

Notice:

Notice is hereby given that the 13th Annual General Meeting of the Company will be held on Friday, the 30th September, 1994 at 11.30 A.M. at the Registered Office, IDCO Towers (8th Floor) Conference Hall, Janpath, Bhubaneswar- 751 007 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet and the Profit & Loss Account for the year ended 31st March, 1994 together with the Report of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Dr. S.K. Tamotia, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Appointment of Dr. B.P. Mathur, as Director whose period of office is liable to determination by retirement of directors by rotation.

To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

“Resolved that Dr. B.P. Mathur be and is hereby appointed as a Director of the Company, whose period of office is liable to determination by retirement of directors by rotation.”

5. Appointment of Shri Divaker Dev, as Director whose period of office is liable to determination by retirement of directors by rotation.

To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

“Resolved that Shri Divaker Dev be and is hereby appointed as a Director of the Company, whose period of office is liable to determination by retirement of directors by rotation.”

By order of the Board

Place : Bhubaneswar
Dated: 5th September, 1994

(Ashok Tandon)
Company Secretary

NOTES:

- (a) The relative explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of item No. 4 & 5 set out above are annexed hereto.
- (b) The agenda item No.3 regarding retirement of Director and appointment in his place is proposed to comply with the provisions of Section 255 and 256 read with Section 9 of the Companies Act, 1956 which have become applicable to the company consequent upon its ceasing to be a wholly owned Government Company as a result of disinvestments of some share by the Government. Action for amendments of the relevant Articles of the Articles of Association of the company has been taken. On receipt of over all policy decision of the Government in this regard, the Articles of Association will be amended.
- (c) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.
- (d) The Register of Members and Share Transfer Books of the Company will remain closed from 06.09.1994 to 30.09.1994(both days inclusive), as notified in the press.
- (e) If a dividend on shares as recommended by the Directors is passed at the Meeting, payment of such dividend will be made on and after 30th September, 1994 to those members, whose names are on the Company's Register of Members on the 30th September, 1994.
- (f) In terms of the provision of Section 194 of the Income Tax Act, 1961, no tax will be deducted at source from dividend receivable by a member who is an individual and resident in India provided such dividend does not exceed Rs.2,500/-. Any member who is otherwise entitled for exemption should submit Tax Exemption Certificate or Declaration in Form 15G in duplicate to the Company Secretary at NALCO's Registered Office at IDCO Towers, (8th Floor), Janpath, Bhubaneswar - 751 007 on or before 30th September, 1994 in order to receive the dividend without deduction of tax at source. It would not be possible for the Company to act on the Exemption Certificate/Declaration received after the above date.
- (g) Members are requested to notify immediately, change in their address, if any, to the Registered Office of the Company, quoting their Folio Number.

ANNEXURE : TO NOTICE

Explanatory statement under section 173(2) of the Companies Act, 1956

Item No.4

Dr. B.P. Mathur was inducted to the Board as an Additional Director of the Company w.e.f 15.11.93 in terms of Section 260 of the Companies Act, 1956. Dr.B.P. Mathur holds office only up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Dr. B.P. Mathur as a Director of the Company, whose office is liable to retirement by rotation, along with the prescribed deposit. At present, Dr.B.P. Mathur is serving as Additional Secretary & Financial Advisor in the Ministries of Steel & Mines, Govt. of India. Your Directors feel that his association with the Board will be in the interest of the Company. It is considered desirable that the Company should continue to avail itself of his service as a Director and recommend passing the resolution at item No.4

None of your Directors except Dr. B.P. Mathur, whose appointment is proposed herein, is interested in the proposed resolution.

Item No.5

Shri Divakar Dev was inducted to the Board as an Additional director of the Company w.e.f 16.08.94 in terms of Section 260 of the Companies Act, 1956. Shri Divakar Dev holds office only upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Shri Divakar Dev as a director of the company, whose office is liable to retirement by rotation, alongwith the prescribed deposit. At present, Shri Divakar Dev is serving as Joint Secretary in Ministry of Mines, Govt. of India. Your Directors feel that Shri Dev's association with the Board will be in the interest of the Company. It is considered desirable that the company should avail itself of his services as a Director and recommend passing of the resolution at item No.5.

None of your directors except Shri Divakar Dev, whose appointment is proposed herein, is interested in the proposed resolution.

By order of the Board

Place : Bhubaneswar
Dated: 5th September, 1994

(Ashok Tandon)
Company Secretary

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

To
The Members,

Your Directors have pleasure in presenting the thirteenth Annual Report of the Company together with the audited accounts for the financial year ended 31st March, 1994. The review of accounts 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.

ECONOMIC SCENARIO

The process of economic reforms initiated three years back by the Government has gained momentum and created a conducive environment for investment and growth of the economy. The rupee has become fully convertible on trade account and taxes and tariffs rationalized. The capital market is buoyant and inflow of foreign investment has bolstered the foreign exchange reserves of the country. Exports have perceptibly improved. The above factors augur well for revival of and rapid growth of our economy.

The year, however, witnessed severely depressed conditions in the aluminium industry and low prices in the international market. The LME touched the low level of US Dollar, 1,019 per MT in the month of November, 1993. There was glut for metal in the market caused by recessionary conditions and accentuated by dumping of metal by CIS countries in the international market when inventory were already high. It was only after Major metal manufacturers of the world decided to effect agreed cuts in production, the declining trend in LME prices got arrested some time towards the end of 1993. The international market, though fluctuating and still not very stable, has of-late shown signs of price stabilization with improvement in demand and higher level of LME prices. The low LME prices encouraged domestic consumers to import larger quantities of metal, thus affecting off take of metal produced by the domestic industry. Govt.'s timely intervention by reduction in excise duty on aluminium helped stimulate demand within the country with lowering of price and easy availability of metal from the domestic Aluminium Industry.

PERFORMANCE

Despite the recessionary trends in the global economy during 93-94, lower growth of demand and economic liberalization measures which encouraged easier imports of aluminum by the domestic consumers at lower costs, your company has been able to achieve satisfactory results and significant increase in overall production, sales and turnover took place under difficult marketing conditions. Production of Alumina and exports of Alumina and Aluminium was, however, affected due to lower prices in the international market. Salient features of the performance during 1993-94 are given below :-

	1993-94	1992-93
PRODUCTION		
Bauxite (T)	24,35,596	22,67,320
Alumina (T)	7,53,021	8,03,500
Aluminium (T)	1,94,332	1,91,069
Net Generation of Power (Million Units)	3,741	3,690
SALES		
EXPORT		
Alumina (T)	3,71,009	4,24,595
Aluminium (T)	60,037	85,771

DOMESTIC

Aluminium (T)	1,35,490	1,04,390
Total Aluminium (T)	1,95,527	1,90,161

FINANCIAL

Sales Turnover (Rs. in crores)	1,195.96	1,169.11
Foreign Exchange earnings (Rs. in crores)	411.00*	538.57

* Includes Rs. 35 crores exported through Merchant exporter.

SALES TURNOVER

Members will be happy to note that their Company exceeded the rated capacity in Bauxite production and could have achieved the rated capacity in alumina production as well but for the market conditions. The Company has, however, improved its performance in production of metal, power generation, dispatch of metal, annual turnover and reduction in cost by lowering the consumption of fuel oil, coal etc., when compared with the previous year.

OPERATING RESULTS

The Company has registered a net profit of Rs. 156.72 crores (after prior period adjustments) during the year ended 31st March, 1994 against the net profit of Rs. 134.88 crores last year (after prior period adjustments). The satisfactory results have been achieved despite difficult market conditions mainly due to improvements in overall efficiency, cost reduction measures, better management and impact of the policy measures taken by the Government.

The Financial Highlights of the year were:

	Rupees in Crores	
	1993-94	1992-93
INCOME		
–Sales		
a) Domestic	785	631
b) Exports	411*	538
	1,196	1,169
–Other Income including stock adjustment	47	73
Total Income	1,243	1,242
EXPENDITURE		
–Manufacturing expenses	554	552
–Excise Duty	145	132
–Selling and distribution expenses	30	38
–Interest and financing charges	127	120
–Depreciation	251	247
Total	1,107	1,089
Net profit for the year	136	153
Prior period adjustment	21	(-) 18
Net Profit after prior period adjustment	157	135

* Includes Rs. 35 crores exported through Merchant Exporter.

DIVIDEND

Keeping in view the requirement of funds for the on-going projects and Euro dollar loan repayment liabilities of the Company and subject to the approval of the members at the Annual General Meeting, your Directors are pleased to recommend a dividend of 2 percent amounting to Rs. 25.77 crores on the equity capital of Rs. 1,288.62 crores.

SHARE CAPITAL

The Authorised Share Capital of the Company continued to be Rs. 1300 crores. The Subscribed and Paid up Capital remained at Rs. 1288.62 crores. Government of India have till date disinvested 12.8 percent of the total Paid Up Capital of the Company.

EURO DOLLAR LOANS

The Company repaid the loan installments amounting to US Dollar 119.39 million of external commercial borrowings together with interest accrued on the outstanding and that fell due during the year on the respective due dates. As on March, 94, the outstanding external commercial borrowings stood at US dollar 526.514 million and Japanese Yen 20 billions as against US Dollar 645.908 millions and Japanese Yen 20 billions at the end of previous year.

SHORT TERM DEPOSITS

An agreement was reached on 17.05.94 with Andhra Bank Financial Services Ltd. (ABFSL) for settlement of outstanding inter-corporate deposit of Rs.45 crores along with interest thereon. In accordance with the terms of the settlement, the Company received a payment of Rs. 16.25 crores and delivery of Public Sector Bonds of the face value of Rs. 27.50 crores along with interest warrants. For the remaining outstanding inter-corporate deposit of Rs. 5 Crores, ABFSL has undertaken to deliver to the Company 17% NTPC bonds or any alternate bonds of the face value of Rs. 5 crores along with interest warrants. ABFSL has also acknowledged a liability for payment of past interest amounting to Rs. 3.99 crores to be settled within six months from the date of the agreement referred to above.

The Company has also realized Rs. 6 crores from CANFINA against the outstanding inter-corporate deposits of Rs. 60 crores. Your Company has initiated action to realize the remaining Rs. 54 crores from CANFINA along with the interest accrued on these deposits.

VIth Unit of Power Plant

The expansion work on the VIth Unit of the Captive Power Plant of 120 MW for augmenting supply of electric power to Smelter is in an advanced stage and is scheduled to be synchronized and put to commercial use soon. The Billet Casting facility has been trial commissioned and is now scheduled to be commissioned for commercial operation shortly.

Debottlenecking of Aluminum Smelter

The Company has undertaken the work of Debottlenecking of Smelter to augment the Capacity. The works which are in progress will be completed in a phased manner over the next two years.

EXPANSION PLAN

Long term expansion programme of the Company envisages creation and augmenting of the capacities as follows:-

Project Details	Existing Capacity (TPY)	Additional Capacity (TPY)	Capacity after Expansion (TPY)
PHASE – I			
Bauxite Mine	24,00,000	24,00,000	48,00,000
Alumina Refinery	8,00,000	5,50,000	13,50,000
PHASE – II			
Aluminium Smelter	2,18,000	1,27,000	3,45,000
Captive Power Plant	6 × 120 MW	2 × 120 MW	8 × 120 MW
Semi Fabrication Facilities	—	36,000	36,000

The proposal for expansion of the existing capacity of the Alumina Refinery including Bauxite Mines under Phase-I is in the final stages of securing Government approval.

SYSTEM SUPPORT FACILITIES

1. Coal handling Plant : by SECL (Now named as MCL)

Last phase of the coal handling plant, comprising of cross country conveyor system was completed in Nov'93 for rapid loading/transportation of coal to the Company's Captive Power Plant from the Coal Mines located in Bharatpur Colliery of Mahanandi Coal Field Ltd (MCL).

