against each defined benefit obligations showing service cost, interest expenses/ income, remeasurement gains or loses due to change in demographic and financial assumptions are disclosed at note 31.B.</li> </ul>

## Status of Compliance to Ind ASs notified by MCA:

Ind As Nos.	Nomenclature	Description
		- 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	- 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.



**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 quantitative 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. - he 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	2021-22	2020-21	2019-20	2018-19	2017-18
1	<b>Production:</b>						
	Bauxite	MT	75,11,075	73,65,001	73,02,245	72,30,546	70,25,109
	Alumina Hydrate	MT	21,22,000	20,85,500	21,60,500	21,52,500	21,05,500
	Aluminium	MT	4,60,000	4,18,522	4,18,373	4,40,242	4,25,515
	Power (net)	MU	5,711	6,440	6,067	6,256	6,547
	Wind Power	MU	320	285	312	330	243
2	<b>Export Sales:</b>						
	Alumina	MT	11,54,691	11,84,680	12,40,704	12,44,256	12,76,775
	Aluminium	MT	1,33,085	1,92,174	56,898	38,463	75,847
3	<b>Domestic Sales:</b>						
	Alumina Hydrate and Other Chemicals	MT	77,995	42,992	63,000	73,377	60,641
	Aluminium	MT	3,23,809	2,30,643	3,38,864	4,02,134	3,50,469
	Power (Net)	MU	-	-	-	11	24
	Wind Power	MU	170	148	162	330	243

## 5 YEARS PERFORMANCE AT A GLANCE - FINANCIAL (IN ₹ CRORE)

Sl. No.	Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
<b>A</b>	<b>Income Statement :</b>					
1	Exports	6364.15	5,162.94	3,510.92	4,792.71	4,075.46
2	Domestic Sales	7694.83	3,706.35	4,914.83	6,593.61	5,429.66
3	Gross Sales (1+2)	14,058.98	8,869.29	8,425.75	11,386.32	9,505.12
4	Less : Excise Duty	-	-	-	-	128.96
5	Net Sales (3 - 4)	14,058.98	8,869.29	8,425.75	11,386.32	9,376.16
6	<b>Other Income :</b>					
7	Operating	121.83	86.50	46.09	113.00	113.19
8	Non-operating	297.42	146.60	272.58	325.87	299.65
9	Operating expenses	9,663.65	7,172.97	7,982.61	8,606.79	8,091.90
10	Operating Profit (5+7-9)	4,517.16	1,782.82	489.23	2,892.53	1,397.45
11	Exceptional Items	-	-	-	-	(824.08)
12	Earning before interest, dep. & taxes (EBIDT)(10+8 -11)	4,814.58	1,929.42	761.81	3,218.40	2,521.18
13	Interest & Financing charges	23.12	7.08	5.74	2.38	1.95
14	Earning before dep. & taxes (EBDT) (12-13)	4,791.46	1,922.34	756.07	3,216.02	2519.23
15	Depreciation and Amortisation	836.59	605.82	529.83	476.10	480.40
16	Profit before Tax (PBT) (14-15)	3,954.87	1,316.52	226.24	2,739.92	2,038.83
17	Provision for Tax	1,002.90	16.99	88.01	1,007.52	696.42
18	Net Profit (PAT) (16 - 17)	2,951.97	1,299.53	138.23	1,732.40	1,342.41
<b>B</b>	<b>Balance Sheet :</b>					
19	Equity Capital	918.32	918.32	932.81	932.81	966.46
20	Reserves & Surplus	11,636.32	9,762.38	9,055.26	9,551.70	9,538.35
21	Networth (19+20)	12,554.64	10,680.70	9,988.07	10,484.51	10,504.81
<b>C</b>	<b>Ratios :</b>					
22	Operating Profit Margin (OPM) (%) (10 / 5*100)	32.13	20.10	5.81	25.40	14.90
23	Net Profit Margin (%) (18 / 5 *100)	21.00	14.65	1.64	15.21	14.32
24	Return on Networth (RONW)(%) (18/21*100)	23.51	12.17	1.38	16.52	12.78
<b>D</b>	<b>Others :</b>					
25	Book value per share of ₹ 5 each (in ₹)	68.36	58.15	53.54	56.20	54.35
26	Earnings per share (in ₹)	16.07	6.97	0.74	9.06	6.94
27	Dividend per Share (in ₹)	6.50	3.50	1.50	5.75	5.70

