

Notice

Notice is hereby given that the 11th Annual General Meeting of the Shareholders of National Aluminium Company Limited will be held at the Registered Office of the company at IDCO Towers, Bhubaneswar at 11.30 hours on Wednesday, 30th September, 1992 to transact the following business:

1. To consider and adopt the audited Balance Sheet and the Profit and Loss Account for the year ended 31st March'92 the Report of the Directors, Auditors and the comments of the Comptroller & Auditor General of India thereon.
2. To consider declaration of dividend on the Equity Shares of the Company.

Bhubaneswar
Dated: 26th August, 1992

By order of the Board
Sd/-
(N.S. Parameswaran)
Company Secretary

- Notes:
1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself. A Proxy need not be a member of the Company.
 2. The Register of Members and the Share Transfer Register of the Company will remain closed for the purpose of declaration of dividend from Wednesday, 23rd Sept'92 to 30th Sept, '92 both days inclusive.
 3. Dividend, if declared at the meeting, will be payable to those members whose names appear on the Register of members of the Company on 30.9.92.

- To:
1. All shareholders
 2. Taj Raj & Pal,
Chartered Accountants,
1, Kalpana Square,
Bhubaneswar- 751 014.

01. Directors' Report.

02. Annexures to the Directors' Report.

- A. Information U/S 217(2A)
- B. Statement of Particulars under the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988
- C. Review of Accounts by C&AG

Directors' Report

The Shareholders,
National Aluminium Company Ltd.,
Bhubaneswar.

Gentlemen,

The directors have pleasure in presenting the Eleventh Annual Report of the Company and audited accounts for the financial year ended 31st March, 1992. The review of accounts of the Company by the Comptroller & Auditor General of India in terms of Section 619(4) of the Companies Act, 1956 for the year is annexed as part of the report.

1.0 PERFORMANCE HIGHLIGHTS

The Performance highlights are indicated below:

Production :

Products	1991-92	1990-91
Bauxite(T)	18,60,000	19,20,000
Alumina (T)	6,72,200	6,52,485
Aluminium (T)	1,92,022	1,51,330
Electricity (Net Generation) (MU)	3,531	2,654
Sales (Exports)		
Alumina (T)	3,76,270	3,28,782
Aluminium (T)	61,117	27,877
Sales (Domestic)		
Aluminium (T)	1,08,302	1,28,813
Foreign Exchange earnings (Rs crores)	386.32	277.89
Sales Turnover (Rs crores)	974.03	884.04

The Company had signed a Memorandum of Understanding for the year 1991-92 with the Govt. of India covering various areas like project implementation, process efficiency, production performance, dynamic efficiency, financial performance and energy conservation. It is gratifying to note that despite market uncertainty, continued depressed prices of aluminium in London Metal-Exchange, glut in domestic market, restrictions in Railway movements, breakdown of Ball Mill in the Alumina Plant, problem faced on account of agitation by Land Displaced Persons, Truck owners strike, your Company met the targets of the Memorandum of Understanding with the Govt. and attained "Very Good" performance rating.

2.0 FINANCIAL HIGHLIGHTS

- 2.1 The Directors are glad to inform that the Company registered profit for the fourth year in succession after the commencement of commercial production during 1987-88. The operating results for the financial year ended 31st March, 92 showed a profit of Rs. 50 crores against Rs. 80 crores of the previous year inspite of adverse trend of international prices of Primary Aluminium Metal and Alumina and adverse impact of Rupee parity adjustment vis-à-vis foreign currencies in two steps June, 91/July, 91 and Feb. 92.

2.2 The Financial highlights are summarized below

		(Rupees in crores)	
		1991-92	1990-91
1.	Sales		
	Domestic	588	606
	Exports	386	278
	US \$	151 Min	154 min
2.	Other income including accretion of stock	<u>128</u>	<u>73</u>
3.	Total Income	<u>1102</u>	<u>957</u>
4.	Manufacturing expenses	487	386
5.	Excise Duty	125	131
6.	Selling and distribution Expenses	23	13
7.	Interest and Financing charges	190	184
8.	Depreciation	<u>227</u>	<u>163</u>
9.	Total	1052	877
10.	Net Profit for the year	50	80

2.3 Maiden Dividend

A refreshing feature during the current year in that your Company propose to declare, to start with, a modest dividend of 1.20% of the equity capital of Rs. 1288.62 crores, subject to approval of the Govt. of India.

During the year, the expenditure on publicity and exhibitions was Rs. 54.00 lakhs (Rs. 41.41 lakhs previous year) and expenditure on entertainment was Rs. 6.35 lakhs (Rs. 4.63 lakhs previous year).

3.0 SHARE CAPITAL

3.1 Disinvestment of shares by the Govt. of India

The Authorised Capital of the Company continued to remain at Rs. 1300 crores. The paid-up Capital of Rs. 1288.62 crores was wholly owned by the Govt. of India. In pursuance of the decision of the Govt. of India, partial disinvestments of shares of selected Public Sector Enterprises was made during the financial year 1991-92. The Govt. of India has allotted 3,50,99,900 shares of your Company to different Financial Institutions like Unit Trust of India, General Insurance Corporation of India and its subsidiaries and Mutual Funds. The Stock Exchanges at New Delhi, Calcutta and Bhubaneswar have listed the Company's shares and the applications for listing in other major Stock Exchanges at Bombay and Madras are under favourable consideration.

4.0 EURO DOLLAR LOANS

The project cost was financed through two foreign currency commercial loans totaling US\$ 980 million, French Credit of FF 1050 million and the balance by equity contribution by the Govt. of India. The Company met its loan repayment and interest payment obligations during the year on due dates. In terms of US Dollars, the loan outstanding is US \$ 835 million as on 31st March, 92. In Rupee terms the liability increased to Rs. 2638 crores at the end of 1991-92 against Rs. 1794 crores of the previous year.

The Reserve Bank of India announced a two step Rupee parity adjustment vis-à-vis other currencies in July, 91 & Feb. 92. Consequential depreciation of Rupee value against US Dollar was to the tune of 56% compared to exchange rates prevailing as per 31st March, 91. Impact of depreciation of rupee value had resulted in far reaching implications on the operating results of the Company for the year and would continue during the coming years.

With a view to neutralize the adverse impact of currency fluctuations, the Company has been taking concrete steps for proactive foreign debt liability management.

5.0 PROJECT IMPLEMENTATION

All the segments of the existing projects of Mines and Alumina Refinery Complex at Damanjodi and smelter & Captive Power Plant at Angul have been completed and commissioned. 480 pots in the Smelter have been mechanically completed and 402 pots were in operation as on 31.3.92. The VIth unit of the CPP of 120 MW for augmenting supply of electric power to Smelter and Billet Casting Facilities in the Smelter have been taken up for implementation.

5.1 VIth Unit of Captive Power Plant

As reported last year, the installation and commissioning of the VIth unit of CPP has been progressing satisfactorily. There has however, been some delay in procurement of imported components of TG and Boiler by the principal supplier. It is expected that the unit would be commissioned by January, 94.

5.2 Billet Casting Facility

The Civil works have already commenced and it is expected that the project would be completed alongwith VIth Unit of CPP.

6.0 SYSTEMS SUPPORT

6.1 Coal Handling Plant

To meet the requirement of coal for CPP from Bharatpur Colliery Mahanadi Coal Fields Ltd. are to install Coal Handling Plant with rapid loading system. The Phase-I consisting of ground bunker and silo for storage and loading of wagons have been completed and commissioned. The Phase-II consisting of mine head establishment and conveying system from Mines to ground bunker at loading point is nearing completion and expected to be ready by end of 2nd quarter of 1992-93.

6.2 Railway Koraput-Rayagada Line

The 163km length Koraput-Rayagada line to link Koraput to Vizianagaram is passing through a difficult hilly terrain. Major technical problems have been encountered by the Railways while tunneling of tunnel no. 22 between Liliguma and Balmaska. An expert organization has been deployed, who has taken technical expertise from an Italian firm, to tackle this problem. Apart from this tunnel, the linking work on both sides has been practically done. It is hoped that this line would be available for trial run after mid 1992. On completion of this project, the movement of raw material and finished product from Damanjodi would be expected to improve.

6.3 220 KV Transmission Line from TTPS to Rengali

This transmission line is essential to meet contingency of power throw-off condition from Smelter Unit to avoid tripping of units of CPP. In spite of constant follow up, OSEB has not yet started the work on alignment, for which forest clearance was accorded. OSEB has submitted revised estimate and have requested for payment of additional amount. We have expressed our inability to accept the revised estimate and have requested OSEB to furnish detailed justification for estimate and also furnish the details of new scheme of inter-connection with other load centers like NTPC etc. The same is awaited from OSEB.

7.0 EXPANSION PROGRAMMES

7.1 Expansion including Downstream Facilities

Your Company has submitted a proposal for expansion of the existing capacity of the Integrated Aluminium Complex as under :

Unit	Existing capacity (Tpy)	Additional capacity (Tpy)	Capacity after expansion (Tpy)
Bauxite Mine	24,00,000	24,00,000	48,00,000
Alumina Refinery	8,00,000	5,50,000	13,50,000
Aluminium Smelter	2,18,000	1,27,000	3,45,000
CPP	6 × 120 MW	2 × 120 MW	8 × 120 MW
Semi-fabrication facilities	New	36,000	36,000

Pre-PIB meeting held in Feb. 91 recommended the proposal subject to clearance of CEA and Deptt. of Environment. The clearance of CEA and State Electricity Board has been obtained. Environmental clearance has also been accorded for Smelter, Captive Power Plant and Alumina Refinery except for Bauxite Mines which is expected shortly.

7.2 100% EOU Alumina Plant with Hydro Aluminium AS Norway (Hydro)

Your Company has signed a Project Cooperation agreement with Hydro Aluminium, a.s., Norway (Hydro) to carry out a joint study for feasibility of setting up of 100% Export Oriented Alumina Plant of 0.9 mln. tpa capacity.

7.3 Ancillary Development

The Company has adopted the Govt. of India guidelines and developed its policy on encouragement to the SSI units, registration of Ancillary Industries and award of Ancillary status. NALCO's involvement with SSI units, local manufacturers, local contractors and State Agencies had been encouraging. The industrial opportunities have also been identified jointly with IPICOL & Director of Industries Orissa and given wide publicity, resulting in establishment of a number of small/medium scale units in and around NALCO Projects sites and elsewhere in Orissa.

