

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you, being an Eligible Shareholder(s) (*as defined hereinafter*) of National Aluminium Company Limited (the “**Company**”) as on the Record Date (*as defined hereinafter*) in accordance with the provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, (the “**Buyback Regulations**”). If you require any clarifications about the action to be taken, you may consult your stockbroker or your investment consultant or the Manager to the Buyback i.e. SBI Capital Markets Limited or the Registrar to the Buyback i.e. Karvy Computershare Private Limited. Please refer to the section on ‘Definition of Key Terms’ for the definition of the capitalized terms used herein.



NATIONAL ALUMINIUM COMPANY LIMITED

(A Govt. of India Enterprise)

Registered & Corporate Office: Nalco Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar -751013, Odisha, India

Corporate Identification Number (CIN): L27203OR1981GOI000920

Contact Person: Mr. Nayan Kumar Mohanty, Company Secretary and Compliance Officer

Tel: +91 (0674) 2300 677, **Fax:** +91 (0674) 2300 677, **E-mail:** company_secretary@nalcoindia.co.in

Website: www.nalcoindia.com

CASH OFFER FOR BUYBACK OF NOT EXCEEDING 6,73,11,386 (SIX CRORES SEVENTY THREE LAKHS ELEVEN THOUSAND THREE HUNDRED AND EIGHTY SIX ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹ 5 EACH, REPRESENTING 3.48% OF THE TOTAL PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY AS ON MARCH 31, 2018, FROM ALL THE ELIGIBLE SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE i.e. FRIDAY, OCTOBER 26, 2018, ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” PROCESS AT A PRICE OF ₹ 75 (RUPEES SEVENTY FIVE ONLY) PER EQUITY SHARE FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING ₹ 504,83,53,950.00 (RUPEES FIVE HUNDRED AND FOUR CRORES EIGHTY THREE LAKHS FIFTY THREE THOUSAND AND NINE HUNDRED AND FIFTY ONLY)

- 1) The Buyback is in accordance with the provisions contained in Article 29A of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended, and all applicable Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**SEBI Listing Regulations**”), the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018. (“**Buyback Regulations**”) and subject to such other approvals, permissions and sanctions as may be required, from time to time from statutory, regulatory or governmental authorities under applicable laws including but not limited to SEBI, the Stock Exchanges and Reserve Bank of India.
- 2) The Buyback Offer Size represents upto 5% of the aggregate of the fully paid-up share capital and free reserves, as per the audited standalone and consolidated financial statements of the Company, for the financial year ended March 31, 2018 (the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid up share capital and free reserves as per the latest audited standalone and consolidated balance sheet of the Company for the financial year ended March 31, 2018. The Equity Shares proposed to be bought back represents 3.48% of the total issued and paid-up equity share capital of the Company.
- 3) The Letter of Offer will be sent to the Eligible Shareholder(s) as on the Record Date i.e. Friday, October 26, 2018.
- 4) The procedure for tender offer and settlement is set out in paragraph 20 (*Procedure for Tender Offer and Settlement*) on page 38 of this Letter of Offer. The Tender Form is enclosed together with this Letter of Offer.
- 5) For mode of payment of consideration to the Eligible Shareholders, please refer to paragraph 20.28 (*Method of Settlement*) on page 45 of this Letter of Offer.
- 6) A copy of the Public Announcement, the Draft Letter of Offer and this Letter of Offer (including Tender Form) shall be available on the website of Securities and Exchange Board of India i.e. www.sebi.gov.in. and on Company’s website www.nalcoindia.com
- 7) Eligible Shareholders are advised to refer to paragraph 17 (*Details of Statutory Approvals*) on page 34 of this Letter of Offer and paragraph 21 (*Note on Taxation*) on page 47 of this Letter of Offer, before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: TUESDAY, NOVEMBER 13, 2018

BUYBACK CLOSES ON: WEDNESDAY, NOVEMBER 28, 2018

(LAST DATE/ TIME OF RECEIPT OF COMPLETED APPLICATIONS, FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR): FRIDAY, NOVEMBER 30, 2018 by 05:00 PM

All future correspondence in relation to the Buyback, if any, should be addressed to Manager to the Buyback or Registrar to the Buyback at the respective addresses mentioned below:

In addition to the Company’s contact details provided above, the investors may reach out to the Investor Service Centre of Karvy Computershare Private Limited for any queries at 1800 3454 001

MANAGER TO THE BUYBACK



SBI CAPITAL MARKETS LIMITED

202, Maker Tower E, Cuffe Parade, Mumbai 400 005

Contact person: Mr. Aditya Deshpande

Tel: + 91 (22) 2217 8300

Fax: +91 (22) 2218 8322

Email: nalcobuyback2018@sbicaps.com

Website: www.sbicaps.com

SEBI Registration Number: INM000003531

Validity Period: Permanent

CIN: U99999MH1986PLC040298

REGISTRAR TO THE BUYBACK



KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032

Contact Person: Mr. M. Murali Krishna

Tel: +91 (040) 6716 2222

Fax: +91 (040) 2343 1551

E-mail: nalcobuyback2018@karvy.com;

Website: www.karisma.karvy.com;

SEBI Registration Number: INR000000221

Validity Period: Permanent

CIN: U72400TG2003PTC041636

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1 SCHEDULE OF THE ACTIVITIES OF THE BUYBACK OFFER

Activity	Date	Day
Date of Board Meeting approving the proposal of the Buyback	October 12, 2018	Friday
Date of Public Announcement for Buyback	October 15, 2018	Monday
Date of publication of the Public Announcement for the Buyback	October 16, 2018	Tuesday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	October 26, 2018	Friday
Date of Opening of the Buyback Offer	November 13, 2018	Tuesday
Date of Closing of the Buyback Offer	November 28, 2018	Wednesday
Last date of receipt of the completed Tender Forms and other specified documents including physical Share certificates by the Registrar	November 30, 2018	Friday
Last date of verification of Tender Forms by the Registrar to the Buyback	December 01, 2018	Saturday
Last date of intimation to the Stock Exchange regarding acceptance / non- acceptance of tendered Equity Shares by the Registrar to the Buyback	December 04, 2018	Tuesday
Last date of settlement of bids on the Stock Exchanges	December 05, 2018	Wednesday
Last date of payment to shareholders/ dispatch of unaccepted share certificate(s) by the Registrar/ return of unaccepted demat shares by Stock Exchanges to Shareholder Broker/ Eligible Shareholders	December 05, 2018	Wednesday
Last date of extinguishment of Equity Shares bought back	December 12, 2018	Wednesday

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates

2 DEFINITION OF KEY TERMS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, policies, circular, notification or clarification shall be to such legislation, act, regulation, rules, guidelines, policies, circular, notification or clarification as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.

Term	Description
Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholders in the Buyback Offer.
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange i.e. National Stock Exchange of India Limited (NSE) in the form of a separate window in accordance with the SEBI Circulars.
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Equity Shareholder upto the extent of Equity Shares held by the Eligible Shareholder on the Record Date.
Articles/ AOA	Articles of Association of the Company.
Board/ Board of Directors/ Director(s)	Board of directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof).
Board Meeting	Meeting of the Board of Directors held on Friday, October 12, 2018 approving the proposal for the Buyback Offer.
BSE	BSE Limited
Buyback/ Buyback Offer / Offer	Buyback of 6,73,11,386 (Six Crores Seventy Three Lakhs Eleven Thousand Three Hundred And Eighty Six Only) fully paid-up Equity Shares at a price of ₹ 75 (Rupees Seventy Five only) per Equity Share for an aggregate consideration not exceeding ₹ 504,83,53,950.00 (Rupees Five Hundred and Four Crores Eighty Three Lakhs Fifty Three Thousand and Nine Hundred and Fifty only), on a proportionate basis, from the Eligible Shareholders by way of a tender offer through the stock exchange mechanism in terms of the Buyback Regulations read with SEBI Circulars and NSE Circular.
Buyback Offer Size	₹ 504,83,53,950.00 (Rupees Five Hundred and Four Crores Eighty Three Lakhs Fifty Three Thousand and Nine Hundred and Fifty only). The Buyback Offer size does not include any Transaction Costs.
Buyback Committee/ Committee	The Buyback Committee of the Board, constituted and authorized for the purposes of the Buyback by way of a resolution of the Board dated Friday, October 12, 2018.
Buyback Entitlement/Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by such Eligible Shareholder on the Record Date and the ratio/ percentage of Buyback applicable in the category, to which such Eligible Shareholder belongs.
Buyback Closing Date	Wednesday, November 28, 2018
Buyback Opening Date	Tuesday, November 13, 2018
Buyback Price / Buyback Offer Price/	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹ 75 (Rupees Seventy Five only) per fully paid-up Equity Share, payable in cash.
Buyback Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.
CDSL	Central Depository Services (India) Limited.
Clearing Corporation / NCL	NSE Clearing Limited

Term	Description
Company/NALCO/ “we”/ “Our”	National Aluminium Company Limited, unless the context states otherwise.
Companies Act	The Companies Act, 1956 to the extent applicable and the Companies Act, 2013 to the extent notified.
Companies Act, 1956	The Companies Act, 1956, as amended (to the extent applicable).
Companies Act, 2013	The Companies Act, 2013, as amended (to the extent notified).
Company’s Broker	IDBI Capital Market & Securities Limited
CPSE	Central Public Sector Enterprise.
Depositories	Collectively, NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated Stock Exchange	The designated stock exchange for the Buyback, being, National Stock Exchange of India Limited (NSE).
DIN	Director Identification Number.
Draft Letter of Offer/ Offer Document/DLOF	The draft letter of offer dated October 23, 2018 filed with SEBI.
DP	Depository Participant.
DTAA	Double Taxation Avoidance Agreement
Equity Shares/ Shares	Fully paid-up equity shares of face value ₹5 each of the Company.
Equity Shareholders/ Shareholders	Holders of the Equity Shares of the Company and includes beneficial owner(s) thereof.
Eligible Shareholder(s)	Equity Shareholders eligible to participate in the Buyback/Offer and would mean all Equity Shareholders as on the Record Date i.e. Friday, October 26, 2018, but does not include such shareholders/beneficial owners of the Equity Shares who are not permitted under applicable laws to tender shares in the Buy-back.
Escrow Account	The escrow account titled “NALCO - Buyback Escrow Account 2018” opened with the Escrow Agent in terms of the Escrow Agreement.
Escrow Agent	ICICI Bank Limited
Escrow Agreement	The escrow agreement dated October 23, 2018 entered amongst the Company, Manager to the Buyback and the Escrow Agent.
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor(s).
FPI(s)	Foreign Portfolio Investor(s).
Form / Tender Form	Form of Acceptance-cum-Acknowledgement to be filled in by the Eligible Shareholders to participate in the Buyback.
Financial Year/Fiscal/FY	Period of 12 months ended March 31 of that particular year.
GOI	Government of India
HUF	Hindu Undivided Family.
Income Tax Act	Income-tax Act, 1961, as amended.
KYC	Know Your Customer.
Letter of Offer	This Letter of Offer dated November 06, 2018 containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer.
LTCG	Long-term Capital Gains.
Ltd.	Limited
Manager / Manager to the Buyback/SBICAP	SBI Capital Markets Limited.
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s), FPI(s) and erstwhile OCBs.
NRI	Non Resident Indian.
NSE	National Stock Exchange of India Limited.
NSE Circular	Circular issued by NSE bearing number NSE/CMTR/34242 dated February 22, 2017
NSDL	National Securities Depository Limited.
OCB	Overseas Corporate Bodies.
Offer Period / Tendering Period	Period of 10 working days from the date of opening of the Buyback Offer till the closing of the Buyback Offer (both days inclusive).
PAN	Permanent Account Number.

Term	Description
Promoter	The President of India, acting through and represented by the Ministry of Mines, Government of India
Public Announcement / PA	The public announcement dated October 15, 2018, published on October 16, 2018 in accordance with the Buyback Regulations in all editions of the Business Standard (English National daily), Business Standard (Hindi National daily) and Suryaprava (Odia Language daily), each with wide circulation.
Ratio of Buyback	The ratio of the Buyback: (i) For reserved category of Small Shareholders, 25 Equity Shares for every 164 Equity Shares held by such Small Shareholder on the Record Date; and (ii) for General Category of Eligible Shareholders other than Small Shareholders, 8 Equity Shares for every 261 Equity Shares held by such Eligible Shareholder on the Record Date.
RBI	Reserve Bank of India.
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Friday, October 26, 2018.
Registrar to the Buyback/ Registrar	Karvy Computershare Private Limited
SEBI	Securities and Exchange Board of India.
SEBI Circulars	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time.
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
Shareholder Broker	A stock broker (who is a member of the NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback.
Small Shareholder	An Eligible Shareholder, who holds Equity Shares of market value not more than ₹ 2,00,000 (Rupees two lakh), on the basis of closing price on the recognized stock exchange registering the highest trading volume (being NSE), on the Record Date i.e. Friday, October 26, 2018.
STCG	Short-term Capital Gains.
Stock Exchanges	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed.
Tender Offer	Method of buyback as defined in Regulation 2(1)(q) of the Buyback Regulations.
TRS	Transaction Registration Slip.
Transaction Costs	The filing fees payable to the SEBI, Stock Exchanges fees, advisors fees, turnover charges, public announcement publication expenses, printing and dispatch expenses, transaction cost viz. brokerage, applicable taxes such as securities transaction tax, stamp duty, and any other incidental and related expenses.
Working Day	Working day shall have the meaning ascribed to it under the Buyback Regulations.

3 DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Letter of Offer. The Manager to the Buyback, SBI Capital Markets Limited, has certified that the disclosures made in this Letter of Offer are

generally adequate and are in conformity with the provisions of the Companies Act, 2013 and Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Draft Letter of Offer and this Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, SBI Capital Markets Limited has furnished to SEBI a due diligence certificate dated October 23, 2018 in accordance with Buyback Regulations which reads as follows:

“We have examined various documents and materials contained in the annexure to the Letter of Offer, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback Offer.*
- *All the legal requirements connected with the said Buyback Offer including SEBI (Buy Back of Securities) Regulations, 2018, have been duly complied with.*
- *The disclosures in the Public Announcement and the Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders of the Company to make a well informed decision in respect of the captioned Buyback Offer.*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended.”*

The filing of this Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The Promoter/ Board of Directors declare and confirm that no information/ material likely to have a bearing on the decision of the Eligible Shareholders has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ mis-representation, the Promoter/ Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013, Buyback Regulations and other applicable laws and regulations.

The Promoter/ Board of Directors also declare and confirm that funds borrowed from the banks and financial institutions will not be used for the Buyback.

Disclaimer for U.S. Persons:

The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulations of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, or buy any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons in other foreign countries:

This Letter of Offer together with the Public Announcement that was published in connection with this Buyback, has been prepared for the purposes of compliance with the Buyback Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of this Letter of Offer. This Letter of Offer does not in any way constitute an offer to sell or an invitation in any form to subscribe/purchase/ sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such

offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

No action has been or will be taken to permit the Buyback in any jurisdiction where action would be required for that purpose. The Letter of Offer will be dispatched to all Equity Shareholders whose names appear on the register of members of the Company, as of the Record Date. However, receipt of the Letter of Offer by any Equity Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Equity Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only.

Persons in possession of the Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Equity Shareholder who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buy-back.