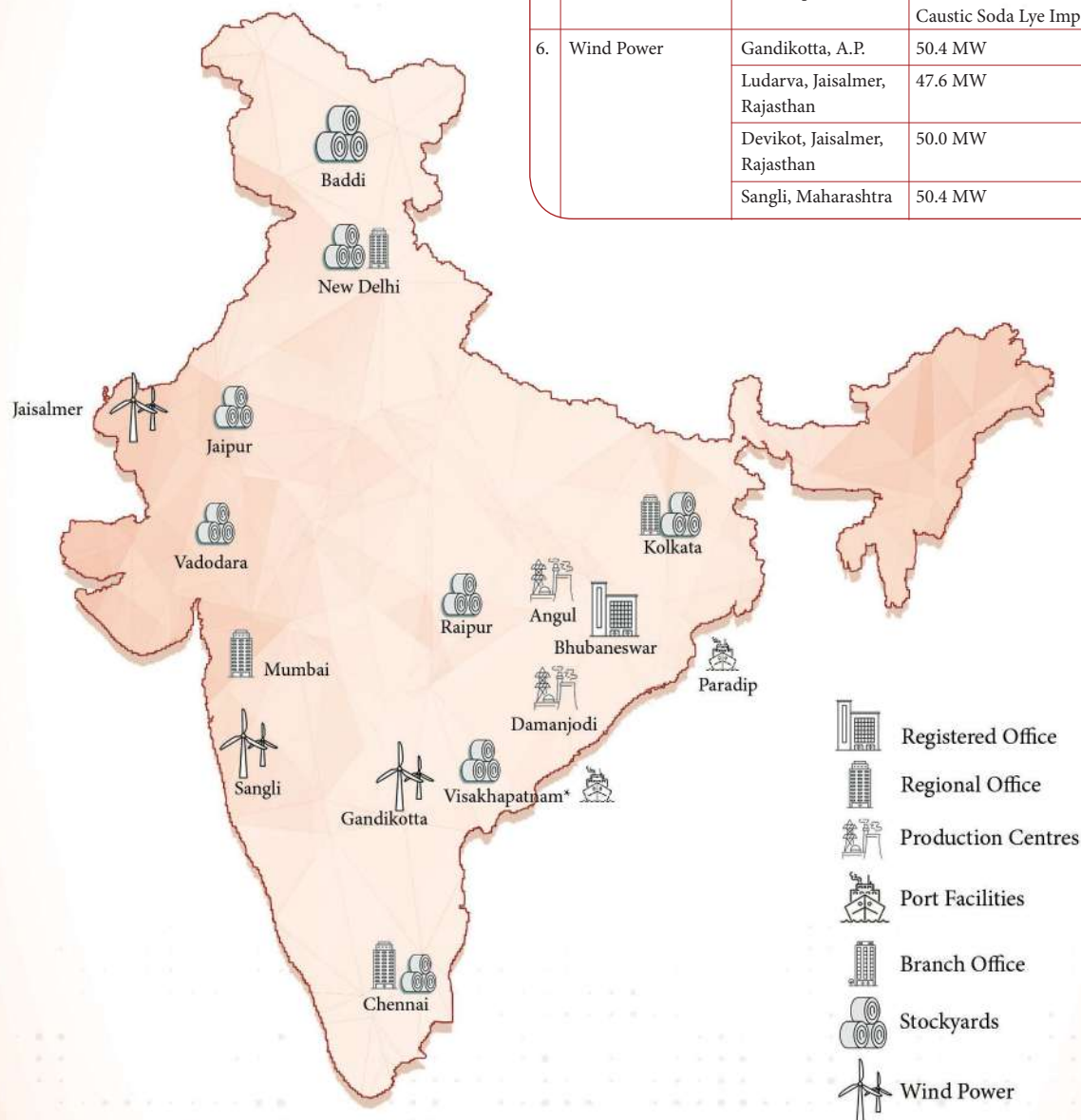
## Reconciliation of Published Quarterly (Reviewed) Financial Results and Annual (Audited) Financial Results for the year 2021-22

(₹ in Crore except Sl. No. 11 and 12)

Sl. No.	Particulars	1st Quarter (Reviewed)	2nd Quarter (Reviewed)	3rd Quarter (Reviewed)	4th Quarter (Audited)	Total of four quarters	Full Year (Audited)	Variances
1	2	3	4	5	6	7	8	9
1	Revenue from Operation	2,474.55	3,592.18	3,773.26	4,340.82	14,180.81	14,180.81	-
2	Other Income	31.74	42.41	71.99	151.28	297.42	297.42	-
3	Total Expenditure Excl. Depreciation	1,895.54	2,466.73	2,584.65	2,739.85	9,686.77	9,686.77	-
4	Depreciation & Provision	149.14	151.79	151.47	384.19	836.59	836.59	-
5	Profit Before Tax & Exceptional Items	461.61	1,016.07	1,109.13	1,368.06	3,954.87	3,954.87	-
6	Exceptional Items	-	-	-	-	-	-	-
7	Profit Before Tax	461.61	1,016.07	1,109.13	1,368.06	3,954.87	3,954.87	-
8	Provision for Tax	113.88	268.37	278.27	342.38	1002.90	1002.90	-
9	Net Profit(PAT)	347.73	747.70	830.86	1,025.68	2,951.97	2,951.97	-
10	Paid-up Equity Share Capital	918.32	918.32	918.32	918.32	918.32	918.32	-
11	Earning per Share (₹) (Not annualised)	1.89	4.07	4.52	5.58	16.07	16.07	-
12	Aggregate of non-promotor Shareholding:							
	Number of Shares	89,48,38,776	89,48,38,776	89,48,38,776	89,48,38,776	-	89,48,38,776	-
	Percentage of Shareholding	48.72	48.72	48.72	48.72	-	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	Gandikotta, A.P.	50.4 MW
		Ludarva, Jaisalmer, Rajasthan	47.6 MW
		Devikot, Jaisalmer, Rajasthan	50.0 MW
		Sangli, Maharashtra	50.4 MW