8.0 ENVIRONMENT

The Company continues to give utmost importance to environmental problems. To contribute to cleaner atmosphere and safe disposal of industrial waste, constant monitoring of emissions from the plants, air and water in the specified areas are carried out. A senior level officer has been assigned the task of coordination with the statutory bodies and identified officers at the units to ensure maintaining of norms and quality of air and water.

The Company has planted millions of trees in the Mines and Refinery Complex and Smelter & CPP and brought out a dramatic change in landscape development and plantation.

9.0 CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

In terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, disclosure of particulars with regard to conservation of energy, technology absorption and foreign exchange earning and outgo etc. are given in Annexure to the report.

10.0 MARKETING

The year 1991 was not favourable for the aluminium industry. In view of the large supplies of aluminium in the world market by the former Soviet Union, the London Metal Exchange (LME) stock reached one of the highest levels during the decade resulting in fall in metal prices. Aluminium spot prices reached a level below US \$ 1100 pmt.

Your Company has earned a good name in the overseas market and lived upto the expectation of the overseas buyers of aluminium metal.

10.1 Star Trading House

In recognition of its efforts to maximize foreign exchange earnings, your Company has the unique distinction of being the only Public Sector Enterprise to be awarded the Star Trading House status by the Govt. of India on 22nd Jan '92.

Your company's range of exports cover Calcined Alumina, Alumina Hydrate, Aluminium ingots and Aluminium Wire Rods. The Company has been exploring new markets for aluminium conductors in South East Asian countries and hopes to bag substantial contracts soon.

11.0 RESEARCH AND DEVELOPMENT

11.1 Collaborative R&D

As reported in the previous year, techno-economic feasibility studies for the manufacture of Aluminium-Silicon Alloys by Electro-thermal smelting process has been taken up jointly by the Company and VAMI (USSR) under UNDP assistance programme. Although the project envisages the use of a non-conventional, energy efficient and innovative process for producing Al-Si alloys, its implementation has been deferred because of financial constraints and other changes in the former Soviet Union.

Your Company and C-MET, Hyderabad have submitted a joint project proposal to the Govt. of India for putting up the facilities for extraction of gallium of 2 tpa capacity from Bayer liquor to 3N/4N purity at Damanjodi and its subsequent refining and characterization up to 6N/7N purity at C-MET, Hyderabad. Decision of the Govt. of India is awaited.

The Company has also taken up for indigenous development of cementation process for recovery of Gallium metal from Bayer liquor at CECRI, Karaikudi with the assistance of National Research Development Corporation.

Defence Metallurgical Research Laboratory, Hyderabad and Non-ferrous Materials Technology Development Centre have proposed to set up a pilot plant for development of Al-Li alloys using the Company's high purity aluminium metal. Two tones of Al-Li alloy sheets processed in Russia from the Company's metal have undergone various technical tests for complete evaluation of the products before its supply and use for light combat air-craft by Aeronautical Development Authority.

Your Company is also associated with various R & D works on Al-alloys including master alloys and Al-Li alloy which are in progress at NFTDC, Hyderabad. Some of the Al-alloys like Al-3% Zr, Al-5% Ti developed at NFTDC, Hyderabad has been supplied to Ordnance factory Ambajhari for their use. Al-Ti-B alloys have also been developed for use as grain refiner by aluminium industry.

11.2 In House R & D

Development of special alumina products like dry hydrate, super pure hydrate and high alpha alumina is in progress at NALCO's laboratory at Damanjodi.

- Studies are being conducted to examine the possibilities of making cement from waste products like fly-ash, lime grit and red mud.
- Laboratory scale work to recover alumina from Kelly filter mud has been carried out successfully.
- Using the pilot set up, it has been observed that the Damanjodi red mud can be thickened to the extent of 60% solid content by use of synthetic flocculent and the thickened mud is stackable.
- Development of a mathematical model for the process control of digestion unit has been undertaken for process automation.
- Substitution of standard cathode carbon blocks by graphitised carbon blocks, insulation bricks by Hysil calcium silicate panels in our smelter areas are being studied.
- For alloy development activities, ingot casting machine and induction furnace have already been procured. Meanwhile 750 Mt of alloys Al-Si 132, LM-6, LM-2 and AC-4B has been produced by utilizing existing facilities.

12.0 PERSONNEL & INDUSTRIAL RELATIONS

- 12.1 During the year, the work force of the Company continued to remain well within the approved man power. As on 31st March, 92 the Company employed 1018 executives and 4344 non-executives. Besides 25 Graduate Engineer Trainees, 68 Operative Trainees and 21 Trainee Assistants are undergoing training.

[Particulars of employees as required by Section 217\(2A\) of the Companies Act 1956 are given in the Annexure to this report.](#)

- 12.2 Special attention has been given to the Human Resources Development in the Company. During the year, 92 in-house Development Programmes were organized covering 1397 employees for 5435 mandays. Two hundred eight executives were sponsored for training programmes, seminars and conferences within the country. Eight employees were sponsored under Colombo Plan and other programmes for training abroad.

12.3 Scheduled Castes/Scheduled Tribes

Efforts were continued to improve the representation of SC/ST communities in employment. As on 31.3.92, there were 933 employees belonging to Scheduled Castes and 989 employees belonging to Scheduled Tribes community on employment out of the total strength of 5476 including the trainees. The overall representation works out to 17.04% and 18.06% respectively for Scheduled Castes/Scheduled Tribes.

12.4 Industrial Relations

The Company continued to maintain cordial Industrial Relations with the employees. In the company's township at Damanjodi, Angul and Bhubaneswar, medial and sports facilities within and around the residential quarters were improved.

During the year, the production incentive scheme for the non-executives was reviewed, finalized and tripartite settlements were signed with the Unions of all the units.

All our managers, employees and staff have put in their sincere efforts for meeting production and export targets.

12.5 Use of Hindi

Your Company continued to encourage use of Hindi for official business. "Hindi Week celebrations", and "Kavi Sammelan" were organized in the Corporate Office and Units. Several other steps like Hindi Essay Competition, Publications of Company newsletter in Hindi organizing Quiz programme were taken for propagating the use of Hindi. Department of Official Language has expressed satisfaction of use of Hindi in your Company.

12.6 Presidential Directives

Presidential Directives contained in Department of Mines letter No. 6(4) 90-Met. IV, dtd. 27.2.91 with regard to issue of directives not to revise some allowances and perquisites in respect of executive employees, continue to be in force.

In terms of Article 69 of the Articles of Association, the Company had not received any Presidential Directives from the Govt. of India during the financial year 1991-92.

12.7 Vigilance

Vigilance Deptt. continued to perform the following vigilance activities:

- creation of vigilance awareness among employees.
- investigation of specific cases
- liaison with State and Central Govt. Vigilance Depts.

13.0 DIRECTORS

Govt. of India has appointed Shri S.N. Johri as Chairman-cum-Managing Director of the Company with effect from 18.6.92. Shri K.V.B. Pantulu, Chairman-cum-Managing Director of the Company handed over charge to Shri Johri on 31st Oct. 91. Shri Pantulu joined the Company in Sept. 1983 during the formative stages and contributed for the successful completion of the Alumina-Aluminium Project and commencement of commercial production within the scheduled dates. Shri S.H. Azad, Director (P&T) relinquished office on 26.10.91 on his appointment as CMD of BALCO. The Board placed on record their appreciation for their valuable contribution to the Company during its formative stages.

Consequent on their transfers Smt. S.J. Das, Secretary, Industries Department, Govt. of Orissa and Shri A. Ramji, COPS, SE Railway ceased to be Directors of the Company. The Board wish to record their appreciation for their valuable services. Shri S.N. Mishra, Joint Secretary, Ministry of Mines also ceased to be a Director consequent on his transfer from the Ministry of Mines. Company has benefited by his positive contribution in the deliberations of the Board and his valuable guidance for dealing with various matters with the Govt. of India and Govt. of Orissa.

14. ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for assistance received from the Ministry of Mines, Govt. of India. Govt. of Orissa, Railways, Coal India Limited and the Orissa State Electricity Board. We are thankful for the excellent cooperation we had received from all our customers in India and abroad. Thanks are also due to our technical consultants namely Aluminium Pechiney, France, Engineers India Limited, Development Consultants of India Ltd. Etc and financial institutions for their continued cooperation.

For & on behalf of the Board

(S.N. JOHRI)
Chairman-cum-Managing Director

Annexure to the Director's Report

Statement of particulars under the companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

In Nalco considerably emphasis has been given in the selection of process technology and associated systems for achieving the energy efficiency of the plant to the optimum level. The energy balance and loss pattern in different process units is being reviewed and investigated regularly. An inter-unit energy workshop was also conducted for exchanging views on energy consumption.

(a) Energy Conservation Measures taken

Mines & Refinery

- Use of Cable belt system with power regeneration facilities for bauxite transportation.
- Mechanical agitation system with Ekato agitators for good agitation and energy efficiency.
- Computer based maintenance system.
- Pumps with mechanical seals for reducing energy requirement for evaporation.
- Use of 1400 TPD Fluidised bed calciner for calcinations of Alumina Hydrate.
- Creation of Energy audit cells for reducing wastage of energy due to leakages, etc.

Smelter

- Regulation of opening parameters of pots with the help of computerized system.
- Reduction in heat losses from pots by proper hooding and center feeding.
- Low energy, high amperage pots for aluminium smelting.
- Atomised fuel heating system in baking furnace.
- Increased availability of auxiliary machineries and equipments.

Captive Power Plant

- Process optimization via instrumentation and equipment design.
- Plant operation with high load factor of more than 70%.
- Computerised firing of burners to get high thermal efficiency.
- High pressure barrel type turbine system with bypass facilities both at high pressure & low pressure.
- Fully automatic operation of turbine run up system.

(b) Additional Investment and Proposals being implemented

Following are few proposals planned for future to reduce specific energy consumption.

- MP/LP steam line modification.
- Use of fuel oil additive.
- Commissioning of load shedding scheme (Island operation).
- Recommission of economiser soot blower.
- Heat recovery from excess sodic condensate.
- Auto combustion control system in boiler.
- Use of Hysil panels in place of Bil insulation bricks in pots.
- Use of graphitised cathode Carbon Block in place of usual Carbon Blocks.
- Checks of Steam Traps and Steam Leakages.
- Utilisation of waste heat etc.

(c) Impact of Measures (a) & (b) above

Due to the superiority of the technology adopted and various other energy economy measures taken for the plant during the design stage itself, the norms for energy consumption of Nalco is comparable to the international standards. In spite of lower capacity utilization of the plant, the energy conservation measures helped Nalco to keep its energy consumption figures for 1991-92 lower when compared with the previous years figures as well as with the norms.