2. Link Rail – Koraput-Rayagada Line : by SE Rlys.

The 163 km. Railway project linking Koraput-Rayagada stations, which is strategically important for the Company's operations is nearing completion. The railway line is expected to be put into commercial operation during the last quarter of 94-95.

ENVIRONMENT

Your Company is committed to the protection of the ecology and environment in an around its plants. In line with national policy, the Company has drawn up its pollution control and environment Management plans.

- The work of modification of Ash Pond at CPP (under Phase-I) which commenced during the previous year was completed to increase volume of the Ash Pond and reduce suspended solids in the overflow by introducing the Two Ponds concept.
- The Company continued its tree plantation drive in Damanjodi and Angul sectors to improve the environment and ecological balance.
- Studies have been carried out for dry disposal of red mud and a scheme is being finalized.

MARKETING

To secure market leadership, your Company continued its concerted efforts for exports and domestic sales as shown below:

Year/Details	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94
Alumina (T) Export	76840	384161	448554	328782	376270	424595	371010
Total Metal Sales (T)	24347	78842	126234	156690	169419	190161	195527

The international market experienced a downward trend in Alumina forcing reduction in export with consequent drop in production. Besides, due to excessive supplies from CIS countries and recessionary conditions in America, Japan and European markets, Aluminium prices also crashed during the year.

The consumption of aluminum in the country improved by about 10 percent during the year under review when compared to 1992-93. Your Company has increased its market share of domestic metal sales to 33.0 percent during the year under report against 27.9 percent in the previous and in the process reduced the inventory holding by 1200 MT from the previous year.

PERSONNEL AND INDUSTRIAL RELATIONS

Manpower

The total manpower strength of the Company as on 31st March, 1994 was 5902 consisting of 1157 Executive and 4745 Non-Executives, against 5808 as on 31st March, 1993.

Out of the above manpower, Company has provided regular employment to 1453 persons from amongst the land losers who were affected by land acquisition for setting up the plants.

SCHEDULED CASTES AND SCHEDULED TRIBES

The Company's commitment towards upliftment of weaker sections of society is reflected by the fact that 38 percent of the employees belong to these categories. Out of the total strength of 5902 employees as on 31.03.94, 1005 belonged to Scheduled Castes, 1067 to Scheduled tribes, 48 to Physically handicapped category and 98 employees belonged to ex-servicemen category.

INDUSTRIAL RELATIONS/HRD/WORK CULTURE/TQM

The industrial relations situation during the year under report remained peacefully by and large. The open door policy adopted by the Company has been conducive to maintenance of cordial industrial relations despite the multiplicity of unions.

To improve the work culture and enable absorption of technology, the Company has introduced various reforms including the system of HRD facilitators. The proactive steps taken up by the Company is expected to lead to better teamwork and higher output.

The "Total Quality Management" (TQM) concept has been given high priority by the Company and Quality Circles have been formed during the year in all the units. The TQM concept and quality circles have evoked enthusiastic response from all employees.

EMPLOYEES HEALTH, SAFETY AND WELFARE

The Company continued its efforts for providing better medical facilities to the employees and their family members. Constant safety education besides safe work practices followed by the Company seeks to achieve 'Zero accident level'. Both intramural and extramural welfare facilities have been provided to the employees which includes housing, recreational, sports and cultural activities and educational and canteen facilities.

USE OF HINDI

Several Hindi Workshops and Training Programmes were organized during the year under review to

popularize use of Hindi in day to day work of the Company. The Company also organized several contests to encourage employees to learn Hindi. The Company was awarded “Chal Shield” by the Bhubaneswar Rajbhasha Karyanvayan Samiti during the year.

PRESIDENTIAL DIRECTIVE

On receipt of the Govt.’s guideline with regard to wage negotiation, preliminary steps have been initiated to start wage negotiations with the unions of the Company.

ANNEXURE TO DIRECTORS’ REPORT

As required by rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, particulars on conservation of energy, technology absorption and foreign exchange earnings and outgo etc. are given in Annexure-I to this report. Information as required under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is enclosed as Annexure-II.

DIRECTORS

Shri N. Gopalan and Shri M. Gopalakrishna, Directors nominated by the President of India ceased to be the directors of the Company w.e.f. 15th Nov., 1993 and 16th Aug., 1994, respectively. The Board places on record its appreciation of the contribution made by Shri Gopalan and Shri Gopalakrishna during their tenure as Directors of the Company.

Dr. B.P. Mathur, nominee of the President of India was appointed as an Additional Director w.e.f. 15th Nov., 1993 vice Shri N. Gopalan. Dr. Mathur holds office upto the date of the Annual General Meeting. A notice has been received from a member, under Section 257 of the Companies Act, 1956 proposing the candidature of Dr. Mathur for the office of a Director.

Shri Divakar Dev, nominee of the President of India was appointed as an Additional Director w.e.f. 16th Aug., 1994 vice Shri M. Gopalakrishna. Shri Dev holds office upto the date of the Annual General Meeting. A notice has been received from a member, under Section 257 of the Companies Act, 1956 proposing the candidature of Shri Dev for the office of a Director.

ACKNOWLEDGEMENT

The Directors place on record their appreciation of the assistance, guidance and support received from the Ministry of Mines and the various Ministries of the Govt. of India, the Govt. of Orissa, SE Railways, Mahanadi Coal India Limited, Orissa State Electricity Board and other organizations. The Board also thanks M/s Aluminium Pechiney, France, Engineers India Limited, Bharat Heavy Electricals Ltd., for their services to the Company.

Your Directors also express their gratitude to the valued customers for their support and patronage and for the opportunity given by them to the Company to serve them. It will be the endeavour of the Company to improve their services so as to serve them better. They also place on record their appreciation for the support and cooperation extended by every member of the NALCO family.

For and on behalf of the Board

Place: Bhubaneswar
Date : 31st August, 1994

(Dr. S.K. Tamotia)
Chairman-cum-Managing Director

Annexure to the Directors' Report

Statement of Particulars under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY

NALCO has adopted the most modern and state-of-the-art technology in all its production units viz. Mines and Refinery, Smelter and Captive Power Plant leading to optimal consumption of energy. An inter plant energy audit group had been formed for auditing specific energy consumption figures, reviewing and suggesting corrective measures to be taken for optimum energy consumption from time to time.

(a) Energy conservation Measures Taken

i) Mines and Refinery

- Successful implementation of load shedding scheme.
- Putting an un-interrupted power supply system for Calciners into operation.
- Acid shooting arrangement for Settler Overflow pumps.
- Reduction in steam and condensate leakages in process areas.
- Use of High Speed Diesel additives in heavy earth moving vehicles in Mines.

ii) Steam and Power Plant

- Reduction in number of boiler and turbine trippings.
- Reduction in DM water consumption.
- Direct coal feedings.
- Improved water reclamation from Ash Pond.

iii) Smelter Plant

Improvements in Power Supply System

- Increase in conversion efficiency of 98.7656% compared to the figure of 98.6364% for 1992-93 in the pot line-I
- Power factor of Smelter Plant improved to 0.8552 in 1993-94 compared to 0.8485 of 1992-93.

Pot Lines

- Reduction in specific energy consumption due to reduction in Anode effect /pot/day.
- Saving in heat losses due to commencement of "on line welding".
- Reduction in heat losses due to replacement of conventional cathode blocks by graphitised cathode blocks (in progress).

- Bringing back stem/beam contact drops of pots to normal level by ensuring air blowing of Anode beam Bus Bar during Beam raising.

Cast House & Bake-ovens

- Modified autoregulation of Burner firing system.
- Reduction in specific fuel oil consumption in bake-ovens by 5% by using fuel oil additive.

iv) Captive Power Plant

- Reduction in fuel oil consumption by controlled is-landing, low load operation and least mill problems.
- Energy saving in the power consumption in the ESP fields with the installation of advanced intelligent controllers in all the five units.
- The process optimization by vigorous efficiency monitoring.

(b) Additional investment and proposals being implemented

- PHE and sodic condensate polishing unit.
- Installation of classifying cyclones.
- Installation of cyclone to remove solids from spent liquor.
- MP to LP conversion.
- Use of fuel oil additives in Calciner.
- Preheating of DM water for use in Calciner heat-exchanger.

(c) Total Energy consumption and Energy Consumption per Unit

- [The figures are given in Form 'A' below:](#)

FORM A

(See Rule-2)

Form for disclosure of particulars with respect to conservation of Energy**A. Power and Fuel Consumption**

		Captive Power Plant Angul		Aluminium Refinery, Damanjodi	
		Current year (1993-94)	Previous year (1992-93)	Current year (1993-94)	Previous year (1992-93)
1 Electricity					
a) Purchased from OSEB					
Unit	(Million KWH)	16.844	15.972	48.017	79.735
Total amount	(Rs.in lakhs)	430.64	1545.50	408.14	693.69
Average rate	(Rs./KWH)	2.56	9.68	0.815	0.87
b) Own Generation					
Through Diesel Generator		Not applicable		Not applicable	
Unit					
Units per Ltr.of Diesel Oil					
Cost/Unit					
c) Through Steam					
Turbine/Generator					
Unit (Gross)	(Million KWH)	4144.57	4088	229.13	187.95
Energy cost per unit (Coal & Fuel Oil)	(Rs./KWH)	0.2636	2427	-	-
2 Coal (Specify Quality & where used)					
Quality F & G Grade					
Quantity	(Tonnes)	3241446	3278467	510087	518623
Total Cost	(Rs.in lakhs)	9545.66	8662.52	3613.50	3282.92
Average rate	(Rs./Tonnes)	294.49	264.22	708.41	633.00

3 Fuel Oil & LDO

		Captive Power Plant Angul		Aluminium Refinery Damanjodi		Smelter Angul	
		(1993-94)	(1992-93)	(1993-94)	(1992-93)	(1993-94)	(1992-93)
Quantity	KL	5616.50	6080.70	69074	75090	17791	17305
Total amount	Rs.in Lakhs	313.56	294.68	3808.95	3781.87	1034.24	880
Average	Rs./KL	5583	4846	5514	5036	5813	5085

B. Consumption per unit of production

		Standards	Current year 1993-94	Previous year 1992-93	
		(if any)			
Products (with details) Unit					
1 Alumina Refinery, Damanjodi					
a.	Power	KWH/Ton	380	363.08	328.97
b.	Fuel Oil for Calcination	KG/Ton	85.3	84.68	85.68
c.	Coal for Steam	KG/Ton	750	665.73	640.00
d.	Oil for Steam	KG/Ton	10	6.74	7.52
2 Smelter, Angul					
a.	AC Energy	KWH/Ton	14,600	14,906.25	15,065.80
b.	Fuel Oil	KG/Ton	95	86.05	85.81
c.	Others				
	i) C.P. Coke	KG/Ton	408	406.16	403.46
	ii) C.T. Pitch	KG/Ton	106.5	88.29	94.85

(B) TECHNOLOGY ABSORPTION

Efforts made in technology absorption

Form-B**I. Research and Development**

Specific areas in which R&D carried out by the company

(a) In-house R&D activities**Alumina Plant:**

- i) Mathematical Modeling for precipitation.
- ii) Study on precipitation behaviour using high speed ratio.
- iii) Effect on digestion of bauxite using Bomb digestion method.
- iv) Settling Test for washing with Ion-exchange SYNFLC.
- v) Pre-desilication of bauxite.
- vi) Experimental set up for mud thickening.
- vii) Oxalate removal parameters are established at laboratory which will be tried in plant suitably.
- viii) Crystal Growth Modifier (CGM) addition for better control on nucleation and higher productivity.
- ix) Special hydrate preparation using precipitation method has been completed in the lab. scale.

