29th ANNUAL REPORT 2009-10

Spreading Happiness















To be a reputed global Company in the Metals and Energy sectors



THE YEAR AT A GLANCE

PARTICULARS	UNIT	2009-10	2008-09
PHYSICAL			
Bauxite	MT	47,87,888	47,00,027
Alumina Hydrate	MT	15,91,500	1 <i>5,</i> 76,500
Aluminium	MT	4,31,488	3,61,262
Power (net)	MU	6,293	5,541
FINANCIAL			
Export Turnover	₹ in crore	2,209	2,085
Gross Sales	₹ in crore	5,311	5,531
Profit Before Tax	₹ in crore	1,155	1,927
Profit After Tax	₹ in crore	814	1,272
Earning Per Share	₹	12.64	19.75
Book Value per Share	₹	161.34	151.64
Dividend	₹ per Share	2.50	5.00

REGISTERED OFFICE & CORPORATE OFFICE

NALCO Bhawan

P/1, Nayapalli

Bhubaneswar - 751 061, Odisha

Tel.: 2301989-99

Fax: 0674-2300470 / 2300580 / 2300677 / 2300740

Website: www.nalcoindia.com

29th Annual General Meeting

Thursday, the 30th September, 2010 at 11.00 A.M.

at NALCO Bhawan, P/1, Nayapalli,

Bhubaneswar - 751 061.

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BOARD OF DIRECTORS



Shri A K Srivastava Chairman-cum-Managing Director



Shri S. K. Nayak, IAS Part-time Official Director



Shri B. L. Bagra Director (Finance)



Shri Joy Varghese Director (P&A)



Shri A. K. Sharma Director (Production)



Shri P. K. Padhi Director (P&T)



Shri Ansuman Das Director (Commercial)

INDEPENDENT DIRECTORS



Dr. A. Sahay



Shri S. S. Sohoni IAS (Retd.)



Shri K. S. Raju



Shri S. B. Mishra IAS (Retd.)



Shri N. R. Mohanty



Dr. Jyoti Mukhopadhyay



Shri R. K. Sharma



Maj. Gen. (Retd.) Samay Ram, UYSM, AVSM, VSM



EXECUTIVE DIRECTORS



Smt. Srabani Guha, IES CVO



Shri P. K. Parida



Shri B. N. Swain



Shri A. Sapra



Shri S. C. Dash



Shri K. N. Ravindra Company Secretary



Shri P. K. Mohapatra

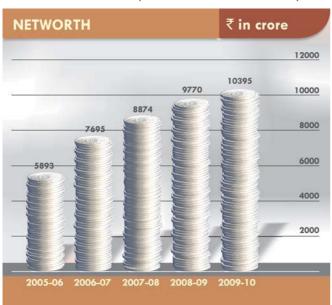


Shri K. S. Sreedhara



Dear Members,

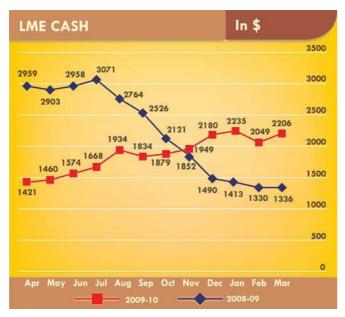
Your Directors have pleasure in presenting the 29th Annual Report of your Company together with the audited statement of accounts and Auditors' Report thereon for the financial year 2009-10.



PERFORMANCE HIGHLIGHTS

You will be happy to know that all the production Units of your Company have recorded the highest ever production since inception with respect to Bauxite, Alumina Hydrate, Cast Metal and Power. Mines, Refinery, Smelter and CPP have achieved 101.64%, 101.05%, 99.88% and 88.33% capacity utilization respectively. Production achieved during the year under review vis-à-vis the previous year is given below:

PRODUCTION	UNIT	2009-10	2008-09
Bauxite	MT	48,78,888	47,00,027
Alumina Hydrate	MT	15,91,500	1 <i>5,</i> 76,500
Aluminium (includes Rolled Products)	MT MT	4,31,488 (15,277)	3,61,262 (13,795)
Electricity (Net)	MU	6,29 3	5,541



MARKETING

You will be pleased to know that your Company achieved the highest ever sale of 4,35,979 MT metal as against sale of 3,53,589 MT metal during the previous financial year. This comprises of 2,89,031 MT, the highest ever domestic sale of metal surpassing the previous best of 2,71,274 MT achieved in 2008-09 and the highest ever export sale of 1,46,948 MT against the previous best of 1,32,730 MT achieved in 2004-05. The realization from sale was however low due to recessionary conditions prevailing during most part of the year.

In order to improve margins, your Company has been putting thrust on sale of value added products. The sale of billets, wire rods and rolled products during the year under report have been the highest-ever surpassing the previous best.

You will be pleased to know that as a part of e-commerce efforts, your Company adopted e-tendering procedure for export of Aluminium metal and Calcined Alumina during the year under report.

Your Company achieved a total chemical sale of 7,51,410 MT (including Calcined Alumina Export of 7,02,554 MT) during the year compared to 8,93,332 MT (including Calcined Alumina export of 8,51,886 MT) during the previous year. The reduction in sale of Alumina was due to utilization of more quantity of Calcined Alumina at the expanded Smelter Plant. The domestic sale of Chemicals at 45,951 MT was the highest ever achieved, surpassing the previous best of 36,695 MT achieved in 2008-09.

The sale of 7,094 MT Special Grade Alumina was the highest surpassing the previous high of 4,769 MT achieved in 2008-09. The sale of Special Grade Hydrate at 12,815 MT was the highest ever sale surpassing the previous best of 11,670 MT achieved during 2007-08.

FINANCE

Your Company posted a lower total income of ₹ 5,548 crore in the year under report, as against ₹ 5,631 crore during the previous year. Profit After Tax for the year stands at ₹ 814 crore, as against ₹ 1,272 crore in the previous year. The decline in net profit during the year compared to previous year was due to combined effect of lower sales realization, reduced earnings from investment of surplus funds and increase in operating cost. Your Company has recorded higher export earning of ₹ 2,209 crore during the year as against ₹ 2,071 crore achieved during the previous year.

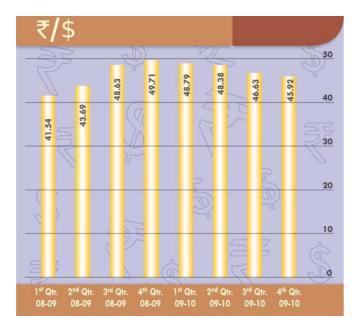
The summarized financial results for the year under report visà-vis previous year are furnished below:

(₹ in crore)

Net Sales	2009-10 5,055	2008-09 5,108
Net Sales	5,055	5 109
		3,100
Other Income	493	523
Total Income	5,548	5,631
Expenses	4,072	3,428
Gross Margin	1,476	2,203
Less: Interest & depreciation	321	276
Profit Before Tax (PBT)	1,155	1,927
Provision for Taxes	341	655
Profit After Tax (PAT)	814	1,272
Appropriation:		
a) General Reserve	630	900
b) Dividend including Dividend Tax	188	377
Earning per Share (In ₹)	12.64	19.75

DIVIDEND AND APPROPRIATIONS

Your Company had paid an interim dividend of ₹ 1.50 per share (15%) in March, 2010. The Board of Directors of your Company have recommended a final dividend of ₹ 1.00 per share (10%) making aggregate of ₹ 2.50 per share (25%) for the year under report as against ₹ 5.00 per share (50%) paid



for the year 2008-09. Your Directors have recommended a lower rate of dividend keeping in view the requirement of funds for the growth projects under consideration. The final dividend will be paid after your approval. Your Directors have also proposed to transfer $\stackrel{?}{\underset{?}{$\sim}}$ 630 crore to General Reserve Account from the profits of the year under review as against $\stackrel{?}{\underset{?}{$\sim}}$ 900 crore transferred in the previous year.

PRESIDENTIAL DIRECTIVES

Your Company continued its efforts to implement the Presidential Directives on recruitment/promotion of SC/ST candidates. Your Company is also complying with the provisions of the Persons with Disabilities Act, 1995.

Out of 7,467 employees (including Trainees) on your Company's roll as on the last day of the year under report, there were 1,186(15.88%) SCs, 1,307(17.50%) STs, 716(9.59%) OBCs and 73 (0.98%) persons with Disabilities. Every third employee in the Company belongs either to SC or ST category. The total number of lady employees in the organization as on 31.03.2010 was 339.

Your Company received a Presidential Directive during the year in respect of revision of salary package of executives and directors. The same has been duly complied with.

INDUSTRIAL RELATIONS

You will be pleased to know that the overall Industrial Relations (IR) climate in your Company remained cordial and conducive through out the year, which helped the organization in maintaining a zero mandays loss record on account of IR problems. Belying

the apprehensions in the minds of people on aftermath of Naxal attack at Panchpatmali Bauxite Mines last year, your Company bounced back to normalcy very soon by virtue of an amicable understanding with the employees of Mines. The time tested policy of participative management helped and saw the culmination of several nagging issues through bipartite discussions.

VISIT OF NATIONAL COMMISSION FOR SCHEDULED CASTES

Hon'ble National Commission for Scheduled Castes visited the Corporate Office of the Company at Bhubaneswar and held discussions with senior officials as well as representatives of various SC/ST associations of your Company on 9th October, 2009.

COPU RECOMMENDATIONS

The Hon'ble Committee on Public Undertakings (COPU) examined the working of your Company during the year. The Hon'ble Committee has presented its report inter-alia consisting of 18 recommendations to the Parliament during April, 2010. Your Company is taking necessary action on the recommendations of the Hon'ble Committee.

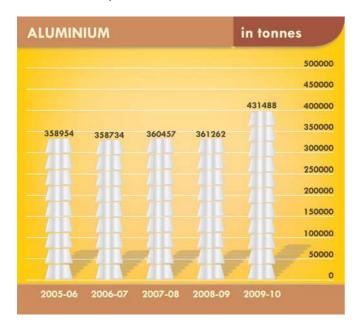
AWARDS & RECOGNITIONS

Receipt of various awards during the year as detailed below stands ample testimony for the excellent performance of your Company in various fields:

- EEPC Gold Trophy, as 'Top Exporter' 2006-07 in the Large Enterprise Category, for outstanding export performance.
- All India Export Award of EEPC as the 'Star Performer' in large enterprise category, for the year 2007-08.



- 'Best Environment Care' and 'Best Workplace Practices' at Think Odisha Leadership Awards function, organized by The Times of India & Tefla's.
- Status of 'Premier Trading House' as per Foreign Trade Policy 2009-10 by Ministry of Commerce, Govt. of India for the period 2009-14.
- 'Organisation with innovative HR Practices' Award at World HRD Congress at Mumbai.
- Alumina Refinery bagged the first Runner-up award from CII, Orissa State Centre for best Safety, Health & Environment practices and also the Pollution Control Excellence Award 2009 from Orissa State Pollution Control Board.
- Bauxite Mines bagged 1st prize in Reclamation & Rehabilitation from Indian Bureau of Mines (IBM) at Mine Environment and Mineral Conservation Week.
- Bauxite Mines also bagged the following prizes from Director General of Mines Safety (DGMS) for sound mining practices and for safe mining performance.
 - a. 1st Prize in Training & Safety Performance.
 - b. 1st Prize in Haul Roads and general lighting.
 - c. 1st Prize in Compliance of 10th Safety Conference Recommendation.
 - d. 2nd Prize in Open Cast working.
 - e. 2nd Prize in Maintenance of Crusher & Conveyor System.
 - f. 2nd Prize in First Aid, Welfare & Occupational Health and Safety facilities.





Excellence in CSR

GROWTH PLANS

EXPANSION

You will be pleased to know that commissioning of all the 240 Pots under second phase expansion of Smelter was completed by December, 2009. Similarly, the 9th Unit of CPP under second phase expansion was commissioned during August, 2009. The 10th Unit of CPP is likely to be commissioned by end August, 2010. Second phase of Alumina Refinery to enhance the capacity from 1.575 Million Tonnes to 2.1 Million Tonnes is expected to be completed by January, 2011.

The present capacity of the various project segments and the capacity after ongoing 2nd phase expansion is given below:

Project Segment	Unit	Present Capacity	Capacity after 2nd Phase Expansion
Bauxite Mine	Million Tonnes per year	4.8	6.3
Alumina Refinery	-do-	1.575	2.1
Aluminium Smelter	-do-	0.345	0.46
Captive Power Pla	nt MW	960	1,200

Of the approved project cost of $\stackrel{?}{<}$ 4,402 crore, financial commitments of $\stackrel{?}{<}$ 4,173 crore had been made upto 31.07.2010.



Hon'ble Union Minister of Mines & DoNER Shri B.K. Handique inaugurating Fume Treatment Centre at Smelter Plant, Angul

UP-GRADATION OF 4TH STREAM OF REFINERY

You will be happy to know that your Company's proposal for upgradation of 4th Stream of Refinery to upgrade total capacity from 2.1 Million TPY to 2.275 Million TPY got a further boost with environmental clearance by MOEF during December, 2009. The upgradation is likely to be completed by March, 2012.

UPGRADATION OF SMELTER POTLINE FROM 180 KA TO 220 KA

You will be pleased to know that your Company has embarked on a plan to enhance the amperage in the pot lines from 180 KA to 220 KA at an estimated investment of ₹ 1,500 crore for both Smelter and Captive Power Plant. On completion of the project, the metal production will increase by about

1,00,000 MT per annum. The project is scheduled to be completed by 2017.









Construction activities at Cathode Sealing Shop

UTKAL - E COAL BLOCK

Your Company has been allotted 'UTKAL-E' Coal Block, having a reserve of around 70 million ton by the Government of India for its 9^{th} and 10^{th} units at Captive Power Plant.

Mining of coal from the Utkal-E Block is scheduled to commence from June, 2012, at a capital outlay of $\stackrel{?}{\sim}$ 280 crore.

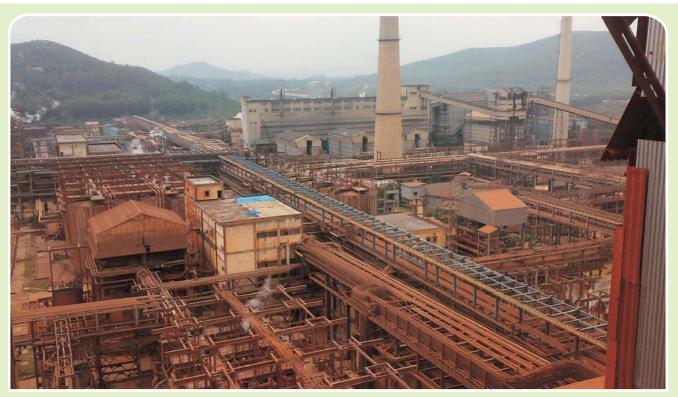
MOU PERFORMANCE

Based on results, your Company has been rated 'Very Good' under Memorandum of Understanding (MOU) signed with Government of India for the year 2009-10.

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

Your Company continued its efforts for the progressive use of official language in all its Offices. In that direction the following steps were taken during the year under report:

Your Company continued to issue Circulars, Office Orders, Memoranda etc. in bilingual form i.e. in Hindi & English. Letters received in Hindi were answered in Hindi.



A section of Alumina Refinery



- ☐ To promote use of Official Language among employees, Hindi Teaching Programme was implemented. Employees from Non-Hindi speaking areas were nominated for Praveen & Pragya courses under Hindi Teaching Scheme. After passing the examinations, incentives and cash awards were given as per the rules.
- ☐ Six Hindi workshops were organized during the year under report to enhance the working capabilities of employees who had acquired working knowledge in Hindi.
- ☐ To propagate awareness among employees for use of Hindi, Hindi Day and Hindi Week were celebrated at all the units of your Company during the year and many competitions for employees of Hindi speaking areas, Non-Hindi speaking areas and students were organised and prizes given.
- Official Language Implementation Committee meetings were organised regularly for review of implementation of Hindi.

VIGILANCE

As a part of preventive vigilance and to make administration efficient, effective, clean and free of corruption, multifaceted strategies like surprise checks, sample tests, regular inspections, Chief Technical Examiner (CTE) type intensive examination of works and contracts were continued during the year under report. To reduce the possibilities of corruption, your Company has implemented e-tendering, e-payments, e-auctioning etc. With Enterprise Resource Planning (ERP) going live, the system is likely to become more robust. For creating awareness among

employees, Vigilance Awareness Week was organised in November, 2009 at all the units and regional offices of your Company. Nine training sessions were organized at different units of the organization for sensitizing employees on the evil effects of corruption.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

You will be pleased to note that your Company's in-house R&D Units located at M&R Complex, Damanjodi and S&P Complex, Angul have been recognized by the Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, Govt. of India.

The particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in the Annexure-1 to this report.

PARTICULARS OF EMPLOYEES

Having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the Annual Report of your Company excluding the information on employees in receipt of remuneration of \ref{thm} 2,00,000 per month or \ref{thm} 24,00,000 per



Cooling Tower for Unit #9 at CPP

annum is being sent to all the members of your Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of your Company.

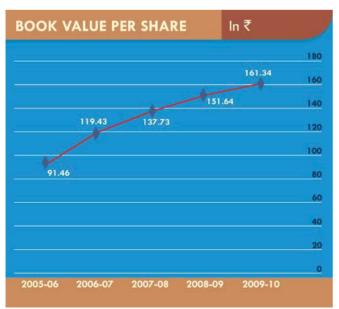
LISTING IN STOCK EXCHANGES

The equity shares of your Company continued to be listed on Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Limited (NSE). The listing fee has been paid to these Stock Exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, Directors of your Company hereby confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and





 that the directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Your Company believes that to be a successful company, it must maintain global standards of corporate conduct towards all its stakeholders. Your Company believes that the principles of fairness, transparency and accountability are the cornerstones for good governance. It is the Company's endeavour to continue to achieve the highest levels of governance and to benchmark itself with the best governed companies in the similar trade.

A report on Corporate Governance is placed at Annexure-II to this report. Like previous years, as a part of good Corporate Governance practice, your Company has voluntarily got the Secretarial Audit carried out for the year 2009-10 and the report of the Secretarial Auditors is placed at Annexure-III to this report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis report is placed at Annexure-IV to this report.

C&AG COMMENTS

Comments of the Comptroller and Auditor General of India on the Accounts for the year ended March 31, 2010, are enclosed.

Social Facets of Corporate Success



Supporting periphery schools



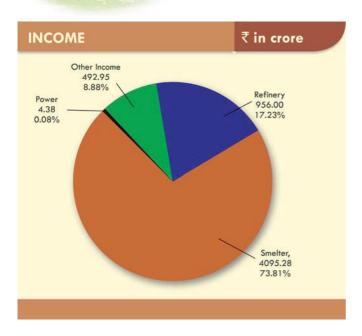
Ensuring drinking water



Hon'ble Chief Minister Shri Naveen Patnaik laying the Foundation Stone for NALCO sponsored ITI at Damanjodi



Mobile Health Camp at Damanjodi



C&AG COMMENTS

Comments of the Comptroller and Auditor General of India on the Accounts for the year ended March 31, 2010, are enclosed.

PUBLIC DEPOSITS

Your Company has not accepted or renewed any public deposits during the year under review and as such no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

AUDITORS

The details of auditors appointed during the year under review are given below:

a) Statutory Auditors : M/s. P.A & Associates

and M/s C.K. Prusty & Associates

b) Cost Auditors

: M/s. S C Mohanty & Associates

c) Secretarial Auditors: M/s. Sunita Mohanty & Associates

d) Internal Auditors

: M/s. Patro & Co.,

M/s. Tej Raj & Pal and

M/s. Dass Maulik Mahendra

K. Agrawala & Co.

DIRECTORS

The changes that took place in the Board of Directors of your Company since the last report are given below:

Appointment:

Shri P K Padhi was appointed as Director (Projects & Technical) with effect from 03.09.2009.

- > Shri A K Srivastava was appointed as Chairman-cum-Managing Director with effect from 01.10.2009.
- Shri Ansuman Das was appointed as Director (Commercial) with effect from 28.10.2009.
- Shri Sundeep Kumar Nayak, IAS, Joint Secretary, Ministry of Mines was appointed as Director with effect from 07.01.2010.

Cessation:

- The tenure of Shri C R Pradhan as Chairman-cum-Managing Director and Shri K K Mallick as Director (Commercial) ended on 30.09.2009 on attaining the age of superannuation.
- > Shri V K Thakral, IAS ceased to be a Director with effect from 07. 01.2010.
- Shri S. Vijay Kuamr, IAS ceased to be a Director with effect from 31.07.2010.

Your Directors wish to place on record their appreciation for the valuable services rendered by S/Shri C R Pradhan, K K Mallick, V K Thakral and S. Vijay Kumar during their tenure on the Board of your Company.

ACKNOWLEDGEMENT

Your Directors acknowledge with deep sense of appreciation, the co-operation, support and auidance received from various Ministries of the Government of India, particularly Ministry of Mines. Your Directors also express their sincere thanks to the Government of Odisha, Indian Railways, Mahanadi Coal Fields and other Government agencies.

Your Directors also place on record their appreciation for the shareholders, various Banks and Financial Institutions for the confidence reposed by them in your Company. The Board also appreciates the contribution of customers, vendors, solicitors and business associates during the year and look forward to continuance of this mutually supportive relationship in future. Your Directors also acknowledge the constructive suggestions received from the Government and the Statutory Auditors.

Your Directors also wish to place on record their appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of Board of Directors

A. K. Srevaslava

Place: Bhubaneswar

(A K Srivastava)

Date: 25.08.2010

Chairman-cum-Managing Director

Annexure-I

STATEMENT OF PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND RULES MADE THEREUNDER

A. CONSERVATION OF ENERGY

Various energy conservation measures that have been adopted for optimal utilization of energy resources in different units of the Company during the period under review are noted as under:

Bauxite Mines

- Replacement of DC drives of Acceleration Conveyor & Apron Feeder-1: Calculated energy saving is 95,710 KWH per year having financial benefit of ₹ 4.45 Lakh annually.
- Modifications in two Komatsu Loaders (No. 17 & 18) to reduce fuel consumption: Turbo Charger , Fuel Pump & Acceleration Pedals were changed in 2007 & benefit still continues. Calculated saving is 29.58 KL of HSD having financial benefit of ₹ 09.17 Lakh annually.
- ➤ Radiators of HEMM top up with mineral water: Expected saving is 0.5% of HSD consumption in each machine at ₹ 6.6 Lakh every year.

year.	
Alumina Refinery Reduction in specific fuel oil consumption in Calcination: Regular and continuous operation of Hydrate bypass system. Maintaining the PTS in calcination for operation of fine hydrate bypass most of the time. Maintaining product LOI and BET at slightly higher side of the allowable range also helped in reduction in oil consumption: Improvement in specific Oil consumption: 0.03 Lt/MT of Calcined Alumina. Financial Benefits of ₹115 Lakh per year.	ı.
Reduction in specific coal consumption in hydrate circuit: Reduction in Specific steam consumption in process w.r.t hydrate production from 2.08T/T. Improvement in Milling system output by regular classifier cleaning and other proactive maintenance measures like replacement/ maintenance of critical spare parts like gearbox. Detailed inspection of PA fan impellers and replacement of inefficient impellers of PA fans during overhauling, thereb adequate velocity profile of pulverized coal from Mill to furnace. Time based replacement of AH baskets which resulted in effective heat recovery from flue gas to Air, and ultimately reduconsumption. Improvement in specific coal consumption: 0.001 T/T of hydrate. Financial Benefits of ₹ 28 Lakh per year.	y achieving
Optimizing, use of street lights 50% of street lights from Plant Main gate to Vejaput junction are off after 11PM. 30% of street lights are put off after 11PM from Vejaput gate to Kantabausuni gate and from Kantabausuni gate to Rail- 1800 nos. of LEDs have been replaced in 11KV switchgear panel. Indication lamp is 15W & LED is 01W. Net energy sav Saving in electrical energy consumption by 221 KWH. Financial Benefits of ₹ 5 Lakh per year.	
Lubricants of Mill, PA fan, FD fan, BFP and Voith Couplings of ID fans were reused after centrifuging during boiler overhall. The coal mill Main oil tank requires 8 barrels of ENKLO 460. In both the mills of one boiler, total 16 barrels amounting the have been reused which was normally discarded for disposal after one year use only. This year this oil has been reused after conditioning through centrifuging in Boiler-3 and 4 during overhaul. The PA and FD fans of Boiler-4 have lubricating system with tank and recirculation which also requires a change every yyear the same oil has been reused after necessary filtration and centrifuging. Similarly hydro coupling oil in Voith coupling of ID fans and BFP of Boiler-4 also reused after centrifuging during overhauls Saving in Lub oil consumption by 8200 Lts. Financial Benefits of ₹ 9.87 Lakh per year.	to 3200 Lts. er necessary ear. But this
Smelter Plant Optimize operating voltage in identified HT transformers (CII Project No-34): Reduction of operating voltage in HT transformers (11/6.6KV) from normal Tap T4) to Reduced Tap (T3), i.e 2.5% less in all t	ransformers.