Forward Looking Statement:

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as ‘aim’, ‘anticipate’, ‘believe’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘project’, ‘will’, ‘will continue’, ‘will pursue’ or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

4 TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on Friday, October 12, 2018. The extract of the board resolution is as follows:

APPROVAL FOR BUYBACK OF EQUITY SHARES NOT EXCEEDING 5% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE PAID UP SHARE CAPITAL OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Article 29A of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 (the **“Companies Act”**), the Companies (Share Capital and Debentures) Rules, 2014 (the **“Share Capital Rules”**) and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (the **“Buyback Regulations”**), including any amendments, statutory modifications or re-enactment to each of the foregoing, for the time being in force and subject to such other approvals, permissions and sanctions of the Securities and Exchange Board of India (**“SEBI”**), the Registrar of Companies, Cuttack, Orissa (the **“ROC”**) and/ or other authorities, institutions or bodies (collectively referred to as the **“Appropriate Authorities”**), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Appropriate Authority while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the **“Board”** which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buy back by the Company of its fully paid-up equity shares of face value of Rs. 5/- each not exceeding **6,73,11,386** equity shares (representing **3.48 %**) of the total number of equity shares in the paid-up share

capital of the Company) at a price of Rs. 75 (**Rupees Seventy five only**) per equity share (the “**Buy Back Offer Price**”) payable in cash for an aggregate consideration not exceeding **Rs. 504,83,53,950/- (Rupees Five hundred four crore eighty three lakhs fifty three thousand nine hundred and fifty only)** (the “**Buyback Offer Size**”) representing 5% of the aggregate of the standalone and consolidated paid-up share capital and free reserves (including securities premium account) as per the audited Financial Statements of the Company for the financial year ended March 31, 2018, (being less than 10% of the aggregate of the fully paid-up equity share capital and free reserves (including securities premium account), from the equity shareholders of the Company, as on the record date determined by the Board, on a proportionate basis through the “Tender Offer” route as prescribed under the Buyback Regulations (hereinafter referred to as the “**Buyback**”).”

“**RESOLVED FURTHER THAT** the consent of the Board is hereby accorded for fixing Friday, the 26th October, 2018 as the record date (the “**Record Date**”) for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback.”

“**RESOLVED FURTHER THAT** the Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, brokerage, applicable taxes (such as securities transaction tax, stamp duty and goods and service tax), advisors fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.”

“**RESOLVED FURTHER THAT** the Company, to the extent legally permissible, implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, and notice issued by BSE bearing number 20170202-34 dated February 2, 2017, each as may be amended from time to time.”

“**RESOLVED FURTHER THAT** such Buyback may be made out of the free reserves and/or the securities premium account of the Company/ or such other sources as may be permitted by the Buyback Regulations or the Companies Act through “Tender Offer” route, and as required by the Buyback Regulations and the Companies Act, the Company may buyback equity shares from all the existing members holding equity shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of equity shares which the Company proposes to Buyback or number of equity shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders, as defined in the Buyback Regulations.”

“**RESOLVED FURTHER THAT** all the existing members holding equity shares of the Company as on the Record Date shall be eligible to participate in the Buyback.”

“**RESOLVED FURTHER THAT** the Company has complied and shall continue to comply with Section 70 of the Companies Act which requires that:

- a) The Company shall not directly or indirectly purchase its own shares:
 - i. through any subsidiary company including its own subsidiary companies; or
 - ii. through any investment company or group of investment companies.
- b) There are no defaults subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years.
- c) The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Companies Act.

“**RESOLVED FURTHER THAT** the Board hereby confirms that:

- a) all equity shares of the Company are fully paid up;
- b) the Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of this Board meeting;
- c) the Company shall not issue and allot any equity shares or other specified securities including by way of bonus, till the date of expiry of the buyback period, as defined in the Buyback Regulations;
- d) the Company, as per the provisions of Section 68(8) of the Companies Act, 2013, shall not make a further issue of the same kind of shares or other securities including allotment of new shares under clause (a) of sub-section (1) of Section 62 or other specified securities within a period of six months

from the date of completion of this Buyback except by way of a bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes (including stock appreciation rights schemes), sweat equity or conversion of preference shares or debentures into equity shares;

- e) the Company, as per provisions of Regulation 24(i)(f) of the Buyback Regulations, shall not raise further capital for a period of one year from the expiry of the buyback period, as defined in the Buyback Regulations, except in discharge of its subsisting obligations;
- f) the Company shall not buy back its equity shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- g) there are no defaults subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company;
- h) that the aggregate consideration for the Buyback not exceeding **Rs. 504,83,53,950/- (Rupees Five hundred four crore eighty three lakhs fifty three thousand nine hundred and fifty only)** does not exceed 10% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest standalone and consolidated audited accounts of the Company for the financial year ended March 31, 2018 (the last audited financial statements available as on the date of the Board meeting);
- i) that the maximum number of equity shares proposed to be purchased under the Buyback i.e. **6,73,11,386 (Six crore seventy three lakhs eleven thousand three hundred eighty six)** equity shares, does not exceed 25% of the total number of equity shares in the paid-up share capital of the Company, as per the latest audited accounts for the financial year ended March 31, 2018;
- j) the Company shall not make any offer of buyback within a period of one year reckoned from the date of the buyback period, as defined in the Buyback Regulations;
- k) the Company shall not Buyback its equity shares so as to delist its equity shares from the stock exchanges;
- l) the Company shall not allow Buyback of its equity shares unless the consequent reduction of its share capital is effected;
- m) the ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall not be more than twice the paid-up capital and free reserves of the Company as prescribed under the Companies Act and rules made thereunder;
- n) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- o) the Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from banks and/ or financial institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback; and
- p) the Company shall not Buyback the locked-in equity shares or other specified securities, if any and non-transferable equity shares or other specified securities, if any, till the pendency of the lock-in or till the equity shares or other specified securities become transferable.”

“RESOLVED FURTHER THAT the Board of Directors confirms that it has made a full enquiry into the affairs and prospects of the Company and that based on such full inquiry conducted into the affairs and prospects of the Company, the Board of Directors has formed an opinion that:

- a) immediately following the date of the Board meeting held on 12th October, 2018 approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts;
- b) as regards the Company’s prospects for the year immediately following the date of the Board meeting held on 12th October, 2018, and having regard to the Board’s intention with respect to the management of Company’s business during that year and to the amount and character of the financial resources, which will, in the Board’s view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting approving the Buyback; and
- c) in forming an opinion as aforesaid, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).”

“RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders including the Promoter of the Company as have been disclosed under the shareholding pattern filings made by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 (“**SEBI Takeover Regulations**”) as the Board may consider appropriate, from its free reserves and/or share premium account and/or surplus and/or cash balances and/ or internal accruals of the Company and/or such other sources or by such mechanisms as may be permitted by applicable law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.”

“RESOLVED FURTHER THAT the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit, and other documents, placed before the meeting be and is hereby approved and that Dr. T.K. Chand, Chairman-cum-Managing Director and Shri Sridhar Patra, Director (Finance) be and are hereby authorized to finalise and sign the same, for and on behalf of the Board, and Shri Nayan Kumar Mohanty, Company Secretary be and is hereby authorised to file the same with the ROC and the SEBI in accordance with the applicable law.”

“RESOLVED FURTHER THAT the Buyback from shareholders who are persons resident outside India including the Foreign Institutional Investors, Foreign Portfolio Investors, Overseas Corporate Bodies, and shareholders of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities including approvals from Reserve Bank of India (the “**RBI**”) under Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any.”

“RESOLVED FURTHER THAT no information/ material likely to have a bearing on the decision of the investors has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to mis-statement/ misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.”

“RESOLVED FURTHER THAT for the purpose of coordinating with the Securities and Exchange Board of India (“**SEBI**”) in terms of the circular bearing number CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time issued by SEBI, approval of the Board be and is hereby accorded to appoint National Stock Exchange of India Limited (NSE) as the Designated Stock Exchange for the proposed Buyback of the equity shares.”

“RESOLVED FURTHER THAT the buyback is being proposed in keeping with the Company’s desire to enhance overall shareholders value and the buyback would lead to reduction in total number of equity shares.”

“RESOLVED FURTHER THAT the Registrar to the proposed Buyback be and are hereby authorized to authenticate endorsements in any of the documents on behalf of the Company in respect of the proposed Buyback of the equity shares.”

“RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and/ or any obligation on the Company or the Board or the Buyback Committee to buyback any shares and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such buyback, if so permissible by applicable law.”

“RESOLVED FURTHER THAT the Company do maintain a register of securities bought back wherein details of equity shares bought back, consideration paid for the equity shares bought back, date of cancellation of equity shares and date of extinguishing and physically destroying of equity shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorized to authenticate the entries made in the said register.”

“RESOLVED FURTHER THAT the approval of Board be and is hereby accorded for appointment of following intermediaries for the Buyback offer on single nomination basis:-

- a. **SBI Capital Markets Limited** as the **Managers** for the Offer at such fee and other terms & conditions as mutually agreed with them.
- b. **Dhir & Dhir Associates** as the **Legal Advisors** for the Offer at such fee and other terms & conditions as mutually agreed with them.

- c. **Karvy Computershare Pvt. Ltd.** as the **Registrar & Share Transfer Agent, Printers and Escrow Demat Account Services**, provider for the Offer at such fee and other terms & conditions as mutually agreed with them.
- d. **M/s. Guha Nandi & Co. and M/s. Patro & Co., who are the Statutory Auditors of the Company to carry out the Audit / Certification work** at such fee and other terms & conditions as mutually agreed with them.
- e. **IDBI Capital Market & Services Ltd.** as the **Broker** for the Offer at such fee and other terms & conditions as mutually agreed with them.
- f. **ICICI Bank Ltd. as Escrow Banker** for the Offer at such fee and other terms & conditions as mutually agreed with them.

“RESOLVED FURTHER THAT a committee comprising of Dr. T K Chand, Chairman-cum-Managing Director, Shri V Balasubramanyam, Director (Production) and Shri Sridhar Patra, Director (Finance) and be and is hereby constituted and the powers of the Board in respect of the Buyback be delegated to the committee (the **“Buyback Committee”**) and that Company Secretary shall act as the Secretary to the Buyback Committee. Further, the Buyback Committee is hereby authorized, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders for the implementation of the Buyback, including but not limited to, the following:

- a. the initiation of all necessary actions for preparation and issue of public announcement, draft letter of offer, letter of offer and related documents;
- b. earmarking and making arrangements for adequate sources of funds for the purposes of the Buyback;
- c. the finalization, signing and filing of the public announcement, draft letter of offer, letter of offer and related documents and also the certificates for declaration of solvency and other filings with SEBI, ROC, the stock exchanges and other Appropriate Authorities, if any;
- d. the finalization of the terms of Buyback like entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback;
- e. the finalization and entering into escrow arrangements as may be required in terms of the Buyback Regulations;
- f. the opening, operation and closure of all necessary accounts, including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorizing persons to operate the said accounts;
- g. making all applications to the Appropriate Authority for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any and approvals as may be required from the United States Securities and Exchange Commission (**“SEC”**);
- h. to give information, explanation, declaration and confirmations in relation to the Buyback, as may be required by the relevant authorities including SEBI and the SEC;
- i. extinguishment of dematerialized shares and physical destruction of share certificates and filing of certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/ or the Board, as required under applicable law;
- j. use and/ or affix the Common Seal of the Company on relevant documents required to be executed for the buyback of shares in accordance with the provisions of the Articles of Association of the Company;
- k. obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, and to address queries as may arise in relation to the implementation of the Buyback;
- l. dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time;
- m. give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback;
- n. settle and resolve any queries or difficulties raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback;

- o. appoint any intermediaries / agencies / persons as may be required for the purposes of the Buyback and decide and settle the remuneration for all such intermediaries/ agencies/ persons, including by the payment of commission, brokerage, fee, charges etc. and enter into agreements/ letters in respect thereof; and
- p. sign, execute and deliver such other documents, deeds and writings as may be necessary or desirable in connection with or incidental to the Buyback and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various certificates/ documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the intermediary(ies), SEBI, RBI, ROC, stock exchanges, depositories, SEC and/or other Appropriate Authorities.”

“RESOLVED FURTHER THAT the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be presence of any two members and the Buyback Committee may regulate its own proceedings and meet as often as required, to discharge its functions.”

“RESOLVED FURTHER THAT the Buyback Committee shall have the power and authority to delegate all or any of the authorities conferred upon it to any Director/ officer(s) and/ or representatives of the Company, in order to give effect to the aforesaid resolutions and to revoke and substitute such delegations/ sub- delegation of authority from time to time.”

“RESOLVED FURTHER THAT for the purposes of giving effect to this Resolution, the Buyback Committee be and is hereby authorized to accept and make any alterations, modifications to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any question, difficulties or doubts that may arise and generally to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval whatsoever.”

“RESOLVED FURTHER THAT in terms of Regulation 24(iii) of the Buyback Regulations, Shri Nayan Kumar Mohanty, Company Secretary, be and is hereby appointed as the Compliance Officer for the Buyback.”

“RESOLVED FURTHER THAT any of the Directors of the Company and /or the Company Secretary for the time being, be and are hereby authorized severally to sign, execute and submit such applications, undertakings, agreements and other requisite documents, writings and deeds as may deem necessary for the Buyback Offer, including without limitation to file/ share necessary e-forms/ forms/ certificates with the intermediaries appointment by the Board, ROC, SEBI, RBI, the stock exchanges, SECI and other Appropriate Authorities and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

“RESOLVED FURTHER THAT any of the Directors of the Company and /or the Company Secretary for the time being, be and are hereby authorized severally to make necessary communications with the Promoter of the Company, as may be required in connection with the Buyback.”

5 DETAILS OF PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the Buyback Regulations, the Company has made a Public Announcement dated October 15, 2018 in relation to the Buyback of Equity Shares which was published on October 16, 2018 in the following newspapers:

Publication	Language	Editions
Business Standard	English	All editions
Business Standard	Hindi	All editions
Suryaprava	Odia	Bhubaneswar edition

The Public Announcement was issued within two working days from the date of the Board Meeting at which the Buyback was approved.

A copy of the Public Announcement is available on the SEBI website at www.sebi.gov.in.

6 DETAILS OF THE BUYBACK

The Board of Directors of the Company at their meeting held on October 12, 2018 (“**Board Meeting**”), pursuant to the provisions contained in the Article 29A of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013 as amended, and all applicable Rules made thereunder, SEBI Listing Regulations, the Buyback Regulations, have approved the Buyback of 6,73,11,386 (Six Crores Seventy Three Lakhs Eleven Thousand Three Hundred and Eighty Six only) fully paid-up equity shares of face value ₹ 5 each representing 3.48% of the total paid-up Equity Share capital of the Company at a price of ₹ 75 (Rupees Seventy Five only) per Equity Share payable in cash for an aggregate amount of not exceeding ₹504,83,53,950.00 (Rupees Five Hundred and Four Crores Eighty Three Lakhs Fifty Three Thousand and Nine Hundred and Fifty only) which is upto 5% of the aggregate of the fully paid-up Equity Share capital and free reserves as per the latest standalone and consolidated audited balance sheet of the Company for the financial year ended March 31, 2018 (as approved by the Board), on a proportionate basis through the Tender Offer route as prescribed under the Buyback Regulations, from all the Eligible Shareholders of the Company as on the record date i.e. Friday, October 26, 2018.

The Buyback is subject to such other approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI and the Stock Exchanges.