Smelter Plant:

- i) Use of low grade coal in 'U' gas coal gasification process.
- ii) Trial run for saving of fuel oil by addition of Thermosol-F in Bake oven.
- iii) Substitution of conventional Carbon Blocks by Graphitised carbon block for reduction of energy consumption.

b) Collaborative R&D Projects in Hand

- i) "Scaling up to 1.5 tonne capacity Aluminium-Lithium Alloy Casting Facility at NFTDC", Hyderabad.
- ii) Development of Aluminium based master alloys and grain refiners like Al-75% Mn, Al-3% Zr, Al-9% Ti, Al-2.5% Ti & Al-5% Ti-1%B waffles etc. at NFTDC (Completed). "Utilisation of the ash for manufacture of power grade ceramics" with NML, Jamshedpur.

- iii) "Utilisation of Red mud for making cement and as soil conditioning agent/Fertilizer" with RRL, Bhubaneswar.
- iv) "Medium pressure digestion of bauxite" with JNARDC, Nagpur.
- v) "Problem of Alumina Fines" with JNARDC, Nagpur.
- vi) "Measurement of Pots technical parameters like heat balance etc. for its efficient operation" with JNARDC.
- vii) "Extraction of alumina from fly-ash in collaboration with CPRI", Bangalore.

2. Benefits Derived

- i) Productivity in stream-I of alumina refinery increased on addition of crystal growth modifier.
- ii) Plant scale oxalate removal trial has been planned which is based on the in-house lab. studies.
- iii) The overall consumption of energy in all the plants is well within norms.
- iv) Based on the success of lab. studies on special alumina, batch production on trial has been taken up as a part of value added product development activity.
- v) Use of Graphitised Carbon Blocks expected to result in substantial amount of energy saving.

3. Future Plan of Action

- i) based on the good result of use of CGM in stream-I, it is planned to use CGM in stream-II also for better quality and productivity.
- ii) Filtration study of special hydrate to be taken up with M/s Dorr Oliver. Based on the filtration study, the feasibility report shall be prepared.
- iii) Developments of alloys like LM-24, Al Si-132 & ADC-12 etc. at the alloy ingot casting facility in the Smelter Plant.
- iv) Continuance of the present collaborative Research and Development activities.

4. Expenditure on R&D

	1993-94	1992-93
		(Rs. In lakhs)
a) Capital	—	—
b) Recurring	20.10	3.90
c) Total	20.10	3.90
d) Total R&D expenditure as percentage of turnover	0.018	0.003

II. Technology Absorption, Adoption and Innovation

1. To minimize dependence on import of technology and consequently to give a boost to the available indigenous technologies in the field of alumina/aluminium industries, has been one of the major objectives of NALCO since its very inception. Import substitution also plays a very vital role towards the same. The objective is fulfilled to considerable extent by creation of permanently planning and Design Cell in all the three plants of NALCO. In addition, some of the achievement of R&D cells are now likely to become commercially viable entity through the newly formed department of Business Development in the Company. Our R&D endeavours have been product and process developments of value added products, waste utilization, indigenisation of imported technology to the extent possible and import substitution of spares in a gradual manners. In order to keep pace with changing industrial scenario and improvement for man and machine and this is achieved by imparting training on regular basis to entire technical staff. Presently efforts are on to obtain ISO 9002 certification for Alumina refinery and Smelter and also adopt total quality management concept. Under the agreement with principal technology supplier, A.P. France, continued technical assistance is available from time to time which is helpful in solving plant problems.

2. 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 fully absorbed, reason thereof and future plan of action | — Not applicable |

Annexure to the Directors' Report

Information as per Section 217(2a) of the Companies Act, 1956 forming part of Directors' Report for the year ended 31/3/1994.

S No	Name (S/Shri)	Designation of Employee	Remuneration received (Rs.)	Qualification & Experience (Years)	Date of Commencement of Employment	Age as on 31.3.94 (years)	Last employment held before joining the company
1.	2.	3.	4.	5.	6.	7.	8.

Employed throughout the Financial year and in receipt of Remuneration of not less than Rs. 1,44,000/- in the aggregate for the year.

1.	Acharya S	ED (CP&BD)	177,536	BA (Hons) PG Dip. IR&W 25 Years	05.03.82	48	Manager (P&A) NTPC
2.	Agarwal S S	ED (S&P)	168,228	BE (Hons) (Mech) 34 Years	27.05.82	58	Works Manager, BALCO
3.	Arora V K	DGM (S&T)	148,772	B.A. Dip in Business Mgt 26 Years	07.05.82	52	Dy Mgr. UP State Cement Corpn
4.	Badi N V	GM (M&R)	144,905	BA, BE (Mech) Hon FIE, DMA, CE AMIIE 31 Years	07.01.82	52	Manager (Matls.) MECL
5.	Banerjee S K	DGM (T&C)	162,647	BE (Civil) 29 Years	16.11.84	50	DCE (Civil), HFCL
6.	Bisen M S	DGM (P/F)	156,730	BE (Mech) 29 Years	01.06.81	53	Supdt. Engr (Mech) BALCO
7.	Biswal B	CM (Mech.)	144,385	B.Sc. Engg. (Mech.) 24 Years	27.12.83	49	Asst. Chief Engr, FCI
8.	Maj. Choudhury Ashim	GM (Comm)	178,113	B.A PGDM 28 Years	01.10.84	49	Pilot IMFA Ltd
9.	Das M N	GM (CPP)	161,923	B.Sc Engg (Elect) 29 Years	05.03.82	50	Project Elect Engr Tata Consulting Engr
10.	Das P	DGM (Oprn.)	146,155	B.Tech (Chem) 23 Years	16.04.84	51	Planning Engr BALCO
11.	Das P K	CM (Mech.)	150,205	B.Sc. Engg. (Mech.) 25 Years	05.11.84	47	DM (O&M/Trg), NTPC
12.	Jain N K	DGM (Matls)	163,818	B.Sc. BE (Mach) 26 Years	28.12.81	47	Dy. Matts. Mgr., FCI
13.	Khatri L C	DGM (Cordn)	145,204	Dip. In Civil Eng.	03.08.81	50	Zonal Engr ,BALCO

				AMIE			
14.	Kumar A	DGM (Matls)	147,624	30 Years	29.05.82	52	Deputy Controller of
				M.Com			Store, KIOCL
15.	Maharana B K	DGM (E&MS)	145,022	29 Years	26.10.84	47	Asst. Chief Engr., FCI
				B.Sc. Engg (Hons)			
				(Mech.)			
16.	Maheshwari R K	DGM (Oprn)	151,887	25 Years	15.03.82	47	Consulting Engr
				BE (Mech)			Tarun Engineers
17.	Mallik K K	DGM (Mktg.)	153,005	26 Years	01.09.82	45	Dy Mgr (Matls.) NTPC
				BE (Mech)			
18.	Mohanty Dr. R C	GM (BD)	170,565	22 Years	30.11.81	50	Sr Design Engr
				M.Sc (Geology) Ph.			MECON
				D			
19.	Mohapatra B K	DGM (E&MS)	160,610	28 Years	01.06.83	50	Asstt. Supdt BALCO
				B.Sc Engg (Mech)			
20.	Nanda S K	Sr. Mgr. (F)	144,007	27 Years	08.10.82	43	Cost. Accts. Officer,
				B.A., ICWA,			OMC Limited
21.	Nayak S B	GM (AR)	161.735	19 Years	04.05.82	49	Dy Mgr Bokaro Steel
				B.SC Engg (Elect)			Plant
22.	Otta B K	DGM (Oprn)	148.787	25 Years	18.07.83	49	Asst. Supdt., KIOCL
				B.Sc. Engg (Mech.)			
23.	Padhi P K	CM (Mktg.)	146.916	28 Years	29.06.83	42	Dy. Manager (IE)
				M.Tech. (IE&OR)			HAL
				MBA,			
24.	Pahadi B	GM (Matls)	158.062	19 Years	30.12.81	54	Dy Mrg. (Matls.) FCI
				B.Sc (Engg. Mech.)			
				B. Tech (Hons)			
25.	Panda G S	GM (Smelter)	153.773	27 Years	14.02.83	53	Executive Engr (I&P)
				B.SC Engg (Mech)			Dept. Govt of Orissa
26.	Panda L K	ED (Comm)	148.812	31 Years	16.04.81	58	DGM, BALCO
				B.Sc BE (Chem)			
				Member IMM,			
27.	Parida P K	CM (F)	147.806	36 Years	08.10.82	42	Dy. Controller of Cost
				B.Sc., ICWA,			Hira Cable Works
28.	Parija M S	DGM (Services)	148.925	19 Years	15.10.84	52	Engr. Supdt (c)
				B.Sc (Hons) B.Sc			HCCO, IDCOL
				Engg (Civil)			
				31 Years			

29.	Patnaik B B	DGM (Admn)	162,852	BA (Hons) 31 Years	01.03.83	56	Dy. Secy., Govt. of Orissa
30.	Patnaik A K	GM (TS)	164,842	B.Sc B E (Civil) MIE 31 Years	16.04.81	56	Planning Engr BALCO
31.	Patnaik SB	DGM (E&MS)	152,720	B.Sc Engg (Mech) 26 Years	10.12.82	48	Prod. Engr. TISCO
32.	Patra S	CM (F)	146,372	M.Com. LLB, ICWA, 21 Years	21.12.84	48	Secy.-cum-CAO Orissa State Seeds Limited
33.	Pradhan C R	DGM (Services)	154,332	B.Sc. Engg. (Elect.) 21 Years	17.05.82	44	Dy. Manager (Elect.) BSP
34.	Prasad U K	DGM (F)	148,925	M.Com., ICWA 31 Years	28.12.82	56	Deputy Controller of Accounts, BSP, SAIL
35.	Paul N K	CM (C&I)	149,922	B Tech (Hons) Inst & Electronics 22 Years	12.02.85	48	Dy Manager Bokaro Steel Plant
36.	Rao T P C	GM (F)	163,524	B.Com AICWA 31 Years	02.11.81	53	Dy Mgr (Fin) NHPC
37.	Rath A	DGM (P&A)	155,947	B.Sc. Engg (Mech) 26 Years	20.06.83	48	Plant Engr (Mech) RCF, FCI
38.	Ray A	DGM (Maint)	150,080	BE (Elect) 23 Years	12.04.82	45	Sr Engr. NTPC
39.	Routary P K	DGM (Projects)	149,688	B Sc Engg (Elec) DIM M.Tech (IE) 23 Years	11.05.82	47	Dy Manager Bokaro Steel Plant
40.	Sahoo P.L.	GM (F)	172,489	M.Com, LLB, A.C.A 22 Years	15.02.82	53	F.A & CAO Konark Jute Mill Ltd
41.	Sanyal S S	GM (P&T)	167,577	BE (Civil) 32 Years	03.10.81	56	Supdt. Engr BALCO
42.	Seth M M	DGM (R&D)	149,556	BE (Metallurgy) 27 Years	12.03.82	52	Act Supdt. BALCO
43.	Sharma G S	DGM (F)	149,820	B.Com., CA, 21 Years	20.06.81	44	Sr. Accts. Officer, Rajasthan State Agro Industries Corp. Ltd.
44.	Singha B P	DGM (EMS)	145,860	B.Sc. Engg (Mech.) 28 Years	02.09.85	53	Project Manager, JP Associates (P) Ltd.
45.	Sing Deo B S	DGM (Mktg.)	156,040	M.Sc., LLB, MBA 21Years.	12.04.82	47	DM (Matts.), IDLC Ltd