Annual saving of electrical energy/ HFO (in Kwh/kl) is 526631 KWH.
 # Financial Benefits per year is ₹ 10.53 Lacs (@ ₹ 2.00 per unit)

Red	luce the operating voltage of lighting circuit in the lighting transformers (CII Project No-35): Reduction of operating voltage of light feeders by reduction of off-load tap of lighting transformers in 220 KV conversion S/s & various remote substations.
	Annual saving of electrical energy/ HFO (in Kwh/kl) is 169725 KWH.
#	Financial Benefits per year is ₹ 3.39 Lacs (@ ₹ 2.00 per unit).
#	Tilidificial belieffs per year is \$ 3.57 Lacs (@ \$ 2.00 per billi).
Re-	set the minimum fuel flowing to Ingot casting machines furnace in Cast House-B.
	ICM furnaces (four in number) temperature setting has been reduced from 7400C to 7300 C with 100 % auto control.
	Complete stoppage of oil flow when the desired temp. is achieved from earlier practice of a minimal opening (19 %) of both burners.
<u> </u>	The sp. HFO Consumption in Cast House-B has been reduced from 44.150 Lt/Mt. to 38.03 Lt/MT.
#	Financial Benefits per year ₹ 91.7 Lacs (@ HFO landing price ₹ 15/lt).
Opt	timize the temperature setting of furnaces in Cast House-A.
	ICM furnaces temperature setting has been reduced from 7400 C to 7300 C.
	WRM furnaces temperature setting has been reduced from 7800 C to 7600 C with the installation of PID Loop controlled furnace firing in furnaces 5,6,7,8.
	Launder cover for all the launders has been provided to arrest the heat losses .
	Improved technology of AIR SLIP in Billet production was implemented to enhance the productivity.
	The sp. HFO consumption for product-mix of Cast House-A has been reduced from 54.457 Lt/ Mt to 47.852 Lt/ MT.
#	Financial Benefits per year is ₹ 182 Lacs (@ HFO landing price ₹ 15/Lt)
Car	otive Power Plant
	By providing energy efficient coating on the impeller and inner casing of RCW pump, the specific power consumption reduced from
	$0.1066 KW/\ M^3\ to\ 0.0869 KW/\ M^3\ .\ Considering\ flow\ of\ 10500\ M^3/Hr\ power\ saving\ is\ 207 kw/Hr.\ With\ 300\ days\ operation$
	energy saving is 489320 KWH having financial benefit of ₹ 20.47 Lakh per year (Cost of Power taken as ₹ 1.77 per KWh).
ш	Replacement of 450 Nos, 125 Watt MV lamp with 70 Watt SV lamp in boiler#4: Saving per fitting is about 55 watt. Saving per year is 108405 KWH having financial benefit of ₹ 1.92 Lakh per year (Cost of Power taken as ₹ 1.77 per KWH).
	Replacement of normal fluorescent light fitting (2 Nos tubes and 2 chokes with power consumption of 110 watts) with T-5 fitting and electronic ballast (power consumption 66 watts): Saving per fitting is 44 Watt. Saving per year is 19272 KWH, having financial benefit of ₹ 0.34 Lakh per year (Cost of Power taken as ₹ 1.77 per KWH).
	Replacement of normal choke with electronic ballast. Power saving is 10 watt per fitting. Saving per year is17520 KWH, having financial benefit of ₹ 0.31 Lakh per year (Cost of Power taken as ₹ 1.77 per KWH).
	On line testing (Trevi Test) of Safety Valves of boiler drum & main steam line is done by simulation procedure which reduced steam
	consumption. This has been done for unit $\#1$, $\#3$, $\#4$, $\#5$ & $\#7$. Reduction in fuel oil consumption per unit/test is 15 KL having financial
_	benefit of ₹ 3.75 Lakh.
ш	CWPH fore bay & Ash water fore bay Level indication has been provided in the DM Plant control room. This has avoided the over flow of water from the fore bays and saved the pump running hours.
	Running hour counters have been provided in Compressors drives to know the exact running hours. This has helped to identify if there is leakage of air from instruments. Once these leakages are attended there is saving in energy.
	Auto drain traps have been provided in the instrument air lines for draining moisture to achieve proper dryness of instrument air.
	This has saved the trip out arising out of failure of instruments. This has indirectly saved man power & energy loss caused due to unit trip out.
	Earlier units were tripping due to equipment failure on account of abnormal temperature rise in bearing and winding of HT drives.
	In order to avoid such trip outs ramp has been provided in software for tracking the temperature rise. This modification has saved Unit trip outs and there by saving energy.
	Electronics speed regulation has been provided in the plough feeders in New CHP to avoid spillage of materials & chocking of belts. Spillage of coal has been avoided resulting in power saving.

Total Power and Fuel consumption and consumption per unit of production is given in Form-A.

FORM – A PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

				CAPTIVE POWER PLAN		ALUMINA REFINERY	
				Current year	Previous year	Current year	Previous year
_				2009-10	2008-09	2009-10	2008-09
1.	Electricity						
	(a) Purchased from GRIDCO			104.455	1,44070	117.075	/0.010
	Unit (Million Kwh)			184.455	144.060	117.275	69.319
	Total amount (₹ in lakh)			8,217.38	5,639.04	5,181.42	2,714.31
	Rate/Unit (₹/Kwh)			4.45	3.91	4.42	3.92
	(b) Own Generation				N.1.4		
	i) Through Diesel Generator Units per Ltr. of diesel oil	r		NA	NA	NA	NA
	Cost/Unit	Samarutar					
	ii) Through Steam Turbine/	<i>S</i> enerator		4 040 00	4 100 45	225 504	225.004
	Units (Gross)/Million Kwh			6,849.28 387.67	6,199.45	335,526	335,996
	Units per litre of fuel oil/g Cost/Units (₹/Kwh)	as		1.78	1,092.03	_	_
2.	Coal (Specify quality & where use	الم		1.70	1.02	_	_
۷.	Quantity (MT)	ea)		5,707,112	4,857,511	972,011	962,264
	Total cost (₹ in lakh)			65,690.54	49,500.72	17,914.67	17,188.38
	Average rate (₹/MT)			1,151.03	1,019.06	1,843.05	1,786.24
	Average rate (C/MT)				-	,	
		-	Power Plant		Refinery		er Plant
		Current year 2009-10	Previous year 2008-09	Current year 2009-10	Previous year 2008-09	Current year 2009-10	Previous year 2008-09
3.	Furnace Oil						
	Quantity (KL)	17,668	5,677	130,648	134,024	32,559	32,119
	Total Amount (₹ in lakh)	4,717.32	1,602.45	30,033.36	33,957.49	7,489.19	8,195.90
	Average rate (₹/Tonne)	26,700	28,227	22,988	25,337	23,002	25,517
4.	Others/Internal generation	NA	NA	NA	NA	NA	NA
	Quantity						
	Total Cost						
	Rate/Unit						
В.	Consumption per unit of production	on					
_	Products with details			Unit	Standards (If any)	Current year 2009-10	Previous Year 2008-09
	1. Alumina						
	(a) Power			(Kwh/MT)	335	323	324
	(b) Fuel oil for calcination			(Kg/MT)	78	71.56	77.59
	(c) Coal for steam			(Kg/MT)	620	621	618
	(d) Oil for steam			(Kg/MT)	4.00	5.37	6.87
	2. Aluminium						
	a) A.C. Power			(Kwh/ MT)	14,850	14,664	14,762
	b) Fuel Oil			(Ltr./ MT)	93	76	89
	c) Others						
	i) CP Coke			(Kg./MT)	383	378	382
	ii) CT Pitch			(Kg./MT)	99	89	93
				, 37, 1117			

B. TECHNOLOGY ABSORPTION

FORM-B PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH & DEVELOPMENT (R&D)

1. Specific areas in which R&D Activities carried out by the Company are:

(A) In-house R&D Activities

(a) Alumina Plant

- Development of RP analyser control system to replace the imported control system.
- Studies related to M2M Technology for recovering alumina from settler underflow mud
- Study on the effect of lime from various sources on the quantity and quality of aluminate liquor output and CaO content in the product.
- Studies to establish the effectiveness of Green liquor filter aids on the clarity and specific filtration rate of aluminate liquor
- Development of a process for preparation of high temperature resistant resin for sodic condensate polishing.
- Studies related to alternate flocculant and defoamer development.
- Utilisation of flyash to make quick settling cement.
- Neutralisation of Sodic condensate for economically utilizing the available condensate.
- Development of an innovative process for preparation of sodium aluminate from alumina hydrate.
- Green liquor filter aid (GLFA) plant scale trials were carried out.

(b) Smelter Plant

- Plant scale trial with anodes of deeper stub hole depth (+20mm) with and without 10mm increased pin length to reduce pin to carbon voltage drop.
- Metallographic studies of cast products for quality improvement.
- Inclusion analysis of molten metal.
- Vendor development for cathode block.
- Plant scale trial with HFO additives for reduction in specific oil consumption.
- Trial with Colloidal graphite coating in place of rapeseed oil in ICM.

Mathematical Modeling:

- Simulation studies at different amperage levels.
- Simulation study for optimum metal height at different amperage.
- Simulation studies to predict pin & clad temperatures at various anodes cover heights.
- Simulation of Billet casting and Wire rod casting process.

Anode bench scale studies:

- Impact of varying percentage of pitch on anode quality.
- Impact of permuting cycle in baking furnace on anode quality.
- Bench scale studies on utilization of rejected ramming paste in anode paste completed.
- Bench scale studies on blending of fines of two types coke completed.
- Characterisation of baked anodes for process monitoring.
- Testing of samples of ramming paste with the anode bench scale set up carried out.
- Revision of specification of c.p.coke proposed. Discussions were held with the existing coke suppliers to improve the quality of supplied material & were appraised about quality implications & future quality requirements.

- Large scale plant trial of additive in anode manufacturing to improve oxidation behaviour successful.
- Heat balance study carried out in Anode baking furnace.
- Pots started with alternate supply of cathode blocks, reprocessed rejected paste, partially damaged cathode blocks & indigenously developed ramming paste are being monitored. During the year, 3 pots have been lined with indigenously developed ramming paste.
- Laboratory scale trial for using SPL Carbon portion for electrode paste manufacturing is successful. In-house study carried out to optimize boric acid addition in pots.
- Monitoring of the improvement in anode quality due to improvement in Grain to sand ratio.
- Plant scale trial for utilization of rejected ramming paste in anode carbon matrix completed & found successful.

(B) Collaborative R&D Activities

- Pilot scale development of constructional blocks, bricks, chips, tiles and light weight aggregate from Red Mud in collaboration with JNARDDC, Nagpur.
- Establishing empirical relationship between physical properties of alumina through computer simulation and modeling in collaboration with SIT, BBSR and its implementation in plant.
- Pilot scale optimization of extraction of alumina from PLK (partially lateratised khondalite), collaborative project with MESIS, Russia.
- Preparation and certification of reference material for selected ores in collaboration with JNARDDC, Nagpur. Project completed and is being implemented.
- Plasma smelting of Red mud for production of Pig /Cast iron and Alumina rich slag in collaboration with IMMT, BBSR.
- Infra Red Thermography studies and Estimation of Scaling Height in precipitators at Refinery.
- Refinery collaborative project with JNARDDC, Nagpur. Project findings are being implemented.
- Evaluation of grain refining efficiency of commercially available grain refiner alloy in collaboration with JNARDDC, Nagpur. Project completed.
- Preparation of TEFR for extraction of Nickel from chromite over burden. The IRR was not found to be encouraging, hence project closed.
- Dev. of high speed extrusion alloys for Indian Industries in collaboration with JNARDDC, Nagpur.
- Characterisation of various casting & Rolling Defects of Strip Cast Aluminium Alloys at NALCO (RPU) in collaboration with JNARDDC, Nagpur.
- Study of effect of alumina quality on solubility of electrolytic bath in collaboration with JNARDDC, Nagpur.
- Techniques & tools for Per fluoro carbon (PFC) measurements in aluminium electrolysis cells in collaboration with JNARDDC, Nagpur.
- Preparation of Low Ferric Alum from low grade aluminium dross in collaboration with JNARDDC, Nagpur.
- Development of probe for liquidus temperature determination for electrolysis bath in collaboration with JNARDDC, Nagpur.
- Development of Heat Treatment Process for Destruction of Toxic Cyanide and Recovery of Valuables. (Sodium, Fluorides, etc.) from Spent Pot-Linings Materials (SPL) in collaboration with JNARDDC, Nagpur.
- Development of nano alumina and aluminium composite material for Automobile application in collaboration with IIT, Kharagpur.
- Development of Metal matrix composites based on NALCO's Al-using in-situ Al₂O₃-SiC-C & Al₂O₃-SiC-SiO₂ composite ceramic powder in collaboration with IMMT, Bhubaneswar.
- Increasing Productivity of ATH using additives in collaboration with IMMT, Bhubaneswar.

2. Benefits Derived as a Result of The Above R&D (In-House & Collaborative):

- Use of filter aids results in improved the specific filtration rate and hence production as well as reducing lime consumption.
- Patent has been filed for the high temperature resin development process and is under commercialization. Use of the high temperature resin results in conservation of water and energy.

- Use of high efficiency flocculant results in better control on mud washing.
- Sodic Condensate neutralization in addition to environmental protection helps in energy conservation and soda recovery from red mud pond water.
- Reduction in the cost of production of Zeolite has been addressed.
- Fly ash utilization has been increased.
- Implementation of higher grain to sand ratio in GAP2 has resulted in improvement of anode density by .005- .01 gm/cc.
- Usage of reprocessed rejected paste has helped in a saving of Approx 27 lakh for 10 pots lined with this material.
- Trials with indigenously developed ramming paste will help in development of indigenous vendors. Lining of 3 pots with such paste will result in saving of Rs 20000/T hot metal, produced from these 3 pots.
- Studies conducted in anode bench scale plant and regular characterizations of anodes have helped in process and anode quality improvements.
- Optimisation of Boric acid addition in pots has resulted in reduced consumption of boric acid to the tune of approx. 5 MT/month i.e. saving of approx. ₹ 2 lakh/month.
- Higher stub hole depth anodes reduces voltage drop across anode carbon to pin.
- Inclusion analysis and metallographic studies improve product quality.
- Mathematical modeling enhances process understanding and optimization of process parameters.

3. Future Plan of Action:

- Setting up of Nalco Research & Technology Centre (NRTC) at BBSR. (Implementation in progress)
- Pilot plant / Demonstration unit for production of construction bricks from Red mud for commercialization.
- Commercialization of few R&D processes.
- Utilisation of Fly ash in Tiles manufacturing (developing a feasible process).
- Implementation of Bayer process Simulation package for better process control and reduction in Cost of production.
- Salt removal studies to prevent scale formation in equipments and pipelines.
- Use of high Chrome grinding media and liner in Ball Mills for improved availability of mills and higher grinding capacity.

New Projects:

- Developing Green Liquor Filtration Aid.
- Implementation of high resistance resin for condensate recovery.
- Optimisation of quantity of butts in anode matrix
- Trials with higher percentage of AIF₃ in pots to optimise pot parameters.
- Plant level trials by blending of different types of cokes.
- Trial with Indigenous Tepid ramming paste in pots

4. Expenditure on R&D:

(₹in lakhs)

	2009-10	2008-09
(a) Total Expenditure	266.79	347.65
(b) Total R&D Expenditure as % of total turnover	0.05	0.07

5. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

(a) M&R Complex, Damanjodi:

SI. No.	Details of Modification	Benefits thereof
1	Fine seed addition as external seed.	Reduced soda impurity and marginal increase in production.
2	Split feeding in precipitators.	Reduced soda impurity.
3	High rate settling technology.	Lower reversion loss of alumina , soda loss and heat losses, Reduced foot print area and Capex.
4	Use of CAIS as filter aid.	Improved specific filtration rate.
5	Advanced vertical Diaster filters in place of Kelly filters.	Enhanced flow rate and reduced CAPEX.
6	Two stage PHE eliminating water cooling stage in existing 3 stage PHE.	Higher heat recovery.

(b) Smelter Plant, Angul:

SI. No.	Details of Modification	Benefits thereof	
1	Firing system revamping with PID loop controlled furnace firing installed for the wire rod furnaces.	Since a better controlled firing, it has benefited in fuel saving.	
2	PLC revamping in Ingot Casting Machine of CAST HOUSE-A.	HMI (Human-Machine interface) based PLC enables logging of process output and enables easier fault finding.	
3	Stacking Crane-1 of Carbon Area: DC Motor with ROTAVAR control which was a tailor made system supplied by M/s. Syprim having only two step speed control, i.e., slow and fast. The system became obsolete and thus no spares were available.	ABB Variable Frequency Drive with AC Motor employing Dynamic Speed Accuracy of 0.2% and Encoder Feedback. Very smooth operation with speed control in the full range; very less noise. Minimum interruption in stacking crane operation due to motor drive problem.	
4	AlF ₃ charging is done by AlF ₃ hopper through the twin hopper opening. Twin hoppers in pot super structure modified to enable AlF ₃ to be fed to the pot through additional feeder assembly as & when required.	AIF3 consumption reduction trend is observed.	
5	Computerised ticket printing system for Billets commissioned.	Reduction in Customer complaints on account of human errors. Bar code generation will help in better product tracking & traceability, Better aesthetic look of final product, Additional MIS reporting functions.	

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(c) Captive Power Plant, Angul:

SI. No.	Details of Modification	Benefits thereof
1.	DCS has been retrofitted successfully in Unit#5 replacing the conventional analog control system.	Obsolete technology for which no spares available. Efficiency improvement due to monitoring of operating parameter.
		- Operating man power reduced from 3 to 2.
		- Analysis of abnormalities and trip out faster & accurate.
2.	CBD Utilization system installed and commissioned in Unit#6 in January-2010.	The waste heat of the boiler blow down will be recovered.
		– Savings of ₹ 37.0 Lakhs per year per Unit.
3.	Refrigeration type Hydrogen Gas dryer installed in Unit#6 in December-2009.	Improved dryness of Hydrogen gas in generator. Reduction in Hydrogen consumption.
		- Regular replacement of Silica gel not required.
		- Oil vapour in addition to moisture is also removed.
		- Enhance the life of generator winding.
4.	RLA study of Boiler after 25 years of service was done in November-2009 for Unit#6 and in February-2010 for Unit#5.	Met the statutory requirements. - Through assessment of life of all critical pressure part were done to improve reliability. The life was found to be in order for continuous operation.
5.	Installation of soft touch radial seals at the hot end basket of APH- A& B in the Unit#4, #5, #6 & #8, thus complete in all units.	Air heater leakages have been reduced to below 10%.
6.	Additional 30 nos. of VCB (Vaccum Ckt Breaker) commissioned in place of MOCB (Minimum Oil Circuit Breaker) in CHP-1.	MOCBs are prone to explosion and fire causing total power disruption from the distribution board. This problem has been eradicated completely.
7.	Capacitance type instrument by ultrasonic level measurement has been adopted in CWPH and AWPH Forebay level monitoring.	Water level in CWPH and AWPH Forebay is directly controlled by DM Plant Control Room by the advance signal system. Due to this telephonic monitoring of level has been avoided.

DETAILS OF TECHNOLOGY IMPORTED/UPGRADED DURING LAST 5 YEARS

M&R Complex , Damanjodi:

Technology Imported/Upgraded	Year of import	Has technology been fully absorbed ?	If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action
Potentiometer analysis of Bayer liquor for soda and dissolved alumina in place of titration based analysis.	2008-2009	Fully absorbed.	_
Seed grain size control through addition of micro fined hydrate.	2008-2009	Fully absorbed.	_
Ion Chromatograph for analysis of Fluoride, Oxalate etc.	2008-2009	Fully absorbed.	_

Smelter Plant, Angul:

Imported/Upgraded	Year of import	Has technology been fully absorbed ?	If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action
Maxi Cast billet casting in Cast House-A was replaced by Air -slip billet casting for 6 & 7 inch dia billets.	2008-2009	Improvement in product quality Improvement in surface of the billet. Reduction in shell zone depth, surface segregation and secondary dendrite arm spacing. Technology fully absorbed.	_
HDPS: (HYPER DENSE PHASE SYSTEM) Hyper dense phase alumina conveying system is introduced in Potline-4.	2008-2009	The alumina feeding is done through pipe in the pot alumina hoppers. No PTM is required for alumina filing in pots. Hence, PTM availability is more and maintenance problems are not there.	_
		Dust pollution in pot line is reduced.	_
		Anode effects are minimized. Technology fully absorbed.	_
ALPSYS pot regulation system: In potline-2	2008-2009	AIF ₃ is fed at regular intervals as calculated from ALPSYS regulation. %Ex.AIF ₃ in bath. ALPSYS maintains a constant target level of Ex.AIF ₃ in bath. It improves current efficiency and pots become more stable.	_
		It has improved feeding algorithm which prevents anode effect.	_
A platition of Nitrogram Diamet /DCAV	2000 2000	Technology fully absorbed.	
Additional Nitrogen Plant (PSA) Commissioned to cater to nitrogen requirement of Degasser, operationalised in both wire rod machines.	2008-2009	Operation of degasser with supply nitrogen has improved product quality in terms of reducing dissolved hydrogen in melt. This subsequently significantly reduces blow hole and inclusions. Technology fully absorbed.	_

C. FOREIGN EXCHANGE EARNINGS AND OUTGO (ON CASH BASIS)

The foreign exchange earnings of your Company for the year under review is ₹ 2,075.04 crore as against ₹ 2,097.32 crore in the previous year.

The foreign exchange outgo of your Company for the year 2009-2010 is ₹ 443.23 crore as against ₹ 645.62 crore in the previous year.

Annexure II

REPORT ON CORPORATE GOVERNANCE

Philosophy

Corporate Governance is a process that enables the Company to operate in a systematic manner to meet its ethical, legal and business expectations and at the same time fulfils its social responsibilities. The core value of Corporate Governance lies in integrity, transparency, high degree of disclosures, emphasis on product quality, adopting best business practices, making distinction between corporate ethics and personal convenience.

In NALCO, Corporate Governance means a set process to leverage the resources at its disposal and create an environment for growth and development of human resources. It not only believes in earning the investors' and stakeholders' trust but also focuses on retaining the same on sustainable basis. The Board exercises its fiduciary role towards the Company with effective accountability, respect for law, maintaining Corporate Governance standard beyond law, putting the system in place for planning, budget, internal controls, risk management, communication policy on various facets of Company's operations. It uses Corporate Governance as a tool for generating trust and goodwill among business partners, customers and investors and to earn respect from the society at large.

2.0 Board of Directors

Composition

The Company maintains optimum combination of Executive and Non-Executive (Independent) Directors. As on 31.03.2010, the Board consisted of 16 Directors out of which 6 were whole time directors including the Chairman-cum-Managing Director. Besides, there were 2 Non-Executive (non independent) directors nominated from the Government and 8 Independent Directors. Half of the strength of the Board was thus comprised of Independent Directors.

All Directors furnish statement individually about the committee positions they occupy in other Companies and notify any changes in it. None of the Directors on the Board is member of more than 10 Committees or is acting as Chairman of more than 5 Committees.

Board meetings, procedures and attendance

A. Institutionalised decision making process

- (i) The Board is responsible for setting the policy and planning all directions of the organization and ensure processes are in place that will deliver the results. The whole time directors manage the day-to-day affairs of the Company.
- (ii) Board meetings are usually held at the Company's Registered office at Bhubaneswar and also at New Delhi.
- (iii) Advance notice convening the Board meetings are given to all Directors. Sometimes, meetings with shorter notice are convened to meet urgent needs or in case of exigencies, resolutions are passed by circulation.
- (iv) All units/departments are informed well in advance about date of meeting so that matters at their end requiring discussion/approval/decision of the Board are communicated to Company Secretary Department for including in the agenda for the meeting. Agenda items of confidential nature are placed on the table. In exceptional circumstances supplementary items on the agenda are placed on the table before the Board.
- (v) The agenda papers are prepared by the departments and approved by the concerned functional director and CMD. Agenda items having financial implications are concurred by Director (Finance) before they are put up to CMD for approval.
- (vi) Members of the Board have complete access to all information and are free to call any senior official during the meeting for additional information/clarification on any agenda item.
- (vii) The Board is given presentation covering Production, Marketing, Finance, Business developments, Growth plans, Collaboration/Joint venture operations etc.

(viii) The information placed before the Board include:

- Annual operating plans and budgets and revisions therein.
- Capital Budgets and revisions.
- Quarterly results of the Company and of its business segments.
- Formation/reconstitution of Board Committees.
- Terms of reference of Board Committees.
- Minutes of meeting of Audit Committee and other Committees of the Board.
- Show cause, demand, prosecution notices and penalty notices of materially important matters.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- General notice of interest of Directors.
- Proposal for investments, mergers and acquisitions.
- Details of joint ventures, acquisitions and collaboration agreements.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Non compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Wage negotiation and settlement, significant labour problems and their proposed solutions.
- Brief on statutory developments, change in Government policies etc. with impact thereof.

B. Recording minutes of proceedings of Board and Committee meetings

The Company Secretary records the minutes of the proceedings of each Board/Committee meeting. Draft minutes are circulated amongst all functional Directors of the Board/Committee for their comments. Comments, if any, received from functional Directors are incorporated in the minutes which are finally approved by the Chairman of the Board/Committee. These minutes are confirmed in the next Board/Committee Meeting. Any amendments suggested at the time of confirmation are given effect. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting.

C. Post Meeting follow-up mechanism

The Guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process on the decisions taken by the Board and Committees thereof. The Company Secretary intimates the Action Points arising out of deliberation during the meeting to the concerned department heads and to the functional Directors. The concerned department head provides information to the Company Secretary with approval of the respective functional Directors on the action taken, which are placed in the succeeding meeting for information of the Board/Committee, after taking approval of CMD.

D. Compliance

Nodal officers have been identified in each department to ensure adherence to all the applicable provisions of laws, rules, guidelines etc. The nodal officers furnish a monthly Compliance report to Company Secretary confirming adherence to all the applicable laws, rules, guidelines pertaining to their departments. Company Secretary compiles all data relating to compliance of all laws, non compliance, if any, and reasons thereof and places the same before the Board for information and guidance.