The Buyback Offer Size represents upto 5% of the aggregate of the fully paid-up share capital and free reserves, as per the standalone and consolidated audited accounts of the Company for the financial year ended March 31, 2018 (the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the limits of 10% of the total fully paid up share capital and free reserves as per the standalone and consolidated audited accounts of the Company for the financial year ended March 31, 2018. The maximum number of Equity Shares proposed to be bought back does not exceed 25% of the total number of Equity Shares in the paid-up share capital of the Company.

The maximum amount required by the Company for the Buyback Offer Size will be met out of its free reserves and/or cash balances of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet. The Company confirms that as required under Section 68(2) (d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the fully paid-up share capital and free reserves after the Buyback.

The Buyback Offer Price of ₹ 75 (Rupees Seventy Five) per Equity Share has been arrived at after considering various factors such as the volume weighted average price of the Equity Shares on the Stock Exchanges, the net-worth of the Company and the impact of the Buyback on the key financial ratios of the Company. The Buyback Offer Price represents (i) a premium of 7.32% and 7.33% over the average of volume weighted average prices of the Equity Shares on BSE and NSE, respectively, during the six months period prior to Tuesday, October 09, 2018 (i.e. the date of intimation to the Stock Exchanges regarding the Board Meeting); and (ii) a premium of 14.92% and 15.11% over the average of volume weighted average prices of the Equity Shares on the BSE and NSE, respectively, for two weeks prior to Tuesday, October 09, 2018 (i.e. the date of intimation to the Stock Exchanges regarding the convening of the Board Meeting). The closing price of the equity shares on Friday, October 12, 2018, being the date of meeting of the Board of Directors approving the buy-back, was ₹ 66.95 and ₹ 67.00 on BSE and NSE, respectively.

The Buyback shall be on a proportionate basis from all the Eligible Shareholders of the Company as on the Record Date i.e. Friday, October 26, 2018 through the “**Tender Offer**” process, as prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Eligible Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI Circulars and NSE Circular.

The Buyback Offer Size does not include any other expenses incurred or to be incurred for the Buyback like Transaction Costs.

The aggregate shareholding of the Promoter as on the Record Date (i.e. October 26, 2018) is as follows:

S. No	Name of the Promoter	Number of Equity Shares held	Number of Equity Shares held in dematerialized form	Percentage to issued and paid up Equity Share capital
1.	The President of India, acting through and represented by the Ministry of Mines, Government of India	109,38,28,280	109,38,28,280	56.59%
	Total	109,38,28,280	109,38,28,280	56.59%

In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of the Company has the option to participate in the Buyback. In this regard, the Promoter i.e. President of India acting through and represented by the Ministry of Mines, Government of India has expressed its intention, vide its letter dated October 12, 2018, to participate in the Buyback and tender 6,73,11,386 Equity Shares of the Company.

Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoter in the Company may increase or decrease from the existing 56.59% holding in the total paid-up equity share capital and voting rights of the Company. The Promoter of the Company are already in control over the Company and therefore such increase/decrease in voting rights of the Promoter will not result in any change in control over the Company.

Post Buyback, the non-promoter shareholding of the Company may increase or decrease from the existing 43.41% of the post Buyback equity share capital of the Company.

In terms of Regulation 38 of the SEBI Listing Regulations, the Company shall comply with the minimum public shareholding requirements as specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 in the manner as specified by Securities and Exchange Board of India.

7 AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with the provisions of Article 29A of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions, of the Companies Act, 2013, as amended and all applicable Rules made thereunder, SEBI Listing Regulations, the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI and the Stock Exchanges.

The Board of Directors at their meeting held on October 12, 2018 passed a resolution approving buyback of Equity Shares of the Company.

8 NECESSITY OF THE BUYBACK

Share buyback is the acquisition by a company of its own shares. The objective is to return surplus cash to the members holding equity shares of the Company. The Board at its meeting held on October 12, 2018, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ended March 31, 2018 and considering these, the Board decided to allocate a sum of ₹ 504,83,53,950.00 (Rupees Five Hundred and Four Crores Eighty Three Lakhs Fifty Three Thousand and Nine Hundred and Fifty only) for returning to the members holding equity shares of the Company through the Buyback.

After considering several factors and benefits to the members holding equity shares of the Company, the Board decided to recommend Buyback of not exceeding 6,73,11,386 (Six Crores Seventy Three Lakhs Eleven Thousand Three Hundred and Eighty Six only) equity shares (representing 3.48% of the total number of equity shares in the paid-up share capital of the Company) at a price of ₹ 75 per equity share for an aggregate consideration of ₹ 504,83,53,950.00 (Rupees Five Hundred and Four Crores Eighty Three Lakhs Fifty Three Thousand and Nine Hundred and Fifty only). Buyback is a more efficient form

of returning surplus cash to the members holding equity shares of the Company, inter-alia, for the following reasons:

- i. The Buyback will help the Company to return surplus cash to its members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder” as per Regulation 2(i)(n) of the Buyback Regulations;
- iii. The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- iv. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.
- v. Optimizes the capital structure.

9 MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1 The Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming there is full response to the Buyback (100% acceptance), the funds deployed by the Company towards the Buyback would be ₹504,83,53,950.00 (Rupees Five Hundred and Four Crores Eighty Three Lakhs Fifty Three Thousand and Nine Hundred and Fifty only).
- 9.2 The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.
- 9.3 In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of the Company have the option to participate in the Buyback. In this regard, the Promoter i.e. President of India acting through and represented by the Ministry of Mines, Government of India has expressed its intention, vide its letter dated October 12, 2018, to participate in the Buyback and tender 6,73,11,386 Equity Shares of the Company.
- 9.4 Details of the acquisition/sale of the Equity Shares of the participating Promoter i.e. the President of India acting through and represented by the Ministry of Mines, Government of India has acquired/sold till date is set-out below:

S. No.	Date of Transaction	No. of Equity Shares	Acquisition Cost / (Sale Consideration) (₹)	Nature of Transaction/Consideration
1.	February 10, 1981	4,70,000	47,00,00,000	Allotment for cash
2.	May 6, 1981	50,000	5,00,00,000	Allotment for cash
3.	October 23, 1981	50,000	5,00,00,000	Allotment for cash
4.	December 30, 1981	1,00,000	10,00,00,000	Allotment for cash
5.	March 31, 1982	4,55,000	45,50,00,000	Allotment for cash
6.	May 17, 1982	28,452	2,84,52,000	Allotment for cash
7.	July 26, 1982	2,40,000	24,00,00,000	Allotment for cash
8.	October 30, 1982	3,50,000	35,00,00,000	Allotment for cash
9.	January 31, 1983	40	40,000	Allotment for cash
10.	May 7, 1983	1,25,000	12,50,00,000	Allotment for cash

S. No.	Date of Transaction	No. of Equity Shares	Acquisition Cost / (Sale Consideration) (₹)	Nature of Transaction/Consideration
11.	August 26, 1983	5,75,000	57,50,00,000	Allotment for cash
12.	May 14, 1984	5,00,000	50,00,00,000	Allotment for cash
13.	March 27, 1985	5,00,000	50,00,00,000	Allotment for cash
14.	June 4, 1985	2,58,300	25,83,00,000	Allotment for cash
15.	July 31, 1985	1,36,000	13,60,00,000	Allotment for cash
16.	October 9, 1985	4,60,000	46,00,00,000	Allotment for cash
17.	December 31, 1985	10,68,700	106,87,00,000	Allotment for cash
18.	March 18, 1986	16,24,300	162,43,00,000	Allotment for cash
19.	May 19, 1986	4,00,000	40,00,00,000	Allotment for cash
20.	June 13, 1986	2,10,000	21,00,00,000	Allotment for cash
21.	August 7, 1986	3,02,500	30,25,00,000	Allotment for cash
22.	October 27, 1986	8,90,000	89,00,00,000	Allotment for cash
23.	December 22, 1986	6,00,000	60,00,00,000	Allotment for cash
24.	February 17, 1987	6,16,400	61,64,00,000	Allotment for cash
25.	April 10, 1987	4,00,000	40,00,00,000	Allotment for cash
26.	June 25, 1987	9,66,500	96,65,00,000	Allotment for cash
27.	August 11, 1987	2,55,000	25,50,00,000	Allotment for cash
28.	November 20, 1987	4,50,000	45,00,00,000	Allotment for cash
29.	February 2, 1988	2,00,000	20,00,00,000	Allotment for cash
30.	March 26, 1988	50,000	5,00,00,000	Allotment for cash
31.	July 18, 1988	5,55,000	55,50,00,000	Allotment for cash
32.	FY 1991-92 *Note 1	(3,50,99,800)	(46,09,52,145)	Disinvestment
33.	FY 1992-93	(12,98,85,000)	(442,39,28,800)	Disinvestment
34.	FY 1993-94	(30,000)	(9,60,000)	Disinvestment
35.	FY 1994-95	(6,05,030)	(96,84,480)	Disinvestment
36.	FY 1998-1999	56,14,99,635	-	Note 2
37.	FY 2010-2011	112,29,99,270	-	Note 3
38.	FY 2010-2011	224,59,98,540	-	Note 3
39.	FY 2012-13	(15,69,38,918)	(628,53,26,563)	Offer for Sale through Stock Exchange
40.	FY 2013-14	(32,77,000)	(12,45,26,000)	Offer for Sale through Stock Exchange to Employees
41.	FY 2016-17	(64,43,00,132)	(28,34,92,05,808)	Buy-back
42.	FY 2017-18	(17,80, 69,927)	(11,83,84,44,885)	Offer for Sale through Stock Exchange
43.	FY 2017-18	(9,20,78,399)	(72,85,24,22,929)	Transfer to Bharat 22 ETF
44.	FY 2017-18	(76,17,057)	(50,50,87,050)	Offer for Sale through Stock Exchange to Employees
45.	FY 2018-19	(6,98,88,827)	(4,51,55,17,112)	Transfer to Bharat 22 ETF
	Total Current Holding	1,09,38,28,280	-	-

Notes:

- 1) The face value of share was ₹1,000 till December 31, 1991, which was reduced to ₹10 with effect from January 1, 1992.
 - 2) As on March 26, 1999, Capital Restructuring Scheme of the Company was effected wherein 50% of share capital was converted to 14.5% Non-convertible Redeemable Secured Debentures of ₹ 1000 each and balance were issued as new series of shares. The paid-up capital was thus reduced to ₹ 6,44,30,96,280.
 - 3) As on March 18, 2011, there was a split/sub-division of face value of each share of the Company from ₹ 10 to ₹ 5 and issue of bonus shares in the ratio of 1:1. The paid-up share capital of the Company became ₹ 12,88,61,92,560 as on March 18, 2011, consisting of 2,57,72,38,512 shares of ₹ 5 each.
- 9.5 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their Buyback Entitlement, the aggregate shareholding of the Promoter, post Buyback may change from the existing 56.59% to 56.83% and the aggregate shareholding of the public in the Company shall change from the existing 43.41% to 43.17% of the post Buyback equity share capital of the Company.

- 9.6 The Buyback shall not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.7 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, FIIs, FPIs, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change. The FIIs/ FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buyback.
- 9.8 The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed under Section 68 of the Companies Act, 2013, even if the response to the Buyback is to the extent of 100% (full acceptance) of the Buyback Offer Size.
- 9.9 In compliance with regulation 24 (i) (b) of the Buyback Regulations, the Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- 9.10 The Company shall not raise further capital for a period of one year from the closure of Buyback Offer except in discharge of its subsisting obligations.
- 9.11 Salient financial parameters consequent to the Buyback based on the latest audited balance sheet as on March 31, 2018 of the Company are as under:

Parameters	Standalone		Consolidated	
	Pre-Buyback	Post- Buyback*	Pre-Buyback	Post- Buyback*
Net worth (₹ in Crore) ¹	10,504.81	9,999.98 [#]	10,503.95	9,999.12 [#]
Return on Networth (%) ²	12.78	13.42	12.78	13.42
Earnings Per Share (Basic) (of ₹5 each)	6.94	7.20	6.94	7.19
Book Value per Share (₹)	54.34	53.60	54.34	53.60
Price/Earning as per the latest audited financial results	9.62	9.28	9.62	9.28
Total Debt/ Equity Ratio	-	-	-	-

* Assuming full acceptance of Equity Shares in the Buyback Offer.

[#] Post buy back net worth is before adjusting the buyback expenses which is yet to be determined.

Note:

1. Net worth = Equity Share Capital + Reserves & Surplus – Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowings including current maturities + Short Term Borrowings
3. Total Debt excludes working capital loan (liabilities towards bill discounted).

The key ratios have been computed as below:

Key Ratios basis:

Earnings per Share- Basic (₹)	Net Profit attributable to the equity shareholders / Average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Share Capital + Reserves and Surplus) / No. of Equity Shares outstanding at the end of the period
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	(Long Term Borrowing including current maturities + Short Term Borrowings)/ Net Worth
P/E as per latest audited financial results	Market Value per Share / Earnings per Share

Notes:

1. Borrowings excludes liabilities towards bills discounted which is in the nature of working capital loans.

2. Market value has been taken at ₹ 66.75 per Equity Share (price on BSE as of March 28, 2018 for both pre and post buyback P/E ratio).
- 9.12 The Promoter of the Company shall not deal in the Equity Shares of the Company on Stock Exchanges or off market, including by way of inter-se transfer(s) of Equity Shares among the Promoter during the period from the date of passing the Board resolution till the closing of the Buyback Offer.
- 9.13 The Company shall not issue new shares or other specified securities including by way of bonus issue or convert any outstanding instruments into Equity Shares, till the date of closure of the Buy-back offer in accordance with the Companies Act and the SEBI Buyback Regulations.

10 BASIS OF CALCULATING BUYBACK PRICE

- 10.1 The Buyback price of ₹75 (Rupees Seventy Five only) per Equity Share has been arrived at after considering various factors such as the average price of the Equity Shares on the Stock Exchanges where the equity shares of the Company are listed, the net worth of the Company and the impact of the Buyback on the key financial ratios of the Company.
- 10.2 The Buyback price of ₹75 (Rupees Seventy Five only) represents (i) a premium of 7.32% and 7.33% over the average of volume weighted average prices of the Equity Shares on BSE and NSE, respectively, during the six months period prior to Tuesday, October 09, 2018 (i.e. the date of intimation to the Stock Exchanges regarding the Board Meeting); and (ii) a premium of 14.92% and 15.11% over the average of volume weighted average prices of the Equity Shares on the BSE and NSE, respectively, for two weeks prior to Tuesday, October 09, 2018 (i.e. the date of intimation to the Stock Exchanges regarding the convening of the Board Meeting). The closing price of the equity shares on Friday, October 12, 2018, being the date of meeting of the Board of Directors approving the buy-back, was ₹ 66.95 and ₹ 67.00 on BSE and NSE, respectively.
- 10.3 For trends in the market price of the Equity Shares of the Company, please refer to paragraph 16 (*Stock Market Data*) of this Letter of Offer.
- 10.4 The closing market price of the Equity Shares as on the date of intimation to the Stock Exchanges for the Board Meeting for considering the Buyback i.e. October 09, 2018, was ₹ 61.00 and ₹ 61.20 on BSE and NSE, respectively.
- 10.5 Certain financial ratios as at March 31, 2018 (“**Pre-Buy-Back**”) as derived from the audited financial statements and the corresponding ratios assuming full Acceptance of Equity Shares in the Buyback (“**Post-Buy-Back**”) are set forth below:

Parameters	Standalone		Consolidated	
	Pre-Buyback	Post- Buyback*	Pre-Buyback	Post- Buyback*
Return on Networth (%)	12.78	13.42	12.78	13.42
Earnings Per Share (Basic) (of ₹5 each)	6.94	7.20	6.94	7.19
Book Value per Share (₹)	54.34	53.60	54.34	53.60

* Assuming full acceptance of Equity Shares in the Buyback Offer.