46.	Singh D K	DGM (Maint)	155,945	B.Sc Engg (Elect.) PGDBM 20 Years	17.11.82	49	Asstt Supdt BALCO
47.	Tamotia Dr. S K	CMD	179,045	BE (Hons) (Civil) ME (Soil & Foundation Engg.) Ph.D 30 Years	24.02.84	55	Chief (Design Plng & Contracts) KIOCL
48.	Thakur C M	CM (Mech)	154,939	BE (Mech) 28 Years	04.12.82	48	Asst. Supdt (Mech) BALCO
Employed for part of the Financial Year and in receipt of remuneration of not less than Rs. 12,000/- p.m.							
49.	Behera G	GM (P&A)	91,656	B.A., DSSA, 34 Years	16.07.93	57	Group GM (P&A), HSCL
50.	Kampani M L	ED (S&P)	82,854	B.Sc (Chem Engg) 33 Years	31.03.89	58	Manager (Smelter) INDAL
51.	Mohanty B C	ED (Prodn)	104,149	B.E. (Elect.) 34 Years	01.11.84	57	Supdt (Power Plant) Rourkela Steel Plant
52.	Sethi H K	ED (M&R)	76,142	B.Tech (Hons) Elect Engg. 35 Years	14.12.85	58	Manager (Engg) ACC Ltd

- NOTES :
1. Remunerations excludes LTC and medical reimbursement and includes contribution to the Provident Fund.
 2. All appointments are on regular basis.
 3. Terms and conditions are as per Rules of the Company.
 4. Chairman cum Managing Director and Functional Directors are appointed by the President of India and are on tenure contract.
 5. Percentage of equity shares held by the employees of the Company is nil for the year under report.
 6. None of the above employee is related to 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, BHUBANESWAR FOR THE YEAR ENDED 31ST MARCH, 1994.

I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditors' Report under Section 619(4) of the Companies Act, 1956 on the accounts of National Aluminium Company Limited for the year ended 31st March, 1994.

Dated: The 5th September, 1994
Calcutta

Sd/-
(B.K. Chattopadhyay)
Principal Director of Commercial
Audit & Ex-Officio Member, Audit
Board-I, Calcutta

Review of the Accounts of National Aluminium Company Limited for the year ended 31st March 1994 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)		
		1991-92	1992-93	1993-94
LIABILITIES				
a)	Paid -up Capital	128861.92	128861.92	128861.92
b)	Reserves & Surplus :			
	I) Free Reserves	25275.58	37217.60	50312.44
	ii) Committed Reserves	-	-	-
c)	Borrowing from :			
	i) Consortium of International Banks	263721.57	260241.62	232153.79
	ii) Housing Development Finance Corpn.Ltd.	88.58	84.73	-
	iii) Banks : Cash Credit	1396.27	1270.64	-
	Export Packing Credit	-	1459.99	-
d)	Current Liabilities & Provisions	24534.56	28834.80	24970.82
TOTAL		443878.48	457971.30	436298.97
ASSETS				
e)	Gross Block	400726.77	408897.69	416875.11
f)	Less: Cumulative Depreciation	72068.29	93914.47	115744.53
g)	Net Block	328658.48	314983.22	301130.58
h)	Capital work-in-progress	18953.46	25227.65	29414.03
i)	Misc. Expenditure to the extent not written off	9524.77	9084.44	2557.24
j)	Investments	980.84	977.56	977.56
k)	Current Assets, Loans & Advances	85760.93	107698.43	102219.56
TOTAL		443878.48	457971.30	436298.97
Capital Employed (g+k-d)		389884.85	393846.85	378379.32
Net Worth [a+b(i)-(i)]		144612.73	156995.08	176617.12
Net Worth per rupee of paid-up Capital (in Rs.)		1.12	1.22	1.37

2 CAPITAL STRUCTURE

The debt equity ratio of the company was 1.71:1 in 1991-92, 1.57:1 in 1992-93 and 1.30:1 in 1993-94.

3 LIQUIDITY AND SOLVENCY

- i) The percentage of current assets to total net assets of the company was 19% in 1991-92, 24% in 1992-93 and 23% in 1993-94.
- ii) The percentage of current of assets to current liabilities (including provisions) which is a measure of liquidity was high at 350% in 1991-92, 374% in 1992-93 and 409% in 1993-94.
- iii) The percentage of quick assets (Sundry Debtors, Loans & Advances and Cash & Bank balances) to current Liabilities (excluding provisions) which is another measure of liquidity was also high at 295% in 1991-92, 290% in 1992-93 and 361% in 1993-94.

4 WORKING CAPITAL

- i) The working capital (I.e. Current Assets less Current Liabilities and Provisions) at the close of three years ending 31st March 1994 amounted to Rs. 61226.37 lakhs, Rs. 78863.63 lakhs and Rs. 77248.74 lakhs respectively.
- ii) The percentage of Working Capital to Sales was 61%, 67% and 64% during the years 1991-92, 1992-93 and 1993-94 respectively.

5 SOURCES AND USES OF FUNDS

Funds amounting to Rs. 45644.23 lakhs from internal and external sources were generated and utilised during the year as shown below:

SOURCES OF FUNDS		(Rs.in lakhs)
a)	Funds from operation	
	Profit for the year	15672.08
	Add : Depreciation	<u>21830.06</u>
		37502.14
b)	Misc. Expenditure written off	6527.20
c)	Decrease in Working Capital	<u>1614.89</u>
	TOTAL	<u>45644.23</u>

UTILISATION OF FUNDS

a)	Addition to Fixed Assets	7977.42
b)	Addition to Capital work-in-progress	4186.38
c)	Repayment of loans	30903.19
d)	Dividend paid	<u>2577.24</u>
	Total	<u>45644.23</u>

6 WORKING RESULTS

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

		(Rs. in lakhs)		
		1991-92	1992-93	1993-94
i)	Sales	100061.86	118018.26	120677.50
ii)	Net Profit/Loss after tax	5914.42	13488.36	15672.08
iii)	Percentage of Profit after tax			
a)	To Sales	5.91%	11.43%	12.99%
b)	To Networth	4.09%	8.59%	8.87%

7 INVENTORY LEVELS

The Inventory levels at the close of last three years are given below:

		(Rs. in lakhs)		
		<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>
i)	Raw Materials	3259.32	2695.98	3196.56
ii)	Stores and Spares	15400.62	16458.50	17930.39
iii)	Finished Goods	10136.58	11668.76	11821.38
iv)	Percentage of finished goods to Sales	10.13%	9.89%	9.80%

8 SUNDRY DEBTORS

The Sundry Debtors vis-a-vis Sales in the last three years are given below:

(Rs. in lakhs)					
As on	<u>Sundry Debtors</u>		Total Sundry Debtors	Total Sales	Percentage of Sundry Debtors to Sales
	Considered goods	Considered doubtful			
31.3.1992	21881.37	-	21881.37	100061.86	22%
31.3.1993	34357.40	-	34357.40	118018.26	29%
31.3.1994	25077.39	6.39	25083.78	120677.50	21%

Sd/-
(B.K. Chattopadhyay)

Principal Director of Commercial
Audit & Ex-Officio Member, Audit
Board-I, Calcutta

Dated, the 5th September, 1994.
Calcutta.

AUDITORS' REPORT	2
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Annexure to the Auditors' Report	4
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Auditors' Report

To
The Members of
National Aluminium Company Limited.

We have audited the attached Balance Sheet of **NATIONAL ALUMINIUM COMPANY LIMITED** as at **31st March, 1994** and also the Profit and Loss Account for the year ended on that date annexed thereto and report that:

- (1) As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph (1) above:
 - a) we have 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 appears from our examination of the books;
 - c) the Balance Sheet and Profit and Loss Account referred to in 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 said accounts subject to;
 - i) **Note No. 1.9** read with Accounting Policy No. B(4) (b) regarding writing off of unsuccessful projects/research & development expenses amounting to Rs. 4.12 crores (including Rs. 0.63 crore for the current year),
 - ii) **Note No. 1.10** regarding agreement dated 17.5.94 as to mode of recovery of Rs.45 crores of inter-corporate deposits due from Andhra Bank Financial Services Limited and interest thereof on account of which Rs.7.10 crores net interest income credited (including Rs.5.48 crores for the current year),
 - iii) **Note No. 1.11** regarding non-accounting of interest income subsequent to September, 1992 pending acceptance by the Company of the offer of Canara Bank Financial Services Limited specifying the mode of repayment of Rs.60 crores of inter-corporate deposits due by them along with agreed interest dues upto 30.6.1992 and at 5% p.a. simple interest thereafter.
 - iv) **Note No. 2.1** read with Accounting policy No. B-1 regarding charging depreciation on certain assets at rates other than prescribed in Schedule XIV of the Companies Act, 1956 resulting in undercharge of depreciation by Rs. 2.28 crores for the year and cumulative undercharge by Rs. 1116.90 crores, with corresponding effect on Net Block and Reserves and Surplus,
 - v) **Note No. 2.2** regarding proposed dividend of Rs. 25.77 crores not provided pending approval of Central Government as per Section 205(1) (c) of the Companies Act, 1956,
 - vi) **Note No. 2.5** regarding tripartite Memorandum of Understanding entered on 1.6.1994 with Orissa State Electricity Board and Government of Orissa

resulting in accounting of favourable financial impact of Rs. 32.40 crores (including Rs. 18.91 crores for the current year),

vii) **Note No. 2.6** regarding consideration of estimated liability for employees' pay revision amounting to Rs. 4.58 crores (including Rs. 2.00 crores for the current year), and read together with other notes on accounts including Accounting Policies of the Company give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

1. in the case of the Balance Sheet of the state of affairs of the Company as at **31st March, 1994**, and
2. in the case of the **Profit and Loss Account**, of the Profit of the Company for the year ended on the date.

For A.K. SABAT & CO.
Chartered Accountants,

Bhubaneswar
Dated: 20th July, 1994

Sd/-
(A.K. SABAT)
Partner

Annexure to the Auditors' Report

Referred to in paragraph-1 of our Report of Even Date on the Accounts for the Year Ended 31st March, 1994 of National Aluminium Company Limited.

- 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 is reasonable, movable fixed assets of the Company only have been verified by the Management during the year and discrepancies noticed on such verification, which were not material, are under reconciliation.
- II. None of the Fixed Assets have been revalued during the year.
- III. The stocks of finished goods, stores, spare parts and raw materials of the Company at all its locations (except stocks with third parties and in transit) have been physically verified by the Management at reasonable intervals.
- IV. The procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- V. The discrepancies noticed on such physical verification of stocks as compared to book records were not material, having regard to the size of the operations of the Company.
- VI. In our opinion, on the basis of our examination of the stock records, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and, is on the same basis as in the preceding year except in the case of stores and spares, read with Accounting Policy No. 3(e) and Note No. 1.6 provision for Rs. 4.87 crores created during the year on unmoved stores for 5 years and above.
- VII. The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956 and/or from Companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
- VIII. The Company has not granted any loans, secured or unsecured, 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 Section 370 (1B) of the Companies Act, 1956.
- IX. The principal amounts and interest wherever applicable thereon in respect of loans and/or advances of the nature of loans given by the Company to Bodies corporate and Employees have been recovered regularly as stipulated except for loans given to Bharat Gold Mines Limited and Mineral Exploration Corporation Limited as referred in Note. Nos. 1.12 and 1.13 respectively.
- X. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipments and other assets and with regard to sale of goods.
- XI. According to the information and explanations given to us, there are no transactions of purchases of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section

301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in value from/to any party.