Board Meetings

The Board met 9 times during the year ended March 31, 2010. The minimum and maximum time gap between any two Board meetings was 16 days and 57 days respectively. Details of Board meetings are as follows:

No. of Board Meeting & Date	Board Strength	No. of Directors Present
233/17.04.2009	15	11
234/03.06.2009	15	13
235/19.06.2009	15	13
236/31.07.2009	15	14
237/ 23.09.2009	16	16
238/30.10.2009	16	11
239/04.12.2009	16	13
240/24.12.2009	16	13
241/19.03.2010	16	15

Directors' attendance at the Board Meetings, at the last Annual General Meeting, number of directorships in other companies and membership in other committees etc. during the year are as follows:

a. Whole time Directors

Name & Designation	Director Identification Number (DIN)			Attendance No. of at AGM held other on 19.09.2009 directorships		Membership in the Committees of other Companies*	
		Held during the tenure	Attended			Member- ship	Chairman- ship
Shri A.K. Srivastava, Chairman-cum- Managing Director (1)	00302121	4	4	NA	Nil	Nil	NII
Shri B.L. Bagra, Director (Finance)	00090596	9	8	Yes	1	Nil	Nil
Shri Joy Varghese, Director (Pers. & Admn.)	01955109	9	9	Yes	Nil	Nil	Nil
Shri A.K. Sharma, Director(Production)(2)	02600938	8	8	No	Nil	Nil	Nil
Shri P.K. Padhi, Director (P&T)(3)	02780916	5	5	Yes	Nil	Nil	Nil
Shri Ansuman Das, Director (Commercial) (4)	02845138	4	4	NA	Nil	Nil	Nil
Shri C. R. Pradhan, Former Chairman-cum-Managing Director (5)	00127539	5	5	Yes	Nil	Nil	Nil
Shri K. K. Mallick, Former Director (Commercial)(6)	00198005	5	5	Yes	1	Nil	Nil
Shri P. K. Routray, Former Director (Production) (7)	01282938	1	1	NA	Nil	Nil	Nil
(i) Part - time official Directors (N	lon-independent)						
Shri V. K. Thakral,IAS (8)	00402959	8	6	No	1	Nil	1
Shri S. Vijay Kumar, IAS	02230985	9	7	No	Nil	Nil	Nil
Shri S.K. Nayak, IAS (9)	02140600	1	1	NA	Nil	Nil	Nil

b.

b (ii) Part time non official (Independent) Directors

Shri S.S. Sohoni, IAS (Retd.)	01877231	9	7	No	Nil	Nil	Nil	
Dr. A Sahay	01115233	9	4	No	Nil	Nil	Nil	
Shri K.S. Raju	01863178	9	5	Yes	Nil	Nil	Nil	
Shri S.B. Mishra, IAS (Retd.)	00030975	9	8	Yes	3	1	2	
Shri N.R. Mohanty	00237732	9	6	Yes	5	Nil	1	
Dr. Jyoti Mukhopadhyay	02224647	9	9	Yes	Nil	Nil	Nil	
Shri R.K. Sharma	00164387	9	8	No	Nil	Nil	Nil	
Maj. Gen.(Retd.) Samay Ram, UYSM,AVSM,VSM	00663816	9	9	Yes	Nil	Nil	Nil	

^{*} As per clause 49 of the Listing Agreement, Membership/Chairmanship in only the Audit Committee and Shareholders/ Investors' grievance Committee have been considered.

Directors' Profile

The brief resume of Directors retiring by rotation and additional directors seeking appointment, nature of their expertise, names of Companies in which they hold directorship, membership and their shareholding in their companies are provided in the Notice convening Annual General Meeting.

Stock Option details

The Company is in the process of implementing ESOP in terms of guidelines from the Government as part of Performance Related Pay (PRP) of executive remuneration. However, no stock option has been issued to Directors/employees during the year.

Training to Non-Executive Directors

The Company has initiated action for nominating the Independent Directors for training.

3.0 Board Committees

Depending on the business needs and legal requirements, the Board has constituted the following Committees:

- 1. Audit Committee
- 2. Human Resource Committee
- 3. Technology Committee
- 4. Share Transfer Committee
- 5. Committee of Directors for sales
- 6. Committee of Directors for procurements
- 7. Investment Committee
- 8. Committee of Directors for consideration of unaudited results
- 9. Committee of Directors for reviewing court cases
- 10. Committee of Directors on Corporate Social Responsibility
- 11. Committee of Directors on Indonesia project

The above Committees of the Board have been constituted with specific responsibilities assigned to each of these Committees.

3.1 Audit Committee

The terms of reference of Audit Committee is derived from Section 292A of the Companies Act, 1956, guidelines set out in clause 49 of the Listing Agreement and guidelines on Corporate Governance for Central Public Sector Enterprise issued by Department of Public Enterprise (DPE).

⁽¹⁾ Appointed w.e.f. 01.10.2009. (2) Appointed w.e.f. 01.05.2009. (3) Appointed w.e.f. 03.09.2009. (4) Appointed w.e.f. 28.10.2009.

⁽⁵⁾ Appointed as CMD w.e.f. 03.08.2009. Superannuated on 30.09.2009. (6) Superannuated on 30.09.2009.

⁽⁷⁾ Superannuated on 30.04.2009. (8) Ceased to be Director w.e.f. 07.01.2010. (9) Appointed w.e.f. 07.01.2010.

Audit Committee comprises of six independent directors and one non-executive non-independent director as detailed below:

Independent Directors

Shri S.S. Sohoni - Chairman

Dr. A. Sahay

Shri K.S. Raju

Shri N.R. Mohanty

Maj. Gen.(Retd.) Samay Ram

Shri S.B. Mishra (w.e.f. 03.06.2009)

Non-Executice Non-independent Director

Shri Sundeep Kumar Nayak,IAS (w.e.f. 07.01.2010)

During the absence of Chairman in any meeting, any one of the independent directors present is elected as the chairman for the meeting.

Director (Finance), Statutory Auditors, Chief of Internal Audit and Cost Auditors are permanent invitees to the meetings. Functional directors, Operational heads are invited to the meetings on need basis. The Company Secretary acts as the Secretary of the Audit Committee.

The role of the Audit Committee includes:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (iv) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217of the Companies Act,1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- (vi) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (vii) Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- (viii) Discussion with internal auditors any significant findings and follow up thereon.
- (ix) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (x) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.
- (xi) Carrying out any other function as is mentioned in the terms of references of the Audit Committee.

Chairman of the preceding Audit Committee meeting was present in the last Annual General Meeting.

Audit Committee meetings and attendance

The Audit Committee met 6 times during the year.

Attendance

Name	Held during the tenure	Attended
Shri S. S. Sohoni	6	3
Shri. V. K. Thakral (upto 07.01.2010)	5	2
Dr. A Sahay	6	4
Shri K. S. Raju	6	4
Shri N.R. Mohanty	6	5
Maj. Gen.(Retd.) Samay Ram	6	6
Shri S.B. Mishra (w.e.f. 03.06.2009)	4	4
Shri Sundeep Kumar Nayak, IAS (w.e.f. 07.01.2010)	1	1

Shareholders' Grievance Committee

Audit Committee also looks after the redressal of complaints/grievances of the shareholders/investors and focuses on strengthening of investor relation. The terms of reference of the Shareholders' Grievance Committee include redressal of shareholders' (investors' complaints/grievances pertaining to share transfers/transmissions, non receipt of dividend/Annual Reports, issue of duplicate certificates, rematerialization of shares, change in address, bank particulars etc. Shri K. N. Ravindra, Company Secretary is the compliance officer.

The Company addresses all complaints/grievances of the shareholders/investors, debenture holders expeditiously and usually resolves in 2-3 days time except in case of issue of duplicate warrants/DDs or cases which requires certain legal compliance. Details of complaints/grievances received and settled are published along with the quarterly financial results of the Company.

During the year, the Company received and resolved 48 complaints / grievances from the shareholders/investors of the Company. Besides, various queries / correspondence from shareholders/investors were promptly attended to. The status of these complaints/grievances is as under:

Particulars	Complaints/grievances received from				
	Individuals & Institutions	Stock Exchanges	SEBI		
No. of cases received during the year 2009-10	47	Nil	01		
No. of cases attended and redressed to the satisfaction					
of the shareholders/investors.	47	NA	01		
No. of pending cases remained unresolved/un-redressed.	Nil	Nil	Nil		

3.2 HR Committee

Terms of reference of HR Committee include recommendation to the Board on framing of rules and regulations and changes therein relating to recruitment, transfer, promotion, deputation and other conditions of service in respect of below Board level employees, wage structure and scale of pay of the non-executives and any changes therein, organization chart including manpower planning and any other references made by the Board from time to time.

The Committee is headed by an independent Director. The Committee met 7 times during the year.

Attendence

Name	Held during the tenure	Attended
Shri N.R. Mohanty	7	7
Maj. Gen.(Retd.) Samay Ram	7	7
Dr. Jyoti Mukhopadhyay	7	6
Shri Joy Varghese	7	7
Shri P.K. Routray (upto 30.04.2009)	1	Nil
Shri S.B. Mishra (w.e.f. 03.06.2009)	6	6
Shri B.L. Bagra (w.e.f.03.06.2009)	6	6
Shri A.K. Sharma (w.e.f. 01.05.2009)	6	5

Remuneration Committee

NALCO being a Government Company, the appointment, terms and conditions of remuneration of the Whole time directors are decided by the President of India through administrative ministry.

Remuneration

(a) Whole time Directors

Name	Relationship	Business	Remuneration for the ye	ear 2009-10#	
	with other Directors	relationship with the Company, if any	All elements of remuneration package, i.e. salary, PF contribution, pension, gratuity etc. (₹)	Other benefits (₹)*	Total (₹)
Shri A.K. Srivastava (w.e.f. 01.10.2009)	Nil	Chairman cum Managing Director	7,88,893	7,07,037	14,95,930
Shri B.L. Bagra	Nil	Director (Fin.)	24,80,474	11,77,896	36,58,370
Shri Joy Varghese	Nil	Director (P&A)	21,15,004	12,40,754	33,55,758
Shri A.K. Sharma (w.e.f. 01.05.2009)	Nil	Director (Prodn.)	12,65,754	11,80,340	24,46,094
Shri P.K. Padhi (w.e.f. 03.09.2009)	Nil	Director(P&T)	8,93,164	6,19,222	15,12,386
Shri Ansuman Das (w.e.f. 28.10.2009)	Nil	Director (Comm.)	8,14,822	4,42,405	12,57,227
Shri C.R. Pradhan (upto 30.09.2009)	Nil	Chairman cum Managing Director	29,79,598	1,43,102	31,22,700
Shri K. K. Mallick (upto 30.09.2009)	Nil	Director (Comm.)	18,73,959	1,95,795	20,69,754
Shri P. K. Routray (upto 30.04.2009)	Nil	Director (Prodn.)	9,71,595	6,98,703	16,70,298

[#] Figures are based on revised scales.

(b) Part-time Non-official (independent) directors

There are eight part time non-official (independent) Directors on the Board. The independent Directors are paid sitting fees of ₹10,000/-for attending each meeting of Board/ Committees thereof. Details of sitting fees paid to the independent Directors for the year are given below:

Name	Sitting	Total (₹)	
	Board Meetings	Committee Meetings	
Dr. A. Sahay	40,000	80,000	1,20,000
Shri S. S. Sohoni	70,000	30,000	1,00,000
Shri K. S. Raju	50,000	70,000	1,20,000
Shri S.B. Mishra	80,000	1,20,000	2,00,000
Shri N.R. Mohanty	60,000	1,30,000	1,90,000
Dr. Jyoti Mukhopadhyay	90,000	1,00,000	1,90,000
Shri R.K. Sharma	80,000	40,000	1,20,000
Maj. Gen.(Retd.) Samay Ram, UYSM, AVSM, VSM	90,000	1,40,000	2,30,000

^{*} Other benefits include Medical facilities, Leave Travel Concession, Residential Accomodation, Electricity & water charges, Upkeep allowance, Entertainment allowance, productivity and performance related incentives etc.

(c) Part-time official directors

There were two part-time official directors on the Board of the Company as on 31.03.2010. No remuneration was paid to the part-time official directors.

Service contracts, notice period, severance fee

The Chairman-cum-Managing Director and other whole time directors are appointed by the President of India for a period of five years from the date of taking over charge or till the date of superannuation (presently 60 years of age) or till further order from the Government of India, whichever event occurs first.

Government Nominee Directors who are appointed by the President of India are from the Ministry of Mines. They retire from the Board on ceasing to be officials of Ministry of Mines.

Independent Directors are appointed by the President of India for a period of three years usually.

There is no provision for payment of severance fees.

3.3 Technology Committee

The terms of reference of Technology Committee include monitoring and paying special attention to the assessment of the Company's technology status, acquiring and assimilating technologies necessary to make it competitive and to its own R&D efforts for maintaining sustained strength in the technological field.

The Technology Committee consists of four independent directors and two whole time directors. Dr. A. Sahay, Independent Director is Chairman of the Committee. The committee met 4 times during the year.

3.4 Share Transfer Committee

The Share Transfer Committee considers and approves issue of new share certificates in case of torn/mutilated/defaced/lost/rematerialisation, share transfer, transmission, transposition and other related activities in physical mode besides taking note of beneficial owners' position under demat mode. The Board has also authorized the Company Secretary to approve requests for only transfer/transmission of shares.

30 meetings of Share transfer Committee/Share transfer approval took place during the year ended 31st March, 2010.

3.5 Committee of Directors for Sales

The terms of reference of Committee of Directors for Sales includes decision on all short term contracts of sale both for alumina and aluminium i.e. the contracts for a period of one year or less in the cases where the value exceeds the powers delegated to CMD.

Chairman-cum-Managing Director, all whole time directors and one co-opted officer(s) of the Marketing department are members of the Committee.

The committee met 9 times during the year.

3.6 Committee of Directors for Procurements

The terms of reference of the committee of Directors for procurement includes approval of contracts/items/packages/tenders with financial limit upto ₹ 50 crore in each case, in respect of all capital expenditure which have been included in the capital budget, duly approved by the Board and for procurement of all raw materials which are beyond the powers delegated to CMD.

Chairman-cum-Managing Director and all functional directors of the Company constitute the Committee.

The committee met 11 times during the year.

3.7 Investment Committee

The terms of reference of Investment Committee include formulation of procedural guidelines for investment of surplus funds subject to overall guidelines issued by the Government of India in this regard.

The Committee met once during the year.

3.8 Committee of Directors for consideration of unaudited financial results

The Committee of Directors for consideration of unaudited financial results was constituted in terms of Clause 41 (II) of the Listing Agreement, to consider and take on record, the quarterly financial results after the same are considered by the Audit Committee. The quarterly financial results approved by the Committee are placed before the Board in next Board meeting.

The Committee consists of 3 whole time Directors, 1 Part-time Official Director and 2 Independent Directors. The quorum of the meeting is 2 Directors personally present including 1 Independent Director. CMD is Chairman of the Committee.

The Committee met once during the year.

3.9 Committee of Directors to review court cases

A Committee of Directors was constituted during the year for examination and review of various legal cases between the Company and the Government of Odisha.

The Committee consists of Director (Finance) and 3 Independent Directors. Shri S.B. Mishra, Independent Director is Chairman of the Committee.

The Committee met once to review the court cases.

3.10 Committee of Directors on Corporate Social Responsibility

The terms of reference of the Committee of Directors on Corporate Social Responsibility includes proper planning, execution and monitoring of the NALCO Foundation an independent trust formed and registered for managing and overseeing the Corporate Social Responsibility activities of the Company. The Committee consists of 3 whole time Directors, 1 Part time official Director and 1 Independent Director. CMD is Chairman of the Committee.

3.11 Committee of Directors for Indonesia Project

Committee of Directors on Indonesia projects was constituted during the year with 2 whole time Directors including CMD, 1 Part time official Director and 1 Independent Director. The terms of reference of the Committee is to negotiate and recommend to Board on the issues relating to Indonesia project.

The Committee has since been rechristened as 'Committee of Directors for Overseas ventures' to study and recommend to the Board, all proposals for pursuing business interests abroad.

4.0 Statutory Auditors

Comptroller and Auditor General of India (C&AG) has appointed M/s. P A & Associates, Bhubaneswar and M/s. C.K. Prusty & Associates, Bhubaneswar as joint Statutory Auditors of the Company for the financial year 2009-10.

The fees paid/payable to the joint statutory auditors for the year was ₹ 11 lakhs towards statutory audit fees, ₹ 11 lakhs towards Limited Review Report for all four quarters, ₹ 2.25 lakhs towards fee for Tax audit and ₹ 0.5 lakhs towards fee for certification on Corporate Governance.

5.0 General Meetings of Shareholders

Particulars of the General Meetings of the shareholders held during last 3 years:

Annual General Meeting

Year	Date	Time	Location
2006-2007	21.09.2007	11.00 A.M.	NALCO Bhawan, Bhubaneswar
2007-2008	20.09.2008	11.00 A.M.	NALCO Bhawan, Bhubaneswar
2008-2009	19.09.2009	11.00 A.M.	NALCO Bhawan, Bhubaneswar
Extraordinary General Meeting:	NIL		

No special resolution was passed either through postal ballot or at any of the General Meetings of the members held during the year under report.

6.0 Disclosures

Material Contracts/Related Party Transactions

The Company has not entered into any material financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms, etc. in which they are either directly or through their relatives interested as Directors and/or Partners. The Company has obtained declarations from all concerned in this regard, which were noted by the Board.

Compliance

The Company has complied with all applicable rules and the requirement of regulatory authorities on capital market and no penalties or strictures were imposed on the Company during last three years except one adjudication notice issued by SEBI for non-compliance of Clause 49 of the listing agreement regarding composition of the Board. However, the adjudication proceeding was dropped by SEBI on suitable reply by the Company.

Code of Conduct for Directors and Senior Executives

The Company's Board of Directors and Management are committed for conducting business in accordance with the highest standards of business ethics and complying with applicable laws. A comprehensive code for whole time and Non-Executive Directors as well as for the senior management of the Company has been evolved and adopted by the Board. All members of the Board and senior management affirm compliance with the Code of Conduct at the beginning of the financial year. Copy of the code of conduct is also posted at Company's website: www.nalcoindia.com.

A declaration to this effect signed by Chairman-cum-Managing Director is given below:

"I hereby confirm that the Company has obtained from the members of the Board and senior management (Key Executives), affirmation that they have complied with the Code of Conduct for Directors and senior management in respect of the financial year 2009-10."

(A K Srivastava) Chairman-Cum-Managing Director

CEO/CFO certification

In terms of Clause 49 of the Listing Agreement, the certification by the CEO and the CFO on the financial statement of the Company and internal controls relating to financial reporting has been submitted to the Board.

Non-Mandatory Requirements

The Company has not adopted any non-mandatory provisions specified in Annexure ID of Clause 49 of the Listing Agreement.

Accounting Treatment

The financial statements are prepared under the historical cost convention and have been prepared in accordance with applicable mandatory Accounting Standards and relevant presentational requirements of Institute of Chartered Accountants of India and provisions of the Companies Act, 1956.

Risk Management

Risk assessment and mitigation reports are placed to the Audit Committee periodically. More details on the subject are given under "Management Discussion and Analysis Report".

Whistle Blower Policy

The Company being a CPSE, the CVC guidelines are applicable which provide adequate safeguards to the employees. No separate whistle blower mechanism has been formulated.

7.0 Corporate Ethics

Code of Conduct for Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Insider Trading) Regulations, 1992, the Board has approved a comprehensive 'Code of Conduct for Prevention of Insider Trading'. Under this code, Directors, Key Executives and designated employees are prohibited to deal in shares of your company during the closure of trading window and other specified period. Permission of Compliance officer is required for dealing in shares beyond specified limit. All Directors, Key Executives and designated employees are also required to disclose related information periodically as defined in the code. Company Secretary is the Compliance officer under this code.

8.0 Means of Communication

Quarterly/annual financial results

The Company regularly intimates un-audited as well as audited financial results to Stock Exchanges soon after these are taken on record by the Board and publish them in leading English and vernacular newspapers in India. The results are also promptly uploaded in Corporate Filing & Dissemination System (CFDS) and displayed in Company's web site: www.nalcoindia.com.

News releases, presentations

Official news releases, presentations made to media and to Institutional investors/analysts are displayed at Company's website: www.nalcoindia.com. Such presentations are also sent to the Stock Exchanges in which Company's shares are listed.

Website

The Company's website: www.nalcoindia.com contains separate dedicated section 'Investors' page' wherein all shareholders/investors, debenture holders' information are available. Company's Annual Report, shareholding pattern, Quarterly financial results are available on the website in downloadable form.

Annual Report

Annual Report containing Directors' Report, Management Discussion and Analysis Report, Corporate Governance Report, Auditors' Report, Audited Accounts, Consolidated Financial statements and other important shareholders information is circulated to the members and others entitled thereto. It is also hosted in the Company's website.

9.0 Shareholders' information

Annual General Meeting
Date: 30th September, 2010

Time: 11.00 A.M.

Venue: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751 061

Financial Calendar for 2010-11:

Events	Tentative Date
Unaudited Financial results for the first quarter ending 30th June, 2010	14th August, 2010
Unaudited Financial results for the second quarter ending 30th September, 2010	By 14th November, 2010
Unaudited Financial results for the third quarter ending 31st December, 2010	By 14th February, 2011
Unaudited / audited Financial results for the year ending 31st March, 2011	By 14th May, 2011
Annual General Meeting for the year ending March 31, 2010	September, 2011

Book Closure Dates

Book Closure/Record Date	Purpose
25th March, 2010	Interim Dividend @ ₹1.50 per share for 2009-10
31st August,2010 to 4th September, 2010	Final Dividend @ ₹1.00 per share for 2009-10

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Dividend payment

Dividend is paid within 30 days of declaration of dividend as per the provisions of the Companies Act, 1956. The final dividend for 2009-10 shall be paid within 30 days from the date of declaration i.e. before 29th October, 2010.

Details of dividend paid during the last five years are as follows:

YEAR		Dividend/share (₹)	Total Dividend paid (₹ in crore)	Date of Payment
2005-06	Interim	2.00	128.86	08.02.2006
	Final	3.00	193.29	26.10.2006
2006-07	1 st Interim 2nd Interim Final	3.50 1.50 2.50	225.51 96.65 161.08	19.02.2007 30.03.2007 08.10.2007
2007-08	Interim	4.50	289.94	25.02.2008
	Final	1.50	96.65	15.10.2008
2008-09	Interim	3.50	225.51	25.02.2009
	Final	1.50	96.65	14.10.2009
2009-10	Interim	1.50	96.65	30.03.2010

Transfer of unpaid/unclaimed interest/dividend to IEPF

During the year, an amount of ₹8,37,629/- pertaining to unpaid and unclaimed dividend for the financial year 2001-02 has been transferred to the Investor Education and Protection Fund (IEPF) in terms of Section 205A of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Further, a total amount of $\stackrel{?}{=}$ 3,32,435/- pertaining to unpaid and unclaimed 6th & 7th half yearly interest on 14.5% NCDs was transferred to IEPF during the year.

The proposed dates for transfer of other unpaid and unclaimed dividends and debenture interest on expiry of 7 years is given in the Notice convening the Annual General Meeting.

Listing on Stock Exchanges

NALCO shares are presently listed in following Stock Exchanges:

National Stock Exchange of India Ltd.	Bombay Stock Exchange Ltd.
Scrip code: NATIONALUM	Scrip code: 532234
Traded from : 28.04.1999	Traded from: 19.10.1992
ISIN CODE : INE 139A01026	

Listing fees for the year 2010-11 has been paid to both the Stock Exchanges. Final approval for delisting of shares from The Calcutta Stock Exchange is still awaited.

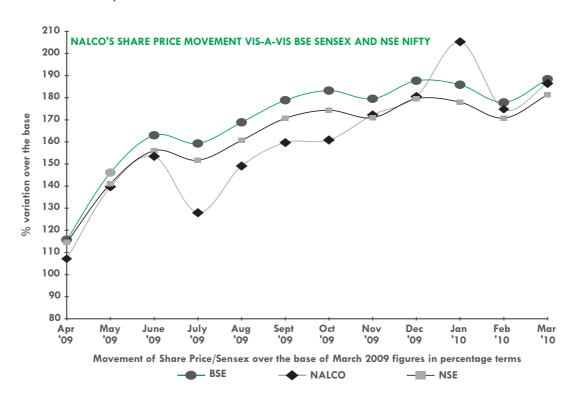
Out of the total paid-up equity capital of $\stackrel{?}{\stackrel{?}{\stackrel{?}{$}}}$ 644.31 crores, the President of India holds 56,14,99,635 equity shares of $\stackrel{?}{\stackrel{?}{\stackrel{?}{$}}}$ 10/- each fully paid up, in physical form. The Company has listed balance 8,28,09,993 shares of $\stackrel{?}{\stackrel{?}{\stackrel{?}{$}}}$ 10/- each fully paid-up, comprising 12.85% of the total paid-up capital with the above Stock Exchanges. Of the listed shares, 99.14% were held in demat mode as on 31.03.2010.

Market Price Data						(Amount in ₹)
MONTH	SHARE PRICE (BSE)			SH	IARE PRICE (N	SE)
	Н	L	V	Н	L	V
April, 2009	260.00	207.15	17,98,856	260.90	207.00	75,84,534
May	396.00	213.10	21,89,349	400.00	214.80	1,03,94,549
June	373.00	296.00	31,25,340	373.40	296.00	1,39,41,134
July	312.00	246.00	19,43,051	312.00	245.10	68,96,154
August	352.00	298.25	19,10,252	355.00	300.55	73,28,870
September	369.20	327.05	12,47,586	321.60	374.80	5,15,769
October	369.95	331.50	9,69,321	370.45	331.10	43,69,354
November	403.80	347.00	8,80,499	403.60	345.25	28,99,192
December	421.35	366.00	11,32,996	421.00	358.70	32,92,346
January,2010	525.90	369.15	88,67,482	526.80	368.60	2,68,04,621
February	405.90	356.10	16,36,419	409.00	356.10	47,46,651
March	427.00	385.75	15,32,378	426.35	371.70	51,45,567

H=Highest, L=Lowest & V=Volume(No.)

Source: Web-sites of BSE &NSE

Performance in comparison to broad - based Indices



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Registrar and Transfer Agents

All kinds of investors' related services, both for physical as well as electronic segments are provided from its in-house Share Registry at the following address. Complaints/Grievances are resolved within 2-3 days time on an average.

National Aluminium Company Ltd.

