

Annexure-I

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## NATIONAL ALUMINIUM COMPANY LIMITED

PART I						(Rs. in Crore)
Statement of Audited Results for the Quarter and Year Ended 31/03/2014						
Particulars	Quarter Ended			Year Ended		
	31/03/2014	31/12/2013	31/03/2013	31/03/2014	31/03/2013	
	(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)	
<b>1 Income from operations</b>						
(a) Net sales/income from operations (Net of excise duty)	1,781.21	1,620.98	1,835.17	6,648.80	6,809.45	
(b) Other operating income	56.99	22.91	32.10	132.05	107.03	
<b>Total Income from operations (net)</b>	<b>1,838.20</b>	<b>1,643.87</b>	<b>1,867.27</b>	<b>6,780.85</b>	<b>6,916.48</b>	
<b>2 Expenses</b>						
(a) Cost of materials consumed	288.43	240.87	298.01	1,063.16	1,167.83	
(b) Power and Fuel	478.48	519.84	488.93	2,017.67	2,432.27	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	64.19	10.49	9.08	58.55	(64.25)	
(d) Employee benefits	298.61	302.48	285.43	1,245.33	1,153.93	
(e) Depreciation and amortisation	140.94	130.75	136.05	524.73	505.43	
(f) Other expenses	399.26	365.88	366.19	1,461.94	1,319.63	
<b>Total expenses</b>	<b>1,668.91</b>	<b>1,670.31</b>	<b>1,581.69</b>	<b>6,371.38</b>	<b>6,515.04</b>	
<b>3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>169.29</b>	<b>73.56</b>	<b>285.58</b>	<b>409.47</b>	<b>401.44</b>	
<b>4 Other income</b>	<b>135.39</b>	<b>120.77</b>	<b>118.97</b>	<b>557.71</b>	<b>511.05</b>	
<b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>303.68</b>	<b>194.33</b>	<b>404.55</b>	<b>967.18</b>	<b>912.49</b>	
<b>6 Finance costs</b>	-	-	-	-	7.45	
<b>7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)</b>	<b>303.68</b>	<b>194.33</b>	<b>404.55</b>	<b>967.18</b>	<b>905.04</b>	
<b>8 Exceptional items</b>	<b>49.37</b>	-	-	<b>49.37</b>	-	
<b>9 Profit / (Loss) from ordinary activities before tax (7 ± 8)</b>	<b>254.31</b>	<b>194.33</b>	<b>404.55</b>	<b>917.81</b>	<b>905.04</b>	
<b>10 Tax expense</b>						
(a) Current tax	47.57	67.68	107.97	264.65	263.30	
(b) Deferred tax	34.29	(4.38)	50.55	7.15	54.02	
(c) Earlier Years	-	-	-	3.66	(5.11)	
<b>11 Net Profit / (Loss) from ordinary activities after tax (9 - 10)</b>	<b>172.45</b>	<b>131.03</b>	<b>246.03</b>	<b>642.35</b>	<b>592.83</b>	
<b>12 Extraordinary items (net of tax expense)</b>	-	-	-	-	-	
<b>13 Net Profit / (Loss) for the period (11 ± 12)</b>	<b>172.45</b>	<b>131.03</b>	<b>246.03</b>	<b>642.35</b>	<b>592.83</b>	
<b>14 Paid-up equity share capital (Face Value of Rs.5/- per Share)</b>	<b>1,288.62</b>	<b>1,288.62</b>	<b>1,288.62</b>	<b>1,288.62</b>	<b>1,288.62</b>	
<b>15 Reserve excluding Revaluation Reserves and Subsidy Reserve as per balance sheet of previous accounting year</b>	-	-	-	<b>10,833.59</b>	<b>10,643.53</b>	
<b>16 Earnings per share (of Rs 6/- each) (not annualised):</b>						
(a) Basic	0.67	0.51	0.95	2.49	2.30	
(b) Diluted	0.67	0.51	0.95	2.49	2.30	
See accompanying note to the financial results						

