

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 of National Aluminium Company Limited (the "Company") as on the Record Date in accordance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended and subsequent amendments thereof. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Buyback Offer (SBI Capital Markets Limited) or the Registrar to the Buyback Offer (Karvy Computershare Private Limited). Please refer to the section on 'Definitions' for the definition of the capitalized terms used herein.



NATIONAL ALUMINIUM COMPANY LIMITED

Registered & Corporate Office: NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751013, Odisha

CIN: L27203OR1981GOI000920

Contact Person: Shri K. N. Ravindra, ED-Company Secretary and Compliance Officer

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CASH OFFER FOR BUYBACK OF NOT EXCEEDING 64,43,09,628 (SIXTY FOUR CRORE FORTY THREE LAKH NINE THOUSAND SIX HUNDRED AND TWENTY EIGHT) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹ 5 EACH, REPRESENTING 25% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY AS ON MARCH 31, 2015, FROM ALL THE EXISTING SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE i.e. FRIDAY, JULY 29, 2016 ON A PROPORTIONATE BASIS, THROUGH THE "TENDER OFFER" PROCESS AT A PRICE OF ₹ 44 (RUPEES FORTY FOUR ONLY) PER EQUITY SHARE FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING ₹ 2834,96,23,632 (RUPEES TWO THOUSAND EIGHT HUNDRED THIRTY FOUR CRORE NINETY SIX LAKHS TWENTY THREE THOUSAND SIX HUNDRED THIRTY TWO ONLY)

- 1) The Buyback is in accordance with the provisions contained in Article 29A of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, Regulation 4(1)(a) and other applicable provisions contained in the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, 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 etc.
- 2) The Buyback Offer Size represents 22.15% of the aggregate of the fully paid-up share capital and free reserves, as per the audited accounts of the Company for the financial year ended March 31, 2015 (the last audited standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the statutory limits of 25% of the aggregate of the fully paid up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2015.
- 3) The Letter of Offer is sent to the Eligible Shareholders as on the Record Date i.e. Friday, July 29, 2016.
- 4) The procedure for acceptance is set out in paragraph 20 (*Procedure for Tender Offer and Settlement*) on page 33 of this Letter of Offer. The Tender Form is enclosed together with this Letter of Offer.
- 5) For mode of payment of cash consideration to the Eligible Shareholders, please refer to paragraph 20.28 (*Method of Settlement*) on page 38 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) is expected to be available on the website of SEBI - <http://www.sebi.gov.in>.
- 7) Eligible Shareholders are advised to refer to paragraph 17 (*Details of Statutory Approvals*) on page 28 of this Letter of Offer and paragraph 21 (*Note on Taxation*) on page 39 of this Letter of Offer before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: TUESDAY, AUGUST 30, 2016

BUYBACK CLOSING ON: WEDNESDAY, SEPTEMBER 14, 2016

(LAST DATE/ TIME OF RECEIPT OF COMPLETED APPLICATIONS FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR: FRIDAY, SEPTEMBER 16, 2016 by 5.00 P.M.)

MANAGER TO THE BUYBACK OFFER



SBI CAPITAL MARKETS LIMITED

202, Maker Tower E, Cuffe Parade Mumbai 400 005

Contact person: Aditya Deshpande

Tel: +91 (22) 2217 8300

Fax: +91 (22) 2218 8332

Email: nalcobuyback@sbicaps.com

Website: www.sbicaps.com

SEBI Registration No.: INM000003531

Validity Period: Permanent Registration

CIN: U99999MH1986PLC040298

REGISTRAR TO THE BUYBACK OFFER



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: nalgo.buyback@karvy.com;

Website: www.karvycomputershare.com;

SEBI Registration Number: INR000000221

Validity Period: Permanent Registration

CIN: U72400TG2003PTC041636

TABLE OF CONTENTS

Sl. No.	Content	Page No.
1	Schedule of the Activities of the Buyback Offer	3
2	Definition of Key Terms	4
3	Disclaimer Clause	6
4	Text of the Resolution passed at the Board Meeting	8
5	Details of Public Announcement	12
6	Details of the Buyback	12
7	Authority for the Buyback	13
8	Necessity of the Buyback	14
9	Management Discussion and Analysis of the likely impact of Buyback on the Company	14
10	Basis of Calculating Buyback Price	17
11	Sources of Funds for the Buyback	17
12	Details of the Escrow Account and the Amount to be deposited therein	18
13	Capital Structure and Shareholding Pattern	18
14	Brief Information about the Company	19
15	Financial Information about the Company	26
16	Stock Market Data	27
17	Details of Statutory Approvals	28
18	Details of Registrar to the Buyback Offer	29
19	Process and Methodology for the Buyback	29
20	Procedure for Tender Offer and Settlement	33
21	Note on Taxation	39
22	Declaration by the Board of Directors	42
23	Auditors Certificate	43
24	Documents for Inspection	45
25	Details of Compliance Officer	45
26	Details of the remedies available to the Shareholders/ Beneficial Owners	45
27	Details of Investor Service Centre	46
28	Details of Manager to the Buyback Offer	46
29	Declaration by the Directors regarding authenticity of the information in the Letter of Offer	46
	Tender Form for Demat Shareholders	
	Tender Form for Physical Shareholders	

1 SCHEDULE OF THE ACTIVITIES OF THE BUYBACK OFFER

Activity	Date	Day
Date of Board Meeting approving the proposal of the Buyback	May 25, 2016	Wednesday
Date on which the result of the postal ballot through which the Shareholders approved the Buyback was declared	July 14, 2016	Thursday
Date of Public Announcement for Buyback	July 16, 2016	Saturday
Date of publication of the Public Announcement for the Buyback	July 18, 2016	Monday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	July 29, 2016	Friday
Date of Opening of the Buyback Offer	August 30, 2016	Tuesday
Date of Closing of the Buyback Offer	September 14, 2016	Wednesday
Last date of receipt of the completed Tender Forms and other specified documents including physical Equity Share certificates by the Registrar	September 16, 2016	Friday
Last date of verification of Tender Forms by the Registrar	September 19, 2016	Monday
Last date of intimation regarding acceptance / non- acceptance of tendered Equity Shares by the Registrar	September 20, 2016	Tuesday
Last date of settlement of bids on the Stock Exchanges	September 21, 2016	Wednesday
Last date of dispatch of share certificate(s) by RTA/ payment to shareholders/ return of unaccepted demat shares by Stock Exchanges to Shareholder Broker/ Eligible Shareholders	September 21, 2016	Wednesday
Last date of extinguishment of Equity Shares	September 26, 2016	Monday

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 or policies shall be to such legislation, act, regulation, rules, guidelines or policies 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 Recognised Stock Exchanges in the form of a separate window in accordance with the SEBI Circular
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 Eligible Equity Shares
Articles/ AOA	Articles of Association of the Company
Board Meeting	Meeting of the Board of Directors held on May 25, 2016 approving the proposal for the Buyback Offer
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)
BSE	BSE Limited
Buyback/ Buyback Offer / Offer/ Buyback Offer Size	Buyback of not exceeding 64,43,09,628 (Sixty Four Crore Forty Three Lakh Nine Thousand Six Hundred and Twenty Eight) Equity Shares at a price of ₹ 44 (Rupees Forty Four) per Equity Share for an aggregate consideration not exceeding ₹ 2834,96,23,632 (Rupees Two Thousand Eight Hundred Thirty Four Crore Ninety Six Lakhs Twenty Three Thousand Six Hundred Thirty two 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 Circular
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 May 25, 2016
Buyback 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, September 14, 2016
Buyback Opening Date	Tuesday, August 30, 2016
Buyback Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended from time to time
CDSL	Central Depository Services (India) Limited
Company/NALCO/ "we"	National Aluminium Company Limited, unless the context states otherwise
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 Markets & Securities Limited (Formerly known as "IDBI Capital Market Services Limited")
CPSE	Central Public Sector Enterprise
Depositories	Collectively, NSDL and CDSL
Designated Stock Exchange	The designated stock exchange for the Buyback, being, BSE
DIN	Director Identification Number

Term	Description
Draft Letter of Offer/ Offer Document/ DLoF	The draft letter of offer dated July 23, 2016 filed with SEBI through the Manager to the Buyback Offer, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations
DP	Depository Participant
DTAA	Double Taxation Avoidance Agreement
Eligible Equity Shares	Eligible Equity Shares means the lower of: (i) Total number of Equity Shares held by an Eligible Shareholder as on the Record Date; or (ii) Total number of Equity Shares tendered by an Eligible Shareholder.
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)	All shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. Friday, July 29, 2016
Escrow Account	The escrow account titled “NATIONAL ALUMINIUM COMPANY LIMITED- Buyback Escrow A/c” opened with the Escrow Agent in terms of the Escrow Agreement
Escrow Agent	ICICI Bank Limited
Escrow Agreement	The escrow agreement dated July 16, 2016 entered into between the Company, Escrow Agent and the Manager
FCNR	Foreign Currency Non Resident account
FDI	Foreign Direct Investment
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
HUF	Hindu Undivided Family
Income Tax Act	Income-tax Act, 1961, as amended
Letter of Offer	This Letter of Offer dated August 23, 2016 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 Offer / SBICAP	SBI Capital Markets Limited
NECS	National Electronic Clearing Service
NEFT	National Electronic Funds Transfer
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s), FPI(s) and erstwhile OCBs
NRE	Non Residents External
NRI	Non Resident Indian
NSE	National Stock Exchange of India Limited
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 its closure (both days inclusive)
Offer Price / Buyback Offer Price/ Buyback Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹ 44 (Rupees Forty Four only) per Equity Share, payable in cash
PAN	Permanent Account Number
Promoter	President of India, acting through Ministry of Mines, Government of India
Public Announcement / PA	The public announcement, made in accordance with the Buyback Regulations, dated July 16, 2016, which was published on July 18, 2016 in all editions of the Financial Express (English National daily),

Term	Description
	Jansatta (Hindi National daily) and in Bhubaneswar edition of Samaya (Regional Language daily)
Ratio of Buyback	The ratio of the Buyback: (i) in case of Small Shareholders, 1 (One) Equity Shares for every 1 (One) Equity Shares held by such Small Shareholder on the Record Date; and (ii) for Eligible Shareholders other than Small Shareholders, 6 (Six) Equity Shares for every 25 (Twenty Five) 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, July 29, 2016
Registrar to the Buyback Offer/ Registrar	Karvy Computershare Private Limited
SEBI	Securities and Exchange Board of India
SEBI Circular	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
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
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 BSE and/or 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 two lakh rupees, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. Friday, July 29, 2016
STCG	Short-term Capital Gains
Stock Exchanges/ Recognised 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)(o) of the Buyback Regulations
TRS	Transaction Registration Slip
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 this 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 Offer, 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 the 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 this Letter of Offer, the Manager to the Buyback Offer 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 Offer, SBI Capital Markets Limited has furnished to SEBI a due diligence Certificate dated July 25, 2016 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 dated July 16, 2016 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, 1998, 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 the 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.