(d) Total Energy Consumption and Energy Consumption per Unit

[The figures are given in Form 'A'.](#)

Form-A
(See Rule - 2)

A. Power and Fuel Consumption

		Captive Power Plant Angul		Alumina Refinery, Damanjodi	
		Current Year (1991-92)	Previous Year (1990-91)	Current Year (1991-92)	Previous Year (1990-91)
1	Electricity				
a)	Purchased from OSEB				
	Unit (Million KWH)	8.77	7.235	69.9	62.26
	Total amount (Rs.in lakhs)	103.11	88.99	566.19	646.18
	Average rate (Rs./KWH)	1.18	1.23	0.81	1.038
b)	Own Generation				
	Through Diesel Generator	Not applicable		Not applicable	
	Unit				
	Unit per Ltr. Of Diesel Oil				
	Cost/Unit				
c)	Through Steam Turbine/Generator				
	Unit (Million KWH)	3929	2973.2	175.95	183.87
	Energy cost per unit (Coal and Fuel Oil) (Rs./KWH)	0.2134	0.2321	-	-
2	Coal (Specify Quality and where used)				
	Quality'G'Grade				
	Quantity (Tonnes)	3236299	2413999	455821	453825
	Total Cost (Rs.. In lakhs)	6964.22	5597.52	2473.60	2573.03
	Average rate (Rs./Tonnes)	215.20	231.97	542.67	566.96
3	Fuel Oil & LDO				

		Captive Power Plant, Angul		Alumina Refinery, Damanjodi		Smelter, Angul	
		1991-92	1990-91	1991-92	1990-91	1991-92	1990-91
Quantity	KL	13346	20219	63718	64953	16658	13750
Total amount	Rs. in lakhs	572	727	2703	2340	727	494
Average rate	Rs./KL	4286	3598	4242	3602	4367	3597

B. Consumption per unit of Production

		Standards (if any)	Current year 1991-92	Previous year 1990-91
Products (with details) Unit				
1 Alumina Refinery, Damanjodi				
a. Power	KWH/Ton	380	365.7	375.95
b. Fuel oil for calcination	KG/Ton	85.3	85.9	82.44
c. Coal for steam	KG/Ton	750	678	668.3
d. Oil for steam	KG/Ton	10	8.35	10.89
2 Smelter, Angul				
a. AC Energy	KWH/Ton	14600	15119	15543
b. Fuel oil	KG/Ton	95	82.24	86.4
c. Others				
i. C.P. Coke	KG/Ton	408	396.64	424.7
ii. C.T. Pitch	KG/Ton	106.5	95.54	107.8

B. TECHNOLOGY ABSORPTION**Efforts made in technology absorption****Form-B****I. Research and Development****1. Specific areas in which R & D carried out by the company**

- (a) In-house R&D activities
 - Extraction of alumina from Kelly filter mud.
 - Deep thickening of Nalco's Red mud.
 - Examine the possibilities for utilization of waste products like fly ash, red mud and lime grit for making cement, etc.
 - Development of special alumina products.
 - Process computerization for Digestion unit.
 - Substitution of cathode carbon blocks by Graphitized carbon blocks.
 - Use of Hysil calcium silicate as a substitute for EIL insulation bricks.
 - Development of Special Aluminium alloys and other value added products.
- (b) Collaborative R & D work.
 - "Techno-economic feasibility for Electro-thermal smelting of Al-Si alloys" in collaboration with UNDP and VAMI, USSR.
 - 'Al-Li alloy development work' with DMRL and NFTDC.
 - Development of Al-based master alloys and grain refiners at NFTDC.
 - 'Extraction of Gallium from Bayer's liquor, its refining and characterization to 6N/7N purity' with C-MET, Hyderabad and UNDP.
 - "Indigenous Development of Cementation process for Gallium extraction" with CECRI.

2. Benefits derived as a result of the above R&D work

- i) Improvement in productivity at Alumina Plant.
- ii) Improvement in operating parameters.
- iii) Availability of special alloys & value added products.
- iv) Reduction in energy consumption and raw materials.

3. Future Plan of Action

- i) Development of aluminium alloy sacrificial anodes for cathodic protection.
- ii) Establishment of In-house R&D facilities.
- iii) To continue the present collaborative R&D activities.
- iv) To identify new topics for R&D activities both for In-house and collaborative R&D work.

4. Expenditure on R&D

	1991-92	1990-91
(a) Capital	—	—
(b) Recurring	6.13	5.16
(c) Total	6.13	5.16
(d) Total R&D expenditure as percentage of turnover	0.006%	0.006%

II. Technology Absorption, Adaptation and Innovation**1. Efforts made in brief**

It has been a regular endeavour of Nalco's team of technical personnel to reduce dependence on imported technologies. The creation of planning and design cells at Alumina Refinery, Smelter and Power Plant is a step in this direction. R&D work is being carried out to adopt the imported technology to suit Indian conditions. Our import substitution depts. As sites are working for indigenisation of foreign spares for our plant and machineries.

Nalco's engineers and scientists are sent abroad to visit modern plants for training and upgradation. Participation in international/national seminars, symposiums and workshop is encouraged for exchange of views and updation of information in the filed of aluminium technology. The company has entered into an agreement with Aluminium Pechiney, France for technical assistance, as and when required.

2. Benefits derived as result of the above efforts

Import substitutions, savings in foreign exchange, cost reduction, improvement in process parameters and movement towards self-sufficiency are some of the derived benefits.

3. Details of Technology imported during the past 5 years

- a) Technology Imported Nil
- b) Year of Import Not applicable
- c) Has Technology been fully absorbed Not applicable
- d) If not full absorbed, where this has not taken place, reason thereof and future plan of action Not applicable

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**(a) Activities relating to exports**

The International market scenario was depressed during the year 1991-92. Metal prices dropped from around US \$ 1392 pmt in April 1991 to around US \$ 1100 pmt in Dec. '91. Besides, exports of metal from the former Soviet Union to world markets increased sharply and thereby it became difficult to obtain better realization.

With a view to have regular shipments, your Company had entered into long term contracts with two major international buyers for supply of about 8,00,000 tonnes of alumina during the next 2-3 years.

The physical achievements are indicated below:

Products	Target	1991-92 Actual
Calcined Alumina (Tonnes)	4,00,000	3,76,270
Metal (Tonnes)	60,000	61,117

b) Total foreign exchange used and earned

Particulars	(Rs. in crores)	
	1991-92	1990-91
Foreign exchange earnings	386.32	277.89
Foreign exchange outgo	246.70	218.09

Annexure to the Directors' Report

Information as per Sec. 217(2A) of the Companies Act, 1956 forming part of Directors' Report for the year ended 31.3.92

Sl.No.	Name	Designation of the employee	Remuneration recd. (Rupees)	Nature of Employment whether contractual or otherwise	Other terms & conditions	Nature of duties of the employees	Qualification & experience (years)	Date of commencement of employment	Age on 31.3.92 (years)	Last employment held before joining the Co.	Percentage of equity shares held by the employees in the Company
1	2	3	4	5	6	7	8	9	10	11	12
1	Johri SN	CMD	1,78,701	Presidential appointment/ tenure contract	As per Company's Rules/Schemes	Chairman and Managing Director	M.Sc. (Math) M.Sc. (Stat) LL.B. F.C.S. 28 Yrs.	4.6.84	51	GM (Pers) & Secy., KIOCL	Nil
2	Rao RB	Director (Finance)	1,65,676	-do-	-do-	Functional Director	B.Com., A.I.C.W.A. 34 Yrs.	30.4.82	55	Financial Controller, HAL	Nil
3	Dr. Tamotia SK	ED (Project, & Mgt. Information Systems)	1,76,139	Regular	-do-	Managerial	BE (Hon) Civil Engg. ME in Soil & Foundation Engg. 29 Yrs.	24.2.84	53	Chief (Design, Plg. & Contracts) KIOCL	Nil
4	Agarwal SS	GM (Projects)	1,87,485	-do-	-do-	-do-	BE (Hons) Mech. Engg. 32 Yrs.	27.5.82	56	Works Manager, BALCO	Nil
5	Pany NC	O.S.D. (Finance)	1,69,933	-do-	-do-	-do-	B.Com., A.I.C.W.A. 26 Yrs.	5.4.82	50	Controller of Finance, HZL	Nil
6	Choudhury A	Chief of Aviation	2,00,776	-do-	-do-	-do-	B.A.PGDM 26 Yrs.	1.10.84	47	Pilot, IMFA Ltd.	Nil
7	Satapathy PK	Medical Suptd.,	1,63,597	-do-	-do-	-do-	MBBS MD (Path.) 19 Yrs.	12.11.86	42	ir. Specialist (Path.) BSP SAIL	Nil
8	Rao NVT	DFM	1,48,041	-do-	-do-	-do-	B.Com., S.A.S. 30 Yrs.	11.11.83	51	Accounts Officer, AG, Orissa	Nil
Employed for part of the year											
1	Pantulu KVB	CMD	1,33,445	Presidential appointment	-do-	CMD	BE (Civil) 37 Yrs.	12.9.83	58	Consultant	Nil

NOTES: 1 Remuneration excludes leave travel concession and medical reimbursement but includes contribution to Provident Fund.

2 None of the employees mentioned above is a relative of any of the Directors of the Company.

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NATIONAL ALUMINIUM COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH, 1992

COMMENT

REPLY

1. BALANCE SHEET

Sources of Funds

Shareholders Funds — Share Capital

Issued, Subscribed and Paid-Up (Schedule 1.1)
128,86,19,200 Equity Shares of Rs.10/- each fully paid up.

In the issued, Subscribed and Paid-up Share Capital of Rs. 128861.92 lakhs, the Shareholding of the Govt. of India has come down from Rs. 128861.92 lakhs to Rs. 125351.93 lakhs consequent on sale of shares of nominal value of Rs. 3509.99 lakhs.

The comment contains factual information.

Sd/-
(U. Bhattacharya)
Principal Director of Commercial
Audit & Ex-officio Member,
Audit Board-I, Calcutta,
28th Sept. 1992.