- XII. As explained to us the Company has a regular procedure for determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on items so determined.
- XIII. The Company has not accepted any deposits from public.
- XIV. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realizable scraps. The Company has no by-product.
- XV. In our opinion, the Company's internal audit system even though satisfactory needs to cover more areas so as to be commensurate with its size and nature of its business.
- XVI. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(l) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records.
- XVII. The Company is regular in depositing Provident Fund dues with appropriate authorities. None of the employees of the Company is member of the Employees' State Insurance.
- XVIII. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- XIX. During the course of our examination of books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses other than expenses under contractual obligations and/or generally accepted business practices, which have been charged to revenue account.
- XX. The Company is not a sick industrial company within the meaning of Clause (0) of sub section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For A.K. SABAT & CO.
Chartered Accountants,

Bhubaneswar
Dated: 20th July, 1994

Sd/-
(A.K. SABAT)
Partner

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, 1994

(in Thousand Rupees)

	Schedule	As at March 31, 1994	As at March 31, 1993
SOURCE OF FUNDS			
Share holder's Fund			
Share Capital	1.1	1288,61,92	1288,61,92
Reserves and Surplus			
Balance in profit and Loss Account		503,12,44	372,17,60
Loan Funds			
Secured Loans	1.2	-	27,30,63
Unsecured Loans		<u>2321,53,79</u>	<u>2603,26,35</u>
		<u>2321,53,79</u>	<u>2630,56,98</u>
Total		<u>4113,28,15</u>	<u>4291,36,50</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	1.3	4168,75,11	4088,97,69
Less: Depreciation		<u>1157,44,53</u>	<u>939,14,47</u>
Net Block		3011,30,58	3149,83,22
Capital work in Progress	1.4	294,14,03	252,27,65
Investments			
	1.5	9,77,56	9,77,56
Current Assets, Loans and Advances			
Inventories	1.6	329,48,33	310,93,24
Sundry Debtors		250,77,39	343,57,40
Cash and Bank Balances		232,00,86	210,11,70
Other Current Assets		124,51,99	121,58,39
Loans and Advances		<u>85,40,99</u>	<u>90,77,70</u>
		1022,19,56	1076,98,43
Less: Current Liabilities & Provisions			
Liabilities	1.7	167,75,10	218,06,07
Provisions		<u>81,95,72</u>	<u>70,28,73</u>
		<u>249,70,82</u>	<u>288,34,80</u>
Net Current Assets		772,48,74	788,63,63
Miscellaneous Expenditure			
To the extent not written off or adjusted	1.8	<u>25,57,24</u>	<u>90,84,44</u>
TOTAL		<u>4113,28,15</u>	<u>4291,36,50</u>
Notes on Accounts			
	1.9		
Statement of Accounting polices and Schedules form part of Accounts			
In terms of our attached report of even date			

Bhubaneswar
20th July,1994

A K Sabat **Ashok Tandon**
Partner Company Secretary

C Venkataramana **B.D. Singh**
Executive Director Director(Personnel
(Finance) & Administration)

Dr. S K Tamotia
Chairman-cum
Managind Director

For and on Behalf of
M/S A K Sabat & Co
Chartered Accountants

Profit and Loss Account
for the Year ended March 31, 1994

(in Thousand Rupees)			
	Schedule	Year Ended March 31, 1994	Year Ended March 31, 1993
INCOME			
Sales	2.1	1195,96,24	1169,10,92
Finished Products Internally Consumed		62	34,04
Accretion/(Depletion) to stock of Finished / intermediary products	2.2	1,52,62	15,31,19
Other Income	2.3	<u>45,10,03</u>	<u>57,11,50</u>
		<u>1242,59,51</u>	<u>1241,87,65</u>
EXPENDITURE			
Raw Materials Consumed	2.4	142,73,70	169,30,39
Finished Goods Purchased		3	—
Power & Fuel	2.5	234,56,54	228,65,89
Repairs & Maintenance	2.6	61,18,91	59,33,78
Other Manufacturing Expenses	2.7	34,43,44	32,03,57
Exise Duty		145,10,75	131,81,32
Employees' Remuneration and Benefits	2.8	44,85,15	37,48,68
Administrative, Selling & Distribution Expenses	2.9	65,52,75	63,81,82
Interest and Financing Charges	2.10	126,90,00	119,84,46
Provisions	2.11	27,99,20	27,25,16
Depreciation		218,32,04	215,17,87
Miscellaneous Expenditure written off		<u>4,97,13</u>	<u>4,33,97</u>
		<u>1106,59,64</u>	<u>1089,06,91</u>
PROFIT FOR THE YEAR		135,99,87	152,80,74
ADD/(LESS) Prior Period adjustments	2.12	<u>20,72,21</u>	<u>(17,92,38)</u>
SURPLUS FOR THE YEAR		156,72,08	134,88,36
Profit Brought forward from Previous Year		<u>372,17,60</u>	<u>252,75,58</u>
Balance available for appropriation		<u>528,89,68</u>	<u>387,63,94</u>
APPROPRIATION:			
Dividend paid for previous year		25,77,24	15,46,34
Balance transferred to Balance Sheet		<u>503,12,44</u>	<u>372,17,60</u>
		<u>528,89,68</u>	<u>387,63,94</u>
Notes on accounts	1.9		

Statement of Accounting polices and Schedules form part of Accounts
 In terms of our attached report of even date.

Bhubaneswar
 20th July, 1994

A K Sabat
 Partner

Ashok Tandon
 Company Secretary

C Venkataramana
 Executive Director
 (Finance)

B.D. Singh
 Director(Personnel
 & Administration)

Dr. S K Tamotia
 Chairman-cum
 Managing Director

For and on Behalf of
 M/S A K Sabat & Co
 Chartered Accountants

Schedule 1.1
SHARE CAPITAL

	(In Thousand Rupees)	
	As at March 31, 1994	As at March 31, 1993
Authorised:		
130,00,00,000 Equity Shares of Rs. 10/- each (Previous year 130,00,00,000 Equity Shares of Rs. 10/- each)	<u>1300,00,00</u>	<u>1300,00,00</u>
Issued, Subscribed and Paid Up:		
128,86,19,200 Equity shares of Rs 10/- each fully paid up (Previous year 128,86,19,200 Equity Shares of Rs 10/- each)	<u>1288,61,92</u>	<u>1288,61,92</u>
Total	<u>1288,61,92</u>	<u>1288,61,92</u>

Schedule 1.2
LOAN FUNDS

	(In Thousand Rupees)	
	As at March 31, 1994	As at March 31, 1993
A. Secured Loans		
(Secured by hypothecation of Raw Materials, Finished/Intermediary products, stores & Book Debts outstandings)		
Cash Credit From State Bank of India	—	12,70,64
Export Packing Credit From State Bank of India	—	<u>14,59,99</u>
		27,30,63
B. Unsecured Loans		
Medium term Eurodollar Loans from Consortium of International Banks (Guaranteed by Government of India)		
US\$ 100.000 Million (Previous year 133.33 Million)	313,72,50	416,01,66
US\$ 38.182 Million (Previous year 50.909 Million)	119,78,59	158,84,27
US\$ 125 Million (Previous year 125.00 Million)	392,15,63	390,01,56
US\$ 233.333 Million (Including US\$ 51.525 Million swapped to Swiss Franc 100 Million) (Previous year 300 Million)	791,85,32	983,55,86
Japanese yen 20 Billion (Previous year 20 Billion)	609,90,00	539,57,81
Medium term instalment sale liability (US \$ 30 Million from Morgan Grenfell & Co Ltd.) (Previous year 36.667 Million)	94,11,75	114,40,46
Loan from M/s Housing Development Finance Corporation Ltd	—	84.73
	<u>2321,53,79</u>	<u>2603,26,35</u>
Total	<u>2321,53,79</u>	<u>2630,56,98</u>

Schedule 1.3
FIXED ASSETS

Particulars	Gross Block			Total Depreciation up to 31.3.1994	Net Block	
	As on 1.4.1993	Additions	Sales/Adjustments	Cost as on 31.03.1994	As on 31.03.1994	As on 31.03.1993
A. Plant, Mines and Others						
Freehold Land Including Development costs	29,88,07	2.27	-	29,90,34	-	29,90,34
Leasehold Land Including Development costs	1,91,53	-	9	1,91,62	65,64	1,25,98
Buildings	134,47,42	59,55	-57,53	134,49,44	39,52,17	94,97,27
Roads, Bridges & Culverts	23,85,92	28,67	-47	24,14,12	5,73,25	18,40,87
Railway Sidings	45,62,77	2,13,78	-	47,76,55	17,85,72	29,90,83
Water Supply, Drainage & Sewerage	44,46,73	-	-165,37	42,81,36	14,38,07	28,43,29
Power Supply, Distribution & Lighting	156,02,15	36	-6,82	155,95,69	51,95,32	104,00,37
Plant & Machinery	3507,46,98	68,67,98	41,61	3576,56,57	987,17,90	2589,38,67
Office Equipments	3,38,71	23,50	-1,26	3,60,95	2,10,68	1,50,27
Furniture and Fittings	4,67,30	25,95	7	4,93,32	1,48,65	3,44,67
Vehicles	16,66,72	19,66	-11,22	1675,16	12,53,76	4,21,40
Miscellaneous Equipments	12,91,87	48,18	84	13,40,89	4,69,54	8,71,35
Total	3981,36,17	72,89,90	-2,00,06	4052,26,01	1138,10,70	2914,15,31
B. Social Facilities						
Freehold Land including development costs	2,89,77	98	-54	2,90,21	-	2,90,21
Leasehold Land including development costs	38,82	-	-	38,82	11,98	26,84
Buildings	73,49,59	7,43,24	11,45	81,04,28	10,18,26	70,86,02
Roads, Bridges & Culverts	11,46,60	9,14	29	11,56,03	1,61,65	9,94,38
Water supply, drainage & sewerage	8,64,23	27,54	-2,48	8,89,29	3,09,21	5,80,08
Power supply, distribution & lighting	7,13,39	94,48	1,85	8,09,72	2,87,92	5,21,80
Office equipments	6,17	-	-	6,17	3,13	3,04
Furniture and fittings	81,95	3,59	-	85,54	36,75	48,79
Vehicles	65,38	4,91	-6,54	63,75	36,06	27,69
Miscellaneous equipments	2,05,62	64	-97	2,05,29	68,87	1,36,42
TOTAL	107,61,52	8,84,52	3,06	116,49,10	19,33,83	97,15,27
TOTAL FOR CURRENT YEAR	4088,97,69	81,74,42	-1,97,00	4168,75,11	1157,44,53	3011,30,58
FOR PREVIOUS YEAR	4007,26,77	80,89,18	81,74	4088,97,69	939,14,47	3149,83,82

Previous year) towards exchange variation loss in accordance with Accounting Police No. A4(b).

Included in Gross Block above are the following properties laid on land other than lease which do not belong to company:

- 1) Building – Rs. 97,22 (Previous year Rs. 81,76)
- 2) Roads, Bridges and Culverts – 295,32 (Previous year Rs. 295,50)
- 3) Water Supply, Drainage and Sewerage – 12,36 (Previous Year Rs. 12,36)
- 4) Power Supply Distribution and Lighting – Rs. 379,81 (Previous Year Rs. 379,81)
- 5) Railway Sidings – Rs. 295,63 (Previous Year Rs. 81,85).