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<b>PART II</b>						
<b>Select Information for the Quarter and Year Ended 31/03/2014</b>						
	Particulars	Quarter Ended			Year Ended	
		31/03/2014 (Audited)	31/12/2013 (Reviewed)	31/03/2013 (Audited)	31/03/2014 (Audited)	31/03/2013 (Audited)
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>					
1	Public shareholding					
	- Number of shares	488,178,890	488,178,890	488,178,890	488,178,890	488,178,890
	- Percentage of shareholding	18.94	18.94	18.94	18.94	18.94
2	Promoters and Promoter Group Shareholding					
a)	Plotted / Encumbered					
	- Number of shares					
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)					
	- Percentage of shares (as a % of the total share capital of the company)					
b)	Non - encumbered					
	- Number of shares	2,089,059,822	2,089,059,822	2,089,059,822	2,089,059,822	2,089,059,822
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	81.06	81.06	81.06	81.06	81.06

	Particulars	3 months ended 31/03/2014
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	-
	Received during the quarter	21
	Disposed of during the quarter	21
	Remaining unresolved at the end of the quarter	-

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## Statement of Assets and Liabilities

(Rs. in Crore)

Particulars	As at (31/03/2014) (Audited)	As at (31/03/2013) (Audited)
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	1,288.62	1,288.62
(b) Reserves and surplus	10,833.83	10,643.83
<b>Sub-total - Shareholders' funds</b>	<b>12,122.45</b>	<b>11,932.45</b>
<b>2 Non-current liabilities</b>		
(a) Deferred tax liabilities (net)	910.13	903.13
(b) Other long-term liabilities	54.96	70.82
(c) Long-term provisions	218.22	208.62
<b>Sub-total - Non-current liabilities</b>	<b>1,183.31</b>	<b>1,182.57</b>
<b>3 Current liabilities</b>		
(a) Trade payables	531.12	509.17
(b) Other current liabilities	2,564.38	2,545.75
(c) Short-term provisions	147.25	162.67
<b>Sub-total - Current liabilities</b>	<b>3,242.75</b>	<b>3,217.59</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>16,548.51</b>	<b>16,332.61</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets	7,560.68	7,630.81
(b) Non-current investments	1.04	161.04
(c) Long-term loans and advances	1,517.27	1,474.04
(d) Other non-current assets	43.32	36.49
<b>Sub-total - Non-current assets</b>	<b>9,122.31</b>	<b>9,302.38</b>
<b>2 Current assets</b>		
(a) Current investments	1,244.00	1,329.02
(b) Inventories	1,173.66	1,380.64
(c) Trade receivables	243.57	148.66
(d) Cash and cash equivalents	4,048.29	3,504.38
(e) Short-term loans and advances	481.38	473.76
(f) Other current assets	235.30	193.78
<b>Sub-total - Current assets</b>	<b>7,426.20</b>	<b>7,030.23</b>
<b>TOTAL - ASSETS</b>	<b>16,548.51</b>	<b>16,332.61</b>

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**Segmentwise Revenue, Results and Capital Employed :**  
(Under clause 41 of listing agreement)