Share Registry

NALCO Bhawan, Plot No. P/1, Nayapalli,

Bhubaneswar - 751 061 (Odisha)

Tel: 0674-2303197

0674-2301988 to 2301999 (12 lines) (EPABX) - (Extn. 2585-87)

Fax: 0674-2300677

E-mail addresses: i) knravindra@nalcoindia.co.in

ii) dmrao@nalcoindia.co.in

iii) nkmohanty@nalcoindia.co.in

iv) bharatsahu@nalcoindia.co.in

Pursuant to Clause 47-C of the Listing Agreement, half-yearly certificate on compliance of share transfer formalities obtained from Practicing Company Secretary have been submitted to Stock Exchanges in time.

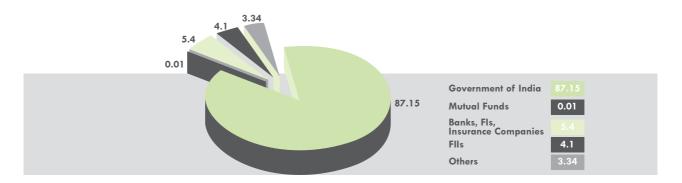
The total number of transfer deeds processed and shares transferred during the last three years are as under:

Years	No. of Transfer Requests Received	No. of shares transferred
2009-10	102	8110
2008-09	59	4261
2007-08	60	5200

Shareholding pattern as on 31.03.2010

SI. No.	Category	No. of Shareholders	No. of shares	Percentage of shareholding
1.	Promoters (Government of India)	7*	56,14,99,635	87.15
2.	Mutual Funds	21	80,856	0.01
3.	Banks/ Financial Institutions	18	78,29,446	1.22
4.	Insurance Companies	12	2,69,41,874	4.18
5.	FIIs	88	2,63,92,215	4.10
6.	Bodies Corporate	930	1,64,51,986	2.55
7.	Indian Public	37,598	44,61,622	0.69
8.	Others	1,476	6,51,994	0.10
	TOTAL	40150	64,43,09,628	100.00

^{*} President of India along with 6 nominees



Distribution schedule of shareholding

Number of Shares	No. of Shareholders	Total shares held	% of share capital
1-200	35625	21049200	0.33
201-500	2999	10473260	0.16
501-1000	801	6404040	0.10
1001-50000	676	26902170	0.42
50001-100000	6	3786230	0.06
100001 and above	43	6374481380	98.93

Dematerialisation/Rematerialisation of Listed Shares & Liquidity

NALCO shares are compulsorily traded in demat form in NSE and BSE. Demat requests are confirmed to the respective Depositories (NSDL/CDSL) within 8-10 days of receipt of Demat Request Forms (DRFs) along with original share certificates from the DPs.

During the financial year, total no. of 21,799 shares has been demated under both the Depositories as detailed below:

NSDL: 15,401 CDSL: 6,398

99.14% of the Company's total listed share capital stands dematerialized as on 31st March, 2010 as compared to 99.11 % as on 31st March, 2009.



During the year, the Company has confirmed 2 rematerialisation requests for 11 shares and the physical share certificates were dispatched to the respective shareholders in time.

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

The Company has neither issued any GDR / ADR nor any convertible instrument outstanding as on date.

11.0 Plant locations of the Company

Mines & Refinery

Mines & Refinery Complex Damanjodi - 763 008 Dist.-Koraput (Odisha)

Smelter Plant

Nalco Nagar Angul - 759 145. (Odisha)

Captive Power Plant

Angul - 759 122. (Odisha)

Port Facilities

Opposite Ore Handling Complex Port Area, Visakhapatnam – 530 035 (Andhra Pradesh)

Address for correspondence

Registered Office:

NALCO Bhawan

Plot No. P/1, Nayapalli,

Bhubaneswar - 751 061 (Odisha)

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AUDITORS' CERTIFICATE

To The Members National Aluminium Company Limited, Bhubaneswar

We have examined the compliance of conditions of Corporate Governance by NATIONAL ALUMINIUM COMPANY LIMITED, for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P.A . & Associates Chartered Accountants FRN 313085E

(CA S.S. Poddar) Partner Membership No.51113

Place: Bhubaneswar

Date: The 11th day of August, 2010

For **C.K.Prusty & Associates** Chartered Accountants FRN 323220E

(CA C.K. Prusty)
Partner
Membership No.57318

Annexure-III

SECRETARIAL AUDIT REPORT

To The Members National Aluminum Company Limited Bhubaneswar

We have examined all secretarial records and the compliance of various provisions of the Companies Act, 1956 and the rules made under that Act, the regulations, guidelines and the instructions prescribed under the Securities and Exchange Board of India (SEBI) Act, 1992, relevant clauses of the Equity Listing Agreements with Bombay Stock Exchange Limited and National Stock Exchange of India Limited, the Depositories Act, 1996 and the regulations and bye-laws framed under that Act, for the financial year ended 31st March, 2010 and we report that:

1. Maintenance of Statutory Records

The Company has kept and maintained upto date statutory registers & records as required under various provisions of the Companies Act, 1956 and the rules made there under and has made the necessary entries therein.

2. Filing of Statutory Returns

The Company filed all statutory forms and returns timely with the Registrar of Companies and other Statutory Authorities and all documents/intimations under various Statutes/Listing Agreement were regularly filed with the Stock Exchanges within the due date.

3. Composition of the Board

Clause 49 of listing agreement requires that if the Chairman of the Company is executive Chairman then not less than half of the Board of Directors should comprise of independent directors. The Company had sixteen directors on its Board as on 31st March 2010. In compliance of Clause 49 of the listing agreement, the Board comprised eight independent directors.

4. Board Meetings

All the Board meetings of the Company were duly held during the year after giving proper notices and observing the presence of proper quorum. After completion of all these meetings, the proceedings including resolutions by circulation were properly recorded and signed in the Minutes Book by the Chairman within due time.

5. In -House Share Registry

All share related activities both physical and electronic segments are handled at the In -house Share Registry of the Company located at its Registered Office at NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751061 and the same is in compliance with the SEBI Circular No. D&CC/FITTC/CIR-15/2002 dt.27.12.2002.

6. Share Transfer Committee

The Share Transfer Committee, formed under Clause VI C of Clause 49 of listing agreement considers and approves issue of new share certificates in case of torn/mutilated/defaced/lost/rematerialisation of shares in addition to transfer/transmission of shares. For quick disposal of requests, Company Secretary has been authorized by the Board to consider the transfer/transmission of shares. During the year ended 31st March, 2010 share transfer/transmission including issue of new share certificates arising out of torn/mutilated/defaced/lost/rematerialisation were approved 3 times through Share Transfer Committee and Company Secretary approved only transfer/transmission of shares 27 times.

7. Redressal of Investor Grievances

All complaints/grievances relating to share transfers, transmissions, demat/ remat of shares, issue of duplicate share certificates, payment of dividend etc. were not only attended but also resolved within 2-3 days time of their receipt. Details of these complaints/ grievances, share transfers, electronic holding of shares (both NSDL and CDSL) were put up in every Audit Committee Meeting (Audit Committee is also entrusted with the job of looking into redressal of investor grievances).

8. Daily Reconciliation of Listed and Paid-up Capital

The Company has complied with the provisions of Depositories Act, 1996 and the bye-laws framed thereunder by the Depositories with regard to reconciliation of records of dematerialised securities with all securities issued by the Company. The reconciliation of physical and dematerialised shares with the total shares issued by the Company is carried out on daily basis. The Company has adequate transparent systems and procedures to carry out the above reconciliation.

9. Dematerialisation /Rematerialisation

The Company has complied with the provisions of Depositories Act, 1996 and the bye-laws framed thereunder by the Depositories with regard to dematerialisation/rematerialisation of securities. The requests for dematerilisation/ rematerilisation were confirmed to the respective Depositories (NSDL/CDSL) within a week's time of receiving the physical documents from the DPs as against 15 days from the date of receipt stipulated by the Depositories and 21 days from the date of uploading the individual requests stipulated by SEBI.

10. Payment of Corporate Cash Benefits to the Shareholders

The Company paid dividends on time to its shareholders after their declaration and wherever necessary rights to dividends were kept in abeyance, pending registration of transfer of shares/ pending final settlement of suits in compliance with the provisions of the Companies Act, 1956.

11. Transfer to Investor Education and Protection Fund

On expiry of 7 years period from the date of declaration/payment, the Company transferred the following unpaid/unclaimed interest and dividend to the Investor Education and Protection Fund in terms of Section 205A of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001:

A. Transfer of unpaid/unclaimed Interest on 14.5% NCDs

Period	Period Amount (₹)			
26.09.2001 to 25.03.2002	1,64,772/-	08.04.2009		
26.03.2002 to 25.09.2002	1,67,663/-	19.10.2009		

B. Transfer of unpaid/unclaimed Dividend

Financial year	Amount (₹)	Date of Transfer		
2001-2002	8,37,629/-	25.11.2009		

12. Insider Trading Regulations

The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures by the directors, officers and designated employees and has maintained proper records required under these regulations. The Company has also framed code of internal procedures and conduct as per the regulations.

13. Legal Notice

During the year under review, the Company has not received any legal notice from any Statutory Authorities like SEBI, Stock Exchanges and Registrar of Companies.

14. Public Deposits

The Company has not accepted any Public Deposits under Companies (Acceptance of Deposits) Rules, 1975 during the year under review. The Company has neither issued any GDR/ADR nor any convertible instrument during the year under review.

M/s. Sunita Mohanty & Associates (Company Secretaries)

Place : Bhubaneswar

CS Jyotirmoy Mishra, Partner

Date : 28.07.2010

(C.P.No-6022)

Annexure IV

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Economies of different countries started recovering after unprecedented sharp fall in FY'09. The recovery has been impressive but burdened with some element of uncertainty. As a result of FY'09 meltdown most of the producers in Aluminium Industry resorted to strategies in response to the situation faced such as curtailing production, closures, etc. However, some of these producers considering the improved situation have subsequently re-started these facilities.

Alumina & Chemicals

During the year 2009, the world consumption of Alumina was 73.859 million MT against the world production of 74.309 million MT thus showing a surplus of 0.45 million MT. The world Alumina production and consumption declined by approx. 5.9 % and 5.8% respectively during 2009 as compared to 2008.

In 2009, the spot price of alumina averaged around \$249 a tonne. Prices showed signs of recovery in Q1, 2010 to an average of \$340 a tonne, which reflected the improved outlook for aluminium. The refinery curtailments during the first half of the year 2009 reduced availability thereby providing necessary impetus for alumina prices to rise from rock bottom level of \$180/tonne. The recovery in aluminium prices triggering smelter restarts saw alumina prices recover to above \$300/tonne level. Stronger demand mainly from smelter restarts and an unprecedented level of curtailments in refining capacity helped the market to return to balance during the course of the year. Delayed restarts and fresh commissioning of refineries helped in the balancing act of fundamentals.

Alumina demand and supply are expected to be balanced in medium term. Increase in bauxite and freight costs, as well as energy cost is likely to support the alumina price in medium-term.

Aluminium

During the year 2009, the world consumption of primary Aluminium was 34.341 million MT against world supply of 37.781 million MT, showing a surplus of 3.440 million MT. The world consumption declined drastically by approximately 8.2% while the supply declined by 5.9% respectively during 2009 as compared to 2008.

Aluminium price averaged at \$ 1664.8/T in 2009 which is 34% lower than the average price in 2008, primarily because of weaker demand for aluminium in major consuming countries. Lower consumption and a relatively weaker response from global aluminium production resulted in stocks build-up which stood at historical highs of 4.63 million tonnes at LME by the end of 2009. Analysts expect production to remain around current levels for most of 2010.

2. STRENGTH AND WEAKNESS

Strength

Your Company's strength lies in its skilled and committed manpower, good quality bauxite reserves, efficient technology, various well planned and ideally located infrastructure facilities, efficient operations, production of good quality products at competitive cost, excellent customer service and commitment to good Corporate Governance practices in all facets of its operations.

Weakness

Your Company is affected by the wide fluctuations in the LME prices, exchange rate fluctuation, shortage of coal and limited product range.

3. OPPORTUNITIES AND THREATS

Opportunities

Revival of world economy has opened many opportunities for your Company to grow. Grant of Mining Leases over Gudem and KR Konda bauxite blocks in Andhra Pradesh and proposed establishment of Alumina Refineries in Andhra Pradesh and Odisha will ensure your Company's leadership position as one of the leading manufacturer of alumina in the world.

Your Company will have over a million MT of surplus alumina on completion of 2nd Phase Expansion. Your Company can set up Aluminium Smelter Plants in India and abroad where energy costs are cheaper.

Having good experience in operation of power plants will stand in good stead to enter into the business of Independent Power Producer. Your Company is exploring various options including Nuclear Power option in this direction.

Nuclear Power is termed as the energy source of the future. Your Company's foray into nuclear power generation will be a significant step in realizing the goal of becoming an Independent Power Producer.

Threats

Being nearer to the Naxal infested areas could be a threat to your Company's operations at Mines & Refinery. However, your Company has taken adequate security measures in coordination with the State and Central Governments to address the naxal threat.

Although the State Government is very much supportive for the proposed Bauxite Mines and Alumina Refinery project in Andhra Pradesh, security concerns in view of the threat perception from Naxals may be a major impediment in achieving the target as per schedule.

4. SEGMENT-WISE PERFORMANCE

For the year under review, your Company achieved net profit of $\stackrel{?}{\sim} 814$ crore on a total income of $\stackrel{?}{\sim} 5,548$ crore. The detailed segment wise information is furnished below:

	Chemicals (Alumina)		Alumi	nium	Power		Unallocable#		Total
	₹ in cr.	Share	₹ in cr.	Share	₹ in cr.	Share	₹ in cr.	Share	₹ in cr.
Net Sales & Operating revenue	1,945	26%	4,095	55%	1,455	19%	_	_	5,548*
PBIT	514	44%	53	05%	371	32%	217	19%	1,155
Capital Employed	1,432	13%	2,895	26%	882	08%	5,847	53%	11,056
ROCE (%)		36%		02%		42%			10%
PBIT Margins (%)		26%		01%		25%			21%

^{*}Internal transfers have been eliminated.

includes cash balance and capital works in progress.

5. OUTLOOK

Domestic Market Outlook

The Indian economy showed strong resilience in FY'09 in withstanding the economic crisis and staged recovery largely on the back of stimulus packages by the Government. India witnessed a recovery as the GDP grew by approx. 7.4% in FY'10 from about 6.7% in FY'09. A sharp turnaround in the end-user segments of aluminium industry such as automobiles, industrial & infrastructure and thrust on power sector growth propelled the industry growth.

The current demand-supply situation for aluminium is largely balanced with consumption in line with existing production plus imports and a relatively small volume of exports. However, the aluminium sector faces a significant concern of medium-term over-capacity due to projects pursued by the three major players in the country. Capacity expansion through planned projects would almost treble production to 4.4 million tonnes by 2013. Considering that all aluminium projects would begin commercial production with expanded capacity as envisaged, there could be at least two million tonnes of additional capacity for exports by 2013. India's per capita consumption of aluminium is about 1.3 kg as against about 30 kg in the developed world for which the industry need to explore new application areas and untapped demand potential thereby setting up preference for aluminium in the future.

International Outlook

Aluminium

Global aluminium consumption is expected to grow annually around 5% during the next decade, supported by continued urbanisation, industrialisation and economic development particularly in developing economies.

Industry experts forecast that 2010 would witness considerable growth of the aluminium market generated by rising demand from the automotive and packaging sectors. Aluminium consumption is likely to grow by 12% in 2010 over 2009 because of such growth and of low base effect.

Alumina

For 2010 as a whole, alumina prices are forecast to average \$325 a tonne, which is around 30 per cent higher than the average for 2009. In the short term, prices are expected to be supported by higher assumed world economic activity and thus, increased demand for aluminium

Over the medium term, spot alumina prices are projected to ease, as production increases following the commissioning of new refining capacity.

6. RISKS & CONCERNS

An important factor to keep in mind over the coming quarters would be the potential unwinding of some of the stock financing deals in LME. Because of these deals the aluminium market could be more sensitive than other commodities and base metals. This might be more of a point to watch for in late 2010 or even 2011. Evolving views on the timing of monetary policy changes, central banks' exit strategies and the associated tightening of interest rates could impel speculative activity and give direction to Aluminium prices.

Risk Management

Your Company continues to believe that managing risk is critical for its growth and sustenance. As such, your Company is constantly monitoring and assessing the internal as well as external risk factors associated with its day to day business operations and financial management and thereby effectively mitigating possible risks associated therewith.

Your Company's approved Integrated Approach for Enterprise Risk Management is under implementation in all process units as well as in operational areas.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has well established internal control systems commensurate with the nature and size of its operations. Internal audit function of your Company has been entrusted to three reputed and well experienced external Chartered Accountants' firms .The internal audit reports submitted by the auditors are discussed at functional directors level in the first instance and then submitted to the Audit Committee for its review , analysis and advice to further strengthen the internal control systems covering all material controls, financial controls, compliance controls and risk management systems . Action taken reports on the observations of Audit Committee on internal audit reports are regularly submitted to the Audit Committee.

8. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Details on financial performance with respect to operational performance are given in the Directors' Report.

9. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED.

Human Resources

Manpower strength of your Company as on 31.03.2010 was 7,467 as against 7,461 at the last day of the previous year. The detailed break up is given below:

Position*	As on 31.03.2010	As on 31.03.2009
Executive	1,829	1,839
Supervisory	855	888
Skilled/Highly skilled	3,727	3,631
Unskilled/Semi skilled	1,056	1,103
Total	7,467	7,461

^{*} Including GETs/MTs/SOTs/JOTs

Training & Development

Your Company believes that success of any organization is dependent on its experienced, trained and dedicated employees. To keep the employees abreast of the latest developments, constant efforts are made by your Company for functional and developmental training based on the needs identified for the individual as well as for the organisation. Emphasis is placed on specific position related

training needs. Training effectiveness evaluation is also carried out to measure the benefits derived from the training imparted. The training statistics for the year 2009-10 is given below:

Category	Mandays
Executives	7,133
Non-executives	10,246
Total	17,379

10. CORPORATE PLAN AND BUSINESS DEVELOPMENT

The new Corporate Plan and Vision 2020 were adopted by the Company in 2009-10. The new Vision Statement of the Company is:

'To be a Reputed Global Company in the Metals and Energy Sectors'

New Mission statement adopted by the Company is:

- to achieve sustainable growth in business through diversification, innovation and global competitive edge.
- to continuously develop human resources, create safe working conditions, improve productivity and quality, and reduce cost and waste.
- to satisfy the customers and shareholders, employees, and all other stakeholders.
- to be a good corporate citizen, protecting and enhancing the environment as well as discharging social responsibility in order to
 ensure sustainable growth.
- to intensify R&D for Technology development.

The major thrust will be diversification and capacity addition. The major goals identified by your Company are:

- to achieve annual turnover of over ₹ 25,000 crore by 2020.
- to achieve annual production of 1.7 million ton Aluminum and 4 million ton Alumina by 2020.
- to transform from being only an "aluminum producer" to become a metal producer and energy provider.
- to venture into new fields of activity beyond Aluminum by setting up at least two diversified projects by 2016.
- to target at least one 1000 MW IPP by 2016.
- to maximize value and long term return to share holders through a strategy of new investments, cost competitive mines and business
 driven by the quality of products and services.
- to develop long-term relations with domestic and foreign clients and Joint Venture partners.
- to develop a powerful scientific and technical base. Apart from investments in volume growth, the Company shall substantially finance
 R&D and modernization of facilities, laboratories, achieving improvements in the quality of products and satisfying customer demands.
- to adopt main strategic priorities aimed at end user orientation.

In line with its Corporate Plan and Vision 2020, your Company is actively considering the possibilities of setting up of Aluminium Smelter Plants in other countries, where power is cheaply available. Your Company has opened a project office in Jakarta to expedite preproject activities in Indonesia. Your Company is also planning to set up a second aluminium smelter plant in India and preparing mining

plan for grant of Mining Lease over Gudem and KR Konda blocks in Andhra Pradesh for which the Govt. of India has accorded consent for grant of Mining Lease.

Your Company has signed MoU with Nuclear Power Corporation of India Ltd. (NPCIL) for establishment of a nuclear power plant in Joint Venture (JV). Project identification is in hand. Your Company has signed an MoU with Orissa Industrial Infrastructure Development Corporation (IDCO) to set up an Aluminium Park at Angul in joint venture. The JV Company named 'Angul Aluminium Park Private Limited' has been incorporated.

Your Company is also exploring various opportunities for securing mineral assets abroad. In this connection, your Company is in discussion with various firms overseas.

11. COMPUTERIZATION ACTIVITIES INCLUDING ENTERPRISE RESOURCE PLANNING (ERP)

Your Company went live on Enterprise Resource Planning (ERP) with SAP R/3 in staged manner since February, 2010 and has covered Materials Management with Supplier Relationship Management (SRM), Finance and HR under the program in staged manner. Other modules shall follow.

Your Company has strengthened its data pipelines both to the Internet and to the Works Locations with fault tolerant high bandwidth links, to ensure un-interrupted data connectivity. This has also enabled tele-presence activities between Corporate Office and Works locations. Multi Protocol Label Switching (MPLS) Virtual Private Network (VPN) has been set-up with all Marketing Offices to provide secure and adequate bandwidth for all applications.

E-governance in your Company is now broadened with the SRM module of ERP. The applications implemented earlier like e-tendering, on-line Vigilance complaints, on-line property returns and e-helpline continue to be supported.

12. TOTAL QUALITY MANAGEMENT

All the manufacturing units of your Company have upgraded their Quality Management System to the latest standard i.e. ISO 9001 : 2008. Recertification audits of Alumina Refinery, Port Facilities and Smelter Plant were successfully completed during the financial year while other units successfully underwent Surveillance Audits.

Management continued its thrust on encouraging Quality Circles in the organisation. Thirteen Quality Circles from different units of your Company were selected through Chapter level competitions of QCFI for participating in the National Convention of Quality Circles held at Bangalore in December, 2009. Out of these, four Quality Circles qualified for the highest level of award at the National Convention.

For the 14th year in succession your Company organised the All-Orissa Quality Circle Convention in April, 2009. This Convention is a flagship event in the quality movement in the State.

13. SAFETY & HEALTH

Your Company has always laid due importance on development on the safety and health of its employees and peripheral communities for their sustained well being. Proactive engagement with the interested parties and focus on exceeding in performance beyond statutory requirements has been the hallmark of your Company's intent towards Safety and Health. In order to systematically manage the Occupational Health and Safety Management System, your Company has not only successfully retained the ISO 14001:2004 and OSHAS 18001:2007 certification but has been continuously improving upon them.

14. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENT, FOREIGN EXCHANGE CONSERVATION

Environmental Protection & Conservation

Environment Management plays a very important role in any organization for smooth running, growing and expanding its business from its existing boundaries to global boundaries and the same is given utmost importance by your organization to all these factors to meet the statutory requirements and improve beyond it.

The main highlights in that direction are detailed below:

- All the Units of your Company are operating with valid 'Consent to Operate' under the Air and Water Acts for the existing capacities.
- All the five major Production Units have valid authorization to handle hazardous wastes.
- Hospitals at Damanjodi and Angul have valid authorization for scientifically processing biomedical wastes.
- In line with its objective of ensuring greater transparency in the Unit's operations, the critical environmental parameters are now being displayed prominently outside the plant gate, as well as uploaded on the Company's website, for information of all interested parties.
- The Environment Management System of all five operating units is certified as per ISO 14001:2004 version. Recertification/Surveillance
 Audit for all units have been completed and recommended for continuation of certificate.
- For control of emission of suspended particulate matter (SPM), CPP unit has obtained the permission for use of Ammonia Flue Gas
 Conditioning system. The system has been designed indigenously & installed in unit I, III, IV & VI. The system is successfully working on continuous basis.
- New Sewage Treatment Plant at CISF Colony, Angul has been commissioned & is operating under trial run.

Technological Conservation

Your Company adopted the then latest technology AP-18 of Aluminium Pechiney, France, following technical collaboration with the global leader in Aluminium Refining and Smelting. The Technical Collaboration Agreement was signed with Aluminium Pechiney (AP) in 1981 and was subsequently extended from time to time to avail the Continued Technical Assistance (CTA) of AP and implementation of Phase-I and Phase-II expansion projects of your Company.

Renewable Energy Development

With steady economic growth, the demand for electric power in the country is also increasing manifold. To power this growth, the use of conventional fossil fuels in boilers is posing high degree of environmental problems apart from the growing concern on the fast depletion of these non renewable resources. NALCO which operates 10X120 MW coal fired units also shares this concern as a responsible corporate citizen and is making efforts to tap the renewable sources of energy for its own and for commercial sale. In this endeavor, your Company has plans to set up a 50MW Wind Power Plant in any of the wind bearing locations in India. Global tenders for the same have been invited and the order for the project is likely to be finalized soon.

Foreign Exchange Conservation

The foreign exchange earnings and foreign exchange outgo of your Company for the year under report are ₹ 2,075.04 crore and ₹ 443.23 crore respectively.

15. ANCILLARY DEVELOPMENT

In the direction of development and promotion of ancillary industries, your Company has awarded Ancillary status to 50 Small Scale Industry (SSI) units till date. Your Company continued its efforts to encourage SSI units by placing orders on them for various items like liquid Coal Tar Pitch, CP Coke etc. During the year 2009-10 the value of orders placed on SSI units was to the tune of $\stackrel{?}{\sim}$ 50.57 crore.

Your Company also participated in the National Vendor Development Programme (Buyer-Sellers Meet) and Seminar-cum-Exhibition held on 22nd & 23rd of Dec,2009 at Exhibition Ground, Bhubaneswar organized by Micro Small & Medium Enterprises Development Institute(MSME) & Director of Industries, Govt. of Odisha.

16. CORPORATE SOCIAL RESPONSIBILITY

You will be pleased to know that your Board has taken a decision to set up a 'NALCO Foundation' with a vision 'To be an Agent to Engineer Holistic Development' to augment the existing periphery development activities being undertaken through Rehabilitation & Periphery Development Advisory Committees (RPDACs) as a part of discharging its Corporate Social Responsibility (CSR).