Schedule 1.4**CAPITAL WORK-IN-PROGRESS**

	In Thousand Rupees	
	As at March 31, 1994	As at March 31, 1993
Construction and Erection Work –In-Progress at Cost (Including Material with Contractors Rs. 87,47, Previous year Rs.115,77)	244,44,70	186,23,94
Advances to Government Departments & Contractors (Unsecured considered Good)	17,80,28	35,79,83
Advances to Suppliers for Capital Goods (Unsecured considered Good)	65,58	95,68
Stock of construction Materials at Cost	8,20,04	8,62,43
Construction materials in transit at Cost	30,11	1,00
Plant & machinery in Transit at Cost	-	9,10,48
Incidental Expenditure During Construction (Schedule 1.4.1)	11,11,31	-30,49
Exchange Variation Pending Capitalisation	9,48,55	9,02,24
Expenditure on Expansion Projects	2,13,46	2,82,54
Total	<u>2,94,14,03</u>	<u>252,27,65</u>

Schedule 1.4.1**INCIDENTAL EXPENDITURE DURING CONSTRUCTION**

	(In Thousand Rupees)	
	As at March 31, 1994	As at March 31, 1993
Opening Balance Awaiting Allocation	-30,49	- 2,81,11
Expenditure/Adjustments during the year		
Administrative Expenses :		
Rate & Taxes	20	-
Insurance	10,95	20,34
Repair and Maintenance – Others	-48,37	-
Power & Fuel	62	1,03
Others	<u>-20,12</u>	<u>-83,89</u>
	-56,72	-62,52
Start up & Commissioning Expenses	5,68	1,57,50
Technical Consultancy Fees & Expenses	32,90	54,46
Excise Duty	-	5,68
Enabling Works	3,00	4,87
Selling and Distribution Expenses	-	1,10
Depreciation	-	41
Income Tax	-3,17	-
	<u>-18,31</u>	<u>1,61,50</u>

Less : Income/Adjustments

Income Out of Trial Production	-	48,59	
Interest Earned	-12,68,94	2,45,69	
Other Income	27,81	11,01	
	-12,41,13		3,05,29
Net Expenditure/(Income) during the year after adjustments	12,22,82		(1.43.79)
Total expenditure	11,92,33		1,37,32
Amount allocated to Fixed Assets	81,02		1,67,81
Balance Awaiting adjustment	11,11,31		-30,49
Total	11,92,33		1,37,32

Schedule 1.5
INVESTMENTS

(In Thousand Rupees)							
	Face Value per unit (Rs.)	Number	As at March 31,1994		As at March 31,1993		
			Market Value	Book Value	Number	Market Value	Book Value
Investments Valued at Cost (Unquoted unless Otherwise Stated)							
Government Securities				1			1
7 Years National Savings Certificate (deposited with Government Authorities)							
Other Investments							
13% Nuclear Power Corporation Bonds	1,000.00	95,000		9,77,55	95,000		9,77,55
				9,77,56			9,77,56
Aggregate Book value of Quoted Investments				-			-
Aggregate Book Value of Unquoted Investments				9,77,56			9,77,56
Aggregate Market Value of quoted investments				-			-

Schedule 1.6
CURRENT ASSETS LOANS & ADVANCES

(In Thousand Rupees)							
			As at		As at		
			March 31, 1994		March 31, 1993		
Current Assets :							
Inventories:							
Raw Materials at Cost(Including Rs.1308,68 Previous year Rs.977,01 in Transit)		31,96,56			29,65,98		
Stock in Trade/Intermediary products - at Lower of Cost or net realisable Value		118,21,38			116,68,76		
Stores and Spares at Cost (Including Rs.946,35 Previous Year Rs.1033,20 in Transit)	184,17,09			164,58,50			
Less : Provision for non moving stores and spares	4,86,70			-			
		1,79,30,39			164,58,50		
			329,48,33			310,93,24	

Sundry Debtors :

(Unsecured)

Debit Over Six Months

Considered good

Considered doubtful

Less: Provision for doubtful debts

Other debts considered good

Cash and Bank Balances :

Cash balance on hand including imprest & Stamp

Bank balance with scheduled banks

In Current Account

In Short Term/Fixed deposits

In Post Office Savings Accounts

Other Current Assets :

Intercompany Deposits With :

Andhra Bank Financial Services Ltd.

SBI Capital Market Ltd

Canara Bank Financial Services Ltd

Interest accrued on :

Short term/fixed/Inter Corporate deposits

Loan to Employees

Loans to Public Sector Companies

Investments

Debtors

Discount accrued on Certificate of Deposits

Loans, Advances & Deposits:

(Unsecured, considered good unless otherwise stated)

Loans :

Employees (Rs.642,68 secured, previous year Rs.560,88)

Stores on Loan basis

Loans to Public Sector Companies (Including interest accrued and due
Rs.1,22,50 Previous year Rs.52.50)

57,06,63

6,39

57,13,02

6,39

57,06,63

193,70,76

5,45

2,10,24

229,85,02

15

45,00,00

10,00

57,00,00

102,10,00

15,51,75

2,80,20

3,23

43,99

2,18,70

1,44,12

22,41,99

9,44,25

51,80

7,37,50

53,70,21

-

53,70,21

-

53,70,21

289,87,19

5,11

2,32,73

207,53,73

20,13

45,00,00

10,00

60,00,00

105,10,00

6,84,10

2,15,67

21,72

43,99

5,73,80

1,09,11

16,48,39

7,84,66

74,72

14,02,50

250,77,39

232,00,86

124,51,99

17,33,55

343,57,40

210,11,70

121,58,39

22,61,88

Advances/ Recoverables:

Advances to Employees		1,01,94		95,63	
Income Tax deducted at source		4,91,32		4,76,45	
Advances to others:					
Considered good	22,45,28		20,25,79		
Considered doubtful	1,47,32		77,92		
	<u>23,92,60</u>		<u>21,03,71</u>		
Less Provision for doubtful advances	1,47,32		77,92		
		22,45,28		20,25,79	
Amount due from Bharat Aluminium Company Ltd.		1,97		1,97	
Advance for Andhra Bauxite Project		-		65,99	
Prepaid Expenses		8,67,22		13,32,17	
Claims Recoverable	20,77,33		23,99,52		
Less : Provision for doubtful claims	<u>6,44,47</u>		<u>5,49,11</u>		
		<u>14,32,86</u>		<u>18,50,11</u>	
			51,40,59		58,48,41
Deposits with :					
Government Departments		37,94		39,64	
Customs Authorities		47,23		41,17	
Port Authorities		27,63		43,41	
Sales Tx Authorities		8,36,39		5,00	
Excise Authorities		6,68,03		7,88,54	
Others		<u>49,63</u>		<u>49,65</u>	
			16,66,85		9,67,41
Total of Loans, Advances & Deposits			<u>85,40,99</u>		<u>90,77,70</u>
TOTAL			<u>1022,19,56</u>		<u>1076,98,43</u>

Schedule 1.7

CURRENT LIABILITIES AND PROVISIONS

	(In Thousand Rupees)			
	As at		As at	
	March 31, 1994		March 31, 1993	
Liabilities				
Sundry Creditors	85,48,57		102,50,82	
Other Liabilities (Including Advances from Customers of Rs. 1398.33 Previous year Rs.340,59)	46,52,32		88,70,84	
Security deposits	24,85,44		16,75,70	
Interest Accured but not due to loans	<u>10,88,77</u>		<u>10,08,71</u>	
		167,75,10		218,06,07
Provisions				
For Relining	79,29,20		65,20,99	
For sundry claims	<u>2,66,52</u>		<u>5,07,74</u>	
		81,95,72	-	70,28,73
TOTAL		<u>249,70,82</u>		<u>288,34,80</u>

Schedule 1.8
MISCELLANEOUS EXPENDITURE
to the extent not written off or adjusted

(In Thousand Rupees)				
Particulars	Balance as at April 1,1993	Addition/ Adjustments during 1993-94	Written off During 1993-94	Balance as at March 31,1994
Interest and Penalties on Sales Tax	67,57,82	-61,71,21	-	5,86,61
Scientific Research	76	3,05,74	3,06,50	-
Exchange variation loss	23,25,86	-	4,33,96	18,91,90
Expenditure on un-successful projects	-	1,84,09	1,05,36	78,73
Total for Current years	90,84,44	-56,81,38	8,45,82	25,57,24
Total for Previous years	95,24,77	-6,36	4,33,97	90,84,44

Schedules forming part of the Profit & Loss Account

Schedule 2.1

SALES

	(In Thousand Rupees)	
	Year Ended March 31, 1994	Year Ended March 31, 1993
Exports		
Alumina Hydrate	24,77	3,75,52
Calcined Alumina	1,46,18,31	206,11,51
Aluminium Ingots	229,89,28	327,91,46
Aluminium Wire rods	-	55,25
	<u>376,32,36</u>	<u>538,33,74</u>
Export through Merchant Exporter:		
Calcined Alumina	35,39,99	-
Domestic		
Bauxite	-	25,44
Alumina Hydrate	33,13	55,01
Calcined Alumina	1,02	8,98
Aluminium Ingots	507,83,57	368,66,28
Aluminium wire Rods	220,96,05	214,40,27
Electricity	55,10,12	46,81,20
	<u>784,23,89</u>	<u>630,77,18</u>
TOTAL	<u><u>1195,96,24</u></u>	<u><u>1169,10,92</u></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	94,72		94,72	3,36,58	2,41,86
	(1,29,57)		(1,29,57)	(94,72)	(-34,85)
Alumina Hydrate	65,99		65,99	2,20,75	1,54,76
	(2,19,74)		(2,19,74)	(65,99)	(-1,53,76)
Calcined Alumina	16,70,14		16,70,14	21,41,99	4,71,85
	12,04,14		(12,04,14)	(16,70,14)	(4,66,00)
Aluminium Ingots	63,17,62		63,17,62	65,27,31	2,09,69
	(50,15,90)	(99.00)	(50,16,89)	(63,17,62)	(13,00,74)
Aluminium wire Rods	10,21,48		10,21,48	1,07,24	-9,14,24
	(14,82,48)		(14,82,48)	(10,21,48)	(-4,61,00)
Other Items	24,98,81		24,98,81	24,87,51	-11,30
	(20,84,75)		(20,84,75)	(24,98,81)	(4,14,06)
Total	116,68,76		116,68,76	118,21,38	1,52,62
	(101,36,58)	(99.00)	(101,37,57)	(116,68,76)	(15,31,19)

Figures in brackets represent those for previous year

Schedule 2.3**OTHER INCOME**

	(In Thousand Rupees)	
	Year Ended March 31, 1994	Year ended March 31, 1993
Receipt for rent, electricity & water charges	76,23	75,38
Receipt for use of vehicle & aviation	13,09	6,92
Receipt from guest house	4,19	4,59
Interest (Gross) Income from Investments		
(Tax deducted at source NIL, Previous year NIL)	1,23,50	1,23,50
Interest Income from Employees, debtors and others	5,51,41	12,02,98
Machinery Hire Charges	4,66	2,41
Sundry Receipts	94,70	1,45,38
Sale of Scrap	1,08,05	4,30
Interest Income from deposits	13,67,87	24,33,64
Interest Income from loan to Public Sector Companies	1,39,39	1,24,09
Premium on Exim Scrip & Sale of Replenishment License	10,80,64	10,73,30
Discount on Certificate of Deposits	9,46,30	5,15,01
TOTAL	45,10,03	57,11,50

Schedule 2.4
RAW MATERIALS CONSUMED

(In Thousand Rupees)				
	Year Ended March 31 1994		Year Ended March 31 1993	
	Quantity (MT)	Value	Quantity (MT)	Value
Caustic Soda	45545	37,46,39	52411	53,24,89
C.P. Coke	82239	58,15,42	85796	64,70,41
C.T .Pitch	18946	18,06,39	18432	22,69,22
Aluminium Fluoride	5080	18,55,84	4716	16,13,92
Lime	43325	5,64,70	41797	4,70,66
Others		4,84,96		7,81,29
Total		1,42,73,70		169,30,39