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, 1956 (or any re-enactment or replacement thereof), Companies Act, 2013, Buyback Regulations and other applicable laws and regulations.

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 US Persons as such term is defined in Regulations of the US 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, 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 does not in any way constitute an offer to sell or an invitation to 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.

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 May 25, 2016. The extracts of the minutes of the Board Meeting are as follows:

“RESOLVED THAT subject to the Articles of Association of the Company, as amended and the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the “Companies Act”), and in accordance with Companies (Share Capital and Debentures) Rules, 2014 (the “Share Capital Rules”) to the extent applicable, and in compliance with the, Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the “**Buyback Regulations**”), and any statutory modification(s) or re-enactment thereof, for the time being in force and, subject to the approval of shareholders by postal ballot or e-voting and also such other approvals, permissions and sanctions of Securities and Exchange Board of India (“**SEBI**”), Registrar of Companies, Cuttack, Orissa (the “**ROC**”) and/ or other authorities, institutions or bodies (the “**Appropriate Authorities**”), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed 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 ₹ 5 each not exceeding 64,43,09,628 (Sixty Four Crore Forty Three Lakh Nine Thousand Six Hundred and Twenty Eight) equity shares (representing 25% of the total number of equity shares in the paid-up share capital of the Company) at a price of ₹ 44/- (Rupees Forty Four only) per equity share (the “**Buy Back Offer Price**”) payable in cash for an aggregate consideration not exceeding ₹ 2834,96,23,632/- (Rupees Two Thousand Eight Hundred Thirty Four Crores Ninety Six Lakhs Twenty Three Thousand Six Hundred Thirty Two Only) (the “**Buyback Offer Size**”) being 22.15%, which is not exceeding 25% of the aggregate of the fully paid-up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2015 from the equity shareholders of the Company, as on the record date, 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 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.

RESOLVED FURTHER THAT such Buyback may be made out of the Company’s free reserves and / or such other sources as may be permitted by law 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 prescribed under proviso to Regulation 6 of the Buyback Regulations.

RESOLVED FURTHER THAT Company has complied and shall continue to comply with Section 70 of the Companies Act, 2013 wherein:

- a) It 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, 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, 2013.

RESOLVED FURTHER THAT confirmation is hereby made by the Board of Directors 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 has noted that the Company shall not issue and allot any equity shares including by way of bonus or convert any outstanding ESOPs/ outstanding instruments into equity shares, till the date of closure of this Buyback;
- d) the Company shall not buy back its 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;
- e) that the aggregate consideration for Buyback not exceeding ₹ 2834,96,23,632/- (Rupees Two Thousand Eight Hundred Thirty Four Crores Ninety Six Lakhs Twenty Three Thousand Six Hundred Thirty Two only), does not exceed 25% of the aggregate of the fully paid-up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2015 (the last audited financial statements available as on the date of the Board meeting);
- f) that the maximum number of equity shares proposed to be purchased under the Buyback i.e. 64,43,09,628 (Sixty Four Crores Forty Three Lakhs Nine Thousand Six Hundred and Twenty Eight) equity shares, does not exceed 25% of the total number of equity shares in the paid-up share capital of the Company;
- g) the ratio of the aggregate of secured and unsecured debts owed by the Company will not be more than twice the paid-up capital and free reserves after the Buyback as prescribed under the Companies Act, 2013 and rules made thereunder;
- h) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 2013, as on date.

RESOLVED FURTHER THAT as required by Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buyback Regulations, the Board hereby confirms that the Board of Directors have 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, and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the provisions of Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified), as the case may be, the Board of Directors has formed an opinion that:

- a) Immediately following the date of this Board meeting and the date on which the results of the Postal Ballot/ E-voting will be declared, 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 this Board meeting as well as for the year immediately following the date on which the results of the Postal Ballot/ E-voting will be declared approving the Buyback, 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 and the date on which the results of the Postal Ballot/ E-voting will be declared; and
- 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, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified), as the case may be, including prospective and contingent liabilities.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders including the Promoter(s) 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 out of 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 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 Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback.

RESOLVED FURTHER THAT 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 draft of the Declaration of Solvency prepared in the prescribed form, placed before the meeting be and is hereby approved and Dr. Tapan Kumar Chand, Chairman cum Managing Director and Shri Krushna Chandra Samal, Director (Finance) be and are hereby authorized to finalise and sign the same, for and on behalf of the Board, and Shri K. N Ravindra, ED- Company Secretary be and is hereby authorised to file the same with the ROC and the SEBI.

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

RESOLVED FURTHER THAT as per the provisions of Section 68(8) of the Companies Act, 2013, the Company will not issue same kind of shares or other specified securities within a period of 6 months after the completion of the Buyback except by way of bonus shares or equity shares issued in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

RESOLVED FURTHER THAT as per the provisions of regulation 19(f) of Buyback Regulations, the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations.

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, 2013 and Buyback Regulations.

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 a Committee be and is hereby constituted ("Buyback Committee") comprising of Chairman cum Managing Director, Director (Projects & Technical) and Director (Finance), 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, including but not limited to:

- a) finalizing the terms of buyback like the mechanism for the buyback, record date, 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;
- b) to enter into escrow arrangements as may be required in terms of the Buyback Regulations;
- c) 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;
- d) preparation, signing and filing of public announcement, the draft letter of offer/ letter of offer with the SEBI, ROC, the stock exchanges and other Appropriate Authority;

- e) 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;
- f) 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 Board, as required under applicable law;
- g) 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;
- h) to 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.
- i) sign, execute and deliver such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient 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 documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other Appropriate Authorities.
- j) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law.
- k) 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.
- l) to sub-delegate all or any of the authorisations conferred on them to any Director(s)/ Officer(s)/ Authorized Signatory(ies)/ Representative(s) of the Company.
- m) to 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) to 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.

RESOLVED FURTHER THAT the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be any two members.

RESOLVED FURTHER THAT in terms of Regulation 19(3) of the Buyback Regulations, Shri K. N Ravindra, ED-Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback.

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 Buy Back Committee to buyback any shares and / or impair any power of the Company or the Board or the Buy Back Committee to terminate any process in relation to such buyback, if so permissible by 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 authorised to authenticate the entries made in the said register.

RESOLVED FURTHER THAT any of the Directors of the Company and /or the Company Secretary for the time being, be and are hereby severally authorized to file necessary e-forms with the Registrar of Companies, Cuttack, Orissa and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

5 DETAILS OF PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 8(1) of the Buyback Regulations, the Company has made a Public Announcement dated July 16, 2016 in relation to the Buyback which was published on July 18, 2016 in the following newspapers. The Public Announcement was issued within two working days from the date of the Shareholder's approving the Buyback, by special resolution through postal ballot, the result of which was declared on July 14, 2016:

Publication	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Samaya	Odia	Bhubaneswar edition

The Public Announcement is available on the SEBI website at www.sebi.gov.in

6 DETAILS OF THE BUYBACK

The Board of Directors of National Aluminium Company Limited on May 25, 2016 passed a resolution to buyback equity shares of the Company and sought approval of shareholders, by a special resolution, through postal ballot notice dated May 25, 2016, the results of which were announced on July 14, 2016. Through the postal ballot, the shareholders of the Company have approved, by way of special resolution, the Buyback of not exceeding 64,43,09,628 (Sixty Four Crore Forty Three Lakh Nine Thousand Six Hundred and Twenty Eight) fully paid-up equity shares of face value ₹ 5 each from all the existing shareholders/ beneficial owners of Equity Shares of the Company, on a proportionate basis, through the **"Tender Offer"** process, at a price of ₹ 44 (Rupees Forty Four) per Equity Share payable in cash, for an aggregate maximum amount of ₹ 2834,96,23,632 (Rupees Two Thousand Eight Hundred Thirty Four Crore Ninety Six Lakhs Twenty Three Thousand Six Hundred Thirty Two Only).

The Buyback is in accordance with the provisions contained in the Article 29A of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended, the Companies (Share Capital and Debentures) Rules, 2014 (the **"Share Capital Rules"**), the Companies (Management and Administration) Rules, 2014, (the **"Management Rules"**) and the provisions contained in the Buyback Regulations.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE and NSE.

The Buyback Offer Size represents 22.15% of the aggregate of the fully paid-up share capital and free reserves, as per the audited accounts of the Company for the financial year ended March 31, 2015 (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 25% of the total fully paid up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2015. The maximum number of Equity Shares proposed to be bought back represents not exceeding 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 said Buyback will not exceed ₹ 2834,96,23,632 (Rupees Two Thousand Eight Hundred Thirty Four Crore Ninety Six Lakhs Twenty Three Thousand Six Hundred Thirty Two Only), and is within permitted limits.

The Buyback will be met out of fixed deposits of the Company lying with the bank. 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, 2013, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback.

The Buyback Offer Price of ₹ 44 per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares of the Company on 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. The Buyback Offer Price of ₹ 44 (Rupees Forty Four only) per

Equity Share represents a premium of 10.06% over the average of the volume weighted average price of the Equity Shares on NSE for a period of 2 weeks, 60 trading days, 3 months, 6 months and one year preceding the date of intimation i.e. May 20, 2016 to the Recognized Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

The Buyback shall be on a proportionate basis from all the Shareholders of the Company through the “**Tender Offer**” process, as prescribed under Regulation 4(1)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified in SEBI Circular.

The Buyback Offer Size does not include any other expenses incurred or to be incurred for the Buyback like SEBI filing fees, stock exchanges fees, advisors fees, Public Announcement publication expenses, printing & dispatch expenses and other incidental & related expenses.