Sl. No.	Particulars	Quarter ended			Year ended	
		31st Mar'14 (Audited)	31st Dec' 13 (Reviewed)	31st Mar'13 (Audited)	31st Mar'14 (Audited)	31st Mar'13 (Audited)
1	2	3	4	5	6	7
1	<b>Segment Revenue :</b>					
	a) Chemicals	1,055.89	843.34	928.56	3,716.82	3,198.36
	b) Aluminium	1,076.91	1,063.91	1,287.76	4,230.15	5,158.02
	c) Unallocated Common	13.96	9.38	2.54	46.81	2.64
	<b>Total :</b>	<b>2,146.76</b>	<b>1,916.63</b>	<b>2,218.96</b>	<b>7,993.76</b>	<b>8,359.02</b>
	Less: Inter segment revenue	365.55	295.67	383.72	1,344.96	1,546.57
	<b>Net sales / Income from operations</b>	<b>1,781.21</b>	<b>1,620.96</b>	<b>1,835.17</b>	<b>6,648.80</b>	<b>6,809.45</b>
2	<b>Segment Results :</b>					
	Profit before tax and interest :					
	a) Chemicals	238.93	155.57	260.63	826.18	718.58
	b) Aluminium	(70.49)	(25.45)	49.34	(251.83)	(115.45)
	<b>Sub-total :</b>	<b>168.44</b>	<b>130.12</b>	<b>309.97</b>	<b>574.35</b>	<b>603.13</b>
	Less: Interest & financing charges					7.45
	Add: Other unallocated income net of unallocated expenses	85.87	64.21	94.58	343.46	309.36
	<b>Total Profit before Tax :</b>	<b>254.31</b>	<b>194.33</b>	<b>404.55</b>	<b>917.81</b>	<b>905.04</b>
3	<b>Capital Employed (assets - liabilities)</b>					
	a) Chemicals	3,096.94	2,843.18	2,845.42	3,096.94	2,845.42
	b) Aluminium	4,060.90	4,273.94	4,540.83	4,060.90	4,540.83
	c) Unallocated Common	5,874.74	6,161.03	5,449.31	5,874.74	5,449.31
	<b>Total :</b>	<b>13,032.58</b>	<b>13,278.15</b>	<b>12,835.57</b>	<b>13,032.58</b>	<b>12,835.57</b>

1) Above financial results have been examined by Audit Committee and approved by the Board in the meeting held on 28th May, 2014.

2) The Board has recommended final dividend of 8% (Rs 0.40) per equity share of Rs.5 each, subject to approval of the members in the ensuing Annual General Meeting.

3) As a change in the policy, Power generated for captive consumption is included in the Aluminium segment for the purpose of segment reporting. Inter-segment transfer of Calcined Alumina from chemical segment to Aluminium Segment is considered at average net realization from export of Alumina during the period. Transfer of power from Aluminium segment to Chemical segment is considered at the annual / periodic average purchase price of power from State Grid at Alumina Refinery.

4) Incentive on wind power ( Renewable Energy Certificates and Generation Based Incentives ) amounting to Rs.25.69 Crore has been recognised for the first time during the quarter under other operating income.

5) On revision of Production Linked Incentive Scheme (PLIS) for Non executive employees and percentage contribution to pension scheme for all employees retrospectively, Rs 49.37 crore relating to the past periods has been considered as exceptional item.

6) The figures of last quarter for the current year and for the previous year are the balancing figures in respect of the full financial year ended 31st March and the unaudited published year to date figures up to the third quarter ended 31st December.

7) Figures pertaining to previous periods have been regrouped and rearranged, wherever necessary.

Place : New Delhi  
Dated : 28th May, 2014

  
 (Anurag Das)  
 Chairman Cum Managing Director

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**AGASTI & ASSOCIATES**  
Chartered Accountants  
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Bhubaneswar-751 022  
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## INDEPENDENT AUDITORS' REPORT

To

THE MEMBERS OF  
NATIONAL ALUMINIUM COMPANY LIMITED,

### Report on the Financial Statements

We have audited the accompanying financial statements of National Aluminium Company Limited, ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

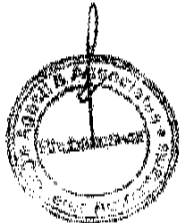
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with general circular 15/2013 dated 13 September, 2013 issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date, and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 read with general circular 15/2013 dated 13 September, 2013 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
  - e. In terms of Government of India, Ministry of Finance, Department of Company Affairs, Notification No.GSR 829 (E) dated 21<sup>st</sup> October, 2003, Government Companies are exempt from the applicability of provisions of Section 274 (1)(g) of the Companies Act, 1956;

For Agasti & Associates  
Chartered Accountants  
Firm Registration No. B13043E

CA. B. Agasti  
Partner  
Membership No. 051026

Place: New Delhi  
Dated 28<sup>th</sup> May' 2014

For ABP & Associates  
Chartered Accountants  
Firm Registration No. 315104E

CA. Prabhat K. Panda  
Partner  
Membership No. 057140

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**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)**

i) In respect of Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) All the movable assets have been physically verified by a Firm of Chartered Accountants during the year. No material discrepancy were noticed on such verification;

Non-movable assets have been physically verified by the Management at an interval of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets;