Schedule 2.5
POWER & FUEL

(In Thousand Rupees)		
	Year Ended March 31, 1994	Year Ended March 31, 1993
Power Purchased	5,30,38	16,64,40
Duty on self generation(Including interest on Electricity Duty Rs.276,26, Previous year Rs139,27)	41,83,80	39,65,07
Coal consumed	131,59,16	119,45,44
Fuel oil consumed	55,83,20	52,90,98
TOTAL	234,56,54	228,65,89

Schedule 2.6
REPAIRS & MAINTENANCE

(In Thousand Rupees)		
	Year Ended March 31, 1994	Year Ended March 31, 1993
Buildings	1,79,91	1,50,33
Machinery	51,29,16	50,02,02
Others	8,09,84	7,81,43
TOTAL	61,18,91	59,33,78

Schedule 2.7
OTHER MANUFACTURING EXPENSES

(In Thousand Rupees)		
	Year Ended March 31, 1994	Year Ended March 31, 1993
Royalty & cess	8,28,10	9,56,50
Freight	17,57,02	15,45,39
Others	8,58,32	7,01,68
TOTAL	34,43,44	32,03,57

Schedule 2.8**EMPLOYEES' REMUNERATION AND BENEFITS**

(In Thousand Rupees)

	Year Ended March 31, 1994	Year Ended March 31, 1993
Salaries, wages & bonus	34,07,00	29,40,17
Contribution to provident fund	2,40,61	2,12,76
Staff Welfare expenses	8,03,58	5,67,47
Gratuity	33,96	28,28
TOTAL	<u>44,85,15</u>	<u>37,48,68</u>

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

(In thousand Rupees)

	Year Ended March 31, 1994	Year Ended March 31, 1993
Administrative		
Rent for office and guest house	86,14	70,62
Rent for leased accomodation	22,56	18,20
Rates and taxes	94,83	79,03
Insurance	1,49,04	1,58,50
Auditors' Remuneration-Statutory Audit Fees	1,50	1,08
Auditors' Remuneration – Statutory Audit Expenses	2,90	3,73
Auditor's Remuneration - Tax audit Fees & Expenses	60	60
Repair & Maintenance –Buildings	62,32	41,39
Repair & Maintenance - Others	1,61,39	1,27,95
Vehicles operating expenses	1,20,92	70,98
Consumption of stores	62,58	34,49
Recruitment expenses	31,07	4,25
Bank charges	91,83	70,42
Legal expenses	15,06	12,53
Filing fees	1	2
Printing & stationery	57,38	55,90
EDP expenses	20,41	11,43
Postage, Telegram, Telex, & Telephone	1,92,90	1,63,89
Advertisement & publicity	64,19	51,02
Entertainment	7,14	5,09
Electricity and water charges	74,48	46,24
Traveling expenses	3,96,89	2,94,77
Demurrage	7,62	8,33
Directors' Sitting Fee	-	1
Hire Charges for machinery/vehicles	1,09,18	81,14
Donations	2,86	5,47

Management development & training	31,46	21,14
Plantation / horticulture	38,34	40,70
Maintenance of guest house	15,05	10,67
Miscellaneous consultancy	23,40	17,45
CISF and other expenses	4,77,09	3,18,71
Fire fighting service	57,75	67,29
Other miscellaneous expenses	1,32,82	1,14,36
Loss on sale of assets and shortage	1,42,79	62,66
Claims written off	-	3,57,79
Technical assistance fee and expenses	8,34,16	23,92
Research & development expenses	10	3,90
Wealth tax	47	-
	<u>35,89,23</u>	<u>24,55,67</u>
Selling and Distribution		
Sales Tax	11,95	6,60
Packing and forwarding	1,42,22	2,44,50
Freight and handling	18,64,69	26,83,63
Commission to Selling Agents	33,71	71,10
Cash Discount	4,38,27	2,24,56
Demurage	90,56	2,61,24
Others	3,82,12	4,34,52
	<u>29,63,52</u>	<u>39,26,15</u>
TOTAL	<u>65,52,75</u>	<u>63,81,82</u>

Schedule 2.10**INTEREST AND FINANCING CHARGES**

(In Thousand Rupees)

	Year Ended March 31, 1994	Year Ended March 31, 1993
Interest and Financing Charges:		
Interest on medium term loan	94,82,59	104,64,82
Interest on cash credit, export packing credit	90,38	2,39,39
Agency fees including up front charges	4,55,75	1,39,31
Exchange variation	26,61,28	11,40,94
TOTAL	<u>126,90,00</u>	<u>119,84,46</u>

Schedule 2.11
PROVISIONS

	(In Thousand Rupees)	
	Year Ended March 31, 1994	Year Ended March 31, 1993
Relining expenses	19,53,82	19,26,78
Doubtful advances	69,40	—
Doubtful debtors	6,39	—
Doubtful insurance claims	1,47,27	2,66,29
Doubtful despatch money & freight claims	1,45	24,35
Sundry claims	1,34,17	5,07,74
Non moving stores & spares	4,86,70	—
TOTAL	<u>27,99,20</u>	<u>27,25,16</u>

Schedule 2.12
PRIOR PERIOD ADJUSTMENTS

	(In Thousand Rupees)	
	Year Ended March 31, 1994	Year Ended March 31, 1993
Sales	(1,96,60)	2,14,90
Raw materials consumed	(7,91)	3,85
Power & fuel	13,83,16	(13,42,77)
Repairs & maintenance	74,94	(41,01)
Excise Duty	—	9,61
Employees' Remuneration & Benefits	(2,26,48)	(75,17)
Administrative, Selling & Distribution Expenses (Including Rs.1,26 Statutory Audit fees and Rs. 27 for audit expenses Previous year Rs. 60 for Statutory Audit Expenses)	(2,27,58)	(2,06,39)
Interest and Financing charges	(66,77)	59
Provisions	3,66,71	—
Depreciations	(1,08,38)	(3,46,38)
Other Income	14,32,32	77
Other Manufacturing expenses	(2,51)	(10,38)
Miscellaneous Expenditure written off	(3,48,69)	—
Net Prior Period adjustments	<u>20,72,21</u>	<u>(17,92,38)</u>

Statement of Accounting Policies

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Statement of Accounting Policies

A. BALANCE SHEET:

1. LEASEHOLD LAND:

leasehold land including development expenses there-on is amortised on straight line method over a period of 25 years in case of Mines and 20 years in other cases, irrespective of actual lease period.

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 upto start of commercial operation is capitalised.

3. VALUATION OF INVENTORY:

- a) Raw materials, stores, spare 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, selling and distribution 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 remains at the same level.
- e) Inventory of stores and spares not moved for 5 years and above have been valued at cost less 20%.

4. CONVERSION OF FOREIGN CURRENCY:

- a) All long term foreign currency loans, US\$ - Swiss Franc currency swap, unrealized export invoices, bank balances and other current assets/liabilities are recorded in rupees by applying appropriate exchange rates prevailing on the date of the Balance Sheet. Foreign currency transactions settled during the accounting year 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:

- a) For the original project, revenue expenditure incurred during construction period has been treated as expenditure incidental to construction and is being allocated to relevant Fixed Assets on an appropriate basis.
- b) For capital expansion programmes, only direct revenue expenditure incurred on such programmes is being treated as incidental expenditure during construction.

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 straight line method based on the rates specified in Schedule XIV of the Companies Act, 1956.
- c) All items of Fixed Assets 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:

Provision 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:

- a) Mines Development Expenditure incurred during the year is charged to Profit and Loss Account during the same year.
- b) Expenditure on feasibility studies, project reports, documentation and other related matters on unsuccessful projects and capital contribution to external Research & Development institutions are aggregated under Miscellaneous

Expenditure (Deferred Revenue Expenditure) and is written off over a period of three years.

5. PRE-PAID EXPENSES AND PRIOR PERIOD EXPENSES/INCOMES:

Income/Expenditure relating to prior periods as well as prepaid expenses not exceeding Rs. 25000/- in each case is 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.

8. RECOGNITION OF SALES REVENUE:

The export sale is recognized based on the date of Bill of Landing irrespective of terms of sale viz. FOB, C&F and CIF etc. The indigenous sale is recognized based on the date of Railway Receipt of Lorry Receipt.

Schedule 1.9**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH' 94****1. Balance Sheet :**

- 1.1 Out of the issued, subscribed and paid up share capital of Rs. 1,28,861.92 lakhs, the share holding of Government of India is Rs. 1,12,363.44 lakhs (Previous Year Rs. 1189,08.83 lakhs).
- 1.2 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 are being executed.
 - (ii) Value of Lease hold and 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 amount deposited with the State Government and estimated liabilities provided for.
- 1.3 The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 2919.13 lakhs (previous year: Rs. 7517.07 lakhs).
- 1.4 Liabilities towards Sales tax on works contracts amounting to Rs. 1873.15 lakhs (previous year Rs. 1937.41 lakhs) have 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 for disposal. Liability towards interest/penalty amounting to Rs. 586.61 lakhs (previous year Rs. 6757.82 lakhs) imposed by Sales Tax Authorities has been shown as "Miscellaneous Expenditure" pending decision of Orissa High Court.
- 1.5 To realise company's claims against off-loaded contracts, bank guarantees totaling to Rs. 111.14 lakhs (previous year Rs. 111.14 lakhs) were invoked for encashment. However, the bank guarantees in question could not be realised in some cases for last seven years because of injunction granted by various courts.
- 1.6 Inventory of Stores and spares not moved for 5 years and above have been valued at cost less 20% in accordance with the Company's Accounting policy No. A3(e) introduced during the year. Consequently the charge to Profit and Loss Account amounted to Rs. 486.70 lakhs.
- 1.7 Pending commissioning of VIth unit of Captive Power Plant for enabling sustained power supply and pending installation of debottlenecking facilities in Smelter Plant, balance 52 numbers of pots in Smelter Plant, not put to use, have not been capitalised. The corresponding Direct cost and Expenditure During Construction have been included in Capital Work in Progress.
- 1.8 Contingent liabilities not provided for :

	Year ended 31st Mar'94 (Rs. in lakhs)	Year ended 31st Mar'93 (Rs. in lakhs)
Claims not acknowledged as debt:		
i) OSEB for delayed payment of surcharge:	-	164.36
ii) Sales tax on works contract under dispute (on supply portion):	4540.20	4540.20
iii) Contractors and others :	1851.45	2006.18
iv) Excise duty for non-submission of proof of export :	2334.78	2459.94
v) Excise duty on fabrication work done by contractors & other claims :	603.42	603.42
vi) Customs duty on Design / Engineering charges / Steel billets and other claims :	1520.11	378.07
vii) Cost of land acquisition and interest there on:	319.02	301.56
viii) Income tax liability u/s 143(1)(A) for the assessment year 1991-92 :	-	243.93
ix) Outstanding letters of credit, guarantees and counter guarantees :	2360.03	2073.03
Total :	13529.01	12770.69

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.