The Foundation has been registered under the Indian Trusts Act and your Board has taken a decision to contribute 1% of Net Profit of your Company every year, in addition to 1% of net profit being spent through RPDACs. The Foundation will discharge its responsibilities within the guidelines issued by the Government of India from time to time.

With the setting up a Foundation, your Board is confident that there will be special attention on CSR activities of your Company, which will generate enough goodwill for the Company.

The peripheral development activities undertaken during the year under report are:

Mines and Refinery Complex, Damanjodi

- Release of ₹ 11.28 crore, being the balance amount under Periphery Development Programme of previous years and ₹ 3.05 crore towards mobilization advance against the new projects for the year 2009-10.
- Operation of a mobile health care unit since June, 2009 to reach out to the needy people living in the nearby villages with medicines.
 During the year, 297 camps were organized in which 23,166 patients were treated.
- Contribution of ₹ 20 lakhs, double the amount of previous years, to organize 'PARAB', a 3-day Tribal Festival of Koraput district by the District Administration.
- · Continuation of operation of a Grievance Cell for the land losers and people of periphery villages.

Smelter and Power Complex, Angul

- Two Mobile health care services started in November, 2006 continued to be provided at 38 identified venues in 27 peripheral villages. The teams of doctors, pharmacists and attendants provide medical services and distribute medicines to the patients. During the year, 809 such camps were organized in which 33,501 patients were treated.
- A third mobile health care unit has started catering to the needs of villagers in the vicinity of Utkal-E Coal Block Project of your Company.
- Organised 16 animal health camps in the four identified villages in which 3,987 animals were treated.

- · Organised science exhibition, literary competitions and rural sports among the students of 20 Peripheral High Schools.
- Provided financial assistances to different peripheral schools to purchase educational kits, furniture and books, as also for organizing cultural functions.
- Provision of drinking water tankers to 23 affected villages.
- Organised Special Camps for physically challanged.

Corporate Office, Bhubaneswar

- · Providing 15 PCR vans to Commissionerate of Police, Bhubaneswar to help people in need and maintain law and order in the city.
- · Contribution to Corpus Fund of National Foundation for Communal Harmony, Govt. of India.
- · Contribution to Centurion School of Rural Enterprise Management for purchasing equipment for imparting training to tribal youth.
- Contribution to Directorate of Sports & Youth Services, Govt. of Odisha for National Youth Festival 2010.

SPORTS

Your Company continued to play an active role in promotion of sports. In that direction, your Company sponsored 'Nalco Cup' Tennis Tournament, Basketball Tournament, Hockey Championship and other games during the year under report. Inter Unit Volleyball, Badminton, Cricket tournaments were also organized at Corporate Office, Angul and Damanjodi Sectors. Your Company also sponsored some rural games organised at different parts in Odisha.

Your Company's teams participated in All India Public Sector Volleyball Tournament held at Dehradun and All India Public Sector Football Tournament held at Salt Lake, Kolkata.

You will be pleased to know that Debasis Mohanty of your Company captained All India Public Sector Cricket Team for Corporate Cup 2009, footballer Sradhanjali Samantaray of your Company captained Orissa Women football Team, which participated in National Championship held at Chennai during the year.

Athlet Anuradha Biswal of your Company won silver medals in National Athletic Championships held at Bhopal and Chennai.

IMPLEMENTATION OF SOCIAL ACCOUNTABILITY STANDARD

Your Company believes and practices transparency and accountability in business practices and supply chain to ensure basic human rights in work place.

Keeping the above in mind, your Company has implemented the requirements of SA 8000 Standard in all its units. SA 8000 standard (Social Accountability Management System) measures the performance of an organization in eight key areas viz. Child Labour, Forced & Compulsory labour, Health & Safety, Freedom of Association & Collective Bargaining, Discrimination, Disciplinary Practices, Working Hours and Remuneration.

Implementation of SA 8000 Standard will go a long way in building the brand image of your Company and also serves as a measure of implementation of CSR.

IMPLEMENTATION OF THE RTI ACT, 2005

The Company has been complying with the requirements under the Act and providing required information to the information seekers that is permissible to be provided under the Act.

During the year 2009-10, your Company regularly reviewed and updated the pro-active disclosures published under 17 different templates in the Right to Information segment of the Company's website www.nalcoindia.com as required to be published under the Act.

The status of information requests received by the Company at various stages during the year 2009-10 is given below:

Information Requests/Appeals	Opening Balance as as on 01.04.2009	Received during the year 2009-10	No. of requests transferred to other Public Authorities	No. of requests/ appeals rejected under under various various provisions of the Act	No. of requests/ appeals accepted and information provided during 2009-10	No. of requests/ appeals pending for disposal as on 31.03.2010*
Information requests received by PIO	16	180	Nil	22	156	18
First Appeal before Appellate Authority of the Company	Nil	32	Nil	01	31	Nil
2nd Appeal before CIC, New Delhi	Nil	10	N.A.	N.A.	7	3

^{*}All the cases pending as on 31.03.2010 have been subsequently disposed off.

29th Annual Report 2009-10

AUDITORS' REPORT

TO THE MEMBERS
NATIONAL ALUMINIUM COMPANY LIMITED,

- We have audited the attached Balance Sheet of NATIONAL ALUMINIUM COMPANY LIMITED, as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4 A) 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.
- 4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account,
 - d. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3c) of the Companies Act, 1956,
 - e. In terms of Government of India, Ministry of Finance, Department of Company Affairs, Notification No.GSR 829 (E) dated 21st October, 2003, Government Companies are exempt from the applicability of provisions of Section 274 (1) (g) of the Companies Act, 1956,
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes on accounts appearing in Schedule X and Schedule Y respectively give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii. in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For P.A . & Associates Chartered Accountants FRN 313085E For C.K.Prusty & Associates Chartered Accountants FRN 323220E

(CA S.S. Poddar) Partner Membership No.51113

Place: New Delhi

Date: 06th August,2010

(CA C.K. Prusty)
Partner
Membership No.57318

ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE)

- 1. (a) The Company has maintained records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a programme of conducting physical verification of non-movable assets at an interval of three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. All the movable assets, were physically verified during the year. As informed to us, no material discrepancies were noticed on such verification wherever reconciliations have been carried out and the same have been adjusted in the books.
 - (c) In our opinion and according to the information and explanations, the Company has not disposed off substantial part of fixed assets during the year.
- 2. (a) In respect of its inventories as explained to us, all inventories except stocks relating to expansion project, stocks lying with third parties and stocks in-transit, have been physically verified by the management at reasonable intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical stock and book records relating to shortages have been dealt with in the books of account, while excesses have been ignored except in case of finished goods.
- 3. According to information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Consequently, clauses (iii)(a) to (g) of paragraph 4 of the order are not applicable.
- 4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal control system.
- 5. According to information and explanations given to us, the Company has not entered into any contracts or arrangements which require to be recorded in register maintained under section 301 of the Companies Act, 1956.
- 6. The Company has not accepted any deposits from the public during the year.
- 7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- 8. We have broadly reviewed the books of accounts maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act., 1956 in respect of manufacturing activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate and complete.
- 9. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess, Electricity duty with the appropriate authority.

According to the information and explanations given to us, no undisputed amounts are payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date on which they become payable.

According to the information and explanations given to us, there are disputed statutory dues which have not been deposited are given herein below:

Statute	Nature of Dues	Amount Disputed ₹ in Crore	Amount Deposited ₹ in Crore	Forum where disputes are pending
Sales Tax	Sales Tax	226.64 219.78	29.61 60.4	Commissionrate Tribunal
		16.41	4.76	High Court
		462.83	94.77	
Entry Tax	Entry Tax	26.8	10.73	Commissionrate
		32.35	23.09	Tribunal
		8.46	4.1	High Court
		67.61	37.92	
Central Excise Act, 1944	Excise Duty	63.88	2.5	Commissionrate
		35.58	0.59	Tribunal
		99.46	3.09	
Customs Act, 1942	Customs Duty	0.13	0.06	Commissionrate
		3.1	Nil	Tribunal
		3.23	0.06	
Income Tax Act, 1961	Income Tax	151.24	94.9	Commissionrate
		79.23	128.66	Tribunal
		230.47	223.56	
		863.60	359.40	

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- 10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- 11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- 12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13. In our opinion the Company is not a chit fund/nidhi/mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- 14. The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16. Based on our examination of the records and the information and explanations given to us, the Company has not raised any term loan during the year under audit.
- 17. According to the information and explanations and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment of the company.
- 18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 19. Based on our examination of the records and the information and explanations given to us, the Company has not issued debenture during the year.
- 20. The Company has not raised any money by way of public issue during the year.
- 21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For P.A . & Associates Chartered Accountants FRN 313085E For C.K.Prusty & Associates Chartered Accountants FRN 323220E

(CA S.S. Poddar) Partner Membership No.51113

Place : New Delhi

Date: 06th August, 2010

(CA C.K. Prusty)
Partner
Membership No.57318

COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NATIONAL ALUMINIUM COMPANY LIMITED FOR THE YEAR ENDED 31st MARCH 2010

The preparation of financial statements of National Aluminium Company Limited for the year ended 31st March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 6 August 2010.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of National Aluminium Company Limited for the year ended 31st March 2010. This supplementary audit has been carried out independently and is limited primarily to inquiries of the Statutory Auditors and the Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the Comptroller & Auditor General of India

Dated : Kolkata, The 24 August 2010 (Nandana Munshi)
Principal Director of Commercial Audit
& Ex-Officio Member Audit Board – I
KOLKATA

Balance Sheet as at March 31, 2010

(₹	in	crore)	
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					(
	Schedule		As at		As at
	No	N	Narch 31, 2010		March 31, 2009
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	Α		644.31		644.31
Reserves and Surplus	В		9,751.27		9,125.50
Deferred Tax Liability (Net)	С		660.59		621.35
TOTAL			11,056.17		10,391.16
APPLICATION OF FUNDS					
Fixed Asset					
Gross Block	D	11,017.96		9,899.84	
Less: Depreciation		6,181.65		5,868.30	
Net Block		4,836.31		4,031.54	
Capital Work-in-Progress	Е	2,243.40		2,836.52	
			7,079.71		6,868.06
Investments	F		986.75		895.93
Current Assets, Loans and Advances	G				
Inventories		944.92		873.50	
Sundry Debtors		181.78		26.50	
Cash and Bank Balances		3,152.35		2,869.04	
Other Current Assets		145.00		175.35	
Loans and Advances		785.59		616.02	
		5,209.64		4,560.41	
Less: Current Liabilities & Provisions					
Current Liabilities	Н	1,849.95		1,603.40	
Provisions	I	369.98		329.84	
		2,219.93		1,933.24	
Net Current Assets			2,989.71		2,627.17
TOTAL			11,056.17		10,391.16
Significant Accounting Policies	X				
Notes on Accounts	Υ				

Schedules A to Y annexed hereto form part of the Accounts

In terms of our report of even date attached.

For P.A. & Associates
Chartered Accountants

For C.K.Prusty & Associates
Chartered Accountants

(CA. S.S. Poddar) (C Partner (M.No.:51113) Po

(CA.C.K.Prusty)
Partner(M.No. :57318)

For and on behalf of Board of Directors

Place : New Delhi (CS. K.N. Ravindra) (CA. B.L. Bagra) (A.K.Srivastava)

Dated : 6th August, 2010 Company Secretary Director (Finance) Chairman-Cum-Managing Director

Profit and Loss Account for the year ended March 31, 2010

				(₹ in crore)
	Schedule	Year ended	I	Year ended
	No	March 31, 2010		March 31, 2009
INCOME:				
Sales	J	5,311.40	5,517.52	
Less: Excise Duty		255.74	423.00	
Net sales		5,055.66		5,094.52
Finished goods internally consumed/capitalised	IZ.	24.20		26.44
Other income	K	468.75		495.84
TOTAL		5,548.61		5,616.80
EXPENDITURE:				
Decretion /(Accretion) to stock of finished /				
intermediary products / work-in-process	L	21.63		(85.35)
Raw Materials	W	782.30		696.31
Power & Fuel Repairs & Maintenance	N	1,601.14 296.37		1,311.55 250.52
Other Manufacturing Expenses	P	210.78		175.43
Employees' Remuneration & Benefits	Q	843.60		771.06
Administrative Expenses	R	115.29		103.33
Other Expenses	S	127.55		123.10
Selling and Distribution Expenses	T	89.04	l l	84.33
Interest and Financing Charges	U	2.28		3.96
Provisions	V	(3.91)		(3.23)
Depreciation		319.39		272.44
TOTAL		4,405.46	5	3,703.45
PROFIT FOR THE YEAR		1,143.15	5	1,913.35
Add/(Less) : Prior Period Adjustments (Net)	W	11.71		13.81
PROFIT BEFORE TAX		1,154.86	5	1,927.16
Less: Provision for taxation				
Current		315.31	634.92	
Fringe Benefit		- -	10.87	
Deferred		39.25	13.91	
Earlier years		(13.92)	(4.81)	654.89
PROFIT AFTER TAX		814.22		1,272.27
Balance brought forward from previous year Transfer from Capital Reserve		10.79		15.39 0.04
•				
Amount available for appropriation		825.05		1,287.70
APPROPRIATIONS:				
Interim dividend		96.65	225.51	
Proposed final dividend		64.43 27.38	96.65	
Tax on dividend Transfer to General Reserve		630.00	54.75 900.00	
Transfer to General Reserve		818.45		1,276.91
Balance carried to Balance Sheet		6.60		10.79
EARNINGS PER SHARE (Face value ₹ 10/- each) Profit after Tax		814.22		1,272.27
Average number of equity shares (No)		644,309,628		644,309,628
Basic & Diluted earnings per share (₹)	V	12.64	•	19.75
Significant Accounting Policies	X			
Notes on Accounts	ī			

Schedules A to Y annexed hereto form part of the Accounts

In terms of our report of even date attached.

For P.A. & Associates
Chartered Accountants

For C.K.Prusty & Associates
Chartered Accountants

 (CA. S.S. Poddar)
 (CA.C.K.Prusty)

 Partner (M.No.:51113)
 Partner(M.No.:57318)

For and on behalf of Board of Directors

 Place
 : New Delhi
 (CS. K.N. Ravindra)
 (CA. B.L. Bagra)
 (A.K.Srivastava)

 Dated
 : 6th August, 2010
 Company Secretary
 Director (Finance)
 Chairman-Cum-Managing Director

				(₹ in crore)
		As at		As at
	ı	March 31, 2010		March 31, 2009
Schedule A SHARE CAPITAL				
SHARE CAPITAL				
Authorised:				
130,00,00,000 Equity Shares of ₹ 10/- each		1,300.00		1,300.00
Issued, Subscribed and Paid up:				
64,43,09,628 Equity Shares of ₹ 10/- each fully paid up.				
Out of these, Government of India holds 56,14,99,635 shares		644.31		644.31
Schedule B				
RESERVES & SURPLUS				
Capital Reserve:				
Grants-in-aid received from Government of India:				
As per last Balance Sheet	0.50		0.54	
Less: Transferred to Profit & Loss Account	(0.04)		(0.04)	
		0.46		0.50
General Reserve:				
As per Last Balance Sheet	9,114.21		8,214.21	
Add: Transferred from Profit & Loss Account	630.00		900.00	
		9,744.21		9,114.21
Balance in Profit & Loss Account		6.60		10.79
TOTAL		9,751.27		9,125.50
Schedule C				
DEFERRED TAX LIABILITY (Net)				
Deferred tax liability:				
Depreciation on Fixed Assets	784.37		697.12	
Less: Deferred tax assets:				
Taxes, duties etc.	88.59		9.19	
Provision for doubtful debts, claims, etc.	35.08		66.37	
Employee separation/retirement and others		123.78	0.21	75.77
TOTAL		660.59		621.35

Schedules forming part of the Balance Sheet

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FIXED ASSETS									(₹ in	(₹ in crore)
		Gro	Gross Block			Depreciation	tion		Net	Net Block
Particulars of Assets	As on 1.4.2009	Additions	Sales / Adjustments	As on 31.3.2010	As on 1.4.2009	For the Year	Sales / adjustments	Upto 31.3.2010	As on 31.3.2010	As on 31.3.2009
A. PLANT, MINES AND OTHERS										
Freehold land including development costs	62.63	1	(0.59)	62.04	I	1	1	I	62.04	62.63
Leasehold land including development costs	21.36	8.34	(0.23)	29.46	8.45	2.89	0.28	11.62	17.85	12.91
Buildings	461.65	20.67	(0.18)	512.15	213.11	17.56	(0.02)	230.62	281.53	248.54
Roads , bridges and culverts	61.09	1.99	1	63.08	15.02	96.0	1	15.98	47.10	46.07
Railway sidings	70.71	1	1	70.71	56.61	1.09	1	57.71	13.00	14.10
Water supply , drainage and sewerage	79.55	44.02	ı	123.56	51.14	1.96	ı	53.10	70.47	28.41
Power supply , distribution and lighting	622.91	7.73	(0.10)	630.54	253.45	24.03	0.83	278.31	352.23	369.46
Plant and machinery	8,070.26	963.01	2.35	9,035.62	5,081.49	257.01	(3.91)	5,334.59	3,701.03	2,988.77
Office equipments	30.74	9.05	(1.77)	38.02	21.44	2.24	(1.69)	21.98	16.04	9.30
Furniture and fittings	19.75	1.1	(0.11)	20.76	14.10	1.01	(0.09)	15.02	5.74	5.65
Vehicles	34.77	4.03	(0.27)	38.53	21.97	2.31	(0.23)	24.05	14.48	12.80
Miscellaneous equipments	70.29	7.49	(0.39)	77.39	30.32	3.14	(0.25)	33.20	44.19	39.97
Sub-total	9,605.71	1,097.45	(1.30)	10,701.85	5,767.10	314.18	(5.12)	6,076.16	4,625.69	3,838.61
B. SOCIAL FACILITIES										
Freehold land including development costs	5.18	1.22	ı	6.40	I	1	1	ı	6.40	5.18
Leasehold land including development costs	0.62	1	0.01	0.63	0.34	1	1	0.34	0.28	0.28
Buildings	202.38	15.97	1.76	220.11	47.44	3.71	(0.01)	51.14	168.97	154.94
Roads , bridges and culverts	23.62	0.70	(0.01)	24.31	6.23	0.46	0.01	9.70	17.61	17.39
Water supply , drainage and sewerage	26.51	1.07	٠	27.58	11.80	0.59	(0.01)	12.38	15.20	14.71
Power supply , distribution and lighting	18.87	0.70	(1.58)	18.00	11.96	0.55	(0.84)	11.67	6.32	6.91
Office equipments	0.14	0.01	(0.02)	0.13	0.10	0.01	(0.01)	0.09	0.04	0.04
Furniture and fittings	2.69	0.11	(0.11)	2.69	2.31	0.07	(0.02)	2.34	0.36	0.38
Vehicles	1.31	0.92	ı	2.23	99.0	0.16	0.02	0.83	1.40	0.65
Miscellaneous equipments	99.6	0.33	(0.14)	9.85	4.93	0.49	(0.06)	5.36	4.49	4.73
Sub-total	290.98	21.03	(0.08)	311.94	85.77	6.04	(0.95)	90.86	221.08	205.21
C. INTANGIBLE ASSETS	3.15	1.01	0.00	4.17	3.03	0.13	1	3.17	1.00	0.12
D. IMPAIRMENT PROVISION										
Building	I	I	ı	0.00	2.83	(0.21)	I	2.62	(2.62)	(2.83)
Plant and machinery	ı	1	1	0.00	6.57	(0.72)	1	8.85	(8.85)	(9.57)
Sub-total	0.00	1	1	0.00	12.40	(0.93)	1	11.46	(11.46)	(12.40)
Total for current year	9,899.84	1,119.49	(1.38)	11,017.96	5,868.30	319.42	(6.08)	6,181.65	4,836.31	4,031.54
Total for previous year	9,137.26	777.45	(14.87)	9,899.84	5,606.31	273.01	(11.02)	5,868.30	4,031.54	

Notes: (Sums ₹ in crore)

- 1. Depreciation for the year includes ₹ 0.05 transferred to expenditure during construction period, pending capitalisation to Fixed assets (Previous year ₹ 0.04) and ₹ 0.01 charged to prior period adjustment (Previous year ₹ 0.53).
- 2. Gross Block includes the following capital expenditure represented by assets not owned by the Company.
- a) Buildings ₹ 2.24 (Previous year ₹ 2.21) d)Power supply , distribution and lighting ₹ 14.88 (Previous year ₹ 14.88),
- b) Roads, bridges and culverts -₹ 4.08(Previous year ₹ 4.08) e) Railway sidings -₹ 6.53 (Previous year ₹ 6.53).
 - c) Water supply, drainage and sewerage -₹ 1.29(Previous year₹ 1.29).
- 3. The Sales/Adjustment column includes adjustments arising out of migration to ERP system.

					(₹ in crore)
			As at March 31, 2010		As at March 31, 2009
Schedule E CAPITAL WORK - IN - PROGRESS					
Construction and other work - in - progress at cost		1,745.35		2,214.12	
Less: Provisions		0.00	1,745.35	4.83	2,209.29
Advances to contractors and suppliers for capital goods (Unsecured, considered good)			33.75		64.62
Stock of construction materials (at cost)(Including materials					
with contractors ₹ 0.32 Crore, Previous year ₹ 1.01 Crore) Construction materials and Plant & Machinery - in - Transit (at cost)			202.33 51.79		228.19 156.94
Expenditure during construction pending allocation (Schedule E.1)			210.18		177.48
TOTAL			2,243.40		2,836.52
Schedule E.1 EXPENDITURE DURING CONSTRUCTION					
(Pending allocation)			177.40		1/0.07
Opening Balance Expenditure/Adjustments during the year:			177.48		162.37
Preproject Expenses		0.01		0.11	
Technical Knowhow Technical Consultancy		42.58		4.30 41.32	
Startup & Commissioning		74.96		24.54	
Other expenses		32.81		4.21	
Excise Duty Selling & Distribution Expenses		0.78 0.25		1.01 0.18	
Depreciation Expenses		0.05		0.04	
		151.44		75.71	
Less: Income/Adjustments during the year : Income out of trial operation		72.42		14.13	
Export Incentive		0.23		0.08	
Other Income		-		0.02	
Stock of Products from trial		72.65		5.54 19.77	
Net Expenditure during the year		72.00	78.79	17.77	55.94
Total Expenditure			256.27		218.31
Less Adjustment to EDC			0.20		2.79
Less: Amount allocated to Fixed assets Balance carried forward			<u>45.89</u> 210.18		38.04 177.48
Schedule F					
INVESTMENT (At Cost)	Face value				
	per unit (₹)	No.s in '000		No.s in '000	
Non-Trade Un Quoted :	1.00	289	0.03	200	0.03
Equity Shares in Bhubaneswar Stock Exchange Ltd Equity Shares in Excel Services Ltd	10.00	1.46	0.001	289	0.03
Long Term Debt Fund (Fixed Maturity Growth Plan)	0				
SBI DF Series - 7 - 13 Months	10.00	0	-	50000	50.00
SBI DF Series - 8 - 13 Months SBI DF Series - 9 - 13 Months	10.00 10.00	0 200000	200.00	100000 200000	100.00 200.00
SBI DF Series -1 - 370 Days	10.00	0	-	50000	50.00
SBI DF Series - 2 - 370 Days UTI FTIF Series - IV - Plan - V - 13 Months	10.00 10.00	0	_	25000 1 <i>5</i> 000	25.00 15.00
UTI FTIF Series - IV - Plan-VI - 15 Months	10.00	0	_	50000	50.00
UTI FTIF Series - V - I - 13 Months	10.00	0		70000	70.00
UTI FTIF Series - V - II - 20 Months UTI FMF Yearly Series Fund	10.00 10.00	20000 10000	20.00 10.00	20000 10000	20.00 10.00
LIC MF FMP Series - 43 - 13 Months	10.00	0	-	50000	50.00
LIC MF FMP Series - 44 - 13 Months	10.00	0	-	100000	100.00
Canara Robeco FMP Series - 2 -14 Months UTI FIIF—Annual investment plan Series-I - I.G.	10.00 12.061	0 8291	10.00	20000	20.00
UTI FMF Yearly SeriesYFMP-09/09 - I.G.	10.00	75000	75.00	_	-
UTI FTIF Series VII,Plan-1-I.G.	10.00	20000	20.00	_	-
UTI FTIF Series VII,Plan-11-l.G. SBI Debt Fund Series—Series -V	10.00 10.00	35000 50000	35.00 50.00	_	_
UTI FMP YFMP-03/10-I.G.	10.00	50000	50.00	_	_
Current Investments UTI-FIIF-Series II-Qtrly Int Plan-V	10.00	50000	50.00	_	
LIC MF Interval Fund-QtrlyPlan-Series-2	10.00	50000	50.00	_	_
UTI FIIF Qtrly Int Plan-Series -III	10.00	20000	20.00	-	-
SBI Magnum Insta Cash LIC MF Liquid Fund - Dividend Plan	1 <i>6.75</i> 03 10.9801	1 396722	0.001 396.72	123770	135.90
	. 3.7001		986.75	. 20, , 9	895.93