Post Buyback networth is before adjusting the buyback expenses which is yet to be determined.

11 SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of 6,73,11,386 (Six Crores Seventy Three Lakhs Eleven Thousand Three Hundred And Eighty Six Only) Equity Shares at a price of ₹ 75 (Rupees Seventy Five only) per Equity Share would be ₹ 504,83,53,950.00 (Rupees Five Hundred and Four Crores Eighty Three Lakhs Fifty Three Thousand and Nine Hundred and Fifty only)
- 11.2 The Buyback shall be made out of the free reserves of the Company as at March 31, 2018 (the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet and annual report(s).

- 11.3 The funds for the Buyback will be met out of fixed deposits lying with Banks. The Company does not intend to raise debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.
- 11.4 The Buyback Offer is not likely to cause any material impact on the earnings of the Company, except for the cost of financing the Buyback, being a reduction in the treasury income that the Company could have otherwise earned on the funds deployed.

12 DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN

- 12.1 In accordance with Regulation 9(xi) of the Buyback Regulations, the Company has appointed M/s. ICICI Bank Limited having its registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road Vadodara, Gujarat 390007, as the Escrow Agent for the aforementioned Buyback. An Escrow Agreement dated October 23, 2018 has been entered into amongst the Company, SBI Capital Markets Limited and Escrow Agent having its branch at Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai 400020.
- 12.2 In accordance with the Buyback Regulations and the Escrow Agreement, the Company has opened an Escrow Account in the name and style “**NALCO - Buyback Escrow Account 2018**” bearing account number 000405117582 with the Escrow Agent. In compliance with the provision of Regulation 9(xi) of the Buyback Regulations, the Company undertakes to deposit cash of ₹ 65,48,35,395 (Rupees Sixty Five Crore Forty Eight Lakh Thirty Five Thousand Three Hundred Ninety Five only) being equivalent to 25% upto ₹ 100 crores and 10% thereafter of the total consideration payable by the Company under the Buyback Offer, in the Escrow Account assuming full acceptance, on or before opening of the Buyback Offer. SBI Capital Markets Limited has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- 12.3 (a) M/s Guha Nandi & Co., Chartered Accountants (Firm Registration number 302039E), located at Chartered Accountants, Commerce House, 5th Floor, Room 8D & E, 2A, Ganesh Chandra Avenue, Kolkata – 700 013, Tel. no.: +91 (033) 2213 2929, Fax: +91 (033) 2213 2621; Contact Person: Dr. B. S. Kundu, FCA (Membership No. (051221)); and (b) M/s Patro & Co. Chartered Accountants (Firm Registration number 310100E), located at Chartered Accountants, Janpath Tower, 3rd Floor, Ashok Nagar, Bhubaneswar – 751 009 Tel: +91 (0674) 253 2471; Fax: +91 (0674) 253 2472; Contact Person: Sri Rajendra Patro FCA (Membership No. (019423) has certified, vide their certificate dated October 16, 2018 that the Company has adequate financial resources for fulfilling all obligations under the Buyback Offer.
- 12.4 Based on the above certificate, the Manager to the Buyback has satisfied itself about the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

13 CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The capital structure of the Company, as on the Record Date and Post Buyback, is as follows:

Particulars	Aggregate value at face value (in ‘₹)
Authorised share capital	
600,00,00,000 Equity Shares of ₹5 each	3000,00,00,000
Issued, subscribed and paid up share capital	
193,29,28,884 Equity Shares of ₹5 each, fully paid up	966,46,44,420
Issued, subscribed and paid up share capital after the Buyback	
186,56,17,498 Equity Shares of ₹5 each, fully paid up	932,80,87,490*

Assuming full acceptance of Equity Shares in the Buyback Offer by the Eligible Shareholders

- 13.2 Except, as stated below, during the 3 years preceding the date of the Public Announcement (i.e. October 15, 2018), the Company has not bought back any Equity Shares under any Buyback programme:

S. No.	Opening Date	Closing Date	Method of Buyback	Equity Shares bought back
1.	August 30, 2016	September 14, 2016	Tender Offer through Stock Exchange Mechanism	64,43,09,628

- 13.3 As on the date of the Public Announcement (i.e. October 15, 2018), there are no outstanding preference shares, partly paid-up Equity Shares or outstanding convertible instruments or calls in arrears.
- 13.4 The shareholding pattern of the Company pre-Buyback, as on the Record Date (i.e. October 26, 2018), as well as the post Buyback (assuming full acceptance of the Buyback) shareholding, is as shown below:

Particulars	Pre Buyback		Post Buyback*	
	No. of Equity Shares	% of the existing equity share capital	No. of Equity Shares	% of the post Buyback equity share capital
Promoters	109,38,28,280	56.59	1,06,03,02,170	56.83
Foreign Investors (including Non Resident Indians, FIIs, FPIs and Foreign Mutual Funds)	20,46,27,882	10.59	80,53,15,328	43.17
Financial Institutions/ Banks/ Mutual Funds promoted by Banks/ Institutions	37,60,49,977	19.45		
Other (public, public bodies corporate etc.)	25,84,22,745	13.37		
Total	193,29,28,884	100.00	1,86,56,17,498	100.00

* Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback Entitlement.

- 13.5 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders upto their Buyback Entitlement, the aggregate shareholding of the Promoter post Buyback may increase from the existing 56.59% to 56.83% of the post Buyback Equity Share capital of the Company.
- 13.6 The aggregate shareholding of the Directors and Key Managerial Personnel of the Company as on the Record Date (i.e. October 26, 2018):

S. No.	Name of shareholder	Category (Director/KMP)	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
1.	Shri V. Balasubramanyam	Director (Production)	3,016	3,016	Negligible
2.	Shri S.K. Roy	Director (P&T)	8,275	8,275	Negligible
3.	Shri N.K. Mohanty	Company Secretary	3,500	3,500	Negligible

- 13.7 No Equity Shares or other specified securities of the Company were either purchased/ sold/ transferred by the Promoter during the period of six months preceding the date of the Board Meeting at which the Buyback was approved and twelve months preceding the date of the publication of Public Announcement (i.e. October 16, 2018) except the following:

Date of Transaction	Aggregate no. of shares sold	Nature of transaction	Maximum price (₹)#	Date of maximum price	Minimum price (₹)#	Date of minimum price
June 20, 2018 to June 22, 2018	6,98,88,827*	Transfer to Bharat 22 ETF	70.20	20.06.2018	63.35	22.06.2018
November 21,	76,17,057**	Employee	86.40	21.11.2017	82.30	21.11.2017

Date of Transaction	Aggregate no. of shares sold	Nature of transaction	Maximum price (₹) [#]	Date of maximum price	Minimum price (₹) [#]	Date of minimum price
2017		Offer of Shares				
November 16, 2017 to November 21, 2017	9,20,78,399 ^{***}	Transfer to Bharat 22 ETF	86.40	21.11.2017	79.70	16.11.2017

[#] The Maximum and Minimum prices are pertaining to the stock exchange prices as on the transaction date/ period.

* Average transaction price was ₹ 64.61 per equity share and total sale consideration amounted to ₹4,51,55,17,112.00

** Average transaction price was ₹ 66.31 per equity share and total sale consideration amounted to ₹50,50,87,050.00

*** Average transaction price was ₹ 79.12 per equity share and total sale consideration amounted to ₹7,28,52,42,929.00

Subsequent to the date of Board Meeting at which the buyback was approved i.e. October 12, 2018, the Promoter of the Company has not entered into any transaction in relation to the Equity Shares of the Company.

- 13.8 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act, 2013.
- 13.9 The Company shall not issue any Equity Shares including by way of bonus, from the date of the Public Announcement till the date of closure of this Buyback.

14 BRIEF INFORMATION ABOUT THE COMPANY

Overview of the Company

- 14.1 The Company was incorporated on January 7, 1981 under the Companies Act, 1956 as a Government Company. Presently, the Company's registered office is situated at Nalco Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar, Odisha.
- 14.2 The Company is a Navratna CPSE under Ministry of Mines, Government of India. The Company is a Schedule 'A' CPSE having integrated and diversified operations in mining, metal and power. The main functions of the Company include Mining and transporting of Bauxite, Refining of Alumina, production of aluminium metal and manufacturing of various Aluminium products, Generation of Thermal, Wind and Solar Power and marketing of Alumina, Aluminium and allied products.
- 14.3 The Company has a 68.25 lakh TPA Bauxite Mine & 21.00 lakh TPA Alumina Refinery (normative capacity) located at Damanjodi in Koraput district of Odisha, 4.60 lakh TPA Aluminium Smelter & 1200MW Captive Power Plant located at Angul, Odisha. It has bulk shipment facilities at Vizag port and it also utilises the facilities at Kolkata and Paradeep ports. The Company has a 50.4 MW wind power plant at Gandikota, Andhra Pradesh and another 47.6 MW in Jaisalmer, Rajasthan. In 2014, the Company has operationalised 310 kwp grid connected roof top solar power plant at Corporate Office and Township at Bhubaneswar. The Company has sales offices in Delhi, Kolkata, Mumbai, Chennai and Bangalore and eleven stockyards at various locations in the country.
- 14.4 All the manufacturing units of the Company, are certified to ISO 9001, ISO 14001, ISO 50001 and OHSAS 18001 Management Systems and Integrated Management System operates at these units.

Growth of the Business of the Company

- 14.5 The discovery of East Coast bauxite deposit led to the setting up of India's largest integrated Alumina-Aluminium Company, NALCO in 1981 following technical collaboration agreement with Aluminium Pechiney of France.
- 14.6 The project originally consisted of a 24 lakh TPA Bauxite Mine, 8 lakh TPA Alumina Refinery at Damanjodi, and 2.18 lakh TPA Smelter and a Captive Power plant of 720 MW at Angul in Orissa. With the emergence of Nalco on the Aluminium scene, there has been a quantum jump in alumina and Aluminium production in the country.

The capacities of Production Units have been increased by two major expansions namely 1st Phase and 2nd Phase Expansion. The 1st Phase Expansion project was completed in 2004 and 2nd Phase in 2011. Mines and Refinery capacity has been further augmented through Up-gradation Project.

At present, NALCO is one of the largest integrated Bauxite-Alumina-Aluminium- Power Complex in the Country. The Company has a 68.25 lakh TPA Bauxite Mine & 21.00 lakh TPA Alumina Refinery (normative capacity) located at Damanjodi in Koraput dist. of Odisha, and 4.60 lakh TPA Aluminium Smelter & 1200 MW Captive Power Plant located at Angul, Odisha. NALCO has bulk shipment facilities at Vizag port for export of Alumina/Aluminium and import of caustic soda and also utilises the facilities at Kolkata and Paradeep ports.

- 14.7 With its endeavour to harness renewable energy sources, Nalco diversified into wind power by commissioning of a 50.4 MW wind power plant at Gandikota, Andhra Pradesh in December, 2012 and subsequently adding plants in Jaisalmer, Rajasthan & Sangli, Maharashtra to take its total wind power capacity to 198 MW.

A modest beginning has been made by utilizing the available roof space of Corporate office, township and NRTC building to set up 310 Kwp roof top solar panels.

- 14.8 The Company has extensive plans for brown field and green field expansion projects, which include the ongoing 5th Stream Refinery Project of 1 MTPA capacity in existing Alumina Refinery at Damanjodi (Brownfield), 60,000 MTPA (max) alloy wire rod plant at existing Smelter, development of Pottangi bauxite mines and Utkal D&E coal mines in Odisha.

As part of backward integration, the Company has formed JV with Gujarat Alkalies & Chemicals Limited (GACL) for setting up a 2.7 lakh TPA caustic soda plant at Gujarat.

- 14.9 Also to promote downstream and ancillary industries, the Company has formed JV with Industrial Infrastructure Development Corporation (IDCO), Odisha to set up Angul Aluminium Park near its existing Smelter at Angul.

- 14.10 Details of the changes in share capital of the Company since incorporation are as follows:

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
February 10, 1981	4,70,000	1,000	1,000	Cash	4,70,000	47,00,00,000	47,00,00,000
May 6, 1981	50,000	1,000	1,000	Cash	5,20,000	5,00,00,000	52,00,00,000
October 23, 1981	50,000	1,000	1,000	Cash	5,70,000	5,00,00,000	57,00,00,000
December 30, 1981	1,00,000	1,000	1,000	Cash	6,70,000	10,00,00,000	67,00,00,000
March 31, 1982	4,55,000	1,000	1,000	Cash	11,25,000	45,50,00,000	112,50,00,000
May 17,	28,452	1,000	1,000	Cash	11,53,452	2,84,52,000	115,34,52,000

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
1982							
July 26, 1982	2,40,000	1,000	1,000	Cash	13,93,452	24,00,00,000	139,34,52,000
October 30, 1982	3,50,000	1,000	1,000	Cash	17,43,452	35,00,00,000	174,34,52,000
January 31, 1983	40	1,000	1,000	Cash	17,43,492	40,000	174,34,92,000
May 7, 1983	1,25,000	1,000	1,000	Cash	18,68,492	12,50,00,000	186,84,92,000
August 26, 1983	5,75,000	1,000	1,000	Cash	24,43,492	57,50,00,000	244,34,92,000
May 14, 1984	5,00,000	1,000	1,000	Cash	29,43,492	50,00,00,000	294,34,92,000
March 27, 1985	5,00,000	1,000	1,000	Cash	34,43,492	50,00,00,000	344,34,92,000
June 4, 1985	2,58,300	1,000	1,000	Cash	37,01,792	25,83,00,000	370,17,92,000
July 31, 1985	1,36,000	1,000	1,000	Cash	38,37,792	13,60,00,000	383,77,92,000
October 9, 1985	4,60,000	1,000	1,000	Cash	42,97,792	46,00,00,000	429,77,92,000
December 31, 1985	10,68,700	1,000	1,000	Cash	53,66,492	106,87,00,000	536,64,92,000
March 18, 1986	16,24,300	1,000	1,000	Cash	69,90,792	162,43,00,000	699,07,92,000
May 19, 1986	4,00,000	1,000	1,000	Cash	73,90,792	40,00,00,000	739,07,92,000
June 13, 1986	2,10,000	1,000	1,000	Cash	76,00,792	21,00,00,000	760,07,92,000
August 7, 1986	3,02,500	1,000	1,000	Cash	79,03,292	30,25,00,000	790,32,92,000
October 27, 1986	8,90,000	1,000	1,000	Cash	87,93,292	89,00,00,000	879,32,92,000
December 22, 1986	6,00,000	1,000	1,000	Cash	93,93,292	60,00,00,000	939,32,92,000
February 17, 1987	6,16,400	1,000	1,000	Cash	100,09,692	61,64,00,000	1000,96,92,000
April 10, 1987	4,00,000	1,000	1,000	Cash	104,09,692	40,00,00,000	1040,96,92,000
June 25, 1987	9,66,500	1,000	1,000	Cash	113,76,192	96,65,00,000	1137,61,92,000
August 11, 1987	2,55,000	1,000	1,000	Cash	116,31,192	25,50,00,000	1163,11,92,000
November 20, 1987	4,50,000	1,000	1,000	Cash	120,81,192	45,00,00,000	1208,11,92,000
February 2, 1988	2,00,000	1,000	1,000	Cash	122,81,192	20,00,00,000	1228,11,92,000
March 26, 1988	50,000	1,000	1,000	Cash	123,31,192	5,00,00,000	1233,11,92,000
July 18, 1988	5,55,000	1,000	1,000	Cash	128,86,192	55,50,00,000	1288,61,92,000
January 1, 1992	The face value of share was ₹ 1000 each till December 31, 1991 which was sub-divided to ₹ 10 each with effect from January 1, 1992.					1288,61,92,000	1288,61,92,000