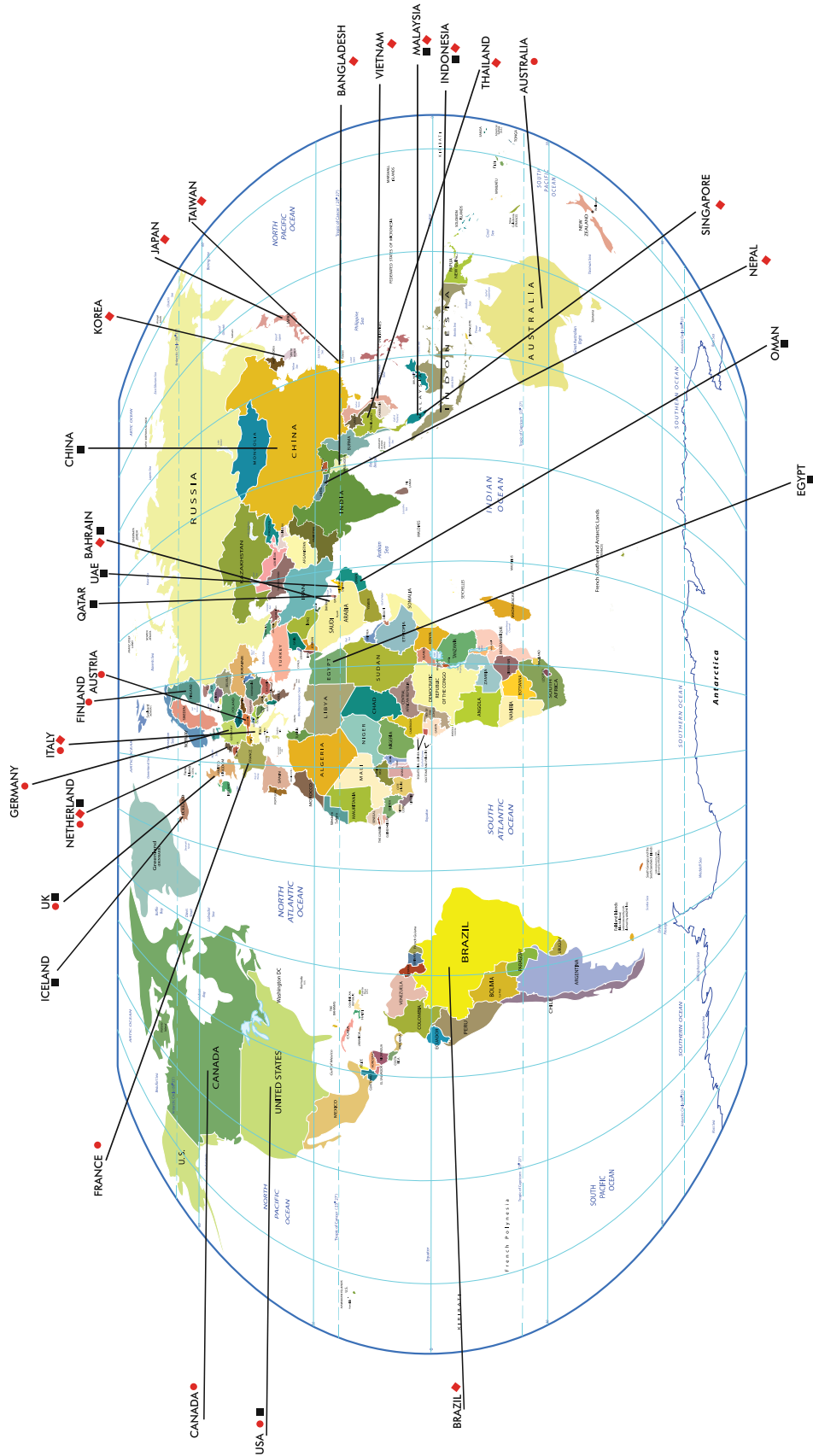


\* Company's own Port facilities





# Global Reach



● TECHNOLOGY ASSOCIATES ■ ALUMINA EXPORT ◆ ALUMINIUM EXPORT



**नालको**  **NALCO**  
**NATIONAL ALUMINIUM COMPANY LIMITED**  
(A Govt. of India Enterprise)  
Nalco Bhawan, P/1, Nayapalli, Bhubaneswar - 751 013, Odisha  
CIN: L27203OR1981GOI000920



@NALCO\_India



fb.com/nalcoindia



www.nalcoindia.com