CURRENT ASSETS, LOANS & ADVANCES Current Assets				(₹ in crore)
Schedule G CURRENT ASSETS, LOANS & ADVANCES CURRENT ASSETS CONTROL		As at		As at
Current Assets Current Assets Current Assets Carrent Carrent Assets Carrent Ca		March 31, 2010	Marc	h 31, 2009
Current Asset	Schedule G			
Current Asset	CURRENT ASSETS, LOANS & ADVANCES			
(As certified by the Management and valued as per Accounting Policy No.1.5) Row materials (Including in transit * 7.10 Crore) 64.57 64.96 Coal and fuel oil (Including in transit * 7.11 Crore Previous year 7.7.94 Crore) 88.64 67.58 Stores & sparces (Including in transit * 7.11 Crore Previous year 7.7.94 Crore) 88.64 67.58 Stores & sparces (Including in transit * 7.10 Crore Previous year 7.7.94 Crore) 363.11 \$7.00.63Crore, Previous year 7.50.38 Crore) 422.90 363.11 \$7.00.63Crore, Previous year 7.50.90 Crore 42.50.90 Crore 42.50	Current Assets			
Accounting Policy No.1.5] Raw materials (Including in transit	Inventories			
Accounting Policy No.1.5] Raw materials (Including in transit	(As certified by the Management and valued as per			
₹ 8.86 Crore, Previous year ₹ 12.75 Crore) Coal and fuel oil (Including In Transit ₹ 7.11 Crore Previous year ₹ 7.94 Crore) Stores & spores (Including in transit ₹ 7.12 Crore) \$8.64	Accounting Policy No.1.5)			
Cool and fuel oil (Including in Transit ₹ 7.11 Crore Previous year ₹ 7.94 Crore) Stores & spores (Including in Irransit ₹ 2.0.63 Crore) Stores & spores (Including in Irransit ₹ 2.0.63 Crore) Store and unserviceable materials awaiting disposal Stock of Finished Goods Intermediary Products / Work-In-Process Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products North-Process Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Intermediary Intermediary Products Intermediary Intermediary Intermediary Products Intermediary Intermediary Intermediary Intermediary Intermediary Intermediary Intermediary Intermediary Intermediary In	Raw materials (Including in transit			
Cool and fuel oil (Including in Transit ₹ 7.11 Crore Previous year ₹ 7.94 Crore) Stores & spores (Including in Irransit ₹ 2.0.63 Crore) Stores & spores (Including in Irransit ₹ 2.0.63 Crore) Store and unserviceable materials awaiting disposal Stock of Finished Goods Intermediary Products / Work-In-Process Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products North-Process Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Work-In-Process Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Stock of Finished Goods Intermediary Products Intermediary Intermediary Products Intermediary Intermediary Intermediary Products Intermediary Intermediary Intermediary Intermediary Intermediary Intermediary Intermediary Intermediary Intermediary In	₹ 8.86 Crore, Previous year ₹ 12.75 Crore)	64.57	64.96	
Stores & spares (Including in transit ₹ 20.63 Crore, Previous year ₹ 50.38 Crore)	Coal and fuel oil (Including In Transit ₹ 7.11 Crore			
₹ 20.63Corre, Previous year ₹ 50.38 Corre) Scrap and unserviceable materials awaiting disposal Stock of Finished (Intermediary Products / Work-In-Process Finished Goods Intermediary Products Work-In-Process Finished Goods Finis	Previous year ₹ 7.94 Crore)	88.64	67.58	
₹ 20.63Corre, Previous year ₹ 50.38 Corre) Scrap and unserviceable materials awaiting disposal Stock of Finished (Intermediary Products / Work-In-Process Finished Goods Intermediary Products Work-In-Process Finished Goods Finis	Stores & spares (Including in transit			
Scrop and unserviceable materials awaiting disposal Stock of Finished /Intermediarry Products / Work-In-Process Finished Goods 142.06		422.90	363.11	
Stock of Finished (Intermediary Products Work-In-Process Finished Goods 142.06 131.91 116.25 116.		17.81	14.95	
Finished Goods 142.06 131.91 116.25 11	Stock of Finished/Intermediary Products /			
Intermediarry Products 116.25 114.74 362.90 373.50 37	Work-In-Process			
Mork-In-Process 146.32 351.00 944.92 975.50	Finished Goods	142.06	131.91	
Sundry Debtors (Unsecured) Debts over six months Considered good Considered doubtful 39.10 39.22 39.56 Less: Provision for doubtful debts 39.10 0.12 0.12 0.44 Cother debts, Considered good Other debts, Considered good Tall.66 0.18 0.17 0.18 Cash and Bank Balances Cash on hand including stamps 0.017 0.18 Cheques on hand Cheques on hand Cheques on hand Salcance with Scheduled Banks: In Current Accounts In Unpaid Debenture Interest Accounts In Unpaid Debenture Interest Accounts In Term Deposits * 10.10 11.296 12.17 0.92 10.19 12.96 10.19 12.96 10.19 12.96 10.31 10.34 10.31 10.34 10.34 10.31 10.34 10.34 10.35 20.35 20.4569.04 10.360 10.3	Intermediary Products	62.62	116.25	
Sundry Debtors Cursecured Debts over six months Considered good Considered good Considered good Considered doubtful Considered doubtful Considered doubtful Considered doubtful Considered good Considered doubtful Considered good Conside	Work-In-Process	146.32 351.00	114.74 362.90	
(Unsecured) Debts over six months 0.12 0.44		944.9 2		873.50
Debts over six months Considered good Considered doubtful 39.10 39.22 39.56 Less: Provision for doubtful debts 39.10 39.22 39.56 39.10 39.12 39.12 0.44 Other debts, Considered good 181.66 26.06 181.78 Cash and Bank Balances Cash on hand including stamps Cosh on hand including stamps Cosh on hand Cheques on hand Balance with Scheduled Banks: In Current Accounts In Unpaid Dividend Accounts In Unpaid Dividend Accounts In Unpaid Debenture Interest Accounts In Term Deposits * 3,144.60 2,854.41 Cherent Assest Interest accrued: Bank deposits and others Loans to Employees Accrued Export Incentives Less: Provision for shortfall in realisation 1,52 3,631 145.00 175.35	Sundry Debtors			
Considered good Considered doubtful 39.10 39.12 39.	(Unsecured)			
Considered doubtful 39.10 39.12 39.56 39.56 39.56 39.10 39.12 39.56 39.10 39.12 39.56 39.10 39.12 39.56 39.10 39.12 39.10 39.12 39.10 39.12 39.10 39.12 39.10 39.12 39.10 39.12 39.10 39.12 39.10 39.12 39.10 39.12 39.10 39.12 39.10 39.12 39.10 39.12 39.10 39.12 39.10 39.12 39.10	Debts over six months			
Less: Provision for doubtful debts 39.10 39.20 39.10 39.10 0.12 0.44 26.06 181.78 26.50 Cash and Bank Balances Cash on hand including stamps Cheques on hand Cheques on hand Cheques on hand Salance with Scheduled Banks: In Current Accounts In Unpaid Dividend Accounts In Unpaid Dividend Accounts In Unpaid Debenture Interest Accounts In Term Deposits * * Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) as per direction of court against demand of Electricity duty. Other Current Assets Interest accrued: Bank deposits and others Loans to Employees Accrued Export Incentives Less: Provision for shortfall in realisation 39.12 39.16 39.16 20.44 26.50 20.17 0.18 12.96 12.96 12.96 12.95 2,869.04 12.85 12.869.04	Considered good	0.12	0.44	
Less: Provision for doubtful debts 39.10 39.12 0.12 0.44 0.44 0.14 0.14 0.14 0.14 0.14 0.14 0.15 0.16 0.06 0.06 0.06 0.06 0.00 0.08 0.00 0.03 0.00 0.03 0.00 0.03 0.00 0.	Considered doubtful	_39.10	39.12	
Other debts, Considered good 0.12 181.66 20.44 26.06 Cash and Bank Balances Cash on hand including stamps 0.17 0.18 Cheques on hand 0.00 0.23 Balance with Scheduled Banks: In Current Accounts 12.96 In Unpaid Dividend Accounts 1.17 0.92 In Unpaid Debenture Interest Accounts 0.31 0.34 In Term Deposits * 3,144.60 2,854.41 3,152.35 2,869.04 * Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) 3,152.35 2,869.04 * Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) as per direction of court against demand of Electricity duty. Other Current Assets Interest accrued : Bank deposits and others 125.44 Loans to Employees 37.93 108.69 36.39 161.83 Accrued Export Incentives 37.83 144.89 Loans to Employees <		39.22	39.56	
Other debts, Considered good 0.12 181.66 26.44 Cash and Bank Balances 181.78 26.50 Cash and Bank Balances 0.17 0.18 Cash on hand including stamps 0.17 0.18 Cheques on hand 0.000 0.23 Balance with Scheduled Banks: 1.296 In Unpaid Dividend Accounts 1.296 In Unpaid Debenture Interest Accounts 0.31 0.34 In Unpaid Debenture Interest Accounts 0.32 0.35 2,869.04 * In Unpaid Debenture Interest Accounts 0.34 0.31 0.3 0.25 0.2869.04 * In Unpaid Debenture Interest Accounts 0.70	Less: Provision for doubtful debts	39.10	39.12	
181.78 26.50 Cash and Bank Balances 30.17 0.18 0.18 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.24 0		0.12	0.44	
181.78 26.50 Cash and Bank Balances 30.17 0.18 0.18 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.23 0.24 0	Other debts, Considered good	181.66	26.06	
Cash on hand including stamps 0.17 0.18 Cheques on hand 0.00 0.23 Balance with Scheduled Banks: In Current Accounts 5.10 12.96 In Unpaid Dividend Accounts 2.17 0.92 In Unpaid Debenture Interest Accounts 0.31 0.34 In Term Deposits * 3,144.60 2,854.41 * Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) 3,152.35 2,869.04 * Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) 3 125.44 125.44 as per direction of court against demand of Electricity duty. Other Current Assets Interest accrued : Bank deposits and others 70.76 125.44 Loans to Employees 37.93 108.69 36.39 161.83 Accrued Export Incentives 37.83 14.89 Less: Provision for shortfall in realisation 1.52 36.31 1.37 13.52 175.35		181.78		26.50
Cheques on hand 0.00 0.23 Balance with Scheduled Banks: 12.96 In Current Accounts 5.10 12.96 In Unpaid Dividend Accounts 2.17 0.92 In Unpaid Debenture Interest Accounts 0.31 0.34 In Term Deposits * 3,144.60 2,854.41 * Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) 3,152.35 2,869.04 * Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) 4,869.04 3,152.35 2,869.04 * Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) 4,869.04 <td< td=""><td>Cash and Bank Balances</td><td></td><td></td><td></td></td<>	Cash and Bank Balances			
Balance with Scheduled Banks: 12.96 In Current Accounts 5.10 12.96 In Unpaid Dividend Accounts 2.17 0.92 In Unpaid Debenture Interest Accounts 0.31 0.34 In Term Deposits * 3,144.60 2,854.41 * Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) 3,152.35 2,869.04 * Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) 3 125.44 as per direction of court against demand of Electricity duty. 3 125.44 Other Current Assets 125.44 125.44 Loans to Employees 37.93 108.69 36.39 161.83 Accrued Export Incentives 37.83 14.89 Less: Provision for shortfall in realisation 1.52 36.31 1.37 13.52 175.35	Cash on hand including stamps	0.17	0.18	
In Current Accounts	Cheques on hand	0.00	0.23	
In Unpaid Dividend Accounts 2.17 0.92 In Unpaid Debenture Interest Accounts 0.31 0.34 In Term Deposits *	Balance with Scheduled Banks:			
In Unpaid Debenture Interest Accounts	In Current Accounts	5.10	12.96	
In Term Deposits * 3,144.60 3,152.35 2,869.04 * Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) as per direction of court against demand of Electricity duty. Other Current Assets Interest accrued : Bank deposits and others Loans to Employees Accrued Export Incentives Less: Provision for shortfall in realisation 3,144.60 3,152.35 2,869.04 125.44 125.44 125.44 148.9 148.9 145.00 175.35	In Unpaid Dividend Accounts	2.17	0.92	
* Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) as per direction of court against demand of Electricity duty. **Other Current Assets** Interest accrued: Bank deposits and others Loans to Employees Accrued Export Incentives Less: Provision for shortfall in realisation **To.76 125.44 1489 145.00 175.35	In Unpaid Debenture Interest Accounts	0.31	0.34	
* Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) as per direction of court against demand of Electricity duty. Other Current Assets Interest accrued: Bank deposits and others Loans to Employees Accrued Export Incentives Less: Provision for shortfall in realisation 70.76 125.44 161.83 37.83 1489 145.00 175.35	In Term Deposits *	3,144.60	2,854.41	
* Includes ₹ 295.50 Crore (Previous year ₹ 220.93 Crore) as per direction of court against demand of Electricity duty. Other Current Assets Interest accrued: Bank deposits and others Loans to Employees Accrued Export Incentives Less: Provision for shortfall in realisation 70.76 125.44 161.83 37.83 1489 145.00 175.35		3,152.35		2,869.04
as per direction of court against demand of Electricity duty. Other Current Assets Interest accrued: Bank deposits and others Loans to Employees Accrued Export Incentives Less: Provision for shortfall in realisation To.76 125.44 125.44 36.39 161.83 148.9 137.83 145.00 175.35	* Includes ₹ 295 50 Crore (Previous year ₹ 220 93 Crore)			
Other Current Assets Interest accrued :				
Interest accrued : Bank deposits and others 70.76 125.44 Loans to Employees 37.93 108.69 36.39 161.83 Accrued Export Incentives 37.83 14.89 Less: Provision for shortfall in realisation 1.52 36.31 1.37 13.52 145.00 175.35				
Bank deposits and others 70.76 125.44 Loans to Employees 37.93 108.69 36.39 161.83 Accrued Export Incentives 37.83 14.89 14.89 Less: Provision for shortfall in realisation 1.52 36.31 1.37 13.52 175.35 145.00 175.35				
Loans to Employees 37.93 108.69 36.39 161.83 Accrued Export Incentives 37.83 14.89 Less: Provision for shortfall in realisation 1.52 36.31 1.37 13.52 175.35		70.76	125.44	
Accrued Export Incentives 37.83 14.89 Less: Provision for shortfall in realisation 1.52 36.31 13.52 175.35				
Less: Provision for shortfall in realisation 1.52 36.31 1.37 13.52 175.35	· ·			
145.00 175.35				
	LESS. 1 104131011 101 3110111011 III 1EQIISQIIOII		1.0/ 10.02	175 35
Sub-total 4,424.05 3,944.39	61			
	20p-total	4,424.05		3,944.39

				(₹ in crore)
		As at		As at
	Mo	arch 31, 2010		March 31, 2009
Schedule G (contd.)				
Loans and Advances :				
(Unsecured, considered good unless otherwise stated)				
Loans				
Loans to employees				
(Secured ₹ 45.86 Crore,				
Previous Year ₹ 53.28 Crore)		52.82		61.33
Advances recoverable in cash or in kind				
or for value to be received				
Stores on loan basis		0.33		0.12
Advances to Employees		17.25		11.99
Payments made towards disputed Taxes				, ,
Income Tax receivable	222.75		169.98	
Customs and Excise Duty receivable	135.45	358.20	132.15	302.13
		330.20	132.13	302.13
Advances to Suppliers and others:	1.40.04		40.00	
Considered good	143.24		48.20	
Considered doubtful	2.67		2.65	
	145.91		50.85	
Less: Provision for doubtful recovery	2.67		2.65	
		143.24		48.20
Prepaid Expenses		1.35		0.99
Claims Recoverable:				
Considered good				
CENVAT credit claims	107.07		151.47	
VAT credit claims	12.84		13.05	
DEPB claims	17.83		4.35	
Other claims	12.56		10.85	
	150.29		179.72	
Considered doubtful	7.84		7.95	
Constant accounts	158.13		187.67	
Less: Provision for doubtful recovery	7.84		7.95	
Less. Trovision for doubtful recovery		150.29	7.73	179.72
Deposits with Govt and other agencies:		150.27		17 7.7 2
Considered good	62.11		11.54	
Considered good Considered doubtful	1.93		1.93	
Considered doubtrol				
	64.04		13.47	
Less: Provision for doubtful recovery	1.93		1.93	
		62.11		11.54
Sub-total Sub-total		785.59		616.02
TOTAL		5,209.64		4,560.41

		(₹ in crore)
	As a	t As at
	March 31, 2010	March 31, 2009
CURRENT LIABILITIES & PROVISIONS		
Schedule H CURRENT LIABILITIES Sundry creditors:		
Due to Micro and small enterprises	2.33	0.62
On capital account	92.93	
Others*	1,493.23	
Bank Overdraft	8.6	
Security deposits	252.84	306.14
TOTAL	1,849.9	1,603.40
Schedule I PROVISIONS		
For taxation(net of advance payment)	32.77	_,,,,
For proposed dividend	64.43	
For tax on dividend	10.9	16.42
For employee benefits Gratuity	92.87	51.46
Leave encashment	114.56	95.71
Post retirement medical benefit	6.02	3.07
Retirement benefit	10.74	10.20
Leave travel benefit	4.91	5.55
NEFFAR scheme	15.86	6.73
Long Service reward	16.89 261.83	1 4.59 187.31
TOTAL	369.98	329.84

^{*}Includes advance from customers $\stackrel{?}{_{\sim}} 49.59$ Crore (Previous Year $\stackrel{?}{_{\sim}} 42.52$ Crore) and Unpaid dividend of $\stackrel{?}{_{\sim}} 2.17$ Crore (Previous Year $\stackrel{?}{_{\sim}} 0.92$ Crore). Amount transferred to Investor Education and Protection Fund $\stackrel{?}{_{\sim}} 0.12$ Crore (Previous year $\stackrel{?}{_{\sim}} 0.09$ Crore)

Schedules forming part of the Profit & Loss Account

(₹ in crore)

				(₹ in crore)
		Year ended		Year ended
	1	March 31, 2010		March 31, 2009
Schedule J				
SALES				
Export:				
Alumina	870.29		1,220.26	
Aluminium	1,332.84		846.12	
Rolled Products	6.11		4.73	
		2,209.24		2,071.11
Domestic:				,
Aluming	93.12		85.24	
Aluminium	2,833.65		3,176.91	
Rolled Products	171.01		170.79	
Electricity	4.38		13.47	
,		3,102.16		3,446.41
TOTAL		5,311.40		5,517.52
101112				
Schedule K				
OTHER INCOME				
Operating:				
Export incentives	94.65		90.26	
Exchange variation gain	_		6.04	
		94.65		96.30
Non-Operating:				
Interest on/from:*				
Bank Deposits and others	265.74		353.51	
Loans to Employees	3.74		3.93	
Dividend on Investments	20.87		8.71	
Profit on Sale of Long Term Investments	63.57		_	
Profit on Sale of Current Investments	0.02		4.39	
Profit on sale of fixed assets	0.38		0.28	
Sale of general scrap, bath etc.				
(net of excise duty) and its accretion	10.18		13.05	
Rent, electricity & water charges	3.88		3.27	
Miscellaneous Income	5.72		12.40	
		374.10		399.54
TOTAL		468.75		495.84

^{*} Tax deducted at source from interest income from deposits with banks and financial institutions ₹ 30.38 Crore (previous year ₹ 80.63 Crore).

Schedules forming part of the Profit & Loss Account

Schedule L
ACCRETION/DECRETION TO FINISHED/ WORK-IN-PROCESS/INTERMEDIARY PRODUCTS

(₹ in crore)

					(₹ in crore)
	Opening Stock	Adjstments Trial and Others	Adjusted Opening Stock	Closing Stock	Accretion / Decretion
Finished Products :					
Bauxite	13.31	0.08	13.39	16.91	3.52
	14.24	_	14.24	13.31	(0.93)
Alumina*	46.40	6.72	53.12	76.34	23.22
	48.17	0.00	48.17	46.40	(1.77)
Aluminium	66.91	5.40	72.31	43.34	(28.97)
	29.04	0.56	29.60	66.91	37.31
Rolled Products	5.29	(2.30)	2.99	5.46	2.47
	10.59	0.03	10.62	5.29	(5.33)
Intermediary products:					
Anodes & Butts	111.59	(22.78)	88.81	51.36	(37.45)
	75.51	0.26	75.77	111.59	35.82
Aluminium scraps	4.66	(1.65)	3.01	0.83	(2.18)
	7.90	0.48	8.38	4.66	(3.72)
Others	_	0.38	0.38	10.43	10.05
	_	_	_	_	_
Work-in-process	114.74	23.92	138.66	146.32	7.66
	81.48	6.37	87.85	114.74	26.89
Total of Stock & Accr/Decrn	362.90	9.77	372.67	351.00	(21.67)
•	266.93	7.70	274.63	362.90	88.27
Add: Accretion to Excise Duty liability on closing stock					0.04
					(2.92)
Net accretion to stock					(21.63)
					85.35

Note: Figures in italics represent those pertaining to previous year

Schedule M RAW MATERIALS CONSUMED

(₹ in crore)

	Year ended March 31, 2010		Year ended March 31, 2009	
	Quantity Value		Quantity	Value
	(MT)	(₹ in Crore)	(MT)	(₹ in Crore)
Caustic soda	109,343	271.34	114,991	189.58
C.P.Coke	150,627	314.71	144,108	304.50
C.T.Pitch	35,725	89.08	34,738	86.68
Aluminium fluoride	7,979	50.82	8,348	66.64
Lime	54,118	28.36	53,157	24.96
Others		27.99		23.95
TOTAL		782.30		696.31

^{*}Includes Zeolite, Alumina Hydrate, Calcined Alumina, Special Grade Hydrate & Special Grade Alumina.

Schedules forming part of the Profit & Loss Account

(₹ in cro			
	Year ended	Year ended	
	March 31, 2010	March 31, 2009	
Schedule N POWER & FUEL			
Coal	836.05	666.89	
Fuel oil	443.28	457.44	
Duty on self generation	140.71	127.98	
Power transmission charges	1.75	2.85	
Power from trial operation	45.36	-	
Purchased power	133.99	56.39	
TOTAL	1,601.14	1,311.55	
Schedule O			
REPAIRS & MAINTENANCE			
Buildings	28.00	23.98	
Plant & Machinery	251.11	210.07	
Others	17.26	16.47	
TOTAL	296.37	250.52	
Schedule P			
OTHER MANUFACTURING EXPENSES			
Royalty & Cess	46.41	39.28	
Freight inwards	60.60	52.03	
Consumption of stores	92.52	64.66	
Water charges	2.56	2.16	
Technical assistance fee & expenses	8.69	8.40	
Entry Tax		8.90	
TOTAL	210.78	175.43	
Schedule Q			
EMPLOYEES' REMUNERATION AND BENEFITS	/-	550.10	
Salaries, wages, bonus & exgratia Contribution to Provident & Pension funds	578.67 70.52	558.12 39.69	
Staff welfare expenses	67.96	61.54	
Provision for employee benefits	126.45	111.71	
TOTAL	843.60	771.06	
		771.00	
Schedule R ADMINISTRATIVE EXPENSES			
Rent	1.16	1.24	
Rates and taxes	1.24	1.13	
Insurance	2.93	1.33	
Repairs and Maintenance :			
Buildings	0.57	0.16	
Others	1.07	1.84	
Bank charges	0.52	1.20	
Legal expenses	1.04	0.64	
Printing, Stationery and EDP expenses Communication expenses	5.58 3.49	3.97 3.85	
Advertisement & publicity	4.48	6.55	
Electricity and water charges	2.91	2.35	
Travelling expenses	10.48	12.54	
Directors Sitting Fees	0.12	0.10	
Hire charges for machinery and vehicles	6.67	6.40	
Management development and training	2.57	6.07	
Consultancy charges	4.25	6.91	
Security and fire fighting expenses	48.49	39.70	
Exchange Variation Loss Miscellaneous expenses	10.38 7.34	0.00 7.35	
•			
TOTAL	115.29	103.33	

Schedules forming part of the Profit & Loss Account

(₹ in cro			
	Year ended March 31, 2010	Year ended March 31, 2009	
Schedule S	·	·	
OTHER EXPENSES			
Research and development expenses	2.67	3.48	
Plantation and horticulture Environment and pollution control	3.62 0.62	2.80 0.69	
Peripheral development expenses and provisions	13.84	22.25	
Interest on disputed Govt. dues and others	82.41	76.77	
Auditors' remuneration :			
Audit fee	0.11	0.11	
Audit expenses Tax audit and other certification fee	0.15 0.15	0.12 0.09	
Cost audit fee and expenses	0.03	0.07	
Demurrage	4.10	4.80	
Loss on sale of assets	0.18	0.25	
Stores and spares written off	19.54	6.72	
Claims, receivables, debts, shortages etc written off	0.13	4.99	
TOTAL	127.55	123.10	
Schedule T SELLING AND DISTRIBUTION EXPENSES			
Packing and forwarding	4.37	7.59	
Freight outwards and handling	74.67	67.95	
Commission to selling agents	0.07	0.40	
Wharfage	2.37	2.58	
Bank charges Others	0.20 7.58	0.24 5.76	
Officis	89.26	84.52	
Less Transferred to Capital Work-in-Progress	0.22	0.19	
TOTAL	89.04	84.33	
Schedule - U			
INTEREST AND FINANCING CHARGES			
Interest on short term loans	0.24	1.04	
Interest on bill discounting	2.04	2.92	
TOTAL	2.28	3.96	
Schedule V			
PROVISIONS Retired assets, CWIP and unserviceable materials	(4.04)	1.37	
Doubtful Debts	(4.04) 0.01	(1.44)	
Doubtful Other current assets	0.17	(2.72)	
Doubtful advances	0.01	0.81	
Doubtful claims	(0.06)	(1.25)	
TOTAL	(3.91)	(3.23)	
Schedule W			
PRIOR PERIOD ADJUSTMENTS (NET)			
Sales	0.93	(13.54)	
Other Income Raw Materials	(0.02) 3.70	(0.57)	
Power and Fuel	15.72	_	
Repairs and maintenance	(0.01)	(0.10)	
Other manufacturing expenses	(0.09)	0.24	
Employees' remuneration & benefits Administrative and other expenses	(30.15)	(0.33)	
Selling and Distribution Expenses	(1.71)	(0.33)	
Provisions	(0.09)	(3.54)	
Depreciation	0.01	0.53	
TOTAL	(11.71)	(13.81)	
Note : Figures in brackets represent credits.			
Note: Figures in brackets represent credits.			

Schedule-X

SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING:

1.1.1 The financial statements are prepared under historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles, accounting standards issued by the Institute of Chartered Accountants of India, and the relevant provisions of the Companies Act, 1956.

1.2 USE OF ESTIMATES:

1.2.1 In preparing the financial statements in conformity with accounting principles generally accepted in India, the company makes estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amount of expenses during the reported period. Actual result in some cases could differ from those estimates.