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
March 26, 1999 (Note 1)	Capital Restructuring Scheme of the Company was effected wherein 50% of share capital was converted to 14.5% Non-convertible Redeemable Secured Debentures of ₹1000 each and balance were issued as new series of shares. The paid-up capital was thus reduced to ₹ 6,44,30,96,280.					6,44,30,96,280	6,44,30,96,280
March 18, 2011	There was a split/sub-division of face value of each share of the Company from ₹ 10 to ₹ 5 and issue of bonus shares in the ratio of 1:1 thereafter in March, 2011. The paid-up share capital of the Company became ₹ 12,88,61,92,560 as on March 18, 2011, consisting of 2,57,72,38,512 shares of ₹ 5 each.					12,88,61,92,560	12,88,61,92,560
September 26, 2016	The Company bought back 64,43,09,628 Equity Shares of ₹ 5 Each constituting 25% of the paid of Equity Shares of the Company at the rate of ₹44 per share and thereafter extinguished the Equity Shares					322,15,48,140	966,46,44,420

14.11 The Board of Directors of the Company as on the date of the Public Announcement (i.e. October 15, 2018) was as under:

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Date of Joining/ Appointment	Other Directorships
1.	Dr. Tapan Kumar Chand Qualification: Master's Degree in Arts, Public Administration and History from Utkal University Occupation: Service Age: 58 DIN: 01710900	Chairman cum Managing Director	July 27, 2015	NIL
2.	Shri V. Balasubramanyam Qualification: B.Tech (Chemical Engineering) Occupation: Service Age: 57 years DIN: 06965313	Director (Production)	January 1, 2015	NIL
3.	Shri Basant Kumar Thakur Qualification: Diploma in Social Works along with a degree in History from Punjab University Occupation: Service Age: 58 years DIN: 07557093	Director (HR)	July 4, 2016	NIL
4.	Shri Sanjib Kumar Roy Qualification: M. Tech (Chemical Engineering) Occupation: Service Age: 57 years DIN: 06756812	Director (P&T)	February 3, 2017	NIL
5.	Shri Pradip Kumar Mishra Qualification: Post Graduate in English	Director (Commercial)	April 23, 2018	NIL

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Date of Joining/ Appointment	Other Directorships
	literatureOccupation: Service Age: 57 years DIN: 06445517			
6.	Shri Sridhar Patra Qualification: Chartered Accountant) Occupation: Service Age: 54 years DIN: 06500954	Director (Finance)	September 1, 2018	NIL
7.	Dr. K. Rajeswara Rao, IAS Qualification: Doctor of Philosophy (Ph.D.) in Social Sciences Occupation: Additional Secretary, Ministry of Mines Age: 56 years DIN: 08071005	Part-time Official Director	February 19, 2018	NIL
8.	Shri Anil Kumar Nayak Qualification: M.A in Politics and M. Phil in Ethnicity and Political development Occupation: Joint Secretary, Ministry of Mines Age: 56 years DIN: 08097669	Part-time Official Director	March 27, 2018	NIL
9.	Shri Dipankar Mahanta Qualification: MBA from Guwahati University Occupation: Social Entrepreneurship Age: 53 years DIN: 01583516	Part-time Non-official (Independent Director)	November 21, 2015	<ul style="list-style-type: none"> Economic And Industrial Dev Collaborative India Private Limited Innovators In Resource Private Limited
10.	Shri S. Sankararaman Qualification: Chartered Accountant Occupation: Practicing Chartered Accountant Age: 56 years DIN: 07346454	Part-time Non-Official (Independent) Director	November 21, 2015	NIL
11.	Shri Pravat Keshari Nayak Qualification: Chartered Accountant Occupation: Practicing Chartered Accountant Age: 58 years DIN: 07346756	Part-time Non-Official (Independent) Director	November 21, 2015	NIL
12.	Prof. Damodar Acharya Qualification: Mechanical Engineering from NIT, Rourkela. Phd from IIT Kharagpur Occupation: Technocrat Age: 69 years DIN: 06817842	Part-time Non-Official (Independent) Director	November 21, 2015	<ul style="list-style-type: none"> Aspire Disruptive Skill Foundation Paniit Alumni Reach For Jharkhand Foundation

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Date of Joining/ Appointment	Other Directorships
13.	Shri Maheswar Sahu Qualification: B.Sc. (Engg.) in Electrical Occupation: Indian Administrative Service (Retired) Age: 64 years DIN: 00034051	Part-time Non-Official (Independent) Director	November 21, 2015	<ul style="list-style-type: none"> • Heubach Colour Private Limited • Auraglass Private Limited • Gold Plus Glass Industry Limited • Mangalam Alloys Limited • Powerica Limited • IRM Energy Private Limited • Gift SEZ Limited • Mahindra World City (Jaipur) Limited • GSEC Limited • GVFL Limited • Solvay Specialities India Private Limited • Aspire Disruptive Skill Foundation • SME Mavens Foundation
14.	Smt. Kiran Ghai Sinha Qualification: M.A. in Hindi from Patna University Occupation: Retired Associate Professor, Dept. of Hindi, Patna Women's college, Patna University Age: 69 years DIN: 07726477	Part-time Non-official (Independent) director	February 3, 2017	NIL
15.	Shri Nagendra Nath Sharma Qualification: B.Sc in Mechanical Engineering Occupation: Social Entrepreneurship Age: 68 years DIN: 02888318	Non-official (Independent) director	September 6, 2017	NIL
16.	Smt. Achla Sinha Qualification: M.A. in English Literature, M.Phil in Public Administration, Advance Professional Programme in Public Administration (APPA) Occupation: Indian Railways Traffic Service officer (Retired) Age: 62 years DIN: 07932932	Part-time Non-official (Independent) Director	September 8, 2017	NIL

14.12 The details of changes in the Board of Directors during the last 3 years preceding the date of the publication of Public Announcement (i.e. October 16, 2018) are as under:

S. No.	Name, Designation and DIN	Date of Joining/ Appointment	Date of Cessation	Reason
1.	Shri Basant Kumar Thakur Director (HR) DIN: 07557093	04.07.2016	Continuing	Appointment
2.	Shri S K Roy Director (P&T) DIN: 06756812	03.02.2017	Continuing	Appointment
3.	Shri P K Mishra Director (Commercial) DIN: 06445517	23.04.2018	Continuing	Appointment
4.	Shri Sridhar Patra Director (Finance) DIN:06500954	01.09.2018	Continuing	Appointment
5.	Dr. K. Rajeswara Rao Part-time Official Director DIN: 08071005	19.02.2018	Continuing	Appointment
6.	Shri Anil Kumar Nayak Part-time Official Director DIN: 08097669	27.03.2018	Continuing	Appointment
7.	Shri Dipankar Mahanta Independent Director DIN: 01583516	21.11.2015	Continuing	Appointment
8.	Shri S Sankararaman Independent Director DIN: 07346454	21.11.2015	Continuing	Appointment
9.	Shri P K Nayak Independent Director DIN: 07346756	21.11.2015	Continuing	Appointment
10.	Prof. Damodar Acharya Independent Director DIN: 06817842	21.11.2015	Continuing	Appointment
11.	Shri Maheswar Sahu Independent Director DIN: 00034051	21.11.2015	Continuing	Appointment
12.	Smt. Kiran Ghai Sinha Independent Director DIN:07726477	03.02.2017	Continuing	Appointment
13.	Shri N N Sharma Independent Director DIN:02888318	06.09.2017	Continuing	Appointment
14.	Smt Achla Sinha Independent Director DIN:07932932	08.09.2017	Continuing	Appointment
15.	Shri N K Singh Part-time Official Director DIN: 03361541	12.11.2014	22.12.2015	Cessation
16.	Shri Shyama Charan Padhy Director (HR) DIN: 02594088	19.12.2012	30.06.2016	Cessation
17.	Shri N B Dhal Part-time Official Director DIN:01710101	23.12.2015	20.10.2016	Cessation
18.	Shri R Sridharan Part-time Official Director Din:05332433	30.08.2013	03.01.2017	Cessation

S. No.	Name, Designation and DIN	Date of Joining/ Appointment	Date of Cessation	Reason
19.	Shri N R Mohanty Director (P&T) DIN: 05181575	01.02.2012	01.02.2017	Cessation
20.	Smt. Soma Mondal Director (Commercial) DIN: 06845389	11.03.2014	01.03.2017	Cessation
21.	Shri Subhash Chandra Part-time Official Director DIN: 07612049	20.10.2016	16.02.2018	Cessation
22.	Shri N K Singh Part-time Official Director DIN: 03361541	15.03.2017	26.03.2018	Cessation
23.	Shri K. C. Samal Director (Finance) DIN: 03618709	03.01.2014	31.08.2018	Superannuated On 31.08.2018

- 14.13 The Buyback will not result in any benefit to any Directors of the Company/ Promoter / person in control of the Company/ group companies except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share Capital of the Company, post Buyback.

15 FINANCIAL INFORMATION OF THE COMPANY

- 15.1 The salient financial information of the Company, as extracted from the standalone audited financial statements for the last three financial years viz. Fiscal 2018, 2017 and 2016 and unaudited limited reviewed financial results for the three months ended June 30, 2018 is detailed below:

The salient financial information of the Company prepared under Ind AS as extracted from the un-audited standalone financial statements of the Company as at and for the three months ended June 30, 2018 are as under:

Key Financials		(₹ in Crore)
		For the three months ended June 30, 2018 (Un-audited)
Revenue from Operations		2,973.31
Other Income		62.11
Total Income		3,035.42
Total Expenses		2,084.49
Profit /(Loss) before exceptional items and Tax		950.93
Exceptional Items: Expense / (Income)		(91.01)
Profit / (Loss) before Tax		1,041.94
Tax Expense		354.89
Profit/ (Loss) for the period		687.05
Other Comprehensive Income (net of tax)		2.26
Total Comprehensive Income for the period		689.31
Earning per equity share:		
a. Basic (Rs.)		3.55
b. Diluted (Rs.)		3.55

The salient financial information of the Company prepared under Ind AS or GAAP, as applicable, as extracted from the audited standalone financial statements of the Company as at and for the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016:

(₹ in Crore)

Key Financials	For the year ended March 31, 2018 (Audited)	For the year ended March 31, 2017 (Audited)	For the year ended March 31, 2016 (Audited)
Revenue from Operations	9,618.31	8,050.02	6,816.00
Other Income	299.65	408.27	536.57
Total Income	9,917.96	8,458.29	7,352.57
Total Expenses	8,703.21	7,453.42	6,303.26
Interest	1.95	2.62	2.69
Depreciation	480.4	480.36	424.09
Regulated (Expense) / Income	-	-	-
Exceptional Items: Expense / (Income)	(824.08)	40.15	(53.45)
Profit Before Tax	2,038.83	964.72	1,102.76
Provisions for Tax (including Deferred Tax)	696.42	296.19	371.75
Profit/ (Loss) After Tax	1,342.41	668.53	731.01
Other Comprehensive Income (net of tax)	50.03	9.08	-
Total Comprehensive Income	1,392.44	677.61	-
Paid-up Equity Share Capital	966.46	966.46	1,288.62
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off	9,538.35	9,239.33	11,619.06
Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	10,504.81	10,205.79	12,907.68
Total Debt, excluding working capital loans	-	-	-

Note:

- Figures for FY 2015-16 is based on previous GAAP and Figures for FY 2016-17, 2017-18 are as per Ind-AS.
- Total Debt is excluding borrowings (liabilities towards bills discounted) which is in the nature of working capital loans.

15.2 Financial Ratios on standalone basis for the last three financial years viz. Fiscal 2018, 2017 and 2016 are as under:

Particulars	For the year ended March 31, 2018 (Audited)	For the year ended March 31, 2017 (Audited)	For the year ended March 31, 2016 (Audited)
Earnings per Share (₹)	6.94	2.98	2.84
Debt/ Equity Ratio	-	-	-
Book Value (₹ per Share)	54.35	52.80	50.08
Return on Net worth (%)	12.78%	6.55%	5.66%
Total Debt/ Net worth (%)	-	-	-

Notes:

- Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure.
- Total Debt = Long Term Borrowings including current maturities + Short Term Borrowings.
- Total Debt excludes working capital loan (liabilities towards bill discounted).

Key Ratios basis:

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Equity Share Capital + Reserves and Surplus) / No. of Equity Shares outstanding during the year
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	(Long Term Borrowings including current maturities + Short Term Borrowings) / Net Worth

- 15.3 The salient financial information of the Company, as extracted from the consolidated audited financial statements for the last three financial years viz. Fiscal 2018, 2017 and 2016 is detailed below:

(₹ in Crore)

Key Financials	For the year ended March 31, 2018 (Audited)	For the year ended March 31, 2017 (Audited)	For the year ended March 31, 2016 (Audited)
Revenue from Operations	9618.31	8050.02	6816.00
Other Income	299.65	408.27	536.64
Total Income	9917.96	8458.29	7352.64
Total Expenses	8703.21	7453.42	6303.29
Interest	1.95	2.62	1.21
Depreciation	480.40	480.36	424.09
Exceptional Items: Expense / (Income)	(824.08)	40.15	(53.45)
Profit Before Tax	2038.61	963.91	1102.80
Provisions for Tax (including Deferred Tax)	696.42	296.19	371.77
Profit/ (Loss) After Tax	1342.19	667.72	731.03
Paid-up Equity Share Capital	966.46	966.46	1288.62
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off	9537.49	9238.69	11627.88
Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	10503.95	10205.15	12916.50
Total Debt, excluding working capital loans	-	-	-

Note:

- Figures for FY 2015-16 is based on previous GAAP and Figures for FY 2016-17, 2017-18 are as per Ind-AS.
- Total Debt is excluding borrowings (liabilities towards bills discounted) which is in the nature of working capital loans.

- 15.4 Financial Ratios on consolidated basis for the last three financial years viz. Fiscal 2018, 2017 and 2016 are as under:

Particulars	For the year ended March 31, 2018 (Audited)	For the year ended March 31, 2017 (Audited)	For the year ended March 31, 2016 (Audited)
Earnings per Share (₹)	6.94	2.97	2.84
Debt/ Equity Ratio	-	-	-
Book Value (₹ per Share)	54.34	52.80	50.12
Return on Net worth (%)	12.78%	6.54%	5.66%
Total Debt/ Net worth (%)	-	-	-

Notes:

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure
2. Total Debt = Long Term Borrowings including current maturities + Short Term Borrowings
3. Total Debt excludes working capital loan (liabilities towards bill discounted).

Key Ratios basis:

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Equity Share Capital + Reserves and Surplus) / No. of Equity Shares outstanding during the year
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	(Long Term Borrowings including current maturities + Short Term Borrowings) / Net Worth

- 15.5 The Company shall comply with the SEBI Takeover Regulations as may be applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 of the Companies Act, 2013 and the rules made thereunder.

16 STOCK MARKET DATA

- 16.1 The Company's Equity Shares are listed on the BSE and NSE.

