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Mumbai, Maharashtra – 400 051.

Sub. : Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find an article to be published in the newspapers on 03.05.2016.

You are requested to please take a note and disseminate the same in your Exchange.

Thanking you,

Yours faithfully,
For National Aluminium Company Limited


(N.K. MOHANTY)
ADDL. COMPANY SECRETARY

CIN # L27203OR1981GOI000920

NALCO's ALL-WEATHER BUSINESS MODEL TO INSULATE THE COMPANY FROM VAGARIES OF MARKET

Charting a New Course

“We cannot direct the wind blowing across the international aluminium market, but we can certainly adjust our sails”

Dr. Tapan Kumar Chand, CMD

According to the latest Wood Mackenzie Report, NALCO's Alumina Refinery at Damanjodi, Odisha, is ranked No. 1, being the lowest cost producer of alumina. After scouting for low-cost gas-based power, the company has identified Iran for conversion of alumina into aluminium. Presently, this Navratna CPSE is navigating towards Iran to explore the possibility of toll-smelting for value addition, instead of exporting alumina as such.

During his visit to Iran recently, Dr. Tapan Kumar Chand, CMD of NALCO, held discussions with Dr. Mehdi Karbassian, Deputy Minister of Iran and Chairman, Iranian Mines & Mining Industries Development & Renovation Organization (IMIDRO) in Tehran to ascertain the feasibility of toll-smelting.

Besides, NALCO has constituted a joint task force, in association with IMIDRO, to analyze the possibilities of setting up a smelter and a gas-based power plant in Chabahar Free Trade Zone of Iran. The task force has been given three months to submit its report. The aluminium products from the proposed JV are expected to be highly cost competitive, combining the advantages of low cost NALCO alumina and low cost Iranian energy.

Today, the world aluminium market is reeling under severe slowdown and is in slump cycle. While non-ferrous metal sector across



Dr. Tapan Kumar Chand, CMD, NALCO with Dr. Mehdi Karbassian Deputy Minister of Iran and Chairman, IMIDRO in Tehran

the globe is suffering huge losses, NALCO's financial parameters as well as physical performance are quite sound. At a time when 70% aluminium companies world over have reported loss and the aluminium industry is reeling under heavy pressure due to sluggish international market, NALCO has remained profitable all through by successfully handling the market downturn, through bauxite mining and alumina refining, besides effecting several cost reduction measures, particularly in metal production.

"As an industry leader, we have our plans and preparations in place to take advantage of the industrial upsurge in a couple of years from now. With concerted efforts, in 2016-17, we shall achieve the target of producing 68.25 lakh tonnes of bauxite, an increase of

7.1% and 21.50 lakh tonnes of alumina, an increase of 9.2% as compared to last fiscal," says Dr. Chand. While 2015-16 has been a seminal year for NALCO, there would be a major turnaround in the business plan of the company hereafter. Till now, NALCO was regulating its production to tide over the crisis, but now the company is braving it out by augmenting production to beat the margin erosion.

The company has planned to set up a new smelting unit in the existing aluminium smelter at Angul, Odisha. This 4-lakh TPA smelter plant shall be based on APXe (510 KA technology), which would be cost-effective and energy efficient as well. The company also plans to set up a 500 MW power plant to complement this smelter plant. Besides, NALCO is also focussing on technological advancements to boost its productivity.

PM APPRECIATES



Dr. Tapan Kumar Chand, CMD, presenting his book Aluminium : The Strategic Metal to Hon'ble Prime Minister of India Mr. Narendra Modi

Hon'ble Prime Minister Mr. Narendra Modi was appreciative of the book Aluminium : The Strategic Metal authored by Dr. Chand. The book has been reviewed by Dr. Abraham Koshy, Professor, Indian Institute of Management (IIM), Ahmedabad. Dr. Abraham has described it as "One Stop Shop" for key information pertaining to the entire value chain of aluminium making from bauxite mining to rolling, casting and high end product making. The book is primarily meant for frontline engineers, professionals, scholars and intellectuals interested in aluminium sector. Besides, the major objective of the book is to promote strategic use of aluminium and giving a push to green movement.