The aggregate shareholding of the Promoter as on the date of publication of Public Announcement (i.e. July 18, 2016) is as follows:

S. No.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
1.	President of India acting through Ministry of Mines, Government of India	2,08,57,82,622	2,08,57,82,622	80.93

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 mentioned above has expressed its intention, vide its letter dated May 25, 2016 to participate in the Buyback and tender an aggregate of 64,43,09,628 (Sixty Four Crores Forty Three Lakhs Nine Thousand Six Hundred and Twenty Eight) Equity Shares, as follows:

S. No.	Name	Equity Shares held as on May 25, 2016	Equity Shares intended to be offered in the Buyback
1.	President of India acting through Ministry of Mines, Government of India	2,08,57,82,622	64,43,09,628

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 80.93% holding in the total paid-up equity share capital and voting rights of the Company. The Promoter of the Company is already in control over the Company and therefore such increase/decrease in voting rights of the Promoters 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 19.07% of the post Buyback equity share capital of the Company. Even, in case of an increase in the non-promoter shareholding, post Buyback, the non-promoter shareholding, may still fall short of the minimum public shareholding as per the listing conditions/ SEBI Listing Regulations. However, the Company shall achieve the minimum level of public shareholding as specified in Rule 19(2) and/ or Rule 19A of Securities Contracts (Regulation) Rules, 1957 within the timeframe as prescribed in Securities Contracts (Second Amendment) Rules, 2014, notification dated August 22, 2014.

7 AUTHORITY FOR THE BUYBACK

The Buyback is in accordance with the provisions contained in the Article 29A of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended, the Share Capital Rules, the Management Rules and the provisions contained in the Buyback Regulations.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE and NSE.

The Board of Directors at their meeting on May 25, 2016 passed a resolution approving buyback of Equity Shares of the Company and sought approval of Shareholders, by a special resolution, through postal ballot notice dated May 25, 2016, the results of the postal ballot were announced on July 14, 2016. The Shareholders of the Company have approved the Buyback by way of a special resolution, through the postal ballot as aforesaid.

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 Wednesday, the 25th May, 2016, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ended March 31, 2015 and considering these, the Board decided to allocate a sum of ₹ 2834,96,23,632 (Rupees Two Thousand Eight Hundred Thirty Four Crore Ninety Six Lakhs Twenty Three Thousand Six Hundred Thirty Two 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 64,43,09,628 (Sixty Four Crores Forty Three Lakhs Nine Thousand Six Hundred and Twenty Eight) Equity Shares (representing 25% of the total number of Equity Shares in the paid-up share capital of the Company) at a price of ₹ 44 per Equity Share for an aggregate consideration of ₹ 2834,96,23,632 (Rupees Two Thousand Eight Hundred Thirty Four Crore Ninety Six Lakhs Twenty Three Thousand Six Hundred Thirty Two 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 for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder”;
- iii. The Buyback may 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 to the extent of 100%, the funds deployed by the Company towards the Buyback would be ₹ 2834,96,23,632 (Rupees Two Thousand Eight Hundred Thirty Four Crore Ninety Six Lakhs Twenty Three Thousand Six Hundred Thirty Two only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.
- 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 Buy-back 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 has the option to participate in the Buyback. In this regard, the Promoter has expressed its intention, vide its letter dated May 25, 2016, to participate in the Buyback and tender an aggregate of 64,43,09,628 (Sixty Four Crore Forty Three Lakh Nine Thousand Six Hundred and Twenty Eight) Equity Shares. The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.4 Since the entire shareholding of the Promoter is in the demat mode, the details of the date and price of acquisition/ sale of entire Equity Shares that the Promoter has acquired/sold till date as per the information provided by the Promoter vide its letter dated May 25, 2016, are set-out below:

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
February 10, 1981	4,70,000	47,00,00,000	Allotment for cash
May 6, 1981	50,000	5,00,00,000	Allotment for cash
October 23, 1981	50,000	5,00,00,000	Allotment for cash
December 30, 1981	1,00,000	10,00,00,000	Allotment for cash
March 31, 1982	4,55,000	45,50,00,000	Allotment for cash
May 17, 1982	28,452	2,84,52,000	Allotment for cash
July 26, 1982	2,40,000	24,00,00,000	Allotment for cash
October 30, 1982	3,50,000	35,00,00,000	Allotment for cash
January 31, 1983	40	40,000	Allotment for cash
May 7, 1983	1,25,000	12,50,00,000	Allotment for cash
August 26, 1983	5,75,000	57,50,00,000	Allotment for cash
May 14, 1984	5,00,000	50,00,00,000	Allotment for cash
March 27, 1985	5,00,000	50,00,00,000	Allotment for cash
June 4, 1985	2,58,300	25,83,00,000	Allotment for cash
July 31, 1985	1,36,000	13,60,00,000	Allotment for cash
October 9, 1985	4,60,000	46,00,00,000	Allotment for cash
December 31, 1985	10,68,700	106,87,00,000	Allotment for cash
March 18, 1986	16,24,300	162,43,00,000	Allotment for cash
May 19, 1986	4,00,000	40,00,00,000	Allotment for cash
June 13, 1986	2,10,000	21,00,00,000	Allotment for cash
August 7, 1986	3,02,500	30,25,00,000	Allotment for cash
October 27, 1986	8,90,000	89,00,00,000	Allotment for cash
December 22, 1986	6,00,000	60,00,00,000	Allotment for cash
February 17, 1987	6,16,400	61,64,00,000	Allotment for cash
April 10, 1987	4,00,000	40,00,00,000	Allotment for cash
June 25, 1987	9,66,500	96,65,00,000	Allotment for cash
August 11, 1987	2,55,000	25,50,00,000	Allotment for cash
November 20, 1987	4,50,000	45,00,00,000	Allotment for cash
February 2, 1988	2,00,000	20,00,00,000	Allotment for cash
March 26, 1988	50,000	5,00,00,000	Allotment for cash
July 18, 1988	5,55,000	55,50,00,000	Allotment for cash
FY 1991-1992	(350,99,800)	(46,09,52,145)	Disinvestment (Note 1)
FY 1992-1993	(1298,85,000)	(442,39,28,800)	Disinvestment
FY 1993-1994	(30,000)	(9,60,000)	Disinvestment
FY 1994-1995	(6,05,030)	(96,84,480)	Disinvestment
FY 1998-1999	5614,99,635	-	Note 2
FY 2010-2011	22459,98,540	-	Note 3
FY 2012-2013	(1569,38,918)	(628,53,26,563)	Offer for Sale through Stock Exchange
FY 2013-2014	(32,77,000)	(12,45,26,000)	Offer for Sale through Stock Exchange to Employees
Total Current Holding	208,57,82,622		

Note:

- 1) 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.
- 2) 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) 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 that the Promoter i.e. President of India acting through Ministry of Mines, Government of India, tenders 64,43,09,628 Equity Shares in the Buyback (in accordance with the declaration provided by them) and if

- All the public Shareholders participate upto their entitlement (full acceptance), then the aggregate shareholding of the Promoter, post Buyback may increase from the existing 80.93% to 81.99% and the aggregate shareholding of the public in the Company shall decrease from the existing 19.07% to 18.01% of the post Buyback equity share capital of the Company; or
- None of the public shareholders participate, then the aggregate shareholding of the Promoter, post Buyback will decrease from the existing 80.93% to 74.57% and the aggregate shareholding of the public in the Company shall increase from the existing 19.07% to 25.43% of the post Buyback equity share capital of the Company.

9.6 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.

9.7 The Company is a debt free Company and the debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by Section 68 of the Companies Act, 2013, even if the response to the Buyback is to the extent of 100% (full acceptance).

9.8 In compliance with regulation 19 (1) (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.

9.9 The Company shall not raise further capital for a period of one year from the closure of Buyback except in discharge of its subsisting obligations.

9.10 Salient financial parameters consequent to the Buyback based on the standalone audited financial statements as on March 31, 2016 of the Company are as under:

Parameters	Pre-Buyback	Post- Buyback*
Net worth (₹ in Crores)	12,907.10	10,130.30
Return on Networth (%)	5.66	7.22
Earnings Per Share (₹) (of ₹ 5 each) (not annualized)	2.84	3.78
Book Value per Share (₹)	50.08	52.41
Price/Earnings as per the latest audited financial results for the financial ended March 31, 2016 (₹)	16.44	12.35
Total Debt/ Equity Ratio	-	-

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

Note:

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

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 Capital + Reserves and Surplus) / No. of Equity Shares outstanding at the end of the year
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	Long Term Debt/ Net Worth
P/E as per latest audited financial results	Market Value per Share / Earnings per Share Market value has been taken as ₹ 46.70 (price on NSE as of July 18, 2016 for both pre and post buyback P/E ratio) as public announcement was published on July 18, 2016

10 BASIS OF CALCULATING BUYBACK PRICE

- 10.1 The Buyback price of ₹ 44 (Rupees Forty Four) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares of the Company on 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 ₹44 (Rupees Forty Four only) per Equity Share represents a premium of 10.06% over the average of the volume weighted average price of the equity shares on NSE for a period of 2 weeks, 60 trading days, 3 months, 6 months and one year preceding the date of intimation i.e. May 20, 2016 to the Recognised Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.
- 10.3 For trends in the market price of the Equity Shares, 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 BSE and/or NSE for the Board Meeting for considering the Buyback i.e. May 20, 2016, was ₹ 40.45 and ₹ 40.55 on BSE and NSE, respectively.
- 10.5 The book value of the Company pre-Buyback as on March 31, 2016 was ₹ 50.08, which will increase to ₹ 52.41 post Buyback Offer based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.10 of this Letter of Offer.
- 10.6 The earning per share of the Company pre-Buyback as on March 31, 2016 was ₹ 2.84 which will increase to ₹ 3.78 post Buyback based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.10 of this Letter of Offer.
- 10.7 The Return on Net-worth of the Company pre Buyback as on March 31, 2016 was 5.66% which will increase to 7.22% post Buyback based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.10 of this Letter of Offer.

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 64,43,09,628 (Sixty Four Crore Forty Three Lakh Nine Thousand Six Hundred and Twenty Eight) Equity Shares at a price of ₹ 44 (Rupees Forty Four) per Equity Share would be ₹ 2834,96,23,632 (Rupees Two Thousand Eight Hundred Thirty Four Crore Ninety Six Lakhs Twenty Three Thousand Six Hundred Thirty two only) (excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc.)
- 11.2 The Buyback shall be made out of the free reserves of the Company as at March 31, 2015 (the last audited standalone 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.