- 16.2 The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of Letter of Offer (i.e. November 06, 2018) from May, 2018 to October, 2018 and the corresponding volumes on the BSE and NSE is as follows:

For BSE:

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
Preceding 3 financial years								
April 1, 2017- March 31, 2018	97.65	November 01, 2017	12,35,972	60.75	March 07, 2018	12,95,566	74.08	17,46,61,869
April 1, 2016- March 31, 2017	79.85	March 06, 2017	8,02,489	38.00	April 05, 2016	74,931	53.89	8,39,32,585
April 1, 2015- March 31, 2016	50.90	May 12, 2015	2,83,961	28.00	August 25, 2015	2,37,043	39.12	5,35,58,089
Preceding 6 months								
October 2018	72.00	October 30, 2018	12,56,550	57.85	October 01, 2018	8,75,524	66.50	2,18,27,682
September 2018	77.40	September 06, 2018	31,27,975	60.30	September 28, 2018	11,78,070	69.10	2,37,07,262
August 2018	78.50	August 30, 2018	10,68,244	61.25	August 02, 2018	6,68,375	70.26	2,07,90,328

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
July 2018	65.00	July 02, 2018	12,56,381	56.55	July 16, 2018	7,60,992	60.83	1,66,55,413
June 2018	74.00	June 07, 2018	22,41,187	57.55	June 27, 2018	35,08,287	67.97	230,49,988
May 2018	81.45	May 02, 2018	5,80,303	70.00	May 18, 2018	7,77,094	74.87	2,34,18,238

Source: BSE

* High and Low price for the period are based on intra day prices and Average Price is based on average of daily closing price.

For NSE:

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
Preceding 3 financial years								
April 1, 2017- March 31, 2018	97.60	November 01, 2017	75,87,705	60.70	March 07, 2018	159,38,253	74.08	1,387,169,895
April 1, 2016- March 31, 2017	79.95	March 7, 2017	31,28,351	37.90	April 05, 2016	4,11,268	53.93	405,999,191
April 1, 2015- March 31, 2016	50.90	May 12, 2015	10,25,068	28.00	August 25, 2015	8,96,902	39.12	287,347,918
Preceding 6 months								
October 2018	72.15	October 30, 2018	1,65,40,247	57.70	October 01, 2018	96,11,813	66.51	24,59,99,634
September 2018	77.45	September 06, 2018	3,55,83,057	60.20	September 28, 2018	1,50,32,973	69.13	19,94,56,244
August 2018	78.45	August 30, 2018	1,96,29,858	61.15	August 02, 2018	96,79,188	70.28	26,58,40,956
July 2018	64.85	July 02, 2018	2,35,85,445	56.55	July 16, 2018	71,83,771	60.82	23,51,74,123
June 2018	74.00	June 07, 2018	46,12,936	57.60	June 27, 2018	1,64,03,533	68.02	17,94,26,084
May 2018	81.50	May 02, 2018	81,47,916	70.00	May 31, 2018	1,69,06,601	74.89	15,45,50,838

Source: NSE

* High and Low price for the period are based on intra day prices and Average Price is based on average of daily closing price.

16.3 The closing market price of the Equity Shares of the Company:

- As on October 11, 2018 (i.e. the trading day before October 12, 2018) being the date of Board Meeting approving the Buyback was ₹ 66.80 per Equity Share on BSE and ₹ 66.95 per Equity Share on NSE.
- As on October 12, 2018 i.e. the date of Board Meeting approving the Buyback was ₹ 66.95 per Equity share on BSE and ₹ 66.95 per Equity share on NSE.

- (c) As on October 15, 2018 i.e. the trading day immediately after October 12, 2018 being the date of Board Meeting approving the Buyback was ₹ 66.70 per Equity Share on BSE and ₹ 66.70 per Equity Share on NSE.
- (d) As on October 16, 2018 i.e. the date of the publication of Public Announcement, was ₹ 67.15 per Equity Share on BSE and ₹ 67.10 per Equity Share on NSE.

17 DETAILS OF STATUTORY APPROVALS

- 17.1 The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, 2013, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.
- 17.2 Non-Resident Shareholders (excluding OCBs) permitted under the automatic process prescribed under applicable FEMA and the rules and regulations framed thereunder read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI.
- 17.3 By agreeing to participate in the Buyback, the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required and undertake to provide assistance to the Company for such regulatory reporting.
- 17.4 Erstwhile OCB are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- 17.5 As on date, there are no other statutory or regulatory approvals required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.

18 DETAILS OF REGISTRAR TO THE BUYBACK

Eligible Shareholders holding Shares in dematerialized form and Shareholder Brokers (who have submitted bids on behalf of Eligible Shareholders holding shares in physical form) are required to send the Tender Form, TRS, physical share certificate (for physical Shareholders only) and other documents by superscribing the envelope as “**Nalco Buyback Offer 2018**” to the Registrar to the Buyback either by registered post/courier or hand deliver at their below office, so that the same are received within 2 (two) days from the Buyback Closing Date i.e. November 30, 2018 (by 05:00 p.m.):



M/s. Karvy Computershares Private Limited
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad- 500 032
Contact Person: M. Murali Krishna
Tel: +91 (040) 6716 2222
Fax: +91 (040) 2343 1551
E-mail: nalcobuyback2018@karvy.com;
Website: www.karisma.karvy.com;
SEBI Registration Number: INR000000221
Validity Period: Permanent Registration
CIN: U72400TG2003PTC041636

TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS; OTHERWISE THE

SAME ARE LIABLE TO BE REJECTED.

19 PROCESS AND METHODOLOGY FOR THE BUYBACK

- 19.1 The Company has proposed to Buyback not exceeding 6,73,11,386 (Six Crores Seventy Three Lakhs Eleven Thousand Three Hundred And Eighty Six Only) fully paid-up Equity Shares representing up to 3.48% of issued, subscribed, and paid-up Equity Share capital of the Company from the Eligible Shareholders of the Company, on a proportionate basis, through the Tender Offer process at a price of ₹75 (Rupees Seventy Five Only) per Equity Share, payable in cash for an aggregate consideration not exceeding ₹504,83,53,950.00 (Rupees Five Hundred and Four Crores Eighty Three Lakhs Fifty Three Thousand and Nine Hundred and Fifty Only). The Buyback is in accordance with the provisions of Article 29A of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions, of the Companies Act, 2013, and rules made thereunder, the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, Stock Exchanges, RBI etc. The Buyback Offer Size is upto 5% of the aggregate of the fully paid-up share capital and free reserves as per the standalone and consolidated audited accounts of the Company for the financial year ended March 31, 2018 (the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the statutory limits of 10% of the aggregate of fully paid up share capital and free reserves as per the audited accounts of the Company for the Financial Year ended March 31, 2018.

The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback.

- 19.2 The aggregate shareholding of the Promoter as on the Record Date (i.e. October 26, 2018) is 109,38,28,280 (One Hundred Nine Crore Thirty Eight Lakh Twenty Eight Thousand Two Hundred and Eighty) Equity Shares, which represents 56.59 % of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of the Company have the option to participate in the Buyback. In this regard, the Promoter i.e. President of India acting through and represented by the Ministry of Mines, Government of India has expressed its intention, vide its letter dated October 12, 2018, to participate in the Buyback and tender 6,73,11,386 Equity Shares of the Company.
- 19.3 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders upto their Buyback Entitlement, the aggregate shareholding of the Promoter post Buyback may increase from the existing 56.59% to 56.83% of the post Buyback Equity Share capital of the Company.

19.4 Record Date, Ratio of Buyback and entitlement of each Shareholder

- a) The Board of Directors at their meeting held on October 12, 2018 announced Friday, October 26, 2018 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.
- b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
 - Reserved category for Small Shareholders (“**Reserved Category**”); and
 - General category for all Eligible Shareholders other than Small Shareholders (“**General Category**”)
- c) As defined in the Buyback Regulations, a “**Small Shareholder**” is a shareholder who holds Equity Shares having market value, on the basis of closing price on the Stock Exchanges in which the highest trading volume as on Record Date, of not more than ₹ 2,00,000 (Rupees Two Lakh). As on Record Date, the volume of Shares traded on NSE was 1,03,22,899 Shares and on BSE was 7,03,681 Shares. Accordingly, NSE being the stock exchange with highest turnover, the closing price was ₹ 67.50 and hence all Shareholders holding not more than 2,962 Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.
- d) Based on the above definition, there are 1,57,582 Small Shareholders with aggregate shareholding

of 6,62,33,559 Shares, as on Record Date, which constitutes 3.43% of the outstanding number of Equity Shares of the Company.

- e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be 100,96,708 Equity Shares which is higher of:
- Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 6,73,11,386 Equity Shares which works out to 100,96,708 Equity Shares; or
 - The number of Equity Shares entitled as per their shareholding as on Record Date [i.e. $(662,33,559 / 193,29,28,884) \times 6,73,11,386$] which works out to 23,06,486 Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders.

- f) Based on the above and in accordance with Regulation 6 of the Buyback Regulations, 1,00,96,708 Equity Shares will be reserved for Small Shareholders (“**Reserved Portion**”). Accordingly, General Category shall consist of 5,72,14,678 Equity Shares (“**General Portion**”).
- g) Clubbing of Entitlements

In order to ensure that the same Eligible Shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common Permanent Account Number (“**PAN**”) shall be clubbed together for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/ foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ subaccounts and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body – broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

- h) Based on the above entitlements, the Ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback
Reserved Category	25 Equity Shares out of every 164 fully paid-up Equity Shares held on the Record Date
General Category	8 Equity Shares out of every 261 fully paid-up Equity Shares held on the Record Date

19.5 Fractional Entitlements

If the Buyback Entitlement, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 (one) Equity Share) then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback Offer, for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 06 (Six) or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of 1 (one) Equity Share, if such Small Shareholders have tendered for Additional Equity Shares. The Company shall make best efforts subject to Buyback Regulations in

accepting Equity Shares tendered by such Shareholders to the extent possible and permissible.

19.6 **Basis of Acceptance of Equity Shares validly tendered in the Reserved Category**

Subject to the provisions contained in this Letter of Offer and Tender Form, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance (i.e. 100%) of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in 19.6 (a) above, in case, there are any Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and 1 (one) Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in 19.6 (a) and (b) above, in case, there are any validly tendered unaccepted Shares in the Reserved Category ("**Reserved Category Additional Shares**") and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with (b) above, shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate acceptance, as described in (c) above, will be made as follows:
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.7 **Basis of Acceptance of Equity Shares validly tendered in the General Category**

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Eligible Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance (i.e. 100%) of Shares from Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.7 (a) above, in case, there are any validly tendered unaccepted Shares in the General Category ("**General Category Additional Shares**") and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Eligible Shareholder shall be equal to the General Category Additional Shares validly tendered by the Eligible Shareholders divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b) above, will be made as follows:

- For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.8 Basis of Acceptance of Shares between Categories

- a. In the event the Equity Shares tendered by the Small Shareholders in accordance with the process set out under Paragraph 19.6 (*Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders*) of this Letter of Offer is less than the Reserved Portion, Additional Equity Shares tendered by the Eligible Shareholders in the General Category over and above their Buyback Entitlement shall, in accordance with the Buyback Regulations, be accepted in proportion of the Additional Equity Shares tendered by them i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by an Eligible Shareholder in the General Category divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the Additional Equity Shares that can be accepted due to shortfall in the Reserved Portion.
- b. In the event the Equity Shares tendered by the Eligible Shareholders in the General Category in accordance with the process set out under Paragraph 19.7 (*Basis of Acceptance of Equity Shares validly tendered in the General Category*) of this Letter of Offer is less than the General Portion, Additional Equity Shares tendered by the Eligible Shareholders in the Reserved Category over and above their Buyback Entitlement shall, in accordance with the Buyback Regulations, be accepted in proportion of the Additional Equity Shares tendered by them i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by an Eligible Shareholder in the Reserved Category divided by the total Additional Equity Shares validly tendered in the Reserved Category and multiplied by the Additional Equity Shares that can be accepted due to shortfall in the General Portion.
- c. A Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority Acceptance of one Equity Share before Acceptance, as mentioned above, out of the Equity Shares left to be bought back in the General Category, provided no Acceptance could take place from such Small Shareholder in accordance with the section entitled “Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders”.

Adjustment for fractional results in case of proportionate Acceptance, as described above:

- 19.9. For any Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not a multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- 19.10. For any Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional acceptance is less than 0.50, then the fraction shall be ignored.
- 19.11. In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Board or any person(s) authorized by the Board will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in Paragraph 20.

20 PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- 20.1 The Buyback is open to all Eligible Shareholder(s) holding Shares either in physical and /or dematerialized form on the Record Date.
- 20.2 The Company proposes to effect the Buyback through Tender Offer process, on a proportionate basis. This Letter of Offer and Tender Form, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Eligible Shareholders whose names

appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date and who have their email IDs registered with the Company and for all remaining Eligible Shareholders who do not have their email IDs registered with the Company, the Letter of Offer alongwith Tender Form will be sent physically. However, on receipt of a request by the Registrar to the Buyback to receive a copy of Letter of Offer in physical format from such Eligible Shareholder to whom Letter of Offer and Tender Form were emailed, the same shall be sent physically.

- 20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court/ any other competent authority for transfer/ disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.4 An unregistered shareholder, holding Shares in physical form may also tender his shares for buy-back by submitting the duly executed transfer deed for transfer of shares, purchased prior to Record Date, in his name, along with the offer form, copy of his PAN card and of the person from whom he has purchased shares and other relevant documents as required for transfer, if any.
- 20.5 The Company shall comply with Regulation 24(v) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 20.6 Eligible Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also tender a part of their Buyback Entitlement. Shareholders also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall arising due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in paragraph 19 (*Process and Methodology for the Buyback*) of this Letter of Offer.

The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.

- 20.7 Eligible Shareholders will have to transfer the demat Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar, and the such tendered shares may be accepted subject to appropriate verification and validation by the Registrar.
- 20.8 As elaborated under paragraph 19.4 (b) above, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories; (a) Reserved Category for Small Shareholders and (b) the General Category for other Eligible Shareholders, and the Buyback Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- 20.9 After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in the other category.
- 20.10 The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 ("**SEBI Circulars**") as may be amended from time to time and following the procedure prescribed in NSE Circular, Companies Act, 2013 and the Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
- 20.11 The maximum Shares tendered under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.

- 20.12 For implementation of the Buyback, the Company has appointed **IDBI Capital Markets & Securities Limited** as the registered broker to the Company (the “**Company's Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:

IDBI Capital Markets & Securities Limited

3rd Floor, Mafatlal Centre, Nariman Point, Mumbai -400021

CIN: U65990MH1993GOI075578

Contact Person: Ms. Charushila Parkar

Tel: +91 (22) 4322 1212;

Fax: +91 (22) 2285 0785;

E-mail: charushila.parkar@idbicapital.com;

Website: www.idbicapital.com

SEBI Registration Number: INZ000007237

- 20.13 The Company will request NSE to provide a separate Acquisition Window to facilitate placing of sell orders by the Eligible Shareholders who wish to tender Equity Shares in the Buyback. NSE would be the Designated Stock Exchange for this Buyback Offer. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers (“**Shareholder Broker**”).

In the event Shareholder Broker(s) of Eligible Shareholder is not registered with NSE then that Eligible Shareholder can approach any NSE registered stock broker and can make a bid by using quick unique client code (UCC) facility through that NSE registered stock broker after submitting the details as may be required by that stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other NSE registered stock broker then the Eligible Shareholder may approach Company’s Broker to bid by using quick UCC facility.