For and on behalf of the Board of Directors

Sd/-
(S.N. Johri)
Chairman-cum-Managing Director

Review of the Accounts of National Aluminium Company Limited for the year ended 31st March 1992 by the Comptroller & Auditor General of India

1. FINANCIAL POSITION

The table below summarises the financial position of the Company under broad headings for the last three years:

		(Rs. in lakhs)		
Liabilities		1989-90	1990-91	1991-92
a)	Paid-up Capital	128861.92	128861.92	128861.92
b)	Reserves & Surplus:			
	i) Surplus	12167.30	19361.16	25275.58
	ii) Committed Reserves	-	-	-
c)	Borrowings From :-			
	i) Consortium of International banks	168861.08	179369.16	263721.57
	ii) Housing Development Finance Corpn. Ltd.	94.90	91.95	88.58
	iii) Bank: Cash Credit	1409.32	834.35	1396.27
	Export Packing Credit	2499.14	3253.11	-
d)	Current Liabilities & Provisions	24079.20	23094.23	24534.56
	Total	337972.86	354866.08	443878.48
Assets				
e)	Gross Block	280744.92	308800.42	400726.77
f)	Less : Cumulative Depreciation	33054.11	49327.19	72068.29
g)	Net Block	247690.81	259473.23	328658.48
h)	Capital Work-in-progress	14601.67	13393.48	18953.46
i)	Capitalised Expenditure(to the extent not written off)	7311.25	6655.73	9524.77
j)	Investment	8562.44	986.22	980.84
k)	Current Assets, Loans and Advances	59806.69	74357.42	85760.93
	Total	337972.86	354866.08	443878.48
	Capital Employed (g+k-d)	283418.30	310736.42	389884.85
	Net worth [a+b(i)-i]	133717.97	141567.35	144612.73
	Net worth per rupee of Paid-up Capital (in Rs.)	1.04	1.10	1.12

2. CAPITAL STRUCTURE

- i) The debt-equity ratio of the company was 1.20:1 in 1989-90 1.21:1 in 1990-91 and 1.71:1 in 1991-92. The ratio increased mainly due to increase in book value of loans taken from Consortium of International Banks due to variation in foreign exchange rates.

3. LIQUIDITY AND SOLVENCY

- i) The liquidity of the Company in terms of percentage of current assets to total net assets of the company was low at 18% in 1989-90, 21% in 1990-91 and 20% in 1991-92
- ii) The percentage of current assets to current liabilities(including provisions) which is a measure of solvency was high at 348 in 1989-90, 322 in 1990-91 & 350 in 1991-92.
- iii) The percentage of quick assets (Sundry Debtors, loans and advances given, cash and bank balance) to current liabilities (excluding provisions) which is another measure of solvency was also high at 193 in 1989-90, 275 in 1990-91 and 295 in 1991-92.

4. WORKING CAPITAL

The percentage of working capital to sales was 41,57 and 61 during the years 1989-90, 1990-91 and 1991-92 respectively. The deterioration in the turnover of Working Capital was mainly due to accumulation of inventory and increase in debtors.

5. SOURCES AND USES OF FUNDS

Funds amounting to 110318.55 from internal and external sources were realised and utilised during the year as shown below :

	Rs. in Lakhs
Sources of funds	
a) Addition to Reserves & Surplus	5914.42
b) Addition to Cumulative Depreciation	22741.10
c) Addition to Borrowed funds	81657.65
d) Disinvestment	5.38
Total inflow of funds during the year	110318.55
Utilisation of funds	
a) Addition to Gross Block	91926.35
b) Addition to Capital Work-in-progress	5559.98
c) Increase to Capitalised Expenditure(to the extent not written off)	2869.04
d) Addition to Current Assets, Loans & Advances	11403.51
e) Less Addition to Current Liabilities & Provision	(-)1440.33
Total utilisation of funds during the year	110318.55

6. WORKING RESULTS

The working results of the Company in the last three years are given below :

	(Rs. in lakhs)		
	1989-90	1990-91	1991-92
1. Sales	87197.80	90233.53	100018.31
2. Profit/Loss(-) before tax	15686.78	7193.86	5914.42

3.	Net profit/Loss(-) after Tax	15686.78	7193.86	5914.42
4.	Percentage of profit before tax			
	a) To Sales	17.99	7.97	5.91
	b) Capital employed	5.53	2.32	1.52
5.	Percentage of profit after tax			
	a) To net worth	11.73	5.08	4.09
	b) To equity Capital	12.17	5.58	4.59
6.	Closing Stock of finished goods	5742.98	5902.29	10136.58
7.	Percentage of finished goods to Sales	6.59	6.54	10.13

The finished goods as a percentage of sales has gone up in 91-92 indicating need for review of marketing efforts.

7. INVENTORY LEVELS

The inventory levels at the close of last three years is given below:

		(Rs. in lakhs)		
		1989-90	1990-91	1991-92
i)	Raw materials	1925.28	1892.22	3259.32
ii)	Stores & Spares	10106.23	12883.00	15400.62

8. SUNDRY DEBTORS

The Sundry debts vis a vis sales in the last three years are given below :

				(Rs. in lakhs)	
As on	Sundry Debtors considered good	Sundry Debtors considered doubtful	Total Sundry Debts	Sales	Percentage of sundry debts to sales
31.03.90	10105.80	-	10105.80	87197.80	12
31.03.91	11713.22	-	11713.22	90233.53	13
31.03.92	21881.37	-	21881.37	100018.31	22

There is marked increase in percentage of Sundry debts to Sales

Sd/-
(U. Bhattacharya)
Principal Director of commercial Audit &
Ex-Officio Member, Audit Board-I
CALCUTTA

Dated, Calcutta
The 21st Sept, 1992.

<i>Auditor's Report</i>	2
Annexure Referred to in Paragraph-2 of our Report of even date	3

Auditor's Report

To
The Members of
National Aluminium Company Limited

1. We have audited the annexed Balance Sheet of National Aluminium Company Limited as at 31st March, 1992 and also the Profit and Loss Account for the year ended on that date annexed thereto.
2. As required by the manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2, above, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit,
 - (b) in our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of the books,
 - (c) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Account,
 - (d) in our opinion and to the best of our information and according to the explanations given to us, the Company's Profit and Loss Account for the year ended 31st March, 1992 and the Balance Sheet as at that date, read with the notes thereon and Statement of Accounting Policies, give the information required by the Companies Act, 1956 in the manner so required and subject to:
 - (i) charging of depreciation on certain assets at rates other than those prescribed in Schedule XIV of the Companies Act, 1956 resulting in net undercharging of depreciation for the year by Rs.31195.65 lakhs with corresponding effect in the trading result and also understatement of accumulated depreciation by Rs.79338.83 lakhs (Refer Note No. 3.1).
 - (ii) Attention is invited to Note No. 3.3 regarding proposal for declaration of dividend @ 1.2% on the ordinary shares amounting to Rs. 15.46 crores pending approval of Central Government as provided in Sec. 205(I)(c) of the companies Act; give a true and fair view.
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1992 and
 - (b) in the case of the Profit and Loss Account, of the Profit of company for the year ended on that date.

Bhubaneswar
12th August, 1992

P. Venugopala Rao
Partner
For and on behalf of
Tej Raj & Pal
Chartered Accountants

Annexure Referred to in Paragraph-2 of our Report of even date

- I. (a) The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets
(b) Pursuant to the Company's programme of physical verification of fixed assets, which in our opinion reasonable, movable fixed assets of the Company have been verified by the management during the year and discrepancies noticed in such verification which were not material are under reconciliation.
- II. The fixed assets of the Company have not been revalued during the year.
- III. The stocks in hand of finished goods, stores, spare parts and raw materials of the Company have been physically verified by the management, and the frequency of verification is reasonable.
- IV. In our opinion, the prescribed procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- V. The discrepancies between the physical stocks and the book stocks, which were not material, have been properly dealt with in the books of account.
- VI. On the basis of our examination of stock valuation, we are of the opinion that the valuation of the stocks of finished goods, stores, spare parts and raw materials (a) has been fair and proper in accordance with the normally accepted accounting principles and (b) is on the same basis as in the previous year.
- VII. The Company has not taken any loans from Companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956 and/or from companies under the same management as defined under sub-section (1B) of Section 370 of the companies Act, 1956.
- VIII. The Company has not granted any loans to Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and/or to Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
- IX. Loans or advances in the nature of loans given to the parties are being repaid as stipulated together with interest, where applicable.
- X. In our opinion, internal control procedures of the Company relating to purchase of stores, raw materials including components, plant and machinery, equipment and other similar assets and for the sale of goods are adequate and commensurate with the size and the nature of the business of the Company.
- XI. The Company has not purchased goods and materials and sold goods, materials and services aggregating to Rs. 50,000/- or more in value from/to any of the parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- XII. The Company has a system of determining unserviceable or damaged stores and raw materials on the basis of technical evaluation and on the aforesaid basis no unserviceable or damaged stores were noticed which would necessitate write-off in the accounts.
- XIII. The Company has not accepted any deposits from Public.

- XIV. In our opinion, reasonable records have been maintained by the Company for sale and disposal of scraps. The Company has no by-product.
- XV. In our opinion, the Company's Internal Audit System needs to cover more areas so as to commensurate with the size and nature of its business.
- XVI. On the basis of the records produced, we are of the opinion that, prima facie, the cost records and accounts as prescribed by the Central Government under Section 209(1)(a) of the Companies Act, 1956 and applicable to the Company have been maintained.
- XVII. The Company is regular in depositing Provident Fund dues with the appropriate authorities. None of the employees of the Company are members of the Employees' State Insurance.
- XVIII. As at 31st March, 1992, there were no amounts outstanding in respect of undisputed income tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable. The Company is not liable to pay wealth tax.
- XIX. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices we have not come across any personal expenses which have been charged to Profit and Loss Account, nor have we been informed of any such case by the management.
- XX. The Company is not a sick industrial company within the meaning of Clause 'O' of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.