- 11.3 The funds for the Buyback will be met out of fixed deposits of the Company lying with the bank. The Company does not intend to raise additional 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 This Buyback 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 10 of the Buyback Regulations, the Company has appointed ICICI Bank Limited having its registered office at “Landmark”, Race Course Circle, Vadodara 390 097, as the Escrow Agent for the aforementioned Buyback. An Escrow Agreement dated July 16, 2016 has been entered into amongst the Company, SBI Capital Markets Limited and Escrow Agent.
- 12.2 In accordance with the Escrow Agreement, the Company has opened an Escrow Account in the name and style “**NATIONAL ALUMINIUM COMPANY LIMITED- Buyback Escrow A/c**” bearing account number 000405112497 with the Escrow Agent. In compliance with the provision of the Regulation 10(2) of the Buyback Regulations, the Company has submitted a Bank Guarantee in favour of the Manager for an amount of ₹ 298,49,62,364 (Rupees Two Hundred and Ninety Eight Crore Forty Nine Lakh Sixty Two Thousand Three Hundred and Sixty Four only) being equivalent to 25% upto ₹ 100 crore and 10% thereafter of the total consideration payable by the Company under the Buyback Offer, assuming full acceptance. Further, the Company has deposited cash of ₹ 28,34,96,236 (Rupees Twenty Eight Crore Thirty Four Lakh Ninety Six Thousand Two Hundred and Thirty Six) in the Escrow Account, constituting 1% of the total consideration payable by the Company under the Buyback Offer, assuming full acceptance, in compliance with the provisions of Regulation 10(8) of the Buyback Regulations. SBI Capital Markets Limited has been empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- 12.3 *M/s ABP & Associates, Chartered Accountants*, located at 11A, Bapuji Nagar, Behind State Bank of India, Bhubaneswar- 751 009, Tel. No.: +91 (674) 2597063, Fax.: +91 (674) 2597790; Contact Person: CA Prabhat Kumar Panda (Membership No.: 057140) and *M/s Guha Nandi & Co., Chartered Accountants*, located at Commerce House, 5th Floor, Room No.8D & E, 2A, Ganesh Chandra Avenue, Kolkata- 700 013, Tel. No.: +91 (33) 2213 2929, Fax.: +91 (33) 2213 2621; Contact Person: CA B K Sarawagi (Membership No.: 054894) have certified, vide their certificate dated July 22, 2016, 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 Offer 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 present capital structure of the Company, is as follows:

Particulars	Aggregate value at face value (₹ in crore)
Authorised share capital	
6,00,00,00,000 Equity Shares of ₹ 5 each	3,000.00
Issued, subscribed and paid up share capital before the Buyback	
2,57,72,38,512 Equity Shares of ₹ 5 each, fully paid up	1,288.62
Issued, subscribed and paid up share capital after the Buyback	
1,93,29,28,884 Equity Shares of ₹ 5 each, fully paid up	966.46*

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

- 13.2 During the 3 years preceding the date of publication of the Public Announcement (i.e. July 18, 2016), the Company has not bought back any Equity Shares under any Buyback programme.

- 13.3 As on the date of publication of the Public Announcement (i.e. July 18, 2016), 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 record date i.e. July 29, 2016, 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	208,57,82,622	80.93	158,47,80,879	81.99
Foreign Investors (including Non Resident Indians, FIIs, FPIs and Foreign Mutual Funds)	6,42,96,129	2.49	4,82,19,021	2.49
Financial Institutions/ Banks/ Mutual Funds promoted by Banks/ Institutions	25,29,19,347	9.81	19,21,45,814	9.94
Other (public, public bodies corporate etc.)	17,42,40,414	6.76	10,77,83,170	5.58
Total	257,72,38,512	100.00	193,29,28,884	100.00

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

- 13.5 Assuming that the Promoter i.e. President of India acting through Ministry of Mines, Government of India, tenders 64,43,09,628 (Sixty Four Crores Forty Three Lakhs Nine Thousand Six Hundred and Twenty Eight) Equity Shares in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoter, post Buyback will increase to 81.99% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to 74.57% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.
- 13.6 No shares or other specified securities in the Company were either purchased or sold by the Promoters during the period of six months preceding the date of the Board Meeting at which the Buyback was approved i.e. May 25, 2016 and from that date till the date of notice of Postal Ballot for Buyback.
- Subsequent to the date of postal ballot notice i.e. May 25, 2016 till the date of this Letter of Offer, the Promoter of the Company has not entered into any transactions in relation to the Equity Shares of the Company.
- 13.7 No Equity Shares have been purchased/ sold/ transferred by the Promoter of the Company during the period of twelve months preceding the date of publication of the Public Announcement (i.e. July 18, 2016).
- 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 publication 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 & 22.75 lakh TPA Alumina Refinery 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 260kwp 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 and the port facility of the Company, are certified to ISO 9001, ISO 14001, and OHSAS 18001 Management Systems and Integrated Management System operates at these units.
- 14.5 The Company is listed at BSE since 1992 and at NSE since 1999.

Growth of the Business of the Company

- 14.6 The East Coast bauxite discovery led to the setting up of India's largest Alumina-Aluminium complex, NALCO in 1981 following technical collaboration agreement with Aluminium Pechiney of France.
- 14.7 The Company originally consisted of a 2.4 million tons Bauxite Mine, 800,000 tons Alumina Refinery at Damanjodi, and 218,000 tons Smelter and a Captive Power plant of 720 MW at Angul in Odisha. However, since 1997 the Company has undertaken phased expansion of production capacity. Accordingly, under the 1st phase expansion, the Bauxite mine capacity was raised to 4.8 million tons since December 1999, Alumina Refinery capacity to 1.575 million tons since Dec' 2001, Power Plant capacity augmented to 840 MW in December 2002 and to 960 MW in Feb' 2004 and Smelter capacity has been raised to 345,000 tons since Sept'2005.
- 14.8 Under the second phase expansion which started in 2004 and subsequent capacity upgradation of Mines & Refinery, the installed capacities has been augmented as under:
- 68.25 lakh TPA Bauxite Mine & 22.75 lakh TPA Alumina Refinery;
 - 4.60 lakh TPA Aluminium Smelter & 1200MW Captive Power Plant.
- 14.9 The Company diversified to green energy in 2012 by setting up 50.4MW Wind Power plant in Andhra Pradesh.
- 14.10 The company has formed a Joint Venture Company in the year 2011 with Nuclear Power Corporation of India Limited (NPCIL) for establishing Nuclear Power Plants in India. For development of downstream ancillary industries, a Joint Venture Company has been formed with Industrial Infrastructure Development Corporation (IDCO), Odisha for Angul Aluminium Park in the year 2009.
- 14.11 Further, in the year 2015, a Joint Venture Company has also been formed with Gujarat Alkalies & Chemicals Limited (GACL) for establishment of Caustic Soda Plant.
- 14.12 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

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consider ation in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
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, 1982	28,452	1,000	1,000	Cash	11,53,452	2,84,52,000	115,34,52,000
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

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, 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
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 18.03.2011, consisting of 2,57,72,38,512 shares of ₹ 5 each.					12,88,61,92,560	12,88,61,92,560

14.13 The Board of Directors of the Company as on the date of publication of the Public Announcement (i.e. July 18, 2016) was as under:

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
1.	Dr. Tapan Kumar Chand Qualification: M.A, LLB and DSW Occupation: Service Age: 57 Years DIN: 01710900	Chairman-cum-Managing Director	July 27, 2015	Nil
2.	Shri Nihar Ranjan Mohanty Qualification: B.Sc. Engg. (Hons) Mechanical Occupation: Service Age: 59 Years DIN: 05181575	Director (P&T)	February 1, 2012	Nil
3.	Shri K. C. Samal, Qualification: FCMA Occupation: Service Age: 58 Years DIN: 03618709	Director (Finance)	January 3, 2014	Nil
4.	Smt. Soma Mondal Qualification: B. E (Electrical) Occupation: Service Age: 53 Years DIN: 06845389	Director (Commercial)	March 11, 2014	Nil
5.	Shri V. Balasubramanyam, Qualification: B. Tech (Chemical Engg.) Occupation: Service Age: 55 Years DIN: 06965313	Director (Production)	January 1, 2015	Nil
6.	Shri Basant Kumar Thakur Qualification: Degree in	Director (HR)	July 4, 2016	Nil

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
	History, Diploma in Social Work Occupation: Service Age: 56 Years DIN: 07557093			
7.	Shri R. Sridharan Qualification: IAS Occupation: Service Age: 59 Years DIN: 05332433	Part-time Official Director	August 30, 2013	Nil
8.	Shri N. B. Dhal Qualification: IAS Occupation: Service Age: 47 Years DIN: 01710101	Part-time Official Director	December 23, 2015	Hindustan Copper Limited
9.	Shri Dipankar Mahanta Qualification: MBA Occupation: Consultant Age: 50 Years DIN: 01583516	Independent Director	November 21, 2015	Innovators in Resources Private Limited
10.	Shri S. Sankararaman Qualification: FCA Occupation: Practicing Chartered Accountant Age: 54 Years DIN: 07346454	Independent Director	November 21, 2015	Nil
11.	Shri Pravat Keshari Nayak Qualification: FCA Occupation: Practicing Chartered Accountant Age: 56 Years DIN: 07346756	Independent Director	November 21, 2015	Nil
12.	Prof. Damodar Acharya, Qualification: PhD and M. Tech. Occupation: Retired Professor Age: 67 Years DIN: 06817842	Independent Director	November 21, 2015	Rashtriya Chemicals & Fertilisers Limited
13.	Shri Maheswar Sahu Qualification: M.Sc. and B.Sc. (Engg.) Occupation: Retired IAS Age: 62 Years DIN: 00034051	Independent Director	November 21, 2015	1. GVFL Advisory Services Limited; 2. GVFL Limited; 3. Heubach Colour Private Limited; 4. Gold Plus Glass Industry Limited; 5. Solvay Specialities India Private Limited; 6. Gift SEZ Limited; 7. Mahindra World City (Jaipur) Limited

14.14 The details of changes in the Board of Directors during the last 3 years from the date of publication of the Public Announcement (i.e. July 18, 2016) are as under:

S. No.	Name, Designation and DIN	Date of Joining/Appointment	Date of Cessation	Reason
1.	Dr. Tapan Kumar Chand Designation: Chairman-cum- Managing Director DIN: 01710900	27.07.2015	Continuing	Appointment
2.	Shri Nihar Ranjan Mohanty Designation: Director (Projects & Technical) DIN: 05181575	01.02.2012	Continuing	Appointment
3.	Shri K. C. Samal Designation: Director (Finance) DIN: 03618709	03.01.2014	Continuing	Appointment
4.	Smt. Soma Mondal Designation: Director (Commercial) DIN: 06845389	11.03.2014	Continuing	Appointment
5.	Shri Venkatesan Balasubramanyam Designation: Director (Production) DIN: 06965313	01.01.2015	Continuing	Appointment
6.	Shri Basant Kumar Thakur Designation: Director (HR) DIN: 07557093	04.07.2016	Continuing	Appointment
7.	Shri R Sridharan, IAS Designation: Part-time Official Director DIN: 05332433	30.08.2013	Continuing	Appointment
8.	Shri Nikunja Bihari Dhal Designation: Part-time Official Director DIN: 01710101	23.12.2015	Continuing	Appointment
9.	Shri Dipankar Mahanta Designation: Independent Director DIN: 01583516	21.11.2015	Continuing	Appointment
10.	Shri S. Sankararaman Designation: Independent Director DIN: 07346454	21.11.2015	Continuing	Appointment
11.	Shri Pravat Keshari Nayak Designation: Independent Director DIN: 07346756	21.11.2015	Continuing	Appointment
12.	Prof. Damodar Acharya Designation: Independent Director DIN: 06817842	21.11.2015	Continuing	Appointment
13.	Shri Maheswar Sahu Designation: Independent Director DIN: 00034051	21.11.2015	Continuing	Appointment
14.	Shri Ansuman Das Designation: Chairman-cum- Managing Director DIN: 02845138	28.10.2009	01.05.2015	Superannuated on 30.04.2015
15.	Shri Sudhansu Sekhar Mahapatra Designation: Director (Prod) DIN: 03619725	01.10.2011	01.01.2015	Superannuated on 31.12.2014
16.	Shri Ved Kumar Jain Designation: Independent Director DIN: 00485623	21.03.2011	21.03.2014	Expiry of tenure of 3 years

S. No.	Name, Designation and DIN	Date of Joining/Appointment	Date of Cessation	Reason
17.	Shri Prafulla Chandra Sharma Designation: Independent Director DIN: 00513921	21.03.2011	21.03.2014	Expiry of tenure of 3 years
18.	Shri Gyan Prakash Joshi Designation: Independent Director DIN: 00603925	15.09.2011	15.09.2014	Expiry of tenure of 3 years
19.	Shri Surender Singh Khurana Designation: Independent Director DIN:02126149	15.09.2011	15.09.2014	Expiry of tenure of 3 years
20.	Shri Madhukar Gupta Designation: Independent Director DIN: 02897920	27.12.2011	27.12.2014	Expiry of tenure of 3 years
21.	Shri G. H. Amin Designation: Independent Director DIN: 02284350	27.12.2011	27.12.2014	Expiry of tenure of 3 years
22.	Shri Qaiser Shamim Designation: Independent Director DIN: 03560915	10.07.2012	10.07.2015	Expiry of tenure of 3 years
23.	Shri Sanjiv Batra Designation: Independent Director DIN: 00602669	10.07.2012	10.07.2015	Expiry of tenure of 3 years
24.	Shri S. C. Padhy Designation: Director (HR) DIN: 02594088	20.12.2012	01.07.2016	Superannuated on 30.06.2016
25.	Shri Durga Shankar Mishra Designation: Part-time Official Director DIN: 02944212	04.07.2013	11.07.2014	Cessation
26.	Dr. Niranjan Kumar Singh Designation: Part-time Official Director DIN: 03361541	12.11.2014	22.12.2015	Cessation

- 14.15 The Buyback will not result in any benefit to any Directors of the Company/ Promoters and Promoter Group/ 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.

The Board of Directors of the Company hold the following Equity Shares as on the date of publication of Public Announcement (i.e. July 18, 2016):

Sl. No.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialised form	Percentage of issued Equity Share capital
1.	Shri N. R Mohanty Director (P&T)	5,764	5,764	Negligible
2.	Shri K. C. Samal Director (Finance)	400	400	Negligible
3.	Smt. Soma Mondal Director (Commercial)	1,600	1,600	Negligible
4.	Shri V. Balasubramanyam Director (Production)	5,260	5,260	Negligible

15 FINANCIAL INFORMATION ABOUT 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. March 31, 2016 (subject to the approval of Shareholders in the upcoming Annual General Meeting), March 31, 2015 and March 31, 2014 is detailed below:

(₹ in Crore)

Key Financials	For the year ended March 31, 2016 (Audited)	For the year ended March 31, 2015 (Audited)	For the year ended March 31, 2014 (Audited)
Revenue from Operations	6,816.00	7,382.81	6,780.85
Other Income	536.57	672.64	557.71
Total Income	7,352.57	8,055.45	7,338.56
Total Expenses	6,303.26	6,090.45	6,371.38
Interest	1.21	-	-
Depreciation	424.09	413.66	524.73
Exceptional Items: Expense / (Income)	(53.45)	(148.42)	49.37
Profit Before Tax	1,102.76	2,113.42	917.81
Provisions for Tax (including Deferred Tax)	371.75	791.57	275.46
Profit/ (Loss) After Tax	731.01	1,321.85	642.35
Paid-up Equity Share Capital	1,288.62	1,288.62	1,288.62
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off*	11,618.48	11,508.32	10,833.59
Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	12,907.10	12,796.94	12,122.21
Total Debt, excluding working capital loans	-	-	-

* Reserves & Surplus is calculated excluding Subsidy Reserve

15.2 Financial Ratios for the last three financial years viz. Fiscal 2016, 2015 and 2014 are as under:

Particulars	For the year ended March 31, 2016 (Audited)	For the year ended March 31, 2015 (Audited)	For the year ended March 31, 2014 (Audited)
Earnings per Share (₹)	2.84	5.13	2.49
Debt/ Equity Ratio	-	-	-
Book Value (₹ per Share)	50.08	49.65	47.04
Return on Net worth (%)	5.66	10.33	5.29
Total Debt/ Net worth (%)	-	-	-

Notes:

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

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 Debt/ Net Worth

- 15.3 The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, 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. The Company further declares that it will comply with Regulation 23 of the Buyback Regulations.

16 STOCK MARKET DATA

- 16.1 The Company's Equity Shares are listed on the BSE and NSE. 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 publication of the Public Announcement (i.e. July 18, 2016) 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 traded in the period (No. of Shares)
Preceding 3 years								
April 01, 2015 - March 31, 2016	50.90	12-May- 2015	2,83,961	28.00	25-Aug- 2015	2,37,043	39.12	5,35,58,089
April 01, 2014 - March 31, 2015	68.80	19-Sep- 2014	6,57,187	37.90	30-Apr- 2014	2,07,383	52.99	14,95,87,797
April 01, 2013 - March 31, 2014	40.75	14-Nov- 2013	1,58,431	24.10	06-Aug- 2013	1,06,768	33.76	2,86,48,749
Preceding 6 months								
June, 2016	43.55	01-Jun- 2016	2,13,948	40.70	24-Jun- 2016	1,64,371	41.80	27,55,934
May, 2016	48.10	03-May- 2016	3,48,293	40.25	20-May- 2016	74,587	42.70	33,59,335
April, 2016	47.75	28-Apr- 2016	1,99,204	38.00	05-Apr- 2016	74,931	42.13	48,39,494
March, 2016	41.60	16-Mar- 2016	5,55,342	32.65	01-Mar- 2016	1,41,303	38.23	58,13,998
February, 2016	35.15	01-Feb- 2016	1,71,641	29.75	12-Feb- 2016	4,81,291	33.24	32,58,681
January, 2016	41.35	11-Jan- 2016	6,97,611	33.10	20-Jan- 2016	2,07,037	36.41	40,81,911

Source: BSE

*High and Low price for the period are based on intraday prices and Average Price is based on average of 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 (No. of Shares)
Preceding 3 years								
April 01, 2015 - March 31, 2016	50.90	12-May- 2015	10,25,068	28.00	25-Aug- 2015	8,96,902	39.12	28,73,47,918
April 01, 2014 - March 31, 2015	69.10	19-Sep- 2014	51,45,749	37.60	30-Apr- 2014	37,60,411	52.99	59,55,57,241
April 01, 2013	40.80	14-Nov-	6,34,277	24.20	06-Aug-	2,95,695	33.83	8,33,81,355

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 (No. of Shares)
- March 31, 2014		2013			2013			
Preceding 6 months								
June, 2016	43.50	01-Jun- 2016	7,93,133	40.55	24-Jun- 2016	8,24,435	41.77	1,94,75,478
May, 2016	48.20	03-May- 2016	13,24,019	40.25	20-May- 2016	2,06,246	42.67	1,78,46,380
April, 2016	47.95	27-Apr- 2016	14,81,424	37.90	05-Apr- 2016	4,11,268	42.16	2,53,13,689
March, 2016	41.70	16-Mar- 2016	17,84,995	32.75	01-Mar- 2016	5,13,362	38.28	2,72,38,073
February, 2016	35.10	01-Feb- 2016	4,00,245	29.30	12-Feb- 2016	14,62,913	33.22	1,65,03,892
January, 2016	41.30	11-Jan- 2016	28,08,437	33.50	20-Jan- 2016	8,20,923	36.38	1,84,70,963

Source: NSE

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

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

- As on May 24, 2016, i.e. the trading day before May 25, 2016, being the date of Board Meeting approving the Buyback was ₹ 42.35 per Equity Share on BSE and ₹ 42.30 per Equity Share on NSE.
- As on May 25, 2016, i.e. the date of Board Meeting approving the Buyback was ₹ 43.05 per Equity share on BSE and ₹ 43.10 per Equity share on NSE.
- As on May 26, 2016, i.e. the day immediately after May 25, 2016, being the date of Board Meeting approving the Buyback was ₹ 41.80 per Equity Share on BSE and ₹ 41.80 per Equity Share on NSE.
- As on July 18, 2016, i.e. the date of publication of Public Announcement was ₹ 46.60 per Equity Share on BSE and ₹ 46.70 per Equity Share on NSE.

17 DETAILS OF STATUTORY APPROVALS

- The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, 2013, FEMA, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.
- Non-Resident Shareholders (excluding OCBs) permitted under the automatic process prescribed under applicable FEMA Regulations, read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI.
- 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.
- 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.
- The Buyback has been approved by the Board of Directors in their meeting held on May 25, 2016 and by the Shareholders by special resolution through postal ballot, the results of which were declared on July 14, 2016.

18. DETAILS OF REGISTRAR TO THE BUYBACK OFFER

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 2016**” to the Registrar to the Buyback Offer either by registered post/courier or hand delivery at their below office, so that the same are received within 2 (two) days from the Buyback Closing Date i.e. Friday, September 16, 2016:



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 No.: +91 (040) 67162222

Fax No.: +91 (040) 23431551

Email: nalco.buyback@karvy.com,

Website: www.karvycomputershare.com

SEBI Registration No.: 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 OFFER.