- 20.13.1 The Eligible Shareholder approaching NSE registered stock broker (with whom he does not have an account) may have to submit following details:

(a) **In case of Eligible Shareholder being an Individual or HUF**

(i) If Eligible Shareholder is registered with KYC Registration Agency (“KRA”):

A. Forms required:

- Central Know Your Client (CKYC) form
- Know Your Client (KYC) form

B. Documents required (all documents self-attested):

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

(ii) If Eligible Shareholder is not registered with KRA:

A. Forms required:

- CKYC form
- KRA form
- KYC form

B. Documents required (all documents self-attested):

- PAN card copy
- Address proof
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

(b) In case of Eligible Shareholder other than Individual and HUF:

(i) If Eligible Shareholder is KRA registered:

- A. Form required:
 - KYC form
- B. Documents required (all documents certified true copy):
 - Bank details (cancelled cheque)
 - Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
 - Latest list of directors/authorised signatories/partners/trustees
 - Latest shareholding pattern
 - Board resolution
 - Details of ultimate beneficial owner along with PAN card and address proof
 - Last 2 years financial statements

(ii) If Eligible Shareholder is not KRA registered:

- A. Forms required:
 - KRA form
 - KYC form
- B. Documents required (all documents certified true copy):
 - PAN card copy of company/ firm/trust
 - Address proof of company/ firm/trust
 - Bank details (cancelled cheque)
 - Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
 - Latest list of directors/authorised signatories /partners/trustees
 - PAN card copies & address proof of directors/authorised signatories/partners/trustees
 - Latest shareholding pattern
 - Board resolution/partnership declaration
 - Details of ultimate beneficial owner along with PAN card and address proof
 - Last 2 years financial statements
 - MOA/Partnership deed /trust deed

Additionally, registered Equity Shareholders holding Equity Shares in Physical form must also provide the documents mentioned in paragraph 20.20.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

20.14 During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market.

20.15 Shareholder Broker can enter orders for demat Shares as well as physical Shares.

20.16 Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Eligible Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.

20.17 The cumulative quantity tendered shall be made available on NSE website- www.nseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.

20.18 All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

20.19 Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form

Eligible Shareholders who desire to tender their Equity Shares in the electronic/dematerialized form under the Buyback would have to do so through their respective Shareholder Broker by giving the details of Equity Shares they intend to tender under the Buyback. The Shareholder Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender their Shares in the Buyback using Acquisition Window of NSE.

Before placing the bid, the Eligible Shareholder is required to transfer the Equity Shares to the special account of the NSE Clearing Limited (“**Clearing Corporation**”), specifically created for the purpose of Buy-back Offer (“**Special Account**”) by using the early pay in mechanism prescribed by the NSE or the Clearing Corporation prior to placing the bid by the Shareholder Broker. This shall be validated by the Shareholder Broker at the time of order/bid entry. The details of the settlement number for the Buyback will be provided in a separate circular which shall be issued at the time of issue opening by Clearing Corporation. Modification/cancellation of orders will be allowed during the Tendering Period. The details of the Special Account of the Clearing Corporation shall be informed in the issue opening circular that will be issued by the NSE and/or the Clearing Corporation.

For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period (Buyback Closing Date). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“**TRS**”) generated by the exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, Number of Equity Shares tendered etc.

In case of non-receipt of the completed tender form and other documents, but receipt of Equity Shares in the accounts of the NSE Clearing Limited and a valid bid in the exchange bidding system, the bid for Buyback shall be deemed to have been accepted.

Eligible Shareholders who have tendered their Equity Shares in the Buyback may deliver the Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system either by registered post or courier or hand delivery to the Registrar to the Buyback at the address mentioned on the cover page of this Letter of Offer) not later than 2 (two) days from the Buyback Closing Date i.e. Friday, November 30, 2018 (by 05:00 p.m.). The envelope should be superscribed as “**Nalco Buyback Offer 2018**”. In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the Special Account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.

The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance.

Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian depository pool account.

Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

- i. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
- ii. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
- iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

20.20 Procedure to be followed by registered Eligible Shareholders holding Equity Shares in the Physical form

Eligible Shareholders who are holding Equity Shares in a physical form and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out. Such documents will include:

- a) The Tender Form duly signed (by all Eligible Shareholders in case Equity Shares are in joint names) in the same order in which they hold the Equity Shares.
- b) Original share certificates
- c) Valid share transfer form(s) i.e Form SH-4 duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company.
- d) Self-attested copy of the PAN Card(s) of all Eligible Shareholders.
- e) Any other relevant documents such as (but not limited to):
 - i. Duly attested Power of Attorney if any person other than the Eligible Shareholder has signed the relevant Tender Form
 - ii. Notarized copy of death certificate and legal heirship certificate / succession certificate or probated will, if the original Eligible Shareholder has deceased
 - iii. Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
- f) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof *inter alia* consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

Based on these documents, the concerned Shareholder Broker shall place a bid on behalf of the Shareholders holding Equity Shares in physical form and who wish to tender Equity Shares in the Buyback, using the acquisition window of NSE. Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip ('**TRS**') generated by the Exchange Bidding System to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., Number of Equity Shares tendered etc.

Eligible Shareholder/ Shareholder Broker, is required to deliver Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in paragraph hereinabove) either by registered post or courier or hand delivery to the Registrar to the Buyback at the address mentioned on the cover page of this Letter of Offer not later than 2 (two) days from the Closing Date i.e. Friday, November 30, 2018 (by 05:00 p.m.). The envelope should be superscribed as "**Nalco Buyback Offer 2018**". One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Eligible Shareholder/Shareholder Broker.

Eligible Shareholders holding physical shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for

Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard.

Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such verification, NSE shall display such bids as 'unconfirmed physical bids'. Once Registrar to the Buyback confirms the bids, they will be treated as 'Confirmed Bids'.

20.21 Additional requirements in respect of tenders by Non-resident shareholders

- a) While tendering their Equity Shares under the Buyback Offer, all Eligible Shareholders being Non-resident Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms (including a copy of the permission received from RBI wherever applicable). In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.
- b) FII/FPI shareholders should also enclose a copy of their SEBI registration certificate.
- c) In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose documents in support of the same. Such documents should include:
 - a copy of the permission received by them from RBI at the time of the original acquisition of Shares
 - a letter from the Eligible Shareholder's authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-Resident shareholder from the appropriate account as specified by RBI in its approval.
 - Any other document which evidences repatriability of sale proceeds in respect of the tendered Shares.

In case the Non-Resident shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Offer.

- d) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.

20.22 In case any person has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback Offer before Buyback Closing Date.

20.23 Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any Eligible Shareholder, shall not invalidate the Buyback Offer in any way. Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Tender Form downloaded from Company's website (www.nalcoindia.com) or obtain a duplicate copy of the same by writing to the Registrar to the Buyback. Please note that the Company shall accept Equity Shares validly tendered for the Buyback Offer on the basis of their holding and entitlement as appearing in the records of the Company as on the Record Date.

20.24 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or not to participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

20.25 The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback Offer.

20.26 In case of non-receipt of the Letter of Offer / Tender Form:

- a) **In case the Equity Shares are in dematerialised form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.nalcoindia.com or send an application in writing on plain paper signed by all Eligible Shareholders (in case of joint holding) stating name and address of Shareholder(s) to the Shareholder Broker, number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback.
- b) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Buyback Offer by providing an application in writing on a plain paper signed by all Eligible Shareholders (in case of joint holding) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Eligible Shareholders' PAN card(s), executed share transfer form in favour of the Company and other necessary documents. The transfer form SH-4 can be downloaded from the Company's website i.e. www.nalcoindia.com. Shareholders/Shareholder Broker must ensure that the Tender Form, along with TRS and the requisite documents, reach the Registrar to the Buyback not later than 2 (two) days from the Buyback Closing Date i.e. Friday, November 30, 2018 (by 05:00 p.m). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback, before participating in the Buyback.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or broker in the electronic platform to be made available by the Designated Stock Exchange before the Buyback Closing Date, otherwise the same are liable to be rejected.

20.27 Acceptance of orders

The Registrar shall provide details of order Acceptance to Clearing Corporation within specified timelines.

20.28 Method of Settlement

Upon finalization of the basis of acceptance as per Buyback Regulations:

- (i) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- (ii) The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement who in turn will transfer the funds for pay-in, in the settlement account of NCL, as per the settlement schedule announced by NCL.
- (iii) For Equity Shares accepted under the Buyback, the Eligible Shareholder will receive funds payout in their settlement bank account from the Clearing Corporation. If Equity Shareholders' bank account details are not available or if the fund transfer instruction is rejected by RBI or relevant bank, due to any reasons, then the amount payable to Eligible Equity Shareholders will be transferred to the Shareholder Broker's settlement account for onward transfer to the Equity Shareholder.
- (iv) In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Shareholder Broker's settlement accounts for releasing the same to their respective Shareholder's account onward. For this purpose, the client type details would be collected from the Registrar to the Buyback.

- (v) In case of bids confirmed by custodian, settlement will be released to custodians' settlement account.
- (vi) The Equity Shares bought back in the demat form would be transferred directly to the demat escrow account of the Company (the "**Demat Escrow Account**") on receipt of the Equity Shares from the clearing and settlement mechanism of the NSE.
- (vii) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation as part of the exchange payout process, not later than Wednesday, December 05, 2018. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Shareholder brokers' depository pool account for onward transfer to the respective Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian depository pool account.
- (viii) Equity Shares in Physical form, to the extent tendered but not accepted, will be returned back to the concerned Shareholders directly by Registrar to the Buyback. The Company has authorized the Registrar to split the share certificate and issue new share certificate for unaccepted Equity Shares. The Company will issue a new consolidated share certificate for all the unaccepted and excess physical shares and return the same to the sole/first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted and excess/ rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Shareholders' sole risk to the sole/first Shareholder (in case of joint Shareholders), at the address recorded with the Company.
- (ix) Clearing Corporation would settle the trades by making direct funds pay-out to the Equity Shareholders and the Shareholder Broker would issue contract note to the Eligible Shareholders tendering Equity Shares in the Buyback. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (x) Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage). The Manager to the Buyback and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
- (xi) The Equity Shares lying to the credit of the Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations and Companies Act, 2013.

20.29 Settlement of Funds/Payment Consideration

The settlements of fund obligation for dematerialised and physical Equity Shares shall be effected as per the SEBI Circulars and as prescribed by the Stock Exchange and Clearing Corporation from time to time. For Equity Shares accepted under the Buyback, the Eligible Shareholders holding Equity Shares in dematerialised form will receive funds payout in the Shareholder's bank account as provided by the Depository system from Clearing Corporation and in case of physical shares the Clearing Corporation will release the funds to the Shareholder Broker(s) as per secondary market pay out mechanism. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any issue then such funds will be transferred to the concerned Shareholder Brokers' settlement bank account for onward transfer to their respective Eligible Shareholders.

20.30 Special Account opened with the Clearing Corporation

The details of transfer of the dematerialised Equity Shares to the Special Account by trading member or custodians shall be informed in the issue opening circular that will be issued by NSE or Clearing Corporation.

20.31 Rejection Criteria

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

For Eligible Shareholders holding shares in the dematerialized form if:

- a. the Shareholder is not an Eligible Shareholder of the Company as on the Record Date; or
- b. if there is a name mismatch in the dematerialised account of the Shareholder and PAN.

For Eligible Shareholders holding Equity Shares in the physical form if:

- a. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of Friday, November 30, 2018 by 05:00 p.m.;
- b. If the share certificate of the Company is not enclosed with the Tender Form;
- c. If the transfer/ transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- d. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- e. In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.

21 NOTE ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.

IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUY BACK OF LISTED EQUITY SHARES ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

1. GENERAL

The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to taxation in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961 ("the **Income Tax Act**").

A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income or income received by such person in India. In case of shares of a Company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally

the “situs” of the shares is where company is “incorporated” and where its shares can be transferred. Accordingly, since National Aluminium Company Limited is incorporated in India, the shares of National Aluminium Company Limited would be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act. Further, the non-resident can avail the beneficial provisions of the Double Taxation Avoidance Agreement (“DTAA”) between India and the respective jurisdiction of the shareholder subject to meeting relevant conditions and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

The Income Tax Act also provides for different tax regimes/ rates applicable to the gains arising on buyback of shares, based on the period of holding, residential status and category of the shareholder, nature of the income earned, etc. The summary tax implications on buyback of listed equity shares on the stock exchange is set out below. All references to equity shares in this note refer to listed equity shares unless stated otherwise.

2. CLASSIFICATION OF SHAREHOLDERS

Based on the provisions of the IT Act, Shareholders can be classified under the following categories:

- a) Resident Shareholders being:
 - Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
 - Others
- b) Non Resident Shareholders being:
 - Non Resident Indians (NRIs)
 - Foreign Portfolio Investors (FPIs)
 - Foreign Companies
 - Others

3. CLASSIFICATION OF INCOME

Shares can be classified under the following two categories:

- a) **Shares held as investment (Profits or Gains arising from transfer taxable under the head “Capital Gains”)**
- b) **Shares held as stock-in-trade (Profits or Gains arising from transfer taxable under the head “Profits and Gains from Business or Profession”)**

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterisation of income arising from sale of shares has been a subject matter of litigation with the tax authorities. There have been various judicial pronouncements on whether gains from transactions in securities should be taxed as “business profits” or as “capital gains”. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Central Board of Direct Taxes, CBDT apex body of Income-tax has issued Circular no. 6 of 2016, as per which, if the taxpayer opts to consider the shares as stock-in-trade, the income arising from the transfer of such shares would be treated as its business income. Also, if such shares are held for a period of more than 12 months, if the taxpayer desires to treat the income arising from the transfer thereof as “capital gains”, the same shall not be disputed by Income Tax Authorities. However, the choice on characterization, once taken by the taxpayer should be consistent, and shall apply for subsequent years as well.

Further, investments by FPI in any securities in accordance with the regulations made under the Securities Exchange Board of India Act, 1992 would be treated as capital asset under the provisions of the Income Tax Act.

3.1 SHARES HELD AS INVESTMENT

As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act and would attract capital

gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act. The provisions of Income Tax Act related to buy back of shares under section 115QA in Chapter XII-DA of the Income Tax Act do not apply to shares listed on the stock exchange.

3.1.1 Period of holding

Depending on the period for which the shares are held, the gains would be taxable as 'short term capital gain' or 'long term capital gain':

- A. In respect of equity shares which are listed on a recognised Stock Exchange held for a period less than or equal to 12 months prior to the date of transfer, the same shall be treated as a 'short-term capital asset', and the gains arising therefrom shall be taxable as 'short term capital gains' ("STCG").
- B. Similarly, where equity shares listed on a recognised stock exchange and are held for a period more than 12 months prior to the date of transfer, the same shall be treated as a 'long-term capital asset', and the gains arising therefrom shall be taxable as 'long-term capital gains' ("LTCG").

3.1.2 Buyback of shares through a recognized stock exchange

Where transaction for transfer of such equity shares (i.e. buyback) is executed through a recognized stock exchange, they are liable to Securities Transaction Tax ('STT'). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security.

The taxability of buyback proceeds in the hands of the eligible shareholder would be as under:

- 3.1.2.1** As per the provisions of the Income Tax Act as amended by the Finance Act, 2018, the exemption to LTCG provided u/s. 10(38) of Income Tax Act has been withdrawn and tax is levied on LTCG exceeding Rupees 1.0 Lac in a financial year arising on transfer of listed equity shares @ 10% without allowing the benefit of indexation.