Bhubaneswar
12th August 1992

P. Venugopala Rao
Partner
For and on behalf of
Tej Raj & Pal
Chartered Accountants

Annual Accounts

01. Balance Sheet
02. Profit & Loss Account
03. Schedules Forming Part of the Balance Sheet
04. Schedules forming Part of the Profit & Loss Account
05. Significant Accounting Policies
06. Notes forming part of the Account

Balance Sheet
As at March 31, 1992

					(in Thousand Rupees)
	Schedule		As at March 31, 1992		As at March 31, 1991
SOURCES OF FUNDS					
Share holder's Funds					
Share Capital	1.1		1288,61,92		1288,61,92
Reserves and Surplus					
Surplus Balance in profit and Loss Account			252,75,58		193,61,16
Loan Funds	1.2				
Secured Loans		13,96,27		40,87,46	
Unsecured Loans		2638,10,15		1794,61,31	
			2652,06,42		1835,48,77
			4193,43,92		3317,71,85
Total					
APPLICATION OF FUNDS					
Fixed Assets	1.3				
Gross Block		4007,26,77		3088,00,42	
Less: Depreciation		720,68,29		493,27,19	
			3286,58,48		2594,73,23
Capital work in Progress	1.4		189,53,46		133,93,48
Investments	1.5		9,80,84		9,86,22
Current Assets, Loans and Advances	1.6				
Inventories		288,77,11		206,77,51	
Sundry Debtors		218,81,37		117,13,22	
Cash and Bank Balances		58,89,92		125,87,82	
Other Current Assets		215,01,90		211,66,41	
Loans and Advances		76,10,63		82,12,46	
		857,60,93		743,57,42	
Less: Current Liabilities & Provisions	1.7				
Liabilities		191,18,75		193,55,67	
Provisions		54,15,81		37,38,56	
		245,34,56		230,94,23	
Net Current Assets			612,26,37		512,63,19
Miscellaneous Expenditure					
To the extent not written off or adjusted (including Rs.27,59,83 on account of exchange variation loss)	1.8		95,24,77		66,55,73
Total			4193,43,92		3317,71,85
Notes forming Part of the Accounts	1.9				
In terms of our attached report of even date					

P. Venugopala Rao
Partner
for and on Behalf of
Tej Raj & Pal
Chartered Accountants
Bhubaneswar
12th August, 1992

New Delhi
29th July, 1992

N.S Parameswaran
Company Secretary

R.B. Rao
Director
(Finance)

S.N. Johri
Chairman-cum-
Managing Director

Profit and Loss Account
for the Year ended March 31, 1992

		(in Thousand Rupees)	
	Schedule	Year Ended March 31, 1992	Year Ended March 31, 1991
INCOME			
Sales	2.1	974,03,37	884,04,41
Finished Products Internally Consumed		43,55	2,66,95
Accretion/(Depletion) to stock of Finished Products	2.2	42,28,05	1,58,66
Other Income	2.3	85,92,09	68,33,14
		<u>1102,67,06</u>	<u>956,63,16</u>
EXPENDITURE			
Raw Materials Consumed	2.4	134,65,02	92,18,12
Finished Goods Purchased		14,85,71	-
Power & Fuel	2.5	171,05,15	149,73,77
Repair & Maintenance	2.6	50,31,96	49,70,75
Other Manufacturing Expenses	2.7	32,34,83	29,72,58
Exise Duty		124,74,02	131,07,49
Employees' Remuneration and Benefits	2.8	31,59,26	27,35,32
Administrative, selling & Distribution Expenses	2.9	48,52,16	33,91,55
Interest and Financing Charges	2.10	190,43,83	183,49,93
Provisions	2.11	21,00,57	15,17,40
Depreciation		226,88,29	162,80,30
Miscellaneous Expenditure written off(including Rs.4,33,96 on account of Exchange variation Loss)		5,84,69	1,51,24
		<u>1052,25,49</u>	<u>876,68,45</u>
Profit for the Year		<u>50,41,57</u>	<u>79,94,71</u>
Add/(less) Prior Period Adjustments	2.12	8,72,85	(8,00,85)
		<u>59,14,42</u>	<u>71,93,86</u>
Profit Brought forward from Previous Year		<u>193,61,16</u>	<u>121,67,30</u>
Balance Carried out to Balnce Sheet		<u>252,75,58</u>	<u>193,61,16</u>
Notes Forming Part of the Accounts	1.9		

In terms of our attached report of even date.

P. Venugopala Rao
Partner
for and on Behalf of
Tej Raj & Pal
Chartered Accountants
Bhubaneswar
12th August, 1992

New Delhi
29th July, 1992

N.S Parameswaran
Company Secretary

R.B. Rao
Director
(Finance)

S.N. Johri
Chairman-
Managing

Schedules forming part of the Balance Sheet

Schedule 1.1

Share Capital

	As at March 31, 1992	As at March 31, 1991
Authorised:		
130,00,00,000 Equity Shares of Rs. 10/- each (Previous year)		
130,00,000 Equity Shares of Rs. 1,000/- each)	1300,00,00	1300,00,00
Issued, Subscribed and Paid up		
128,86,19,200 Equity shares of Rs 10/- each fully paid up	1288,61,92	1288,61,92
(Previous year 128,86,192 Equity Shares of Rs 1000/- each)		
	1288,61,92	1288,61,92

Schedule 1.2

Loan Funds

	As at March 31, 1992	As at March 31, 1991
A. Secured Loans		
(Secured by Hypothecation of Raw Materials Semi/Finished Products, Stores & Book Debts)		
Cash Credit From State Bank of India	13,96,27	8,34,35
Export Packing Credit From State Bank of India	-	32,53,11
	13,96,27	40,87,46
B. Unsecured Loans		
Medium Term Euro Dollar Loan from Consortium of International Banks (Guaranteed by Government of India)		
US\$ 4.545 Million	14,07,26	115,63,78
US\$ 150 Million	464,39,63	293,54,21
US\$ 63.636 Million	197,01,66	136,98,63
US\$ 125 Million	386,99,69	244,61,84
US\$ 300 Million (including US \$ 51 Million Swapped to Swiss Franc 100 million)	975,45,80	622,57,58
JY 20 billion		
Medium Term Instalment Sale liability (US \$ 43.333 Million from Morgan Grenfell & Co Ltd.)	465,11,63	282,48,59
	134,15,90	97,84,73
Loan from Housing Development Finance Corporation Ltd	88,58	91,95
	2638,10,15	1794,61,31
	2652,06,42	1835,48,77

Schedule 1.3

Fixed Assets

Fixed Assets					(In Thousand Rupees)		
Particulars	Gross Block				Total Depreciation up to 31.3.1992	Net Block	
	As on 01.4.1991	Additions	Sale/ Adjustments	Cost as on 31.03.1992		As on 31.03.1992	As on 31.03.1991
A. Plant, Mines and Others							
Free Hold Land(Including Cost of Development)	29,70,22	14,79	-	29,85,01	-	29,85,01	29,70,22
Lease Hold Land(Including cost of Development)	1,91,17	-	-	1,91,17	47,37	1,43,83	1,52,91
Buildings	134,12,60	34,19	-9,53	134,37,26	27,31,05	107,06,21	112,96,97
Roads, Bridges & Culverts	21,15,38	6,10	2,54,27	23,75,75	5,03,21	18,72,54	17,00,18
Railway Sidings	45,08,31	76,54	-32,57	45,52,28	11,69,26	33,83,02	35,71,13
Water Supply, Drainage & Sewerage	44,56,28	-	-2,34	44,53,94	11,36,49	33,17,45	35,16,94
Power Supply, Distribution & Lighting	157,04,33	4,52	-9,66	156,99,19	37,01,32	119,97,87	127,67,65
Plant & Machinery	2512,43,32	913,43,51	1,68,17	3427,55,00	598,14,34	2829,40,66	2116,82,75
Office Equipments	2,73,50	48,62	-3,82	3,18,30	1,29,03	1,89,27	1,71,07
Furniture and Fittings	4,45,23	18,13	-4,81	4,58,55	86,60	3,71,95	3,72,92
Vehicles	16,06,37	12,69	24,26	16,43,32	9,55,26	6,88,06	8,36,40
Miscellaneous Equipments	11,44,66	63,30	8,24	12,16,20	3,34,31	8,81,89	8,88,96
Total	2980,71,37	916,22,39	3,92,21	3900,85,97	706,08,21	3194,77,76	2499,28,10

B. Social Facilities							
Free Hold Land(Including Cost of Development)	2,89,26	51	-	2,89,77	-	2,89,77	2,89,26
Lease Hold Land(Including cost of Development)	38,82	-	-	38,82	8,10	30,72	32,67
Buildings	71,30,06	1,28,81	-5,12	72,53,75	7,71,95	64,81,80	64,88,78
Roads, Bridges & Culverts	13,77,90	6,24	-2,45,36	11,38,78	1,24,23	10,14,55	12,72,28
Water Supply, Drainage & Sewerage	8,55,53	3,24	82	8,59,59	2,37,47	6,22,12	6,72,34
Power Supply, Distribution & Lighting	7,12,77	-	-63	7,12,14	2,14,42	4,97,72	5,40,64
Office Equipments	1,11	3,15	1,91	6,17	1,48	4,69	67
Furniture and Fittings	76,96	4,28	-11	81,13	23,68	57,45	56,84
Vehicles	57,24	4,97	3,17	65,38	30,34	35,04	33,13
Miscellaneous Equipments	1,89,40	6,97	-1,10	1,95,27	48,41	1,46,86	1,58,52
Total	107,29,05	1,58,17	-2,46,42	106,40,80	14,60,08	91,80,72	95,45,13
Schedule Total							
For current Year	3088,00,42	917,80,56	1,45,79	4007,26,77	720,68,29	3286,58,48	2594,73,23
For previous Year	2807,44,92	279,56,26	99,24	3088,00,42	493,27,19	2594,73,23	2476,90,81

Included in the above are the following properties laid on land other than lease which do not belong to the Company. (i) Building – 76,65(ii) Roads, Bridges and Culverts – 284,52
(iii) Water Supply, Drainage and Sewerage – 12,74 (iv) Power Supply Distribution and Lighting - 3,79,81 (v) Railway Sidings - 11,85

Schedule 1.4
Capital Work – in- Progress

	(In Thousand Rupees)	
	As at March 31, 1992	As at March 31, 1991
Construction and Erection Work –In-Progress at Cost (Including Material with Contractors Rs, 987,04)	109,82,05	46,81,76
Advances to Government Departments & Contractors (Unsecured considered Good)	52,55,19	55,73,91
Advances to Suppliers for Capital Goods (Unsecured considered Good)	1,90,21	2,02,99
Stock of Construction Materials at Cost	9,87,04	9,79,18
Plant & machinery in Transit at Cost	17,88	-
Incidental Expenditure During Construction Schedule 1.4.1	2,81,11	13,75,61
Exchange Variation Pending Capitalisation	10,78,04	4,96,04
Expenditure on Expansion Projects	1,61,94	83,99
	<u>189,53,46</u>	<u>133,93,48</u>