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 proposes to buyback not exceeding 64,43,09,628 (Sixty Four Crore Forty Three Lakh Nine Thousand Six Hundred and Twenty Eight) Equity Shares from the Eligible Shareholders of the Company, on a proportionate basis, through the Tender Offer process at a price of ₹ 44 (Rupees Forty Four only) per Equity Share, payable in cash for an aggregate maximum amount of ₹ 2834,96,23,632 (Rupees Two Thousand Eight Hundred Thirty Four Crore Ninety Six Lakhs Twenty Three Thousand Six Hundred Thirty Two only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. The maximum number of Equity Shares proposed to be bought back represents 25% of the total number of Equity Shares in the paid-up share capital of the Company. 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, if any, 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 22.15% of the aggregate of the fully paid-up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2015 (the last audited standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and is within the limits of 25% 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, 2015.

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 Record Date is 2,08,57,82,622 (Two Hundred and Eight Crore Fifty Seven Lakh Eighty Two Thousand Six Hundred and Twenty Two) Equity Shares, which represents 80.93% (eighty point nine three percent) 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 has the option to participate in the Buyback. In this regard, the Promoter of the Company has expressed its intention, vide its letter dated May 25, 2016, to participate in the Buyback and tender an aggregate of 64,43,09,628 (Sixty Four Crores Forty Three Lakhs Nine Thousand Six Hundred and Twenty Eight) Equity Shares.

- 19.3 Assuming that the Promoter i.e. President of India acting through Ministry of Mines, Government of India, tenders 64,43,09,628 (Sixty Four Crores Forty Three Lakhs Nine Thousand Six Hundred and Twenty Eight) Equity Shares in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoter, post Buyback will increase to 81.99% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to 74.57% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.

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

- a) The Buyback Committee in its meeting held on July 16, 2016 announced July 29, 2016 as 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 6,77,864 shares and on BSE was 78,781 Shares. Accordingly, NSE being the exchange with highest turnover, the closing price was ₹ 46.60 and hence all Shareholders holding not more than 4,291 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 77,499 Small Shareholders with aggregate shareholding of 3,32,46,765 Shares, as on Record Date, which constitutes 1.29% of the outstanding paid up equity share capital of the Company and 5.16% of the number of 64,43,09,628 Equity Shares which are proposed to be bought back as part of this Buyback Offer.
- e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders will be 9,66,46,445 Equity Shares which is higher of:
 - i. Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of 64,43,09,628 Equity Shares which works out to 9,66,46,445 Equity Shares; or
 - ii. The number of Equity Shares entitled as per their shareholding as on Record Date [i.e. $(3,32,46,765 / 257,72,38,512) \times 64,43,09,628$] which works out to 83,11,691 Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoter also intends to offer Equity Shares held by them in the Buyback.

However, since in this case the total number of Equity Shares held by the Small Shareholders on the Record Date is 332,46,765, which is less than 9,66,46,445 (higher of (i) and (ii) above), the maximum number of Equity Shares reserved for Small Shareholders will be restricted to the total number of Equity Shares held by the Small Shareholders as on Record Date.

- f) Based on the above and in accordance with Regulation 6 of the Buyback Regulations, 3,32,46,765 Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of 61,10,62,863 Equity Shares.
- g) Based on the above entitlements, the Ratio of Buyback for both categories is decided as below:

Category	Ratio of Buyback
Reserved Category	1 (One) Equity Shares out of every 1 (One) fully paid-up Equity Shares held on the Record Date
General Category	6 (Six) Equity Shares out of every 25 (Twenty Five) 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 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.

Since the entitlement ratio in case of the Reserved Category is 1 (One) Equity Share for each 1 (One) fully paid-up Equity Share held on the Record Date, the clauses pertaining to fractional entitlement, zero entitlement, additional shares tendered in the Reserved category etc. will not be applicable to Reserved Category.

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

Subject to the provisions contained in this Letter of Offer, 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 paragraph 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 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 paragraph 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 one Equity Share has been accepted in accordance with paragraph 19.6 (b) above, shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (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 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 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) After acceptances of tenders, as mentioned in 19.6 and 19.7 above, in case, there are any Shares left to be bought back in one category (**‘Partially filled Category’**), and there are additional unaccepted validly tendered Shares (**‘Further Additional Shares’**) in the second Category (**‘Over Tendered Category’**), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid Acceptances per Shareholder shall be equal to the Further Additional Shares validly tendered by an Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially filled Category.
- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 19.8 (a) above out of the Shares left to be bought back in the Partially Filled Category, provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6.
- c) Adjustment for fraction results in case of proportionate acceptance, as defined in Paragraph 19.8 (a) above:
 - For any Eligible Shareholder, if the number of Further 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 Eligible Shareholder, if the number of Further 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.

19.9 For avoidance of doubt, it is clarified that the Shares accepted under the Buyback Offer from each Eligible Shareholder, in accordance with above clauses, shall be lower of the following:

- the number of Shares tendered by the respective Shareholder, and
- the number of Shares held by the respective Shareholder, as on the Record Date.

19.10 For the avoidance of doubt, it is clarified that the Equity Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with above clauses.

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.
- 20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court 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 The Company shall comply with Regulation 19(5) 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.
- 20.5 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 created 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.
- 20.6 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 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 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, Notice Number 20150930-1 dated September 30, 2015 from BSE and Notice Number NSE/CMTR/30129 dated June 30, 2015, NSE/CMTR/30170 dated July 03, 2015 and NSE/CMTR/30989 dated October 21, 2015 from NSE and following the procedure prescribed in the Companies Act, 2013 and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 20.11 The maximum tender 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

(formerly known as IDBI Capital Market Services Limited)

3rd Floor, Mafatlal Centre, Nariman Point, Mumbai- 400 021

CIN: U65990MH1993GOI075578

Contact Person: 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: BSE & NSE (Cash & FO)- INZ000007237

- 20.13 The Company will request BSE and NSE to provide the separate Acquisition Window to facilitate placing of sell orders by the Eligible Shareholders who wish to tender Equity Shares in the Buyback. BSE 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**”).
- 20.14 At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company’s Broker. 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. In the tendering process, the Company’s Broker may also process the orders received from the Shareholders.
- 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 BSE website- www.bseindia.com and 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 the 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 form under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback.

The Shareholder Broker would be required to place a bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the Stock Exchanges. Before placing the bid, the concerned Shareholder Broker would need to transfer the tendered Equity Shares to the special account of Clearing Corporation of India Limited (“**Clearing Corporation**”), by using the settlement number and the procedure prescribed by the Clearing Corporation. This shall be validated at the time of order/bid entry. The details of the settlement number for the Buyback shall be informed in the issue opening circular that will be issued by Stock Exchanges/ 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 the closing of trading hours on the last day of the Tendering Period i.e. date of closing of the Buyback Offer. 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, No. of Equity Shares tendered etc.

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 Offer 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 September 16, 2016 (by 5 p.m.). The envelope should be superscribed as “**NALCO Buyback Offer 2016**”. 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.

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 physical Equity Shares 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 before placement of the bid. Such documents will include:

- a) 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.
- b) Original share certificates.
- c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered 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 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 / succession certificate or probated will, if the original 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 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 Recognised Stock Exchanges. 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., No. of Equity Shares tendered etc.

Any Shareholder Broker who places a bid for physical Equity Shares, 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 Offer 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, September 16, 2016 (by 5 p.m.). The envelope should be superscribed as "**NALCO Buyback Offer 2016**". One copy of the TRS will be retained by Registrar to the Buyback Offer and it will provide acknowledgement of the same to the Shareholder Broker.

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

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 the Buyback Closing Date.

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 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 i.e. by way of credit to a non-repatriation bank account or issuance of Rupee demand draft.

- 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 SEBI website (www.sebi.gov.in) or obtain a duplicate copy of the same by writing to the Registrar to the Buyback Offer. 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 to not 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), 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 Offer not later than 2 (two) days from the Buyback Closing Date i.e. Friday, September 16, 2016 (by 5 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 Offer, 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 BSE and NSE 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 of India Limited (the "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.
- (ii) The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Shareholder Broker/ custodian participants will receive funds payout in their settlement bank account. The Shareholder Broker / custodian participants would pay the consideration to their respective clients. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.
- (iii) The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "**Demat Escrow Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges.
- (iv) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to the respective Shareholder Broker by Clearing Corporation as part of the exchange pay out process, not later than Wednesday, September 21, 2016. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant. The Shareholder Broker / custodian participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.
- (v) 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 Offer. The Company will issue a new single 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, not later than Wednesday, September 21, 2016.
- (vi) Every Shareholder Broker, who puts in a valid bid on behalf of an Eligible Shareholder, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (vii) 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 Shareholders from their respective Shareholder Broker, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Manager and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
- (viii) 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 through existing settlement accounts of trading members. Funds shall be made to the settlement account

of the trading members who have entered the sell order for 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 the Stock Exchanges 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 a 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.

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 September 16, 2016 (Friday) by 5:00 p.m.;
- b. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- c. If the 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.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING 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.

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 (“**Income Tax Act**”) relating to treatment of income-tax in case of Buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

1. CLASSIFICATION OF SHARES AND SHAREHOLDERS

- i. **Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:**
 - a. Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
 - b. Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”)

ii. Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:

a. Resident Shareholders being:

- Individuals, HUF, AOP and BOI
- Others

b. Non Resident Shareholders being:

- NRIs
- FIIs
- Others:
 - Company
 - Other than Company

2. SHARES HELD AS INVESTMENT

i. For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement (“DTAA”).

ii. The taxability as per the provisions of the Income Tax Act is discussed below.

a. Nature of capital gains as per the provisions of the Income Tax Act.

As per the provisions of the Income Tax Act, for the purpose of determining as to whether the capital gains are short-term or long-term in nature:

- Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of 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).
- Similarly, where listed equity shares are held for a period of 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).

b. Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act. As per the provisions of section 46A, buyback of shares held as investment, would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act.

Buyback of shares through a recognized stock exchange

iii. Where transaction for transfer of such equity shares (i.e. buyback) is entered into through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):

- a. LTCG arising from such transaction would be exempt under section 10(38) of the Income Tax Act; and
- b. STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act.

Further, 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.

3. SHARES HELD AS STOCK-IN-TRADE

i. 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. In such a case, the provisions of section 46A of the Income Tax Act would not apply.

- ii. Resident Shareholders
 - a. For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - b. For persons other than individuals, HUF, AOP, BOI profits would be taxable at the applicable rate. No benefit of indexation by virtue of period of holding would be available in any case.
- iii. Non Resident Shareholders
 - a. For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.
 - 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%

4. TAX DEDUCTION AT SOURCE

- i. In case of Resident Shareholders

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

- ii. In the case of Non Resident Shareholders

Since the buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorised dealers/ tax advisors appropriately.

5. THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES

Notes:

- i. In addition to the above Capital Gain Tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:
 - a. In case of foreign companies and FIIs: Surcharge is levied @ 2% on the amount of income tax if total income exceeds ₹ 1 crore but does not exceed ₹ 10 crore and @ 5% on the amount of income-tax if total income exceeds ₹ 10 crore.
 - b. In case of other non-resident assesses (i.e. other than foreign companies): Surcharge @ 15% for non-resident individual/HUF (@12% in case of others) is levied where the total income exceeds ₹ 1 crore.
 - c. In case of domestic companies: Surcharge @ 7% is levied where the total income exceeds ₹ 1 crore but does not exceed ₹ 10 crore and @ 12% is levied where the total income exceeds ₹ 10 crore.
 - d. In case of resident assesses (i.e. other than domestic companies): Surcharge @ 15% (@12% in case of firm, local authority & Co-operative Society) is levied where the total income exceeds ₹ 1 crore.
 - e. Further in a case where surcharge is levied, Education Cess of 2% and Secondary and Higher Education Cess of 1% will be levied on the amount of income-tax plus surcharge.
- ii. The above note on taxation sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of equity shares.
- iii. All the above benefits are as per the current tax laws (including amendments made by the Finance Act, 2016), legislation, its judicial interpretation and the policies of the regulatory

authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendments in the law or relevant regulations would necessitate a review of the above.

- iv. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.

22 DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II 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. May 25, 2016. Subsequently, pursuant to the authority granted to the Buyback Committee by the Board of Directors of the Company, in terms of resolution dated May 25, 2016, the Buyback Committee has confirmed on behalf of Board of Directors that:

- i. The Board of Directors of the Company confirms that 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 any term loans or interest payable thereon to any financial institution or banking company.
- ii. The Board of Directors of the Company confirms that 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 May 25, 2016 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, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified), as the case may be, including prospective and contingent liabilities.

This declaration is made and issued by the Buyback committee (under the authority of the Board of Directors) in terms of the resolution passed at its meeting held on August 23, 2016.

For and on behalf of the Board of Directors of Company

Sd/-

Sd/-

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

K.C. Samal
Director (Finance)
DIN: 03618709

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

The text of the report dated May 25, 2016 received from the Statutory Auditors of the Company viz. M/s. ABP & Associates, Chartered Accountants, M/s. Guha Nandi & Co., Chartered Accountants addressed to the Board of Directors of the Company is reproduced below:

Quote:

Auditor's Report

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

Dear Sir,

Sub: Statutory Auditor's Report in respect of proposed buyback of equity shares by National Aluminium Company Limited ('the Company') in terms of Clause (xi) of Part A of Schedule II of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 (as amended).

1. In connection with the proposed buyback by the Company of its equity shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 (the "**Act**") and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 as amended (the "**Buyback Regulations**"), we report that:
 - i. We have inquired into the state of affairs of the Company in relation to the last Audited Standalone State of Affairs of the Company for the year ended March 31, 2015 as approved by the Board of Directors in the meeting held on May 30, 2015 and by the shareholders of the Company at the meeting held on September 26, 2015 and unaudited limited reviewed results for the nine months ended December 31, 2015 as approved by the Board of Directors in their meeting held on February 11, 2016.
 - ii. The amounts of permissible capital payment towards Buy Back of equity shares (including premium), as stated in Annexure A has been properly determined in accordance with the provisions of Section 68(2) of the Act and Regulation 4(1) of the Buy Back Regulations; and
 - iii. The Board of Directors of the Company, in their meeting held on May 25, 2016 have formed their opinion as specified in clause (xi) of Part A of Schedule II of the Buy Back Regulations on reasonable grounds, and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date and from the date on which the result of the shareholders' resolution with regard to the Buyback is declared.
2. Compliance with the provisions of the Act and the Buy Back Regulations is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy based on our above mentioned statements. For the purpose of this report, we conducted verification in accordance with the Guidance Note on Audit Reports and Certificate for Special Purposes issued by the Institute of Chartered Accountants of India.

3. This report has been issued solely in connection with the proposed Buy Back of equity shares by the Company and should not be used, referred or distributed for any other purpose without our prior written consent.
4. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For **ABP & Associates**
Chartered Accountants
FRN – 315104E

For **Guha Nandi & Co.**
Chartered Accountants
FRN – 302039E

(CA Niranjan Agrawalla)
Partner
Membership No.087939

(Dr. B. S. Kundu)
Partner
Membership No.051221

Place: New Delhi
Dated: 25th May, 2016

Annexure A

National Aluminium Company Limited

Computation of amount of permissible capital payment towards buy back of equity shares in accordance with provisions of section 68 (2) of the Companies Act, 2013 and Regulation 4(1) (a) of the Buy Back Regulations based on the last Audited Financial Statements of the Company for the year ended 31 March 2015.

Particulars	Amount (₹ in Crores)
Paid up equity shares capital (A)	1,288.62
Free reserves:	
- Securities premium account	Nil
- General reserve	11,503.98
- Surplus in the statement of profit and loss	4.34
Total free reserves (B)	11,508.32
Total (A+B)	12,796.94
Maximum amount permissible for the Buy-back i.e. 25% of the aggregate fully paid-up share capital and free reserves	3,199.24

For **ABP & Associates**
Chartered Accountants
FRN – 315104E

For **Guha Nandi & Co.**
Chartered Accountants
FRN – 302039E

(CA Niranjan Agrawalla)
Partner
Membership No.087939

(Dr. B. S. Kundu)
Partner
Membership No.051221

Place: New Delhi
Dated: 25th May, 2016

Unquote

24 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of National Aluminium Company Limited at the Registered Office: NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar – 751 013 (Odisha), India, from 10.30 a.m. to 5.00 p.m. on any day, except Saturdays, Sundays and public holidays, during the Tendering Period.

- i. Copy of the Certificate of Incorporation;
- ii. Memorandum and Articles of Association of National Aluminium Company Limited;
- iii. Copies of the annual reports of National Aluminium Company Limited for the financial years ended March 31, 2015, March 31, 2014 and March 31, 2013 and audited accounts for the financial year ended March 31, 2016;
- iv. Copy of the resolution passed by the Board of Directors at the meeting held on May 25, 2016 approving proposal for Buyback;
- v. Copy of the special resolution of the Shareholders passed by way of postal ballot dated July 14, 2016 along with Scrutinizer's Report;
- vi. Copy of Report dated May 25, 2016 received from M/s. ABP & Associates, Chartered Accountants and M/s. Guha Nandi & Co., Chartered Accountants, the Joint Statutory Auditors of the Company, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- vii. 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;
- viii. SEBI Comments vide letter no. CFD/DCR/SKS/23381/1/2016 dated August 22, 2016;
- ix. Copy of Escrow Agreement dated July 16, 2016 between National Aluminium Company Limited, ICICI Bank Limited and SBI Capital Markets Limited;
- x. Copy of the certificate from M/s. ABP & Associates, Chartered Accountants and M/s. Guha Nandi & Co., Chartered Accountants, the Joint Statutory Auditors of the Company, dated July 22, 2016 certifying that the Company has adequate funds for the purposes of Buyback;
- xi. Copy of Public Announcement published in the newspapers on July 18, 2016 regarding Buyback of Equity Shares; and
- xii. Opinion dated July 21, 2016 obtained by the Company on taxation.

25 DETAILS OF COMPLIANCE OFFICER

Shri K. N. Ravindra, ED-Company Secretary
National Aluminium Company Limited
NALCO Bhawan, Plot No. P/1, Nayapalli, Bhubaneswar – 751 013
Odisha, India
Tel: +91 (0674) 2300 677
Fax: +91 (0674) 2300 677
E-mail: knravindra@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 also contact the Registrar & Transfer Agent on any day except Saturday, Sunday and Public holidays between 10:00 a.m. and 5:00 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 (40) 67162222
Fax: +91 (40) 23431551
E-mail: nalco.buyback@karvy.com
Website: www.karvycomputershare.com
SEBI Registration No.: INR000000221
Validity Period: Permanent Registration
CIN: U72400TG2003PTC041636

28 DETAILS OF MANAGER TO THE BUYBACK OFFER



SBI CAPITAL MARKETS LIMITED

202 Maker Tower 'E', Cuffe Parade, Mumbai - 400 005
Contact Person: Mr. Aditya Deshpande
Tel No.: +91 (22) 2217 8300
Fax No.: +91 (22) 2218 8332
E-mail: nalcobuyback@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 THE LETTER OF OFFER

As per Regulation 19(1)(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. The Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on August 23, 2016.

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

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

K.C. Samal
Director (Finance)
DIN: 03618709

K. N. Ravindra
ED-Company Secretary

Date: August 23, 2016
Place: Bhubaneshwar

Enclosure:

1. Tender Form for Demat Shareholders
2. Tender Form for Physical Shareholders

TENDER FORM

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT (FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)

BUYBACK OPENS ON:	Tuesday, August 30, 2016
BUYBACK CLOSES ON:	Wednesday, September 14, 2016

Bid Number:
Date:

For Registrar use		
Inward No.	Date	Stamp

Status: Please tick appropriate box					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors/ Foreign Portfolio Investors	<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution	<input type="checkbox"/>	Pension/ PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP	<input type="checkbox"/>	Others (specify)

India Tax Residency Status: Please tick appropriate box

☐ Resident in India ☐ Non-Resident in India ☐ Resident of _____ (Shareholder to fill the country of residence)

To,

The Board of Directors

National Aluminium Company Limited

NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751013, Odisha

c/o Karvy Computershare Private Limited

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

Tel: +91 (40) 6716 2222; Fax: +91 (40) 2343 1551

Dear Sirs,

Sub: Letter of Offer dated August 23, 2016 to Buyback not exceeding 64,43,09,628 Equity Shares of National Aluminum Company Limited (the "Company") at a price of ₹ 44 (Rupees Forty Four only) per Equity Share ("Buyback Offer Price"), payable in cash ("Buyback")

- I/We (having read and understood the Letter of Offer dated August 23, 2016) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share.
- I / We hereby affirm and warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I / We irrevocably and unconditionally agree that the consideration for the accepted Equity Shares will be paid to the Shareholder Broker as per secondary market mechanism.
- I/We agree to receive, at my own risk, the invalid / unaccepted Equity Shares under the Buyback offer in the demat account from where I / We have tendered the Equity Shares in the Buyback Offer. In case, if for any reason the Equity Shares cannot be credited to the above demat account, I/We agree to receive a single share certificate for the unaccepted Shares in physical form.
- I/We agree that the excess demat Shares or unaccepted demat Shares, if any, tendered would be returned to the Shareholder Broker by Clearing Corporation in payout.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013 and rules made thereunder and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