However, gains accrued on such equity shares till 31st January, 2018 have been exempted by providing that the cost of acquisition in respect of such equity shares which would be transferred on or after 1st April, 2018 shall be higher of:

- i) the actual cost of acquisition of such equity shares acquired before 1st February, 2018, or
- ii) the lower of the following:
 - a) the highest price of such equity shares quoted on the recognised stock exchange on the 31st January, 2018; and
 - b) the actual sale value of such equity shares.

However, as per a draft notification issued on 24th April, 2018, an exemption from the requirement of STT being paid at the time of acquisition of shares, is sought to be provided to certain modes of acquisition including acquisition of shares by a non-resident under the FDI policy and acquisition of unlisted shares subsequently listed on the stock exchange. Once such exceptions are notified, if acquisition is made in such specified modes, the rates specified above shall continue to apply, even if no STT was paid at the time of acquisition of the shares.

- 3.1.2.2** If STT is not paid at the time of acquisition of the shares being bought back, entire LTCG arising to the shareholder shall be subject to tax @ 10% under Section 112 of the IT Act (or 20% after claiming indexation benefit which is relevant in case of resident shareholders).
- 3.1.2.3** STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act, without any restriction on the mode of acquisition.
- 3.1.2.4** Amount of LTCG and STCG arising to resident corporate shareholders would also be included for purpose of computing Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act at the rate of 18.50%. Such MAT however would be available for offset against taxes payable by such corporate shareholders under normal tax provisions (subject to conditions). In addition to the Tax, Surcharge, Health

and Education Cess are leviable (*Please refer to Note 5 for rate of surcharge and cess*).

- 3.1.2.5 In case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under section 111A of the Income Tax Act. In addition to the above STCG tax, Surcharge, Health and Education Cess are leviable (*Please refer to Note 5 for rate of surcharge and cess*).
- 3.1.2.6 Non-resident shareholders can avail beneficial provisions of the applicable Double Taxation Avoidance Agreement ('DTAA') entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.

As an overall point, since the buyback is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax ("STT"). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the transaction value separately in the hands of the Seller and the Company.

3.2 SHARES HELD AS STOCK-IN-TRADE

If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head "Profits and Gains from Business or Profession". In such a case, the provisions of Income Tax Act regarding taxability of proceeds of buyback in hands of shareholders as mentioned under paras 3.1.2.1 to 3.1.2.6 above would not apply.

3.2.1 Resident Shareholders

- A. For individuals, HUF, AOP, BOI, profits would be taxable at slab rates
- B. Domestic Company having turnover or gross receipts not exceeding INR 250 crore of the previous year 2016-17 would be taxable @ 25%.
- C. For persons other than stated in (a) & (b) above, profits would be taxable @ 30%.

In addition to the above, Surcharge, Health and Education Cess are leviable (*Please refer to Note 5 for rate of surcharge and cess*).

No benefit of indexation by virtue of period of holding would be available in any case.

3.2.2 Non Resident Shareholders

- a) Non-resident shareholders can avail beneficial provisions of the applicable Double Taxation Avoidance Agreement ('DTAA') entered into by India with relevant country to which shareholder belongs but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.
- b) Where DTAA provisions are not applicable:
- For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
 - For foreign companies, profits would be taxed in India @ 40%
 - For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (*Please refer to Note 5 for rate of surcharge and cess*).

4. TAX DEDUCTED AT SOURCE (TDS)

4.1 In case of Resident Shareholders

In the absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

4.2 In case of Non-resident Shareholders

Since the buy-back is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder. It is therefore recommended that non-resident shareholder may consult their custodians/authorized dealers/tax advisors appropriately to compute gains (if any) and immediately pay taxes in India (either through deduction at source or otherwise) in consultation with their custodians/ authorized dealers/ tax advisors appropriately. The non-resident shareholders need to undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to the non-resident shareholders on buyback of Equity Shares by the Company. The non-resident shareholders also to provide undertaking to the Company, to provide on demand, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of Equity Shares by the Company, copy of tax return filed in India, evidence of the tax paid etc. TDS as per clause 1 (b) of Part II to First Schedule of Finance Act 2018 which deals with TDS shall be made where the person is non-resident in India, as per rates given below:

S. No.	Nature of Income	Rate of TDS
A	On any Investment Income	20%
B	On Income by way of Long term Gains referred to in section 115E or sub Clause (iii) of clause (c) of Sub section (1) section 112 of Income Tax Act	10%
C	On Income by way long term capital gain referred to in section 112A of Income Tax Act	10%
D	On other Income by way of long term Gains [not being long term capital gains referred to in clauses (33) and (36) of section 10 of Income Tax Act]	20%
E	On income by way Short term Capital gain referred to in section 111A of Income Tax Act	15%

5. RATE OF SURCHARGE AND CESS

In addition to the basic tax rate, Surcharge, Health and Education Cess are leviable as under:

5.1 Surcharge

- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rupees 10 crores and @ 7% where the total income exceeds Rupees 1 crore but upto Rupees 10 crores.
- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rupees 10 crores and @ 2% where the total income exceeds Rupees 1 crore but upto Rupees.10 crores.
- In case of Individuals, Hindu Undivided family, Association of Persons, and Body of Individuals.
- Individuals: Surcharge @15% is leviable where the total income exceeds Rupees1 crore and @ 10% where the total income exceeds Rupees 50 Lakhs but less than Rs.1 crore.
- In case of, Co-operative Societies or Local Authorities: Surcharge @ 15% is leviable where the total income exceeds 1 crore and @ 10% where total income exceeds Rupees.50.0 lakh.

* In case of Firms Surcharge @12% is leviable if income exceeds Rupees.1.0 crores.

5.2 Cess

Health and education cess @ 4% is leviable on all income taxes and surcharge, as applicable.

6. General

The above note on taxation sets out the provisions of law in a summarised manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence, shareholders should consult their own tax advisors for the tax

provisions applicable to their particular circumstances.

7. THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

22 DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Schedule I to the Buyback Regulations:

The Board of Directors made the below mentioned declaration as on the date of passing the board resolution approving the Buyback i.e. October 12, 2018:

- i. no defaults have been made or subsisting in the repayment of deposits, accepted either before or after the commencement of the Companies Act, 2013, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend to any shareholder, or repayment of term loans or interest payable thereon to any financial institutions or banks.
- ii. it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:
 - a. immediately following the date of the Board Meeting held on Friday, October 12, 2018 and the date of this Letter of Offer, there will be no grounds on which the Company can be found unable to pay its debts;
 - b. as regards the Company's prospects for the year immediately following the date of the Board Meeting and the date of this Letter of Offer, having regard to the Board's intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will in the Board's view be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback and within a period of one year from the date of this Letter of Offer, as the case may be.
 - c. in forming an opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, as the case may be, including prospective and contingent liabilities.

This declaration is made and issued by the Board of Directors in terms of the resolution passed at its meeting held on October 12, 2018.

Certified True Copy of the resolution
National Aluminium Company Limited

Sd/-
(Nayan Kumar Mohanty),
Company Secretary

23 AUDITOR'S CERTIFICATE

Report addressed to the Board of Directors by the Company's Auditor on the permissible capital payment and the opinion formed by directors regarding insolvency:

The text of the report dated October 12, 2018 received from the Statutory Auditors of the Company viz.

M/s. Guha Nandi & Co. and M/s. Patro & Co., Chartered Accountants, addressed to the Board of Directors of the Company is reproduced below:

Quote:

AUDITOR'S REPORT
(As prescribed in the Clause (xi) of Schedule I of the SEBI Buyback Regulations)

To
The Board of Directors
National Aluminium Company Limited
(A Govt. of India Enterprise)
Nalco Bhawan
Plot No. P/1, Nayapalli
Bhubaneswar, 751013

Dear Sirs,

Sub: Proposed buyback of Equity Shares not exceeding 10% of the aggregate of equity share capital and free reserves as at March 31, 2018, on a proportionate basis (the "Buyback"), from the Eligible Shareholders by way of a tender offer through the stock exchange mechanism by National Aluminium Company Limited (the "Company").

We, M/s Guha Nandi & Co. and Patro & Co., Chartered Accountants, the Statutory Auditors of the Company, have been informed that the Board of Directors of the Company in their meeting held on 12th October, 2018 have decided to buyback 6,73,11,386 nos. of Company's fully paid up equity shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 at a price of Rs. 75.00 (Rupees Seventy Five Only) per equity share. In terms of the requirements of Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (hereinafter referred to as Buyback Regulations), we confirm as under:

- (i) We have inquired into the state of affairs of the Company in relation to its last standalone audited accounts for the year ended March 31, 2018, as approved by the Board of Directors in the meeting held on 26th May, 2018.
- (ii) The amount of permissible capital payment towards buy back of equity shares (including premium) as ascertained below in our view has been properly determined in accordance with Section 68(2) of the Companies Act, 2013:

Particulars	Amount (in Rs.)
Paid up equity share capital and free reserves as at March 31, 2018 based on audited standalone financial statements of the Company as at the year ended March 31, 2018	
Issued, subscribed and fully paid up equity shares:	
Equity Shares of Rs.5 each, fully paid up	966,46,44,420
Total- A	966,46,44,420
Free Reserves¹	
General reserve	8620,41,47,743
Retained Earnings	509,82,87,656
Securities premium account	0
Total- B	9130,24,35,399
Total C= A+B	10096,70,79,819
Maximum amount permissible for the Buy-back i.e. 10% of the aggregate fully paid-up equity share capital and free reserves	1009,67,07,982

Note 1: Retained earnings as on 31.03.2018 is exclusive of balance of Other Comprehensive Income of Rs. 85,95,06,758 as on that date but inclusive of Final Dividend for 2017-18 and Dividend Distribution Tax thereon aggregating to Rs. 233,02,48,105, paid subsequent to 31.03.2018.

- (iii) Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on 12th October, 2018, is unreasonable in any of the circumstances in the present context.
- (iv) The Board of Directors in their meeting held on 12th October, 2018, have formed the opinion in terms of Clause (xi) of Schedule I of the Buyback Regulations, on reasonable grounds that the Company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date.

The compliance with the provisions of the Companies Act, 2013 and Buyback Regulations is the responsibility of the Company's management. Our responsibility is to report on the amount of permissible capital for the buyback and report that the audited accounts on the basis of which calculation with reference to buyback is done and read the resolution of the Board of Directors for the meeting held on 12th October, 2018 referred to in paragraph (i) and (iv) above.

This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in Public Announcement and Draft Letter of Offer/ Letter of Offer to be dispatched to the shareholders and filed with various regulatory agencies and providing to parties including the Manager to the offer, in connection with buyback of 6,73,11,386 nos. of fully paid up equity shares, in pursuance of provisions of section 68, 69 and 70 of the Companies Act, 2013, Buyback Regulations and should not be used for any other purpose or by any other person.

For M/s Guha Nandi & Co
Chartered Accountants
Firm Registration Number: 302039E

For M/s Patro & Co
Chartered Accountants
Firm Registration Number: 310100E

(CA B K Sarawagi)
Membership Number: 054894

(CA Rajendra Patro)
Membership Number: 019423

Place: Bhubaneswar

Date: 12th October, 2018

Unquote:

24 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by the shareholders of NALCO at the Registered Office: National Aluminium Company Limited, NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar – 751 013, Odisha from 10.00 a.m. to 5.00 p.m. on any day, except Saturdays, Sundays and public holidays, upto the date of closure of the Buyback.

- i. Copy of the Certificate of Incorporation;
- ii. Memorandum and Articles of Association of National Aluminium Company Limited;
- iii. Copy of the annual reports of National Aluminium Company Limited for the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 and limited reviewed un-audited financials for the three months ended June 30, 2018;
- iv. Copy of the resolution passed by the Board of Directors at the meeting held on October 12, 2018 approving proposal for Buyback;

- v. Copy of Report dated October 12, 2018 received from M/s. Guha Nandi & Co. and M/s. Patro & Co., Chartered Accountants, the Statutory Auditors of the Company, in terms of clause (xi) of Schedule I of the Buyback Regulations;
- vi. Copy of Declaration of solvency and an affidavit verifying the same in Form SH-9, as prescribed under Section 68(6) of the Companies Act;
- vii. SEBI Comments vide letter no. SEBI/HO/CFD/DCR2/OW/P/2018/30902 dated November 05, 2018;
- viii. Copy of Escrow Agreement dated October 23, 2018 amongst National Aluminium Company Limited, ICICI Bank Limited, and SBI Capital Markets Limited;
- ix. Copy of the certificate from M/s. Guha Nandi & Co. and M/s. Patro & Co., Chartered Accountants, the Statutory Auditors of the Company, dated October 16, 2018 certifying that the Company has adequate funds for the purposes of Buyback;
- x. Copy of Public Announcement dated October 15, 2018 published in the newspapers on October 16, 2018 regarding Buyback of Equity Shares; and
- xi. Opinion dated October 23, 2018 obtained by the Company on taxation.

25 DETAILS OF THE COMPLIANCE OFFICER

Nayan Kumar Mohanty

Company Secretary
National Aluminium Company Limited
Nalco Bhawan, Plot No. P/1, Nayapalli,
Bhubaneswar -751013,
Odisha, India
Tel: +91 (0674) 2300 677
Fax: +91 (0674) 2300 677
Email: company_secretary@nalcoindia.co.in

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 a.m. and 5:00 p.m. on all working days except Saturday, Sunday and Public holidays

26 DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buyback and/or Registrar to the Buyback for redressal.

If the Company makes any default in complying with the provisions of Section 68, 69, 70 of the Companies Act, 2013 or rules made thereunder, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013.

The address of the concerned office of the Registrar of Companies is as follows:

The Registrar of Companies (Cuttack)
Corporate Bhawan, 3rd Floor,
Plot No. 9 (P), Sector-1,
CDA, Cuttack-753014, Odisha

27 DETAILS OF INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar & Transfer Agent on any day except Saturday, Sunday and Public holidays between 10:00 a.m. and 05:00 p.m. at the following address:



KARVY COMPUTERSHARE PRIVATE LIMITED
Karvy Selenium Tower B, Plot No. 31-32,

Gachibowli, Financial District, Nanakramguda,
Hyderabad- 500 032

Contact Person: M. Murali Krishna

Tel: +91 (040) 6716 2222

Fax: +91 (040) 2343 1551

E-mail: nalcobuyback2018@karvy.com;

Website: www.karisma.karvy.com;

SEBI Registration Number: INR000000221

Validity Period: Permanent Registration

CIN: U72400TG2003PTC041636

28 DETAILS OF THE MANAGER TO THE BUYBACK



SBI CAPITAL MARKETS LIMITED

202, Maker Tower E, Cuffe Parade

Mumbai 400 005

Contact person: Mr. Aditya Deshpande

Tel: + 91 (22) 2217 8300

Fax: +91 (22) 2218 8322

Email: nalcobuyback2018@sbicaps.com

Website: www.sbicaps.com

SEBI Registration Number: INM000003531

Validity Period: Permanent

CIN: U99999MH1986PLC040298

29 DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THIS LETTER OF OFFER

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Letter of Offer and confirm that the information in this Letter of Offer contain true, factual and material information and does not contain any misleading information. This Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through Resolution passed by the Buyback Committee at its meeting held on Tuesday, November 06, 2018.

For and on behalf of the Board of Directors of
National Aluminium Company Limited

Sd/-

Sd/-

Sd/-

Dr. Tapan Kumar Chand
Chairman cum Managing Director
(DIN: 01710900)

Shri V. Balasubramanyam,
Director (Production)
(DIN: 06965313)

Shri Sridhar Patra
Director (Finance)
(DIN: 06500954)

Date: November 06, 2018

Place: Bhubaneshwar