As informed to us, no material discrepancies between book records and physical assets have been noticed;

- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of fixed assets during the year and the going concern status of the Company has not been affected;

ii) In respect of Inventories:

- (a) 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 a Firm of Chartered Accountants at reasonable intervals during the year;
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed are 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 inventory. The discrepancies noticed on physical verification between physical stocks and book records relating to shortage have been dealt in the books of Accounts while excess have been ignored;

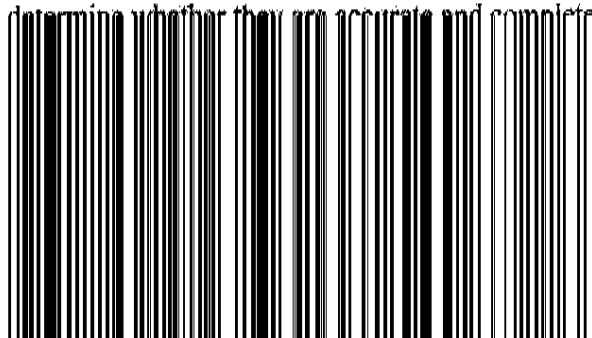
- iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other



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parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (ii) (a) to (g) of paragraph 4 of the Order are not applicable;

- iv) 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, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system;
- v) According to the information and explanations given to us, the Company has not entered into any contract or arrangement which requires to be entered in the register maintained under Section 301 of the Companies Act, 1956. Hence clause (v) (b) of paragraph 4 of the Order is not applicable;
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed thereunder;
- vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business;
- viii) We have broadly reviewed the books of account maintained by the Company, pursuant to the Companies (Cost Accounting Records) Rule, 2011 prescribed 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





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- (b) According to the information and explanations given to us, disputed statutory dues which have not been deposited as on 31<sup>st</sup> March 2014 are as under:

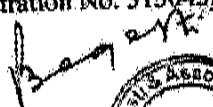
Name of the Statute	Nature of Dues	Amount disputed (₹ in crore)	Amount deposited (₹ in Crore)	Forum where disputes are pending
Sales Tax	Sales Tax	139.85	28.29	Commissioner
		179.73	52.72	Tribunal
		116.88	5.86	High Court
		<b>436.46</b>	<b>86.87</b>	
Entry Tax	Entry Tax	145.93	33.51	Commissioner
		29.18	20.94	Tribunal
		7.63	5.04	High Court
		<b>182.74</b>	<b>59.49</b>	
Central Excise Act, 1944	Excise Duty			
		9.65	2.71	Commissioner
		25.19	0.59	Tribunal
		44.26	0.03	High Court
		<b>79.10</b>	<b>3.33</b>	
Service Tax		1.55	0	Commissioner
		0.07	0	Tribunal
		1.62	0.00	
Customs Act, 1962	Customs Duty	7.47	0.06	Commissioner
		7.47	0.06	
Income Tax Act, 1961	Income Tax			
		709.90	524.52	Commissioner
		107.65	61.65	High Court
		<b>817.55</b>	<b>586.17</b>	
		<b>Total:</b>	<b>1736.58</b>	<b>735.92</b>

- x) 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 and in the immediately preceding financial year;
- xi) The company does not have any outstanding dues to any Financial Institution, banks or debenture holders during the year.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order is not applicable to the Company;



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- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4 (xiv) of the Order is not applicable to the Company;
  - xv) 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;
  - xvi) According to the information and explanations given to us, the Company has not raised any term loan during the year;
  - xvii) According to the information and explanations given to us 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;
  - xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956;
  - xix) According to the information and explanations given to us, the Company has not issued any debentures during the year;
  - xx) According to the information and explanations given to us, the Company has not raised any money by way of public issues during the year;
  - xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Agasti & Associates  
Chartered Accountants  
Firm Registration No. 313043E

  
CA. B. Agasti  
Partner  
Membership No. 051026



For ABP & Associates  
Chartered Accountants  
Firm Registration No. 315104E

  
CA. Prabhat K. Panda  
Partner  
Membership No. 057140



Place: New Delhi  
Dated 28<sup>th</sup> May 2014