Acknowledgement Slip: National Aluminium Company Limited – Buyback Offer
(to be filled by the Equity Shareholder) (subject to verification)

Folio No./DP ID: _____

Client ID _____

Received from Shri./ Smt. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

Please quote Client ID No. & DP ID No. for all future correspondence

STAMP OF BROKER

13. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
Name of the Depository Participant	
DP ID No.	
Client ID with the Depository Participant	

14. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Shareholder(s)				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID of the Sole/First Equity Shareholder				

*Corporate must affix rubber stamp and sign

Applicable for all Non- resident Shareholders- I / We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the Equity Shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre, National Aluminium Company Limited- Buyback offer
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:** nalco.buyback@karvy.com;
Website: www.karvycomputershare.com; **SEBI Registration Number:** INR000000221
Validity Period: Permanent Registration; **CIN:** U72400TG2003PTC041636

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

1. This Buyback offer will open on Tuesday, August 30, 2016 and close on Wednesday, September 14, 2016.
2. The Equity Shares tendered in the Buyback shall be rejected if (i) the tenderer is not a Eligible Shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the Shareholder; or (iii) if the Eligible Shareholder has made a duplicate bid.
3. Shareholders who desire to tender their Equity Shares in the dematerialized form under the Buyback would have to do so through their respective Shareholder Broker by indicating the details of Equity Shares they intend to tender under the Buyback offer.
4. Shareholders should submit (by registered post / courier / hand deliver) their duly filled Tender Form to the Registrar to the Buyback Offer (as mentioned in paragraph 18 of the Letter of Offer) only post placing the bid via the Shareholder Broker.
5. The Buyback shall be rejected for demat shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of Equity Shares in the special account of the Clearing Corporation or a non-receipt of valid bid in the exchange bidding system.
6. 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 due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
7. In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by such Eligible Shareholder, stating the name of the Eligible Shareholder, address of the Equity Shareholder, number of Equity Shares held, Client ID number, DP name, DP ID number and number of Equity Shares tendered. Eligible Shareholders have to ensure that their bid is entered in the electronic platform to be made available by the Recognised Stock Exchanges before the closure of the Buyback.
8. Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
9. All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
10. By agreeing to participate in the Buy-back the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting's, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
11. Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
12. All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre, National Aluminium Company Limited- Buyback offer
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:** nalco.buyback@karvy.com;

Website: www.karvycomputershare.com; **SEBI Registration Number:** INR000000221

Validity Period: Permanent Registration; **CIN:** U72400TG2003PTC041636

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)

BUYBACK OPENS ON:	Tuesday, August 30, 2016
BUYBACK CLOSES ON:	Wednesday, September 14, 2016

Bid Number:
Date:

For Registrar use		
Inward No.	Date	Stamp

Status: Please tick appropriate box					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors/ Foreign Portfolio Investors	<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution	<input type="checkbox"/>	Pension/ PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP	<input type="checkbox"/>	Others (specify)

India Tax Residency Status: Please tick appropriate box

☐ Resident in India ☐ Non-Resident in India ☐ Resident of _____ (Shareholder to fill the country of residence)

To,
The Board of Directors
National Aluminium Company Limited
NALCO Bhawan, P/1, Nayapalli, Bhubaneswar-751013, Odisha
c/o Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032,
Tel: +91 (40) 6716 2222; Fax: +91 (40) 2343 1551

Dear Sirs

Sub: Letter of Offer dated August 23, 2016 to Buyback not exceeding 64,43,09,628 Equity Shares of National Aluminium Company Limited (the "Company") at a price of ₹ 44 (Rupees Forty Four only) per Equity Share ("Buyback Offer Price"), payable in cash ("Buyback")

- I/We (having read and understood the Letter of Offer dated August 23, 2016) hereby tender / offer my / our Equity Shares in response to the Buyback in accordance with the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share certificates.
- I / We hereby affirm and warrants that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of Equity Share certificates has been notified to the Company.
- I / We irrevocably and unconditionally agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration may be paid to the Shareholder Broker as per secondary market mechanism.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback offer in accordance with the Companies Act, 2013 and the rules made thereunder and the Buyback Regulations.
- I / We authorize the Company to split the Equity Share certificates and issue a new consolidated Equity Share certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback.
- Details of Equity Shares held and tendered / offered for Buyback:

	In Figures	In Words
Number of Equity Shares held as on Record Date		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buy Back		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

-----Tear along this line-----
Acknowledgement Slip: National Aluminium Company Limited – Buyback Offer
(to be filled by the Equity Shareholder) (subject to verification)

Ledger Folio No.: _____

Received from Shri./ Smt. _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with: _____

No. of Equity Shares offered for Buyback (In Figures) _____ (In Words) _____

Please quote Ledger Folio No. for all future correspondence

STAMP OF BROKER

11. Details of Share Certificate(s) Enclosed:

Total No. of Share Certificates Submitted:

Serial No.	Folio No.	Share Certificate No.	Distinctive No.		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
Total					

In case the number of folios and equity share certificates enclosed exceed four no.'s, please attach a separate sheet giving details in the same format as above.

12. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

☐ Power of Attorney☐ Corporate authorizations☐ Succession Certificate☐ TRS☐ Previous RBI approvals for acquiring the Equity Shares of National Aluminium Company Limited tendered in the Buyback☐ Death Certificate☐ Self attested copy of Permanent Account Number (PAN Card)☐ Others (please specify)_____

13. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Shareholder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID of the Sole/First Equity Shareholder				

*Corporate must affix rubber stamp and sign

Applicable for all Non- resident Shareholders- I / We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.

14. Details of the bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled)

Name of the Bank	Branch and City	Account Number (indicate type of account)

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NUMBER:

Investor Service Centre, National Aluminium Company Limited- Buyback offer
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:** nalco.buyback@karvy.com;

Website: www.karvycomputershare.com; **SEBI Registration Number:** INR000000221

Validity Period: Permanent Registration; **CIN:** U72400TG2003PTC041636

INSTRUCTIONS

This Tender / Offer Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

1. This Buyback offer will open on Tuesday, August 30, 2016 and close on Wednesday, September 14, 2016.
2. Eligible Shareholder who wish to tender their Equity Shares in response to this Buyback Offer should submit the following documents to their Shareholder Broker who in turn would deliver the said documents along with Transaction Registration Slip (TRS) to the Registrar and Transfer Agent ("RTA") / may submit the requisite documents directly to the RTA; the documents should be sent to the RTA only after the placement of a valid bid; non-receipt of the below mentioned documents by the RTA till Friday, September 16, 2016 by 5:00 p.m shall result in the rejection of the tendered Equity Shares:
 - i. The Tender form duly signed (by all Shareholders in case of shares are in joint names) in the same order in which they hold shares;
 - ii. Original Share Certificates;
 - iii. Valid share transfer form(s) (SH-4) duly filled and signed by the transferors (i.e. by all registered 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.
 - iv. Self-attested copy of the Shareholder's PAN Card.
 - v. Any other relevant documents such as (but not limited to) :
 - Duly attested Power of Attorney registered with the Registrar, if any person other than the Shareholder has signed the relevant Tender Form;
 - Notarized copy of death certificate/succession certificate or probated bill, if the original Shareholder has deceased;
 - Necessary corporate authorization, such as Board Resolutions etc., in case of companies;
 - vi. 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 of the Company would be required to submit a self-attested copy of address proof consisting of any one of the following documents: Valid Aadhar Card, Voter identity card or Passport.
3. Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
4. All documents/ remittances sent by or to Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
5. All documents as mentioned above shall be enclosed with the valid Tender Form otherwise the Equity Shares will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others:
 - i. 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 September 16, 2016 (Friday) by 5:00 p.m.;
 - ii. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
 - iii. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
 - iv. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
 - v. 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.For other grounds of rejection please refer to the Letter of Offer.
6. By agreeing to participate in Buyback the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the company for such regulatory reporting, if required by the Company.
7. Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
8. The Equity Shares tendered in the Buyback shall be rejected if (i) the Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the Shareholder; or (iii) if the Eligible Shareholder has made a duplicate bid.
9. In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by such Eligible Shareholder, stating the name of the Eligible Shareholder, address of the Eligible Shareholder, folio number, Share certificate number, number of Equity Shares held and number of Equity Shares tendered and enclosing other relevant documents such as physical Equity Share certificate, copy of PAN card and Form SH-4 in favour of the Company in case of Equity Shares being held in physical form. Eligible Shareholders have to ensure that their bid is entered in the electronic platform to be made available by the Recognised Stock Exchanges before the closure of the Buyback.
10. All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NUMBER:

Investor Service Centre, National Aluminium Company Limited- Buyback offer
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:** nalco.buyback@karvy.com;

Website: www.karvycomputershare.com; **SEBI Registration Number:** INR000000221

Validity Period: Permanent Registration; **CIN:** U72400TG2003PTC041636

Form No. SH-4

Securities Transfer Form

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution.....

FOR THE CONSIDERATION stated below the “Transferor(s)” named do hereby transfer to the “Transferee(s)” named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L27203OR1981GOI000920

Name of the company (in full): National Aluminium Company Limited

Name of the Stock Exchange where the company is listed, if any: BSE Limited and National Stock Exchange of India Limited

DESCRIPTION OF SECURITIES:

Kind/Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)

No. of Securities being Transferred		Consideration Received (Rs)	
In Figures	In Words	In words	In figures

Distinctive Number	From				
	To				
Corresponding Certificate Nos:					

TRANSFEROR'S PARTICULARS

Registered Folio Number	
Name(s) in full	Signature (s)
1.	
2.	
3.	

I, hereby confirm that the Transferor has signed before me.

Signature of the Witness	
Name of the Witness	
Address of Witness	
	Pin Code:

TRANSFeree'S PARTICULARS

	1	2	3
Name in full			
Father's/ Mother's/ Spouse Name			
Address, Mobile/Ph. No. E-mail ID Pin Code			
Occupation			
Existing folio no., if any			
PAN No.			
Signature			

Folio No. of Transferee : _____

Specimen Signature of Transferee(s)

1. _____
2. _____
3. _____

Existing Folio No. If any

1. _____
2. _____

Value of stamp affixed: Rs._____

Enclosures:

- (1) Certificate of shares or debentures or other securities
- (2) If no certificate is issued, Letter of allotment.
- (3) Copy of PAN CARD of all the Transferees (For all listed Cos).
- (4) Other, Specify.....

Stamps:

--

For office use only

Checked by_____

Signature tallied by _____

Entered in the Register of Transfer on _____ **vide Transfer No.**_____

Approval Date_____

Power of attorney/Probate/Death Certificate/Letter of Administration

Registered on _____ **at No.**_____