- 1.9 Payment made to Non Ferrous Technology Development Centre (NFTDC), Hyderabad amounting to Rs. 306.50 lakhs towards contribution for Research & Development activities, expenditure amounting to Rs. 65.99 lakhs on Andhra Bauxite Project, Rs. 117.34 lakhs on 100% Export Oriented Unit Alumina Project in collaboration with M/s Hydro, Norway and Rs. 0.76 lakhs on Silumin Project have been treated as deferred revenue expenditure and charged off to revenue over a period of three years in line with Accounting Policy No. B.4(b) introduced during the year. The charge on account of this for the current year is Rs. 63.17 lakhs and for prior period is Rs. 348.69 lakhs.
- 1.10 In terms of the agreement dt. 17.5.94 between the Company and Andhra Bank Financial Services Ltd. (ABFSL), against an outstanding Inter Corporate Deposit of Rs. 45 Crores, ABFSL has repaid Rs. 12.50 crores and delivered Public Sector Unit Bonds of the face value of Rs. 27.50 crores alongwith future interest warrants and have under taken to deliver Public Sector Unit Bonds for Rs. 5 Crores alongwith interest warrants or pay equivalent thereof in cash within 6 months from the date of the said agreement. So far as interest coupons prior to the date of agreement are concerned, ABFSL has paid Rs. 3.75 crores and has undertaken to pay a further amount of Rs. 3.99 crores calculated at the respective coupon rates of Public Sector Unit Bonds with effect from the dates of deposits made by NALCO. Accordingly,

interest income amounting to Rs. 5.48 crores for the current year and Rs. 4.00 crores for earlier year has been considered and that of Rs. 2.38 crores provided in earlier year has been reversed.

- 1.11 Canara Bank Financial Services Limited (CANFINA), a wholly owned subsidiary of Canara Bank, against whom an inter-corporate deposit of Rs. 60 crores was outstanding as on 1.4.93 along with interest accrued thereon, have submitted a repayment scheme proposing to liquidate the principal outstanding in five yearly installments alongwith interest at agreed rates up to 30.6.92 and thereafter at the simple rate of 5% per annum on the outstanding dues. In terms of such offer, CANFINA have refunded Rs. 3.00 crores in Jan'94 and a further amount of Rs. 3.00 crores in April'94. Pending acceptance by the company of the said repayment scheme and based on conservative and prudent principles of accounting, interest accounted for in 1992-93 for the original deposit period of 3 months has been retained. Further interest will be accounted on finalisation of a mutually acceptable repayment scheme.
- 1.12 Bharat Gold Mines Ltd., (BGML) was paid a working capital loan of Rs. 5 crores during May 1989 repayable in six months. Government of India stood guarantee that in the event of default by BGML, they would pay the amount to the company from Budgetary support to BGML. Accordingly, the dues though defaulted from BGML has been considered good.
- 1.13 Mineral Exploration Corporation Ltd. (MECL) was paid a Working Capital loan of Rs. 2 crores in Aug'91 for one year out of which Rs. 0.85 crores has been realised by 31.3.94 together with interest due on the entire loan.

2. Profit and Loss Account :

- 2.1 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, 1

Assets	Rate of depreciation
Factory building including storage godown :	5%
Plant and Machinery :	5%
Red mud pond (Earth work portion) :	14.29%
Ash pond at Alumina Refinery (Earth work portion) :	13.34%
Ash pond at CPP :	15.38%

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. 227.93 lakhs (previous year Rs. 32123.62 lakhs) and consequently the accumulated depreciation as at 31st March, 1994 is understated by Rs. 111,690.38 lakhs (previous year Rs. 111,462.45 lakhs).

The arrears of depreciation will be provided as per requirement of Company Law Board u/s 205 (1)(c) of Companies Act in future years.

Consequent to the change in rates of depreciation made during the year for certain assets as prescribed in Schedule XIV of the Companies Act, 1956, the charge for the

depreciation for the year is Rs. 23.20 lakhs more than what it would have been had the earlier rates of the depreciation been applied.

- 2.2 Dividend at the rate of 2.0% (previous year 2.00%) on equity shares which would amount to Rs. 25.77 crores (previous year Rs. 25.77 crores) is proposed to be declared subject to the approval of Central Government 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 when the aforesaid approval of Central Government is obtained.
- 2.3 As per Accounting policy No B(3), consistently the provision for relining has been made at the rate of Rs. 1009 per MT of Aluminium produced every year. Considering the increase in average cost of relining per pot and simultaneous increase in average life of pots as per present data available for the pots in operation, the provision at the same rate has been retained subject to review.
- 2.4 In the absence of eligible taxable profits, investment allowance reserve amounting to Rs. 19846.18 lakhs upto the Assessment year 1990-91 has not been created.
- 2.5 The Company has entered into a tripartite Memorandum of Understanding (MOU) with Orissa State Electricity Board and State Government of Orissa on 1.6.94 in resolution of outstanding issues regarding energy transactions at 220 KV line. Accordingly the favourable financial impact of the MOU amounting to Rs. 1891.11 lakhs for the current year and Rs. 1348.72 lakhs for earlier years has been accounted for during the year.
- 2.6 Pending revision of pay scales of employees under IDA pattern, provision for employees remuneration has been created amounting to Rs. 457.78 lakhs as of 31.3.94 based on adhoc payment made for the period from 1.1.1992 to 31.10.93 after considering additional liability on revision and other related benefits like PF etc.

3. Whole-time Director's Remuneration ;

3. Whole-time Directors' Remuneration

	(Rupees in lakhs)	
	Current year	Previous Year
Salaries:	4.47	4.26
Company's contribution to Provided Fund :	0.52	0.35
Leave Travel Concession :	-	0.18
Medical Benefits :	1.07	0.14
Other Benefits :	2.51	1.38
Total :	8.57	6.31

In addition, the Whole-time Directors are allowed the use of Company's car for private purposes upto 9000 kms. per annum or payment of Rs.3000/- per annum.

4. 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 :	48	52	4	3
Salaries & Wages (Rs. lakhs) :	69.93	75.57	3.3	0.43
Contribution to Provident Fund (Rs. lakhs) :	6.32	6.27	0.25	0.03
Total :	76.25	81.84	3.55	0.46

5. Licensed Capacity, Installed Capacity and Production/Generation :

Products	Licensed Capacity (Same as previous Year)Tonnes	Installed Capacity		Prodn/Gen	
		Current Year Tonnes	Previous year Tonnes	Current year Tonnes	Previous Year Tonnes
Bauxite	Not Applicable	2400000	2400000	2435596	2267320
Aluminium Hydrate	Not Applicable	800000	800000	758000	802000
Calcined Alumina	Not Applicable	800000	800000	753021	803500
Aluminium Ingots	118000	106880	106880	157995	155183 (93)
Aluminium Wire Rods	100000	87500	87500	36337	35886 (17)
Electricity (in MU net)	Not Applicable	600MW	600MV	3741	3690

- NOTE : 1. Installed capacities are as per project report.
2. Production Figures include Production during trial runs which are stated in the brackets.
3. Bauxite of 2158438 MT (Previous year 2304802 MT), Alumina Hydrate of 753021 MT (Previous year 803500MT), Calcined Alumina of 373431 MT (Previous year 367575 MT) and Electricity of 2976 MU (Previous year 2975 MU) have been consumed internally during the year.
4. Production of Aluminium Ingots includes 67685 MT of Sow Ingots (Previous year 63469 MT).

6. Stock and Sales

Products	Opening Stock		Sales		Closing Stock	
	Qty. (Tons)	Value (Rs. Lakhs)	Qty. (Tons)	Value (Rs. Lakhs)	Qty. (Tons)	Value (Rs. Lakhs)
Bauxite	109656 (158012)	94.72 (129.57)	— (10870)	— (25.44)	386873 (109656)	336.58 (94.72)
Alumina Hydrate	2898 (9757)	65.99 (219.74)	689 (5482)	57.90 (430.53)	9820 (2898)	220.75 (65.99)
Calcined Alumina	56094 (42402)	1670.14 (1204.14)	367213 (424710)	17963.53 (20620.49)	71531 (56094)	2141.99 (1670.14)
Aluminium Ingots	23890 (21549)	6317.62 (5015.90)	155721 (152442)	73772.85 (69657.74)	26092 (23890)	6527.31 (6317.62)
Aluminium Wire Rods	3821 (5558)	1021.48 (1482.48)	39806 (37614)	22096.05 (21495.52)	360 (3821)	107.24 (1021.48)
Electricity (In MU Net)	— —	— —	782 (731)	5510.12 (4681.20)	— —	— —
Other items	— —	2498.81 (2084.75)	— —	— —	— —	2487.51 (2498.81)
Total	—	11668.76 (10136.58)	—	119400.45 (116910.92)	—	11821.38 (11668.76)

Note :-

i) Figures in brackets pertain to that of previous year.

ii) Sales do not include the sale of products out of trial operation.

iii) The closing stock of Aluminium Ingots includes 19345 MT of Sow Ingots (Previous year 21493 MT)

iv) Prior Period Sales Adjustments of 3812 MT of Calcined Alumina amounting to Rs. 195.79 lakhs reduced from current year's sales figure.

7. Expenditure incurred in Foreign Currency on Cash basis:

	(Rupees in Lakhs)	
	Year Ended March 31, 1994	Year Ended March 31, 1993
Agency, syndication and mangement fees :	3.15	1364.87
Interest on loans :	9399.33	12659.47
Continued technical assistance to Alluminium Pechiney:	610.86	332.55
Payment to consultants/ Supervision charges:	11.69	438.33
Traveling expenses :	15.59	2.69
Agency commision on sale:	33.71	69.43
Books and periodicals, advertisement, bank charges etc. :	18.53	4.64
Total :	10092.86	14871.98

8. Earning in Foreign Currency on Cash basis:

	Year Ended March 31, 1994	Year Ended March 31, 1993
i) Export of goods :	43487.52	45891.52
ii) Interest on bank deposits :	585.16	711.11
iii) Others (Despatch money) :	25.78	3.50
Total :	44098.46	46606.13

9. Value of Raw materials, Stores, spares & Components consumed during the year :

	(Rupees in Lakhs)			
	Year ended	%	Year ended	%
	31 st March 94		31 st March'93	
a) Raw material :				
i) Imported	5080.08	35.59	6761.83	39.89
ii) Indigenous	9193.62	64.41	10189.99	60.11
TOTAL	14273.70	100.00	16951.82	100.00
b) Stores, Spares and Components				
i) Imported	1896.49	27.93	2204.54	35.80
ii) Indigenous	4892.84	72.07	3954.03	64.20
TOTAL	6789.33	100.00	6158.57	100.00

10. Value of Imports Calculated on CIF basis

	Year Ended	Year Ended
	31 st March 94	31 st March 93
i) Raw Materials	4330.36	6178.98
ii) Components, spare parts, construction materials	1729.97	2136.28
iii) Capital goods	348.84	735.85
TOTAL	6409.17	9051.11

11. Social Amenities

Expenses	Township	Education	Medical	Social/Cultural Activities	Canteen	Total
Payment to Employees	35.45	—	117.86	—	60.04	213.35
Welfare Expenses	—	130.14	139.20	42.81	114.46	426.61
Material Consumed	9.61	0.22	33.23	0.03	0.23	43.32
Repair and Maintenance	151.28	0.11	1.26	—	0.32	152.97
Electricity, Fuel & Water Charges	92.12	0.08	0.36	—	0.17	92.73
Depreciation	215.54	12.54	10.36	4.11	3.44	245.99
TOTAL	504.00	143.09	302.27	46.95	178.66	1174.97
Less Income	73.42	—	5.15	—	—	78.57
Net Expenditure	430.58	143.09	297.12	46.95	178.66	1096.40
For previous year	360.70	126.89	215.52	89.35	169.39	961.85

12. Previous year's figures have been re-grouped/re-arranged where ever necessary to make them comparable with those of current year.

Bhubaneswar
20th July, 1994

A.K. Sabat Partner	Ashok Tandon Company Secretary	C. Venkataramana Executive Director (Finance)	B.D. Singh Director (Personnel & Administration)	Dr. S.K. Tamotia Chairman-cum-Managing Director
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For and on behalf of
M/s A.K. Sabat & Co.
Chartered Accountants