Schedule 1.4.1
Incidental Expenditure During Construction

	As at March 31, 1992	As at March 31, 1991
Opening Balance Awaiting Allocation	13,75,61	33,43,04
Administrative Expenses		
Rate & Taxes	1,00	-
Insurance	9,41	-
Repair and Maintenance-Buildings	-35	-1,28
Repair and Maintenance- machinery	-11,02	8,07
Repair and Maintenance – Others	50	30
Stores and Spares	-20,34	9
Power & Fuel	-	-20,34
Others	10,79	21,82
	<u>-10,01</u>	<u>8,66</u>
Start up & Commissioning Expenses	1,89,49	3,44,70
Technical Consultancy Fees & Expenses	1,18,11	1,18,62
Excise Duty	12,45	88,83
Enabling Works	4,33	3,20
Selling and Distribution Expenses	96	61
Depreciation	16,72	-5,51
Income Tax	-7,22,57	-44,13
	<u>-3,90,52</u>	<u>5,14,98</u>
Less : Income		
Income Out of Trial Production	1,09,50	2,48,35
Interest Earned	2,15,99	2,21,09
Other Income	32,08	35,45
	<u>3,57,57</u>	<u>5,04,89</u>
Net Income /(expenditure) during the year	<u>7,48,09</u>	<u>(10,09)</u>
Total expenditure	<u>6,27,52</u>	<u>33,53,13</u>
Amount allocated to Fixed Assets/work-In-Progress	<u>3,46,41</u>	<u>19,77,52</u>
Balance Awaiting Allocation	<u>2,81,11</u>	<u>13,75,61</u>
	<u>6,27,52</u>	<u>33,53,13</u>

Schedule 1.5
Investments

	(In Thousand Rupees)						
Particulars	Face Value per-Unit (Rs.)	As at March 31, 1992			As at March 31, 1991		
		Number	Market Value	Book Value	Number	Market Value	Book Value
Investments Valued at Cost (Unquoted unless Otherwise Stated)							
Government Securities							
7 Year National Savings Certificate (Deposited with Government Authorities)				3,29			8,67
Other Investments							
13% Nuclear Power Corporation Bonds	1,000.00	95000		9,77,55	95000		9,77,55
				<u>9,80,84</u>			<u>9,86,22</u>
Aggregate Book value of Quoted Investments							
Aggregate Book Value of Unquoted Investments				9,80,84			9,86,22
Aggregate Market Value of quoted investments							

Schedule 1.6
Current Assets Loans & Advances

	As at March 31, 1992	As at March 31, 1991
Current Assets		
Inventories:		
Raw Materials at Cost(Including Rs.17,42,96 in Transit)	32,59,32	18,92,22
Stock in Trade at Lower of Cost or Net Realisable Value	102,17,17	59,02,29
Stores and Spares at Cost (Including Rs.8,21,47 in Transit out of which Rs.1,83,63 awaiting Inspection)	154,00,62	128,83,00
	<u>288,77,11</u>	<u>206,77,51</u>
Sundry Debtors(Unsecured Considered Good)		
Debts Over Six Months	24,06,96	36,59,98
Other Debts	194,74,41	80,53,24
	<u>218,81,37</u>	<u>117,13,22</u>
Cash and Bank Balances		
Cash Balance in Hand Including Imprest, Stamp & Postal Orders	4,26	5,31
Bank Balance with Scheduled Banks		
In current Accounts	3,66,79	2,54,29
In Short Term/Fixed Deposits	54,98,06	123,08,20
In Post Office Savings Accounts (Including Post Office Term Deposit of Rs.75)	20,81	20,02
	<u>58,89,92</u>	<u>125,87,82</u>

Other Current Assets

Deposit with SBI Capital market Ltd	158,10,00		106,81,48
Deposit with Canfina	-		89,00,00
Deposit with BOI Finance Ltd	48,00,00		-
	206,10,00		195,81,48
Interest Accrued on Investments, Deposits and Usance LC	6,92,02		14,49,98
Interest Accrued on Advances to Employees	1,67,07		1,22,54
Interest Accrued on Loan to Public Sector Companies	32,81		12,41
		215,01,90	211,66,41

Loans, Advances & Deposits Unsecured Considered Good
(Unless otherwise stated)**Loans**

Employees(Rs4,73,78 Secured)	6,49,56		5,49,62
Stores on Loan Basis	75,45		77,80
Loan to Public Sector Companies	7,00,00		5,00,00
		14,25,01	11,27,42

Advances/Recoverables

Advances to employees	82,57		72,00
Advance Payment of Tax	1,27		4,26
Income Tax Deducted at Source	2,27,61		3,63,38
Advances to Others	20,49,75		36,66,23
Amount due from Balco	1,97		1,97
Advance for Andhra Bauxite Project	65,99		65,99
Prepaid Expenses	1,01,45		1,06,08
Claims Recoverable (Including Rs.3,45,53 Considered Doubtful)	32,56,79		23,73,62
		57,87,40	66,53,53

Deposits

Deposits with Government Departments	35,62		43,35
Deposits with Customs Authorities	65,82		74,11
Deposits with Port Authorities	38,67		18,97
Deposits with Sales Tax Department	5,00		31,79
Deposits with Excise authority	2,11,63		2,43,09
Deposit with Others	41,48		20,20
		3,98,22	4,31,51
		76,10,63	82,12,46
		857,60,93	743,57,42

Schedule 1.7**Current Liabilities and Provisions**

	(In Thousand Rupees)	
	As at March 31, 1992	As at March 31, 1991
Liabilities		
Sundry Creditors	78,62,01	84,40,06
Other Liabilities (Including Advance from Customers of Rs. 343,34)	88,20,88	87,06,71
Security Deposits	13,86,24	11,58,53
Interest Accrued But Not Due on Loans	10,49,62	10,50,34
Commitment Charges Accrued But Not due	-	3
	191,18,75	193,55,67
Provisions		
For Doubtful Advances	1,80,81	1,83,38
For relining	50,70,28	35,55,18
Doubtful Insurance Claim	1,64,72	-
	54,15,81	37,38,56
	245,34,56	230,94,23

Schedule 1.8**Miscellaneous Expenditure**
to the extent not written off or adjusted

	(In Thousand Rupees)	
	As at March 31, 1992	As at March 31, 1991
	Balance as at April 1, 1991	Balance as at March 31, 1992
	Addition/ Adjustments During 1991-92	Written off During 1991-92
Preliminary Expenditure	6,01	6,01
Expenditure for Raising Capital	2,00	2,00
Training Expenses	63,19	63,19
Mines Development Expenses	43,37	43,37
Bad and Doubtful Advances	36,67	34,10
Interest and Penalties on Sales Tax	65,02,25	-
Scientific Research	2,24	-
Exchange Variation Loss	-	4,33,96
Total for Current year	66,55,73	95,24,77
Total for Previous year	73,11,25	66,55,73

Schedules

forming part of Profit and Loss Account

Schedule 2.1**Sales**

(In Thousand Rupees)

	Year Ended March 31, 1992	Year Ended March 31, 1991
Export		
Alumina Hydrate	1,57,79	3,83,83
Calcined Alumina	1,54,20,10	1,84,80,03
Aluminium Ingots	2,12,53,08	89,13,87
Aluminium Wire Rods	59,19	-
	<u>3,68,90,16</u>	<u>2,77,77,73</u>
Trading sales		
Calcined Alumina	16,86,90	-
	<u>3,85,77,06</u>	<u>2,77,77,73</u>
Indigenous		
Bauxite	2,23,07	14,35
Alumina Hydrate	1,76,96	2,82,22
Calcined Alumina	1,29,05	2,06,78
Aluminium Ingots	2,80,80,88	3,18,78,71
Aluminium wire Rods	2,67,07,79	2,66,92,86
Electricity	35,08,56	15,51,76
	<u>5,88,26,31</u>	<u>6,06,26,68</u>
Total	<u>9,74,03,37</u>	<u>8,84,04,41</u>

Schedule 2.2**Accretion/ Depletion to finished & intermediary Products**

(In Thousand Rupees)

	Opening Stock	Adjustments During the year	Adjusted Opening Stock	Closing Stock	Accretion/ Depletion
Bauxite	3,02,24		3,02,24	1,29,57	-1,72,67
	(2,05,00)		(2,05,00)	(3,02,24)	(97,24)
Alumina Hydrate	2,13,32		2,13,32	2,19,74	6,42
	(2,80,28)		(2,80,28)	(2,13,32)	(-66,96)
Calcined alumina	23,43,24		23,43,24	12,04,14	-11,39,10
	(14,29,18)		(14,29,18)	(23,43,24)	(9,14,06)
Aluminium Ingots	11,24,31	2,33	11,26,64	50,15,90	38,89,26
	(19,00,45)	(65)	(19,01,10)	(11,24,31)	(-7,76,79)
Aluminium wire Rods	65,97	3,91	69,88	14,82,48	14,12,60
	(1,99,78)		(1,99,78)	(65,97)	(-1,33,81)
Other Items	18,53,21		18,53,21	20,84,75	2,31,54
	(17,28,29)		(17,28,29)	(18,53,21)	(1,24,92)
Total	59,02,29	6,24	59,08,53	1,01,36,58	42,28,05
	(57,42,98)	(65)	(57,43,63)	(59,02,29)	(1,58,66)

Figures in brackets represent those for previous year
Negative Figure indicates depletion of Finished Products.