Any revision of such estimates is recognized in the period in which the same is determined.

1.3 FIXED ASSETS:

- 1.3.1 All fixed assets are stated at historical cost less depreciation. Cost includes all direct expenditure of acquisition, attributable borrowing cost and net of CENVAT/VAT credit, wherever applicable.
- 1.3.2 Expenditure on development of land including leasehold land are capitalised as part of cost of land. Expenditure of capital nature incurred on assets on land not owned by the company is capitalised under appropriate asset head.
- 1.3.3 Fixed assets acquired out of financial grant from Government are shown at cost by crediting the grant-in-aid received to Capital Reserve. Equivalent amount of depreciation provided on such assets each year is transferred from Capital Reserve to Profit & Loss Account.
- 1.3.4 Insurance spares valuing more than ₹ 1 lakh per unit are capitalized with the related fixed assets.
- 1.3.5 Application Software package like ERP and application development tools like RDBMS are treated as intangible assets and amortized over a period of three years or the period of license whichever is earlier.
- 1.3.6 Fixed assets retired from active use and held for disposal are stated at net book value and considered as current asset till the time of its disposal.

1.4 INVESTMENTS:

1.4.1 Long-term investments are carried at cost, after providing for diminution in value, if it is of a permanent nature. Current investments are carried at lower of cost and market value.

1.5 INVENTORIES:

- 1.5.1 Raw materials, stores and spares are valued at lower of weighted moving average price on real time basis net of CENVAT/ VAT credit wherever applicable. Shortage of coal up to 1% of receipt quantity is treated as normal loss and beyond 1% is treated as abnormal loss.
- 1.5.2 Work in process is valued at lower of cost and net realizable value. Cost is ascertained at moving average price of material on real time basis, appropriate share of labour and related overheads.
- 1.5.3 Finished goods are valued at lower of cost and net realizable value. Cost is determined at moving average price of materials on real time basis, apportioned share of labour and related overheads.
- 1.5.4 Semi-finished goods and intermediary products are valued at moving average price determined on monthly basis based on production confirmation, except for anode butts and rejects which are valued at 45% of direct material cost.
- 1.5.5 Scrap of various nature is valued at estimated net realisable value and inventorised periodically.
- 1.5.6 Stores and spares, other than insurance spares not moved for more than 5 years is valued at 5% of the cost.
- 1.5.7 Unabsorbed purchase overheads lying at the end of the year are charged to Profit & Loss Account at the year end.

1.6 PROVISIONS:

- 1.6.1 A provision is recognized when there is present obligation as a result of a past event and it is probable that an out flow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. These are reviewed at end of each year and adjusted to reflect the best current estimate.
- 1.6.2 Provision is made /written back in respect of balances on account of sums payable/receivable for more than 3 years, in respect of parties other than Govt. Dept./Companies. In case of Govt. Dept./ Companies the same is made on case to case basis depending upon the merit of the case.

1.7 FOREIGN CURRENCY TRANSACTIONS:

- 1.7.1 Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at year-end exchange rates.
- 1.7.2 The difference in translation of monetary assets and liabilities and realised gains and losses in foreign exchange transactions are recognised in the profit and loss account. In respect of transactions covered by forward exchange contracts, the difference between the contract rate and spot rate on the date of the transaction is recognised in the profit and loss account over the period of the contract.

1.7.3 In all import cases, Bill of Lading/ Bill of Entry is considered as the date of transaction based on which Foreign Exchange liability is created in the books. Date on which amount is debited by Bank is considered as the settlement date. The exchange variation between sums of liability and settlement is charged to Profit & Loss Account.

1.8 DEPRECIATION AND AMORTISATION:

1.8.1 Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except in case of certain assets where depreciation at higher rates is provided based on their estimated remaining useful life, evaluated on the basis of technical estimate made annually in respect of the following assets.

Earth work portion of:

- a) Red mud pond at Alumina Refinery
- b) Ash pond at Alumina Refinery
- c) Ash ponds at Captive Power Plant
- 1.8.2 Certain assets at Port Facilities are depreciated at rates calculated on the basis of balance lease period of land belonging to the Port Authority on which these assets are installed.
- 1.8.3 Assets costing ₹ 5,000 or less individually are depreciated fully in the year in which they are put to use.
- 1.8.4 Assets on land not owned by the Company are depreciated over a period of five years.
- 1.8.5 Cost of leasehold land including development expenses thereon is amortised over the period of lease. However, where lease agreement is yet to be signed, such expenses is amortised over a period of 20 years commencing from the year of commercial operation.
- 1.8.6 Classification of plant and machinery into continuous and non-continuous is made on the basis of technical opinion and depreciation provided accordingly.

1.9 PRIOR PERIOD INCOME/ EXPENDITURE & PRE-PAID EXPENSES:

1.9.1 Income/ Expenditure relating to prior period and pre-paid expenses not exceeding ₹ 1 lakh in each case is treated as income/ expenditure for the current year.

1.10 RECOGNITION OF REVENUE:

- 1.10.1 Sales include excise duty and are net of rebates and price concessions. Sales in the domestic market are recognised at the time of despatch of materials to the buyers. Export sales are recognized on issue of bill of lading
- 1.10.2 Claims and interest receivables are accounted for in the Profit and Loss Account based on certainty of their realisation.
- 1.10.3 Export incentives in the form of duty credit on exports made during the year, under Duty Entitlement Pass Book (DEPB) scheme, are accounted for on accrual basis after providing for expected shortfall in realization based on last sale.

1.11 REPAIRS AND REPLACEMENTS:

1.11.1 Pot relining expenses are charged to Profit & Loss Account as and when incurred.

1.12 EMPLOYEE BENEFITS:

- 1.12.1 Contribution to Provident Fund and Pension Scheme, defined contribution schemes, are charged to Profit & Loss Account on the basis of actual liability.
- 1.12.2 Liabilities towards Gratuity, leave encashment, post retirement medical facilities, retirement benefits, leave travel benefits, family rehabilitation scheme and long service reward are provided for on the basis of actuarial valuation.

1.13 RESEARCH & DEVELOPMENT EXPENDITURE:

1.13.1 Research expenditure is charged to Profit & Loss Account in the year in which incurred. Development expenditure except of capital nature is charged to Profit & Loss Account in the year incurred after setting off of incidental income, if any.

1.14 BORROWING COST:

1.14.1 Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as expenses in the period in which these are incurred.

1.15 DEFFERED TAXATION:

1.15.1 Deferred Tax expense or benefit is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

1.16 BUSINESS DEVELOPMENT EXPENSES:

1.16.1 Expenses on account of new potential projects incurred till investment approval are charged to revenue. Expenditure incurred thereafter in case of successful projects are accounted for under Capital Work-in-Progress and capitalized subsequently.

Schedule –Y NOTES FORMING PART OF ACCOUNTS:

1. Balance Sheet:

1.1 Land:

- a) Freehold land includes land acquired through Government of Odisha, for which relevant title deeds have been executed except for land measuring 17.25 acres. Process of conversion of freehold land for Industrial use has been taken-up with Revenue Authority.
- b) Leasehold land includes payment to the Government of Odisha in respect of which lease deeds are yet to be executed for 1238.63 acres, though the Company has been permitted by the Government to use such land for industrial purposes.
- 1.2 In order to compensate substantially land affected persons (SAPs) at Angul Sector in lieu of employment, the Company has offered a cash assistance package ranging from ₹ 2.50 lakhs to ₹ 15.00 lakhs per person depending upon the quantum of land, based on recommendation of Rehabilitation Advisory Committee (RAC), constituted by Government of Odisha for the said purpose. Compensation paid/payable to such SAPs has been determined at ₹ 8.32 crore.
- 1.3 Registration formalities in respect of office space for 6,459 Sq.ft purchased from Kolkata Municipal Development Authority, valuing ₹ 5.50 Crore in Kolkata is under process.
- 1.4 Rolled Products Unit at Angul, established earlier as a 100% Export Oriented Unit (EOU), was debonded w.e.f 15.05.2007, as one time option to exit from 100% EOU Scheme to EPCG Scheme by paying additional import duty of ₹ 6.44 crore after furnishing legal undertaking to the Development Commissioner, FALTA special Economic Zone, Kolkata. As per the direction of the Juridictional Commissioner of Central Excise, Bhubaneswar a Bank Guarantee of ₹ 14.31 crore and a bond of ₹ 143.08 crore has been furnished towards Central Excise Duty liability.
- 1.5 52 nos of EPCG licences have been obtained between the period from 18.10.2006 to 31.03.2010 for 2nd phase of expansion on payment of concessional import duty. The value of concession availed by paying duty at lower rate amounts to ₹ 272.46 crore, on the stipulation that the export obligation to the extent of (i) 50% of the duty saved has to be fulfilled over a block period of 1st to 6th year and (ii) 50% of the duty saved over a period of 7th and 8th year, commencing from the date of issue of authorisation.
- 1.6 The Company has obtained plot of land measuring 18.210 acres at Gothapatna in exchange of plot of land measuring 11.700 acres at Chandaka Industrial Estate, both at Bhubaneswar for a lease period upto 30.11.2097 as per decision of a committee set up by Hon'ble High Court of Odisha consisting of Cabinet Secretary, Government of India (Chairman), Secretary (Mines), Government of India, Chief Secretary, Government of Odisha, Secretary Industries, Government of Odisha and CMD of the Company. The lease deed is yet to be executed.
- 1.7 The Company has availed Bank Guarantees, Letters of Credit and PCFC credit facilities, secured against stock and book debts from State Bank of India, HDFC Bank and Axis Bank.

(₹ in crore)

979.79

1510.55

1.8 Contingent Liabilities not provided for:

TOTAL

		As at	As at
		31st March 2010	31st March 2009
a) Esti	mated amount of contracts to be executed on capital account		
(ne	t of advances and L/Cs opened)	905.73	1,015.98
b) Out	tstanding letter of credit, Guarantees and counter guarantees	238.78	217.83
c) Cla	ims against the Company not acknowledged as debts:		
i)	Sales Tax	442.74	464.33
ii)	Excise Duty	253.55	105.66
iii)	Customs Duty	3.66	3.57
iv)	Claims of contractors, suppliers & others	122.90	89.77
v)	Land acquisition and interest thereon	222.00	39.84
vi)	Unrealised bank guarantees due to court injunctions	2.55	2.55
vii)	Income Tax & Wealth Tax	231.35	203.48
viii)	Entry Tax and Road Tax	69.72	55.77
ix)	Employee State Insurance	0.32	0.32
x)	Provident Fund Commission	0.05	0.05
xi)	Water charges	2.23	0.74
xii)	Royalty on bauxite and interest thereon	15.48	13.71
xiii)	NPV on forest land under Mining lease	144.00	_

1.09 Details of Investments Purchased and Sold During the year.

Name of the Scheme	Face Value (₹)	Units	Amount (₹)
LIC MF Liquid Fund Dividend Plan	10.9801	1639896331	18006225700
LIC Liquid + Fund	10	992528371	9925283711
LIC MF Floating Rate Fund	10	312000000	3120000000
UTI Treasury Advantage Fund-IP Daily Dividend	1000.2141	4328784	4329710176
UTI Floating Rate Fund	1000.7707	1009702	1010480560
UTI Liquid Cash Plan Institutional Daily Income Option	1019.4457	6037838	6155248041
SBI-SHF Ultra Short Term Fund IP Daily Dividend	10.0006	503540916	5038131799
SBI Magnum Insta Cash Fund	16.7503	236418324	3960077853

1.10 Dues paid/payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company.

			(₹ in crore)
		As at	As at
		31st March 2010	31st March 2009
i)	Principal amount due	2.35	0.62
ii)	Interest on principal amount due	Nil	Nil
iii)	Interest and principal amount paid beyond appointment day	Nil	Nil
iv)	The amount of interest due and for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without		
	adding the amount of interest specified under MSME Development Act 2006.	Nil	Nil
v)	The amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible		
	expenditure under section 23 of MSME Development Act 2006.	Nil	Nil

2. Profit and Loss Account:

- 2.1 Depreciation was charged in respect of main Plant and Machinery and related Factory Buildings and Storage go-downs etc., at the rate of 5 per cent up to 31st March 1994, based on estimated useful life of assets being 20 years without retention of 5 per cent residual value. The useful life of these assets has been revised to 18 years to bring it at par with the life of "Continuous process plant" as envisaged in Schedule XIV to Companies Act, 1956. Such change in life of assets has been considered from 1.4.93 i.e. from the year of introduction of "Continuous process plant" in Schedule XIV to Companies Act, 1956. Depreciation rates on all such assets have been recomputed based on guidelines issued under Circular No.14/93 dated, 20.12.93 by Department of Company Affairs, by allocating the unamortized value over the remaining life after retention of 5 per cent residual value except for assets already written off fully.
- 2.2 Liability on account of pay revision of non-executives w.e.f. 1.1.2007 has been calculated provisionally, considering the benefits extended to executive employees. The total liability for non-executives, so accounted, works out to ₹70.87 crore during the year.
- 2.3 Expenses on employees working exclusively for 2nd phase expansion project amounting to ₹ 32.08 crore charged to Profit & Loss Account upto the Financial Year 2008-09 and ₹ 9.30 crore for the Financial Year 2009-10 have been capitalized relating to units commissioned and those in progress. Depreciation on such capitalized amount has been charged prospectively.
- 2.4 The valuation of 7821.780 MT of Alumina valuing at ₹ 6.48 crore lying under Goods in Transit (GIT) was not valued last year which has been corrected.
- 2.5 Liabilities in respect of employees benefit as per AS-15 (Revised 2005) has been provided on the basis of Actuarial valuation.
- 2.6 As a result of amendment in Payment of Gratuity Act with effect from 24th of May 2010, enhancing the maximum ceiling limit from ₹ 3,50,000/- to ₹ 10,00,000/-, the Company has provided an additional net liability of ₹ 92,40,43,063/- in respect of non-executive employees. In respect of executive employees, the enhanced ceiling of ₹ 10,00,000/- was already considered in previous year, based on Presidential Directives on revision of pay of executives.
- 2.7 Electricity power required for execution of project activity for expansion at all units of the company has been met from captive power plant.

2.8 SIGNIFICANT ADDITIONS / MODIFICATIONS:

The Company has adopted ERP system of business process during current year. The treatment of certain transactions in ERP system differ from the one adopted by the Company hitherto. These additions and modifications confirm to relevant Accounting Standards and are exhibited at Schedule-X (Significant Accounting Policies). The implication of these additions and modification is not material.

3. CHANGES IN ACCOUNTING PRACTICES DUE TO IMPLEMENTATION OF ERP:

- 3.1 Company has gone live to ERP system in February 2010. The essential modules required for preparation of financial results namely (i) Finance (ii) Materials Management and (iii) Production Planning have been activated and these accounts have been prepared based on these modules under ERP. A few more supporting modules such as (i) Sales and Distribution (ii) Quality Management and (iii) Human Resource will be implemented in a phased manner. Due to implementation of ERP system, there have been a few changes in Accounting practices which has resulted in improved presentation of financial results whose implication on net result is not material, are enumerated here under:
 - a) In case of fixed assets, where gross value has undergone change due to value adjustment at subsequent date, depreciation has been accounted for prospectively over the residual useful life of the asset, in line with the provisions of AS-10.
 - b) Stock of steel (imported and indigenous) and cement for construction work was grouped under work-in-progress. On implementation of ERP system, steel and cement other than expansion project has been accounted under inventory.
 - c) Entry tax on raw-material was booked separately and charged against "other manufacturing expenses". In ERP, it is loaded to the cost of input materials at the time of receipt of goods.
 - d) Semi finished goods i.e. raw-water, clarified water, filter water, DM water, feed water, Steam, overburden, spent anode and dross have been inventorised and valued under ERP system as intermediary products.

4. RELATED PARTY DISCLOSURES:

- 4.1 As per AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the names of the related parties are given below:
 - i) Whole time Directors:
 - a) Shri A.K. Srivastava (joined on 01.10.2009)
 - b) Shri B.L. Bagra
 - c) Shri Joy Varghese
 - d) Shri A.K. Sharma (joined on 01.05.2009)
 - e) Shri P.K. Padhi (joined on 03.09.2009)
 - f) Shri Ansuman Das (joined on 28.10.2009)
 - g) Shri C.R. Pradhan (superannuated on 30.09.2009)
 - h) Shri K.K. Mallick (superannuated on 30.09.2009) and
 - i) Shri P.K. Routray (superannuated on 30.04.2009).

ii) Part time Official Directors:

- a) Shri S. Vijay Kumar, IAS
- b) Shri V.K. Thakral, IAS (ceased to be Director from 07.01.2010).
- c) Shri S.K. Nayak, IAS (appointed as Director from 07.01.2010).

iii) Part time non-official Director:

- a) Dr. A Sahay
- b) Shri S.S. Sohoni, IAS (Retired)
- c) Shri K.S. Raju
- d) Shri S.B. Mishra, IAS (Retired)
- e) Shri N.R. Mohanty
- f) Dr. Jyoti Mukherjee
- g) Shri R.K. Sharma
- h) Maj. Gen. (Retired) Samay Ram

Note: Only sitting fee is payable to part time non-official Director.

4.2 Related party transactions:

Remuneration and loans to whole time directors are disclosed in Note No.1 of Additional information forming part of accounts.

5. SEGMENT REPORTING:

- 5.1 The Company has considered Chemicals, Aluminium and Electricity as the three primary business segments. Chemicals include calcined alumina, alumina hydrate and other related products. Aluminium includes aluminium ingots, wire rods, billets, strips, rolled and other related products. Bauxite produced for captive consumption for production of alumina is included under chemicals.
- 5.2 India and Outside India are the two geographical segments. Since all production and other facilities are located in India, segment assets except export debtors are shown under one geographic segment i,e. India.
- 5.3 Inter-unit transfer of Calcined Alumina is considered at lower of average price from export sales during the period less freight and cost plus 15.50% return on investment on gross fixed assets. For electricity, lower of the average sale price to GRIDCO and cost plus 15.5% return on investment on gross fixed assets (as per CERC guidelines), has been considered for transfer pricing. Earlier the segment transfers were considered at average export sales realization less freight for alumina and average sale price to GRIDCO for electricity and which have been changed from this period for more appropriate presentation of segment revenue/results.

As a result of the above change in basis of pricing of inter segment transfer, the implication on yearly results between the earlier basis and revised basis are given below:

		(₹ in crore)
	Year ended	Year ended
	31st March 2010	31st March 2009
Segment Revenue		
a) Chemical	(21.83)	(184.19)
b) Aluminium	0.00	0.00
c) Electricity	(370.46)	0.00
TOTAL	(392.29)	(184.19)
Less: Inter segment revenue	(392.29)	(184.19)
Net sales/ Income from operations	_	_
Segment Results:		
Profit before tax and interest		
a) Chemicals	(16.15)	(184.19)
b) Aluminium	386.61	184.19
c) Electricity	(370.46)	0.00

Absolute figures denote addition in revenue /profit, whereas those in bracket denote reduction in revenue/ profit.

- 5.4 Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities. Revenue, expenses, assets and liabilities, which relate to the enterprise as a whole and are not allocable on a reasonable basis, have been included under Unallocated Common segment.
- 5.5 Segment report of electricity does not include electricity co-generated at Refinery Division, as it is an integral part of steam generation plant.
- 6. Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable.

Schedule - Y ADDITIONAL INFORMATION

forming part of accounts for the year ended March 31, 2010

1.	,	Whole-time Directors' Remuneration: Salaries Provision for pay revision liability Company's contribution to Provident Funds & Gratuity scheme Leave travel concession Medical benefits Other benefits TOTAL (In addition, each whole time director is allowed use of Company's car for private purposes up to 750 kms per month as per their terms of appointment) Loans and advances due from Directors: Outstanding as at end of the year					
2.	Maximum amount due any time during the year 2. Expenditure incurred in Foreign Currency on cash basis: Technical assistance and consultancy Travelling expenses						
	OII	ner expenses TOTAL					
 4. 	Exp Oth Va Ray	rnings in Foreign Currency on cash basis: port of goods mer Income TOTAL lue of Imports calculated on CIF basis: w materials mponents, spare parts and construction materials					
		pital goods					
		TOTAL					
5.	5. Value of Raw materials, stores , spares & components consumed during the year:						
	α)	Raw materials: Imported Indigenous TOTAL					
	b)	Stores, spares and components: Imported Indigenous TOTAL					

		(₹ in cror				
Cı	rrent Year		Previous year			
	1.28		0.44			
	0.45		0.81			
	0.22		0.05			
	0.00		0.02			
	0.03		0.01			
	0.10		0.16			
	2.08		1.49			
	0.02		0.02			
	0.03		0.04			
	38.87		25.89			
	0.14		0.23			
	0.39		1.28			
	39.40		27.40			
	2,074.12		2,096.30			
	0.92		1.02			
	2,075.04		2,097.32			
	253.99		242.64			
	80.08		60.52			
	69.76		315.06			
	403.83		618.22			
	nt Year		Previous Year			
Value	%	Value	%			
85.61	10.94	88.45	12.70			
6 96.69	89.06	607.86	87.30			
782.30	100.00	696.31	100.00			
120.29	37.02	74.14	28.85			
204.67	62.98	182.85	71.15			
324.96	100.00	256.99	100.00			

Schedule - Y ADDITIONAL INFORMATION

forming part of accounts for the year ended March 31, 2010 (contd...)

6 Licenced Capacity, Installed Capacity and Actual Production/Generation:

	Installed	Capacity	Actual Production/Generation		
Products	Current year	Previous year	Current year	Previous year	
	(In MT)	(In MT)	(In MT)	(In MT)	
Bauxite	4,800,000	4,800,000	4,878,888	4,700,027	
Detergent Grade Zeolite	10,000	10,000	3,187	4,958	
Alumina Hydrate	1,575,000	1,575,000	1,591,500	1,576,500	
Calcined Alumina	1,575,000	1,575,000	1,563,100	1,557,000	
Special Grade Alumina and hydrate	20,600	20,600	15,859	11,385	
Aluminium Metal	460,000	402,500	431,488	365,867	
Rolled Products	45,000	45,000	15,277	13,795	
Electricity	1,080 MW	960 MW	6,293(MU)	5,541 (MU)	

- Note: 1. Installed capacities are as per project report and licenced capacity is not given as licencing is not applicable.
 - 2. Installed capacity of Aluminium Metal has increased by 57,500 MT during the year on commissioning of 120 pots. Installed capacity of Electricity has increased by 120 MW on commissioning of 9th unit of Captive Power Plant at Angul.
 - 3. Current Year's Production of Aluminium Metal,Rolled Product & Power includes 2,168MT (previous year 1670 MT), 56MT(previous year 56 MT) and 205MU(Previous year nil) respectively out of trial operations.

7. Stocks and Sales:

	Openii	ng Stock		Sales	Closing Stock		
Products	Quantity	Value	Quantity	Value	Quantity	Value	
	In MT	₹ in crore	In MT	₹ in crore	In MT	₹ in crore	
Bauxite	466,916	13.31	_	-	541,483	16.91	
	541,529	14.24	_	_	466,916	13.31	
Alumina*	53,613	74.32	746,974	963.41	80,304	76.34	
	65,148	48.17	889,523	1,305.50	53,613	74.32	
Aluminium Metal	9,089	74.22	419,055	4,166.49	4,550	43.34	
	4,141	29.04	338,015	4,023.03	9,089	74.22	
Rolled products	512	5.29	15,047	177.12	714	5.46	
	759	10.59	13,992	175.52	512	5.29	
Electricity (in MU net)	-	-	15	4.38	-	_	
	_	_	81	13.47	_	_	

- Note: 1. Figures in italics pertain to those of previous year.
 - 2. Stock of Bauxite, Alumina and Strips are valued and disclosed as finished products.
 - 3. Current year's sales excludes sale of 1,831 MT (previous Year 1,534 MT) of Aluminium Metal of ₹ 20.19Crore (previous year ₹ 15.60 Crore) and 46 MT(previous year 50 MT) of Rolled Products ₹ 0.67 Crore(previous year ₹ 0.60 crore) out of Hot Metal produced from Trial Operations.

8. Social Amenities: (₹ in crore)

Expenses	Township	Education	Medical	Social/Cultural	Canteen	Total
Payments to employees	8.64	0.01	21.22	0.01	3.44	33.32
Welfare expenses	_	17.68	20.78	1.68	4.05	44.19
Materials consumed	0.15	0.10	3.81	0.10	_	4.16
Repairs & maintenance	11.45	_	_	_	_	11.45
Power, fuel & water	7.05	0.08	0.00	_	_	7.13
Depreciation	5.47	0.15	0.16	0.24	0.02	6.04
Total	32.76	18.02	45.97	2.03	7.51	106.29
Less: Recoveries	3.91	_	0.18	_	_	4.09
Net Expenditure	28.85	18.02	45.79	2.03	7.51	102.20
For previous year	24.11	15.28	40.93	2.46	6.65	89.43

^{*}Includes Zeolite, Alumina Hydrate,Calcined Alumina, Special Grade Hydrate & Special Grade Alumina.

Schedule - Y **ADDITIONAL INFORMATION**

forming part of accounts for the year ended March 31, 2010 (contd...)