While the existing 4.6-lakh TPA aluminium smelter is based on AP18 technology, the company is going to upgrade this with AP2Xn, which would reduce the energy consumption to a great extent.

Strengthened by the recent allocation of Utkal D&E Coal Blocks in Odisha by the Centre and clearance of Pottangi Bauxite Mines by the State Government in favour of NALCO, the company is firming up its investment plans. In fact, the company has already launched a 5th stream of one

million tonnes capacity in its existing Alumina Refinery at Damanjodi, Odisha, with an estimated cost of Rs.5600 crore. This will help NALCO to increase its alumina production, thereby offsetting company's low returns from the metal sector. Moreover, as a leader in the aluminium industry, NALCO has plans to strengthen aluminium sector by setting up Angul Aluminium Park, in association with Govt. of Odisha, for value-added products. "Aluminium Valley, developed in Canada, can be our benchmark for emulation

NALCO's NEW BUSINESS MODEL

When the going gets tough, the tough gets going. The old adage clearly fits to NALCO's new approach to business.

Given the tough going in the market, NALCO has developed a new Corporate Plan with a new business model that will withstand market onslaughts and keep the company afloat with profitability. The New Business Model (NBM) shall enable NALCO to strengthen the company's business by leveraging its core competency in mining, metals and energy sectors, through modernization, Greenfield and Brownfield expansions, upstream and downstream integration. Besides, the model envisages diversification into green power, IPP, caustic soda, rare metal like titanium, recovery of iron from red mud waste and merchant mining that are immune to downturn in metal market. This NBM will not only give a new dimension to NALCO's growth plans but also redefine business sustainability.

NALCO REAFFIRMS THE TRUST OF ITS STAKEHOLDERS



Dr. Tapan Kumar Chand, CMD, handing over the Interim Dividend Cheque, as Govt. of India's share, to Mr. Narendra Singh Tomar, Union Minister of Steel & Mines, in presence of Mr. Balvinder Kumar, Secretary Mines, Govt. of India and other officials

Despite sluggishness in the market, NALCO has not only registered profit, but also tried to satisfy stakeholders in terms of dividends. Recently, NALCO declared an interim dividend of 25%, amounting to Rs.322.16 crore for the financial year 2015-16, including the Govt of India's share of Rs. 260.72 crore, on the paid-up equity share capital of Rs.1288.62 crore. NALCO, which started its commercial operations in 1987, has been earning profits consistently and has been declaring dividends since 1992. Since inception, the company has paid a total sum of Rs.5679 crore as dividend, including Rs.4860 crore as share of Govt. of India.

while developing this Aluminium Park. The hand-holding provision to both upstream and downstream industries will also be replicated at Angul," says Dr. Chand on return from Canada recently.

"We have also formed a joint venture company with Gujarat Alkalies and Chemicals Limited (GACL) and laid the foundation-stone of a Rs.1800 crore Caustic Soda Plant at Dahej in Gujarat," says Mr. N.R. Mohanty, Director(P&T) of NALCO.

While making continuous and concerted efforts towards enhancing its business effectiveness through productivity and profitability, NALCO is also



Launching of Nalco ki Ladli Scheme

working diligently in the areas of CSR.

As a responsible corporate citizen, NALCO has always given priority to fulfil the needs of its stakeholders. The company is working in all

the thrust areas identified in the Companies Act, 2013. Now, the company's focus is on bringing its robust humane face to the fore, through empathetic welfare and CSR measures.

LEADERSHIP REDEFINED



Team Nalco

Within nine months of assuming the office of NALCO's CMD, Dr. Tapan Kumar Chand has played a stellar role in NALCO's image makeover and has developed a strong team to take on business challenges.

PRODUCTION HIGHLIGHTS OF NALCO : 2015-16

- Highest-ever production of 63,40,142 tonnes of bauxite, 10.47% higher than previous fiscal
- Highest-ever production of 19,53,000 tonnes of alumina, 5.51% higher than previous fiscal
- Metal Production of 3,72,183 tonnes, up by 13.79% in comparison to the previous fiscal
- Power generation of 5841 million units, up by 13.84% in comparison to previous fiscal