Schedule 2.3**Other Income**

(In Thousand Rupees)

	Year Ended March 31, 1992	Year ended March 31, 1991
Income from Recovery of Rent, Electricity & Water Charges	77,33	65,05
Income from use of Vehicle & Aviation	4,21	8,32
Income from Guest House	3,64	2,85
Interest(Gross) Income from Investments	1,23,84	4,15,08
Interest Income from Employees, Usance Lcs and Others	7,52,59	5,28,63
Machinery Hire Charges	5,70	4,87
Export Incentive	7,48,71	18,29,12

Miscellaneous Income	48,60	74,60
Interest Income from Deposits	48,68,03	36,53,21
Interest Income from Loan to Public Sector Companies	93,21	70,78
Premium on Exim Scrip & Sale of Rep. License	18,66,23	1,80,63
Total	<u>85,92,09</u>	<u>68,33,14</u>

Schedule 2.4**Raw Materials Consumed**

(in Thousand Rupees)

	Year Ended March 31st, 1992		Year Ended March 31st, 1991	
	Quantity (MT)	Value	Quantity (MT)	Value
Caustic Soda	40903	36,88,71	37887	26,38,88
C.P. Coke	78675	56,26,35	61286	37,76,13
C.T .Pitch	17901	19,83,40	16695	13,29,24
Aluminium Fcuoride	4141	13,51,77	3047	9,37,90
Lime	34467	3,38,58	25463	2,36,07
Others		4,76,21		2,99,90
Total		<u>1,34,65,02</u>		<u>92,18,12</u>

Schedule 2.5**Power & Fuel**

(In Thousand Rupees)

	Year Ended March 31, 1992	Year ended March 31, 1991
Power Purchased	1,03,10	4,26,46
Duty on Self Generation	32,76,84	25,54,48
Coal consumed	94,37,82	81,70,56
Fuel Oil consumed	42,87,39	38,22,27
Total	<u>1,71,05,15</u>	<u>1,49,73,77</u>

Schedule 2.6
Repair & Maintenance

	(In Thousand Rupees)	
	Year Ended	Year ended
	March 31, 1992	March 31, 1991
Buildings	1,59,07	1,29,64
Machinery	41,79,71	41,73,20
Others	6,93,18	6,67,91
Total	50,31,96	49,70,75

Schedule 2.7
Other Manufacturing Expenses

	(In Thousand Rupees)	
	Year Ended	Year ended
	March 31, 1992	March 31, 1991
Royalty & Cess	13,55,62	14,28,44
Freight	12,82,61	9,87,05
Others	5,96,60	5,57,09
Total	32,34,83	29,72,58

Schedule 2.8
Employees' Remuneration and Benefits

	(In Thousand Rupees)	
	Year Ended	Year ended
	March 31, 1992	March 31, 1991
Salaries & Wages	23,77,20	21,17,32
Contribution to Provident Fund	1,87,64	1,55,48
Staff Welfare Expenses	5,68,65	4,43,88
Gratuity	25,77	18,64
Total	31,59,26	27,35,32

Schedule 2.9**Administrative, Selling & Distribution Expenses**

(In thousand Rupees)

	Year Ended March 31, 1992	Year Ended March 31, 1991
Administrative		
Rent for Office and Guest House	75,37	63,81
Rent for Leased Accomodation	18,14	14,88
Rates and Taxes	63,62	61,93
Insurance	1,58,83	1,57,85
Auditors' Remuneration - Fees	1,08	1,08
Auditors' Remuneration - Expenses	2,74	1,05
Auditor's Remuneration - Tax Audit Fees	50	40
Repair & Maintenance - Buildings	69,48	51,79
Repair & Maintenance - Others	1,05,73	91,10
Vehicle Operating Expenses	78,47	57,34
Consumption of Stores	36,53	31,50
Recruitment expenses	21,31	20,43
Bank Charges	1,23,92	45,53
Legal Expenses	12,03	11,11
Filing Fee	-	1
Printing & Stationery	66,70	59,09
EDP Expenses	24,16	14,68
Postage, Telegram, Telex, & Telephone	1,49,72	1,07,26
Advertisement & Publicity	54,00	41,41
Entertainment	6,35	4,63
Power and Fuel	48,75	43,73
Traveling Expenses	2,21,89	2,10,72
Demurrage	45,78	31,44
Directors' Sitting Fee	3	2
Hire Charges for Machinery/Vehicles	78,07	54,88
Donations	5,65	12,43
Management Development & Training	15,75	25,52
Plantation /Horticulture	43,68	33,28
Maintenance of Guest House	10,01	6,45

Miscellaneous Consultancy	23,17	18,28
CISF and Other Expenses	3,52,54	3,35,69
Fire Fighting Services	9,09	7,85
Other Miscellaneous Expenses	1,16,86	99,49
Loss on Sale of Assets and shortages	53,89	16
Technical Assistance Fees and Expenses	4,27,68	3,14,61
Research & Development Expenses	6,13	5,16
Sales Tax	4,54	9,31
	<u>25,32,19</u>	<u>20,45,89</u>
Selling and Distribution :		
Packing and Forwarding	1,88,10	52,23
Freight and Handling	17,09,58	10,25,55
Commission to Selling Agents	17,63	52,01
Others	3,33,37	2,15,87
Cash Discount	71,29	-
	<u>23,19,97</u>	<u>13,45,66</u>
Total	<u>48,52,16</u>	<u>33,91,55</u>

Schedule 2.10**Interest and Financing Charges**

(In Thousand Rupees)

	Year Ended March 31, 1992	Year Ended March 31, 1991
Interest on Medium Term Loan	1,46,54,76	1,45,59,04
Interest on Cash Credit, Export Packing Credit and other short Term Loans	3,61,58	3,53,95
Agency Fees	3,74	3,02
Exchange Variation	40,23,75	34,33,92
Total	<u>1,90,43,83</u>	<u>1,83,49,93</u>

Schedule 2.11**Provisions**

		(In Thousand Rupees)
	Year Ended March 31, 1992	Year Ended March 31, 1991
Relining Expenses	19,35,85	15,17,40
Doubtful Insurance Claim	1,64,72	-
Total	21,00,57	15,17,40

Schedule 2.12**Prior Period Adjustments**

		(In Thousand Rupees)
	Year Ended March 31, 1992	Year Ended March 31, 1991
Sales	4,12	9,32,87
Other Income	-5,50	-
Raw Materials Consumed	7,34	-19,02
Power & Fuel	-8,17,73	-55,78
Repair & Maintenance	-1,51,95	1,01,36
Other Manufacturing Expenses	6,15	14,24
Excise Duty	62	29,88
Employees' Remuneration & Benefits	-2,49	1,74,86
Administrative, Selling & Distribution Exp (Including Rs.1,42 for Audit Expenses)	48,22	18,96
Interest & Financing Charges	-60	-
Depreciation	41,04	1,20
Miscellaneous Expenditure Written off	-2,06	-
Provisions	-	-3,97,72
Net Prior Period Adjustments	- 8,72,85	8,00,85

Statement of Accounting Policies

A. BALANCE SHEET

1. Leasehold Land

Leasehold land, including development expenses thereon is amortised on straight line method over a period of 25 years in the case of Mines and 20 years in other cases.

2. Capitalisation

- (a) In the absence of final bills/statement of accounts, capitalization of assets has been done provisionally on the basis of technical assessment which may undergo change consequent to settlement of final bills/receipt of statement of accounts.
- (b) Interest on term loans incurred during the construction period up to start of commercial operation is capitalized.

3. Valuation of Inventory

- (a) Raw materials, stores, spares parts and loose tools are valued at weighted average cost. Finished goods are valued at the lower of cost or net realizable value. The Cost excludes administrative overheads, interest, exchange variation and depreciation on exchange variation capitalised.
- (b) Intermediary products, like green and baked anodes are valued at direct material cost and anode butts, anode rejects etc, at lower of direct material cost or net realizable value.
- (c) Value of scrap is recognized in the accounts as and when sold.
- (d) In-process materials are not valued in view of the fact that the entire initial fill for the process has already been capitalised and the quantum thereof at the opening and closing date of the year remaining unchanged.

4. Conversion of Foreign Currency

- (a) All long term foreign currency loans, US \$-Swiss Franc currency swap, unrealized export invoices and bank balances are recorded in rupees by applying TT selling exchange rate prevailing on the date of the Balance Sheet. Foreign currency transactions settled during the accounting period are recorded in rupees by applying actual exchange rates prevailing on the respective dates of the transaction. The interest income in foreign currency is recorded in rupees at the average exchange rates for each month.
- (b) In case of long term liabilities incurred for acquisition of fixed assets and not settled within the accounting period, the net conversion loss and the net exchange loss on settlement of such liabilities during the accounting period is perceived and proportionate amount relating to the capitalised value of plant & Machinery is included in the carrying amount of Plant & Machinery and balance included in capital work-in-progress. Depreciation on the amount so included in Plant & Machinery is provided prospectively over the residual useful life. The net exchange variation loss in case of unsettled long term liabilities other than those incurred for acquisition of fixed assets on the date of Balance Sheet is either recognized in the Profit and Loss

Account or deferred (to the extent it is non-recurring) and recognized in the Profit and Loss Account of current or future period over the remaining term of the liability.

5. Incidental Expenditure during construction

Revenue expenditure incurred during construction period i.e. prior to the relevant fixed asset being brought into use, is treated as expenditure incidental to construction and the same is being allocated along with direct capital expenditure on an appropriate basis to different assets.

B. PROFIT AND LOSS ACCOUNT

1. Depreciation

- (a) Depreciation on the Main Plant and Machinery and related Factory Buildings and Storage Godowns is provided on straight line method based on the estimated useful life of the assets.
- (b) Depreciation on all other assets is provided on the straight line method based on the rates specified in schedule XIV of the Companies Act, 1956.
- (c) Items of Plant & Machinery valuing Rs,5000/- or less individually are depreciated at the rate of 100%.
- (d) Depreciation is charged on pro-rata basis in respect of assets added/deleted during the year.

2. Assets not Belonging to the Company

Expenses of capital nature incurred on assets laid on land not belonging to the Company are depreciated over a period of five years.

3. Relining Expenses

Provisions is made in the accounts at a rate per ton of aluminium metal to meet the relining expenses of the pots based on technical estimate of the lining life of the pots as four years.

4. Miscellaneous Expenditure

Preliminary Expenses, Expenditure for Raising Capital and Training Expenses are written off equally over a period of five years from 1987-88. Balance of Mines Development - Expenditure as at 31st March, 1987 is amortised equally over a period of five years from 1987-88 and such expenditure incurred subsequent to 31st March, 1987 is charged to Profit and Loss Account in the year it is incurred.

5. Pre-Paid Expenses and Prior Period Expenses/Income

Income/Expenditure relating to prior periods and prepaid expenses not exceeding Rs. 25000/- in each case are treated as income/expenditure of the current year.

6. Gratuity

Liability on account of service gratuity is covered under Group Gratuity Life Assurance Scheme of Life Insurance Corporation of India. Annual contribution to the scheme is charged to Profit and Loss Account.

7. Excise Duty

Excise Duty is accounted for on despatch of products from the factory.