9.	Employee Benefit Obligations:							(₹ in crore)
		Gratuity	Leave	Post Retirement	Retire-	Leave		Long
			Encashment	Medical	ment	Travel	NEFFAR	Service
				Benefit	Benefit	Benefit	Scheme	Reward
A.	Amount Recognised in Balance Sheet:							
	Present value of obligation	226.41	114.56	6.02	10.74	4.91	15.85	16.89
		124.82	95.71	3.07	10.20	5.55	6.72	14.59
	Fair value of Plan Asset	133.55	-	-	-	-	-	_
		73.35	_	_	_	_	_	_
	Funded Status[Excess/(Short)]	(92.86)	-	-	-	-	-	_
		(51.47)	_	_	-	_	-	_
	Net Liability recognised	92.86	_	-	-	-	-	-
_		51.47	95.71	3.07	10.20	5.55	6.72	14.59
В.	Amount Recognised in Profit & Loss Account:	10.05						0.04
	Current Service cost	13.95	17.97	_	1.80	_	_	0.84
	luturest and	12.13 9.84	19.87		1.71 0.81		_	0.75
	Interest cost	5.28	6.85 3.35	0.24 0.14	0.63	0.27 0.07	_	0.58
	Expected Reurn on Plan Asset	5.20 5.87	3.33	0.14	0.03	0.07	_	0.56
	Expected Reurn on Flan Asser	5.61	_	_	_	_	_	_
	Net Actuarial (gain)/loss	74.48	13.95	2.91	(1.92)	3.38	9.13	2.91
	Net Actualia (gaiii)/ loss	41.49	35.40	1.16	(0.52)	7.89	2.73	6.60
	Expenses recognised	92.40	38.77	3.15	0.69	3.65	9.13	4.81
	Expenses recognised	53.29	58.62	1.30	1.82	7.96	2.73	7.93
C.	Movement of Net Liability	00.27	00.02			, ,, ,	0	, , , ,
	Recognised in Balance Sheet:							
	Opening Net Liability	51.47	95.71	3.07	10.19	5.55	6.72	14.59
	,	1.54	52.26	2.06	8.49	1.81	3.99	8.90
	Expenses recognised	92.40	38.77	3.15	0.69	3.65	9.13	4.82
		53.29	58.62	1.30	1.82	7.96	2.73	7.93
	Benefits paid	51.00	19.92	0.20	0.14	4.29	-	2.52
		_	15.17	0.29	0.11	4.22	_	2.24
	Contributions	_	-	-	-	-	-	_
		_	-	-	-	-	-	_
	Closing Net Liability	92.86	114.56	6.02	10.74	4.91	15.85	16.89
		<i>54</i> .83	95.71	3.07	10.20	5.55	6.72	14.59
D.	Actuarial Assumptions:							
	Discount Rate	8.00	8.00	8.00	8.00	8.00	8.00	8.00
		7.50	7.50	7.50	7.50	7.50	7.50	7.50
	Return on Plan Asset	8.00	-	-	-	-	-	-
		8.00	-	_	_	_	_	_
	Salary Escalation	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	AA	5.00	5.00	5.00	5.00	5.00	5.00	5.00
	Mortality Table				LICI 1994-1996 LICI 1994-1996			
	Superior Asia							
	Superannuation Age				60 Ye			
					60 Ye	urs		

Note:

Figures in italics pertain to previous year.

Gratuity is a Post Employment Funded Defined Employee Benefit Plan Other Benefits are Un-Funded Defined Employee Benefit Plan

Schedule - Y ADDITIONAL INFORMATION

forming part of accounts for the year ended March 31, 2010 (contd...)

10. Balance Sheet Abstract and Company's General Profile:

i)	Registration Details:		
	Registration No	1500920	
	State Code	15	
	Balance Sheet Date	31st March 2010	
			(₹ in crore)
		Current Year	Previous Year
	Capital raised during the year:	Nil	Nil
iii)	Position of mobilisation and deployment of Funds:		
	Total Liabilities	11,056.17	10,391.16
	Total Assets	11,056.17	10,391.16
	Sources of Funds:		
	Paid-up Capital	644.31	644.31
	Reserves & Surplus	9,751.27	9,125.50
	Secured Loans	Nil	Nil
	Unsecured Loans	Nil	Nil
	Deferred tax liabilities	660.59	621.35
	Application of Funds:		
	Net Fixed Assets	7,079.71	6,868.06
	Investments	986.75	895.93
	Net Current Assets	2,989.71	2,627.17
	Misc. Expenditure	Nil	Nil
	Accumulated losses	Nil	Nil
iv)	Performance of the Company:		
	Gross Turnover	5,311.40	5,517.52
	Total Expenditure	4,156.54	3,590.36
	Profit/Loss before Tax	1,154.86	1,927.16
	Profit/Loss after Tax	814.22	1,272.27
	Earning per Share (In Rupees)	12.64	19.75
	Dividend rate (%)	25.00	50.00

v) Generic Name of Principal products/services:

Item Code no. 335000000 and 76.06

Product Aluminium Ingots and cold rolled aluminim strips/coils/sheets

Schedule - Y
ADDITIONAL INFORMATION

forming part of accounts for the year ended March 31, 2010 (contd...)

11 Segmentwise Information

(₹ in crore)

	Chemic	cals	Alumi	nium	Elect	ricity	Unallocate	d Common	T	otal
	Current	Previous	Current	Previous	Current	Previous	Current	Previous	Current	Previous
	Year	Year	Year	Year						
BUSINESS SEGMENTS										
A. Revenue										
External sales	956.01	1,309.16	4,095.27	3,785.43	3.45	13.47	-	-	5,054.73	5,108.06
Inter-segment transfers	988.68	1,026.48	_	-	1,451.48	928.54	_	-	2,440.16	1,955.02
Total Revenue	1,944.69	2,335.64	4,095.27	3,785.43	1,454.93	942.01	-	-	7,494.89	7,063.08
Less: Elimination									(2,440.16)	(1,955.02)
Net Revenue									5,054.73	5,108.06
B. Result										
Segment result	513.88	1,065.57	52.97	573.50	371.08	58.24	(134.73)	(136.73)	803.20	1,560.58
Interest expense									2.28	3.96
Interest income									353.94	370.54
Income taxes									340.64	654.89
Net Profit									814.22	1,272.27
C. Other Information										
Segment assets	1,791.52	1,583.84	3,379.74	2,953.86	1,818.22	902.49	6,278.02	6,884.21	13,267.50	12,324.40
Segment liabilities	359.75	298.04	484.68	426.42	936.54	662.95	430.36	545.83	2,211.33	1,933.24
Capital expenditure	161.26	136.32	450.98	784.30	567.03	83.83	(629.30)	414.54	549.97	1,418.99
Depreciation	95.94	94.43	160.23	117.07	61.38	59.20	1.84	1.74	319.39	272.44
Non-cash expenses	26.02	22.68	36.75	22.10	23.06	11.49	4.87	3.83	90.70	60.10
(other than depreciation)										

GEOGRAPHIC SEGMENTS

A. **Revenue**External sales

Place : New Delhi

Dated: 6th August, 2010

B. Other Information
Segment assets
Capital expenditure

India			Outsid	e India	Total		
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
	2,845.49	3,023.41	2,209.24	2,084.65	5,054.73	5,108.06	
	13,133.16 549.97	12,319.57 1,418.99	134.34 -	4.83	13,267.50 549.97	12,324.40 1,418.99	

In terms of our report of even date attached.

For P.A. & Associates
Chartered Accountants

For C.K.Prusty & Associates
Chartered Accountants

(CA. S.S. Poddar) (CA.C.K.Prusty)
Partner (M.No.:51113) Partner(M.No.:57318)

For and on behalf of Board of Directors

(CS. K.N. Ravindra) (CA. B.L. Bagra) (A.K.Srivastava)

Company Secretary Director (Finance) Chairman-Cum-Managing Director

Schedule - Y
ADDITIONAL INFORMATION

forming part of accounts for the year ended March 31, 2010 (contd...)

10	C L	Elemen	Statemen	
	Lasn	FIOW	Statemen	

(₹ in crore)

					(< 111 01010)
		Marc	Year ended h 31st, 2010	Mo	Year ended arch 31st, 2009
Α.	Cash flow from Operating Activities :				· · · · · · · · · · · · · · · · · · ·
	Net Profit before tax and Extraordinary Income		1,154.86		1,927.16
	Adjustments for:				•
	Depreciation	319.40		272.96	
	Interest and Financing charges & Dividends	2.28		3.96	
	Provisions (Net)	71.54		55.10	
	Claims/Recoverables written off	0.13		0.14	
	Stores and spares written off	19.54		6.72	
	Exchange Variation Gain/Dividend Income	(84.46)		(6.31)	
	Loss/(Profit) on sale of assets (net)	(0.20)	328.23	(0.04)	332.53
	Operating Profit before working capital changes		1,483.09		2,259.69
	Adjustments for:	(04.82)		(1/2/7)	
	Inventories	(94.83)		(163.47) 65.09	
	Trade & other receivables	(241.88) 317.20		459.13	
	Trade payables	317.20	(19.51)	439.13	360.75
	Cash generated from Operations		1,463.58		2,620.44
	Direct taxes paid		(291.93)		(682.22)
	Cash flow before Extraordinary Items		1,171.65		1,938.22
	Extraordinary Items				
	Net cash from operating activities		1,171.65		1,938.22
В.	Cash Flow from Investing Activities:				
	Purchase of Fixed Assets & Investments	(677.60)		(2,211.08)	
	Dividend income from Mutual fund	<u>84.46</u>	/=00 = 4\	13.10	(0.107.00)
	Net cash used in investing activities		(593.14)		(2,197.98)
C.	Cash Flow from Financing Activities:	(0.00)		(2.04)	
	Interest and Financing charges Exchange Variation Gain	(2.28)		(3.96) (6.79)	
	Dividends including dividend tax paid	(301.53)		(376.91)	
	Dividends incloding dividend tax paid	(301.53)	(303.81)	(37 0.71)	(387.66)
D	Net changes in Cash & Cash equivalents (A+B+C)		274.70		(647.42)
E.			2,869.04		3,516.46
F.			8.61		3,310.40
					20/024
G.	Cash & Cash equivalents - Closing balance		3,152.35		2,869.04

Note:

a) Cash and Bank Balances under Current Assets, Loans and advances at schedule G are Cash and Cash equivalents for the purpose of drawing Cash Flow statement. Therefore reconciliation statement required under para-42 of the Accounting Standard 3 is not furnished separately.

b) Balances with bank incudes ₹ 295.50 crore (previous year ₹ 220.93 crore) not available for use by the Company.

- c) During the year the company availed working capital loan facility (fund based) of ₹ 650 crore (Previous year ₹ 300 crore), sanctioned by bankers. However the loan balance at the end of the year as per books of account is ₹ 8.61 crore on account of cheques issued but not presented.
- d) Working Capital Loan facility is mortgaged by hypothecation of raw materials, stock-in-process, finished goods, consumables, stores and spares, book debts, receivables and other current assets of the company.
- e) Figures in brackets are cash outflow/income, as the case may be.

In terms of our report of even date attached.

For P.A. & Associates
Chartered Accountants

For C.K.Prusty & Associates
Chartered Accountants

(CA. S.S. Poddar) (CA.C.K.Prusty)
Partner (M.No.:51113) Partner(M.No.:57318)

For and on behalf of Board of Directors

 Place
 : New Delhi
 (CS. K.N. Ravindra)
 (CA. B.L. Bagra)
 (A.K.Srivastava)

 Dated
 : 6th August, 2010
 Company Secretary
 Director (Finance)
 Chairman-Cum-Managing Director

5 YEARS PERFORMANCE AT A GLANCE - PHYSICAL

SI.	Particulars	Units	2009-10	2008-09	2007-08	2006-07	2005-06
1	Production:						
	Bauxite	MT	4,787,888	4,700,027	4,684,684	4,623,278	4,854,253
	Alumina Hydrate	MT	1,591,500	1,576,500	1,575,500	1,475,200	1,590,000
	Aluminium	MT	431,488	361,262	360,457	358,734	358,954
	Power (net)	MU	6,293	5,541	5,609	5,968	5,679
2	Export Sales:						
	Alumina	MT	702,554	851,886	859,943	773,573	862,616
	Aluminium	MT	146,947	82,317	101,723	92,678	95,747
3	Domestic Sales:						
	Alumina / Hydrate	MT	26,045	20,929	11,307	10,920	12,994
	Aluminium	MT	289,032	271,274	251,612	263,494	258,094
	Power	MU	15	81	129	421	322

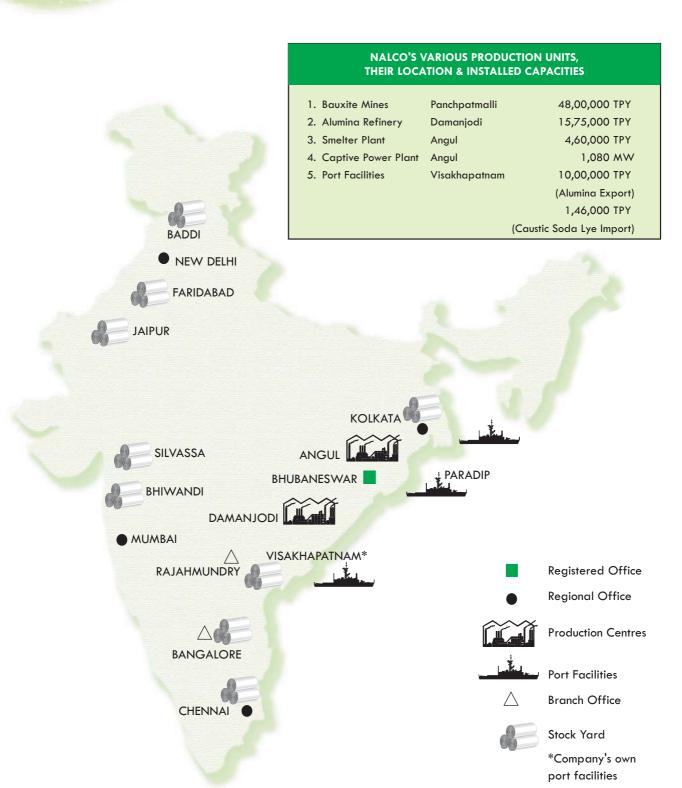
5 YEARS PERFORMANCE AT A GLANCE - FINANCIAL

						(₹ in Crore)
SI.	Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
A	Income Statement :					
	1 Exports	2,209	2,085	2,134	2,586	2,306
	2 Domestic Sales	3,102	3,446	3,340	3,929	3,018
	3 Gross Sales (1+2)	5,311	5,531	5,474	6,515	5,324
	4 Less: Excise Duty	256	423	485	575	435
	5 Net Sales (3 - 4)	5,055	5,108	4,989	5,940	4,889
	6 Other Income:					
	7 Operating	119	123	146	103	101
	8 Non-operating	374	400	441	311	132
	9 Operating expenses	4,072	3,428	2,822	2,412	2,311
	10 Operating Profit (5+7-9)	1,102	1,803	2,313	3,631	2,679
	11 Earning before interest, dep. & taxes (EBIDT)(10+8)	1,476	2,203	2,754	3,942	2,811
	12 Interest & Financing charges	2	4	2	· –	. –
	13 Earning before dep. & taxes (EBDT) (11-12)	1,474	2,199	2,752	3,942	2,811
	14 Depreciation and Amortisation	319	272	285	322	381
	15 Profit Before Tax (PBT) (13-14)	1,155	1,927	2,467	3,620	2,430
	16 Provision for Tax	341	655	835	1,239	868
	17 Net Profit (PAT) (15 - 16)	814	1,272	1,632	2,381	1,562
В	Balance Sheet :		-	-	-	
	18 Equity Capital	644	644	644	644	644
	19 Reserves & Surplus	9,751	9,126	8,230	7,051	5,249
	20 Networth (18+19)	10,395	9,770	8,874	7,695	5,893
	21 Loans Outstanding	_	, <u> </u>	, _	· –	, _
	22 Net Fixed Assets	4,836	4,032	3,531	3,711	3,944
	23 Net Current Assets	2,990	2,596	3,500	3,755	2,357
	24 Capital Employed (22+23)	7,826	6,628	7,031	7,466	6,301
С	Ratios:					
	25 Operating Profit Margin (OPM) (%) (10 / 5*100)	21.80	35.32	46.36	61.12	54.81
	26 Net Profit Margin (%) (17 / 5 *100)	16.11	24.90	32.71	40.09	31.96
	27 Return on Capital Employed (ROCE) (%) (17/24*100)	10.40	19.19	23.21	31.89	24.79
	28 Return on Networth (RONW)(%) (17/20*100)	7.83	13.02	18.39	30.95	26.51
	29 Debt Equity (21 / 20)	-	_	_	-	-
D	Others:					
	30 Book value per share of ₹ 10 each(in ₹)	161.34	151.64	137.73	119.43	91.46
	31 Earnings per share (in ₹)	12.64	19.75	25.32	36.96	24.25
	32 Dividend declared (%)	25	50	60	75	50
_	· ·					

Reconciliation of Published Quarterly(Unaudited)Financial Results and Annual (Audited) Financial Results for the year 2009-2010

(₹in Crore except SI. No.10 and 11)

SI.	Particulars	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total of	Full Year
Š		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	four Quarters	(Audited)
-	2	3	4	5	9	7	8
-:	Gross Turnover	970.48	1,199.22	1,454.43	1,686.33	5,310.46	5,310.47
	Less:Excise Duty	48.90	56.16	96.79	82.72	255.74	255.74
	Net Sales	921.58	1,143.06	1,386.47	1,603.61	5,054.72	5,054.73
2.	Other Income	114.92	176.21	92.88	88.12	472.13	492.97
_.	Total Expenditure	767.91	1,037.40	1,121.54	1,084.91	4,011.76	4,071.16
4.	Interest & Financing Charges	1.11	0.83	0.14	0.07	2.15	2.28
5.	Depreciation & Provision	75.64	76.43	78.93	87.81	318.81	319.40
	Profit Before Taxation (PBT)	191.84	204.61	278.74	518.94	1,194.13	1,154.86
Α.	Provision for Taxation	65.39	45.12	123.56	127.46	361.53	340.64
œ.	Net Profit (PAT)	126.45	159.49	155.18	391.48	832.60	814.22
٥.	Paid-up Equity Share Capital	644.31	644.31	644.31	644.31	644.31	644.31
10.	Earning per Share (₹) (Not annualised)	1.96	2.48	2.41	90.9	12.93	12.64
<u>-</u> :	Aggregate of non-promotor Shareholding:						
	Number of Shares	82,809,993	82,809,993	82,809,993	82,809,993	82,809,993	82,809,993
	Percentage of Shareholding	12.85	12.85	12.85	12.85	12.85	12.85



OFFICES AND CUSTOMER CONTACT CENTRES

REGD. & CORPORATE OFFICE

NALCO Bhawan Plot No. - P/1, Nayapalli Bhubaneswar - 751 061 (Odisha) Phone: 0674-2301988 to 2301999

UNITS

1. Mines & Refinery

Mines & Refinery Complex Damanjodi - 763 008 Dist. : Koraput (Odisha) Phone: 06853-254515/254550/

254251 Fax : 06853-254361

2. Captive Power Plant

Dist. : Angul (Odisha) PIN : 759 122 Phone: 06764-220158 Fax : 06764-220646

3. Smelter Plant

NALCO Nagar - 759 145 Dist. : Angul (Odisha) Phone: 06764-220110

Fax : 06764-220738/220206

PORT FACILITIES

Visakhapatnam

Opp. Ore Handling Complex Port Area

Visakhapatnam - 530 035

Andhra Pradesh

Phone: 0891-2561433/2561435

Fax : 0891-2561598 E-mail: gmport@nalcoindia.co.in

Paradip (Port Office)

'V' Point Badapadia

Paradip - 751 142 Phone: 06722-221286 Fax : 06722-221286

E-mail: nalco_paradeep@nalcoindia.co.in

REGIONAL OFFICES

1. Eastern Region

1st Floor, J K Millenium Centre 46-D, Chowringhee Road, Kolkata - 700 071

Phone: 033-22870115/22877363 Fax : 033-22810393/22878936 E-mail: rmeast@nalcoindia.co.in

2. Western Region

215, T.V. Industrial Estate S.K. Ahire Marg, Worli, Mumbai - 400 030

Phone: 022-24939288/89/24961711

Fax : 022-24950500

E-mail: mldewangan@nalcoindia.co.in

3. Northern Region

Core - 4, 5th Floor, South Tower, District Centre, Scope Minar, Laxmi Nagar, Delhi - 110 092

Phone: 011-22010793-94, 22010801 Fax : 011-22010800/22010790/792 E-mail: nsundaray@nalcoindia.co.in

4. Southern Region

3E, Century Plaza, 560, Anna Salai, Teynampet, Chennai-600 018 Phone: 044-24344162/24349157

: 044-24343495 E-mail: rmsouth@nalcoindia.co.in

BRANCH OFFICE

1. Bengaluru

3rd Floor, Reshma Complex, 50, M.G. Road, Bengaluru - 560 001 Phone: 080-25550390/25587298

25587086 Fax : 080-25586151 E-mail: mktblr@sify.com

2. Rajahmundry

D. No. 80-17-18/1, 1st Floor, J.N. Road, Rajahmundry - 533103 Telefax: 0883-2460024

STOCK YARDS

1. Bhiwandi

National Aluminium Company Limited C/o. NSIC Limited, Godown No. 42/57, Indian Corp. Compound Mankoli Naka, Mumbai Nasik Road, Bhiwandi

Phone: 02522-277283/9820844526

National Aluminium Company Limited C/o. Balmer Lawrie & Company Limited WH, 1-Sonapur Road,

Kolkata - 700 088 Phone: 033-24495298 (Ext. 340 & 324)

National Aluminium Company Limited C/o. Container Corporation of India Limited Inland Container Depot.

Warehouse No. 3, Whitefield Road,

Benguluru - 560 066 Phone: 080-28451327/28

Fax : 080-28451329

4. Jaipur

National Aluminium Company Limited C/o. Central Warehousing Corporation Central Warehouse

SP-1296, Sitapura Industrial Area Tonk Road, Jaipur - 302 022 Phone: 0141-2770226/2770817

5. Silvasa

National Aluminium Company Limited C/o. NSIC Limited Godown: Shalimar Enterprises Corporation 80/4, Dayat Falia Road, Amli (Piparia), Silvasa - 396 230 (U.T. of Dadra Nagar Haveli) Phone: 0260-2632883/2641436

6. Faridabad

National Aluminium Company Limited C/o. NSIC Limited India Garage Equipment, Plot No. 51, Sec-6 Faridabad, Haryana - 121 003 Phone: 0129-4102430/4044098

7. Visakhapatnam

Phone: 0891-2721032

National Aluminium Company Limited **NALCO** Port Facilities Port Area, Visakhapatnam - 530 035 Godown: Shalimar Enterprises Corporation Andhra Pradesh

8. Baddi

National Aluminium Company Limited C/o. NSIC Limited Opp. Surya Powder Company Llmited Village: Dharampur, Thana Road, P.O.: Baddi, Tehsil: Nalagarh, Dist.: Solan (HP) Phone: 0179-5652114/5657114

9. Chennai

National Aluminium Company Limited C/o. NSIC Limited, R.M. Depot. NIC Technical Service Centre Phase-I, B-24, Guindy Industrial Estate

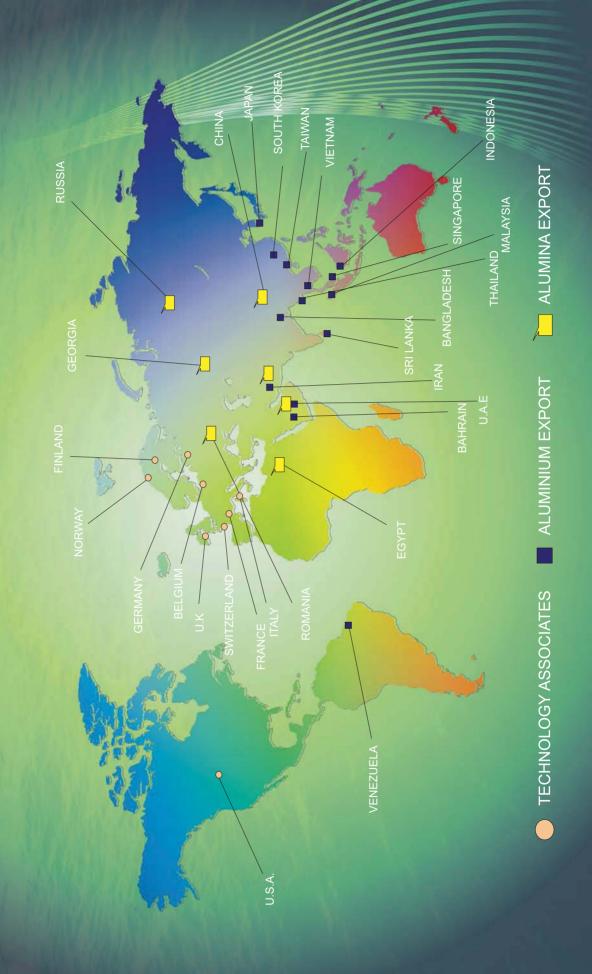
Chennai - 600 032 Phone: 044-22252338

ELECTRONIC CLEARING SERVICE MANDATE FORM

(Please fill in the information in CAPITAL LETTERS. Please TICK wherever it is applicable)

1.	Regd. Folio No	.:				_/ D I	P ID :	IN_					CLIEN	IT ID	/ BEN	I.A/C	No					
2.	First Sharehold	ler's N	Name:	Shri/	Smt./	Kum.	./M/s															
3.	First Shareholder's Address:																					
													Pin Co	ode -								
4.	Particulars of Bank:																					
	Bank Name																					
	Branch																					
	Address																					
	Branch Code (9	Digit	ts MIC	R Cod	le ap	peari	ng on	the /	ИICR	Band	of the	e chec	que.									
	Please attach o	x Xerc	x cop	y of a	chec					of y	our b	ank d	uly ca	ıncelle	ed)							
	Account Type				1	Acco	unt N	umbe	r							1						
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Place	:																					_
Date	:														Sign	ature	of Sh	areho	lder(s)		
NOTE	e: In case the sh be furnished.	areho	lder is	s not i	пар	ositio	n to e	nclos	еар	hotoc	ору о	f a bl	lank c	hequ	e, a c	ertific	ate f	rom th	ne Ba	nk as	under	ma _y
			Cert	tified	that t	he pa	ırticu	lars f	urnisl	ned a	bove	are c	orrect	as p	er ou	r reco	rds.					
Bank'	s Stamp :																					
Date	:												Signo	ature	of the	Auth	orised	Offi	cial fi	om th	e Ban	ık

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REGD. & CORPORATE OFFICE

Nalco Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar - 751 061, Orissa, India