Schedule 1.9

Notes Forming Part of the Accounts

1. General

- 1.1 Statement of Accounting Policies and Schedules to the Accounts form part of the Accounts.
- 1.2 Previous Year's figures have been re-grouped/rearranged where-ever necessary to make them comparable with those of current year.
- 1.3 Outstanding letters of credit, guarantees and counter guarantees Rs. 3171.54 lakhs (Previous Year Rs. 1508.64 Lakhs)

2. Balance Sheet

- 2.1 Land
- (i) Value of Free hold Land represents advance payments made so far for acquisition through State Government. Land acquisition proceedings are still in progress and it is possible that further claims may be made upon the company. Relevant title deeds for the acquired land have since been executed.
- (ii) Value of Lease hold Land includes land on mining lease for which lease documents have been executed and possession taken.
- (iii) Land taken by the company includes government land given on lease basis. Though the company has been permitted by the government to use such lands, the formalities for legal transfer are yet to be completed. The value of lease hold land represents amounts deposited with the State Government and estimated liabilities provided for.
- 2.2 The estimated amount of contracts remaining to be executed on capital account and not provided for Rs.6468.94 lakhs (Previous Year : Rs. 9816.82 Lakhs)
- 2.3 Contingent liabilities not provided for

	Year Ended 31 st March 1992 (Rs in lakhs)	Year Ended 31 st March 1991 (Rs in lakhs)
Claims not acknowledged as debt:		
(i) OSEB for delayed payment surcharge	156.62	135.61
(ii) OSEB for import of power(Net)	473.47	-
(iii) Sales Tax on works contracts under dispute (on supply portion)	4540.20	4289.06
(iv) Contractors and others	3179.63	3073.02
(v) Excise duty for non-submission of proof of export	2073.57	-
(vi) Excise duty on fabrication work done by contractors & other claims	588.37	539.08
(vii) Customs Duty on Design/ Engineering charges	296.64	-
(viii) Additional Customs Duty on steel billets	39.28	-
	11347.78	8036.77

Besides the above, few more cases in respect of escalation and extra claims for works contracts have been referred to arbitration and the extent of such claims is not ascertainable at this stage.

- 2.4 Liabilities towards Sales Tax on works contracts amounting to Rs.1941.52 Lakhs (Previous year Rs.1940.47 lakhs) has been provided for and considered for capitalization, although the levy of such tax is disputed by the Company and appeals filed in different courts are pending disposal. Liability towards interest/penalty amounting to Rs. 6764.18 lakhs (previous year Rs. 6502.25 lakhs) imposed by Sale Tax Authorities has been shown as "Miscellaneous Expenditure". Necessary adjustments will be carried out after the cases are finally decided.

3. Profit and Loss Account

- 3.1 In accordance with Accounting Policy No. B-1, depreciation is charged in respect of following fixed assets based on the estimated useful-life applying rates of straight line method which are different from the respective rates prescribed in the Schedule XIV of the Companies Act,1956.

Assets	Rate of depreciation adopted
Factory Building including storage Godown	5%
Plant and Machinery	5%
Red mud Pond (Earth work portion)	28.57%
Ash pond at Alumina Refinery (Earth work portion)	13.34%

Had the depreciation been calculated by applying the rates specified in Schedule XIV of the Companies Act,1956, the charge for the year would have been more by Rs.311,95.63 lakhs (previous year Rs.18360.98 lakhs) and consequently the accumulated depreciation as at 31st March, 1992 is understated by Rs.793,38.83 lakhs(Previous year Rs. 481,43.20 lakhs).

- 3.2 According to accepted accounting practice, gain/loss on settlement of transactions in foreign currency relating to amounts incurred for the acquisition of fixed assets within the same accounting period should be adjusted in the carrying amount of the related fixed assets. Hence, transaction loss on such transactions capitalized instead of charging to Profit and Loss Account as was the past practice. Had the past practice been followed, "Interest and Financing Charges" would have been higher by Rs. 33.10 crores and "Depreciation" would have been lower by Rs.3.81 Crores.
- 3.3 Dividend at the rate of 1.20% on ordinary shares which would amount to Rs.15.46 crores is proposed to be declared subject to the approval of Central Govt. as provided in Sec 205(1)(c) of the Companies Act, 1956 for which approval is being sought for. Such dividend would be accounted for in the Accounts of the subsequent year if and when the aforesaid approval of Central Govt. is obtained.

4. Whole-time Directors' Remuneration

	(Rupees in lakhs)	
	Current year	Previous Year
Salaries	6.98	7.13
Company's contribution to provident fund	0.55	0.72
Leave Travel Concession	0.26	0.03
Medical Benefits	0.21	3.84
Other Benefits	1.59	0.98
	<u>9.59</u>	<u>12.70</u>

In addition, the whole-time Directors are allowed the use of company's car for private purposes upto 9000 Kms per annum on payment of Rs.3,000/- per annum.

5. Particulars of employees in receipt of remuneration of not less than Rs.144,000/- per annum or Rs.12,000/- per month when employed for a part of the year.

	Employed throughout the year		Employed for part of the year	
	Current Year	Previous year	Current Year	Previous year
Number of Employees	8	4	1	-
Salaries & Wages (Rs. Lakhs)	12.63	6.45	1.26	-
Contribution to Provident Fund (Rs./Lakhs)	1.27	0.64	0.07	-
Total	13.90	7.09	1.33	-

6. Licensed Capacity, Installed Capacity and Production/Generation

Products	Licensed Capacity (Same as last Year) Tonnes	Installed Capacity		Prod./Gen.	
		Current Year Tonnes	Previous year Tonnes	Current year Tonnes	Previous Year Tonnes
Bauxite	Not Applicable	2400000	2400000	1860000	1920000
Aluminium Hydrate	Not Applicable	800000	800000	680100	657350
Calcined Alumina	Not Applicable	800000	800000	672200	652485
Aluminium Ingots	118000	103250	98825	134844 (115)	94875 (644)
Aluminium Wire Rods	100000	87500	83750	57178 (49)	56455 (299)
Electricity (in MU net)	Not Applicable	600MW	600MW	3531	2654

- Note :
1. Installed capacities are as per project report.
 2. Production figures include Production during trial runs which are stated in the brackets.
 3. Production in respect of Bauxite, Alumina Hydrate, Calcined Alumina and Electricity includes production meant for internal consumption also.
 4. Production of aluminium Ingots includes 48692 MT of Sow Ingots (Previous year 13895 MT)

7. Stock and Sales

Products	Opening Stock		Sales		Closing Stock	
	Qty. (Tonnes)	Value (Rs. Lakhs)	Qty. (Tonnes)	Value (Rs. Lakhs)	Qty. (Tonnes)	Value (Rs. Lakhs)
Bauxite	285135 (233133)	302.24 (205.00)	104970 (7174)	223.07 (14.35)	158012 (285135)	129.57 (302.24)
Alumina	9645	213.32	4250	334.76	9757	219.74
Hydrate	(14690)	(280.28)	(10152)	(666.05)	(9645)	(213.32)
Calcined	85642	2343.24	377576	17236.05	42402	1204.14
Alumina	(59524)	(429.18)	(332798)	(18686.81)	(85642)	(2343.24)
Aluminium	4240	1124.31	117409	49333.96	21549	5015.90
Ingots	(8951)	(1900.45)	(98946)	(40792.58)	(4240)	(1124.31)
Aluminium	273	65.97	51859	26766.97	5558	1482.48
Wire Rods	(931)	(199.78)	(56804)	(26692.86)	(273)	(65.97)
Electricity (in MU Net)	-	-	548 (251)	3508.56 (1551.76)	-	-
Other items	-	1853.21 (1728.29)	-	-	-	2084.75 (1853.21)
Total		5902.29 (5742.98)		97403.37 (88404.41)		10136.58 (5902.29)

- i) Figures in brackets pertain to previous year.
- ii) Sales do not include the sale of products out of trial operation
- iii) The closing stock of alumina excludes 995 MT (Value Rs.80.60 lakhs) received from INDAL under swap arrangement.
- iv) The closing stock of aluminium ingots includes 20,033 MT of Sow Ingots(Previous year 1442MT).

8. Expenditure incurred in foreign Currency on Cash basis

	(Rupees /Lakhs)	
	Year Ended 31 st March, 92	Year Ended 31 st March, 91
Agency, Syndication and Management Fees	5.19	2.59
Interest on Loan	14929.17	15757.21
Royalty to aluminium Pechiney	795.70	460.73
Payment to consultants	282.16	317.48
Travelling expenses	1.96	13.11
Purchase of Alumina	1485.71	-
Books and Periodicals, Advertisement etc.	3.34	1.93
TOTAL	17503.23	16553.05

9. Earning in Foreign Currency on Cash basis

	(Rupees /Lakhs)	
	Year Ended 31 st March, 92	Year Ended 31 st March, 91
i) Export of Goods	35069.88	25441.85
ii) Interest on Bank Deposits	476.15	556.90
iii) Others (Despatch Money)	2.02	5.32
TOTAL	35548.05	26004.07

10. Value of Imports Calculated on CIF basis

	(Rupees /Lakhs)	
	Year Ended 31 st March, 92	Year Ended 31 st March, 91
i) Raw Materials	4677.06	3511.07
ii) Components, Spare Parts, Construction Materials	2490.12	1744.55
TOTAL	7167.18	5255.62

11. Value of Raw Materials, Stores/spares & Components Consumed during the year

	(Rupees /Lakhs)			
	Year ended 31 st March, 92	6%	Year ended 31 st March, 91	%
a) Raw material				
i) Imported	4497.42	33.33	3056.40	32.63
ii) Indigenous	8997.24	66.67	6311.57	67.37
Total	13494.66	100.00	9367.97	100.00
b) Stores, Spares and Components				
i) Imported	2101.20	38.92	1697.62	33.80
ii) Indigenous	3297.49	61.08	3324.73	66.20
Total	5398.69	100.00	5022.35	100.00

12. Social Amenities

(Rupees /Lakhs)

Expenses	Township	Education	Medical	Social/ Cultural Activities	Canteen	Total
Payment to Employees	22.54	-	79.94	-	8.02	110.50
Welfare Expenses	-	91.38	49.05	60.42	116.27	317.11
Material Consumed	4.01	0.11	57.51	-	-	61.63
Repair and Maintenance	89.25	0.44.	1.58	-	0.10	91.37
Fuel, Power & Water Charges	9.37	0.15	0.07	-	0.14	9.73
Misc. Expenses	20.48	-	-	3.21	-	23.69
Depreciation	235.54	9.91	7.96	11.45	3.33	268.19
Total	381.19	101.98	196.11	75.08	127.86	882.22
Less Income	55.67	-	2.12	--	-	57.79
Net Expenditure	325.52	101.98	193.99	75.08	127.86	824.43
For previous year	253.68	75.24	158.85	60.10	94.45	642.32

In terms of our attached report of even date.

P.Venugopala Rao
Partner
For and on Behalf of
Tej Raj & Pal
Chartered Accountants
Bhubaneswar
12th August.1992

New Delhi
29th July,1992

N S Parameswaran
Company Secretary

R.B. Rao
Director
(Finance)

S.N. Johri
Chairman-Cum
Managing Director