

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF NATIONAL ALUMINIUM COMPANY LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER

This Public Announcement (the “**Public Announcement**”) is being made pursuant to the provisions of Regulation 8 (1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the “**Buyback Regulations**”) for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Part A of Schedule II to the Buyback Regulations.

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 SHARE OF THE COMPANY OF FACE VALUE OF ₹ 5 EACH AT A PRICE OF ₹ 44 (RUPEES FORTY FOUR) PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS

1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1 The Board of Directors of National Aluminium Company Limited (“**NALCO**” or the “**Company**”) on May 25, 2016 (“**Board Meeting**”) passed a resolution to buyback equity shares of the Company and sought approval of its 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 (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 (“**Shares**” or “**Equity Shares**”) from all the existing shareholders/ beneficial owners of Equity Shares (“**Shareholders**”) of the Company, on a proportionate basis, through the “**Tender Offer**” process, at a price of ₹ 44 (Rupees Forty Four) per Equity Share (“**Buyback Offer Price**”) 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 Offer Size**”). 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 Act, 2013**”), 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 Securities and Exchange Board of India (“**SEBI**”), BSE Limited (“**BSE**”), National Stock Exchange of India Limited (“**NSE**”) BSE and NSE together referred as “**Recognized Stock Exchanges**”, where the Equity Shares of the Company are listed.

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.

1.2 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 cash and/or 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.

1.3 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 by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 (the “**SEBI Circular**”). Please see paragraph 9 below for details regarding record date and share entitlement for tender in the Buyback.

1.4 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.

1.5 A copy of this Public Announcement is available on the Company’s website (www.nalcoidia.com) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the period of the Buyback and on the websites of the Recognized Stock Exchanges (www.bseindia.com) and (www.nseindia.com).

2. NECESSITY FOR BUY BACK

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, considering 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:

- 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;
- The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher 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”;
- The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- 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;
- Optimizes the capital structure.

3. DETAILS OF PROMOTER SHAREHOLDING

3.1 The aggregate shareholding of the Promoter, as on the date of notice of Postal Ballot i.e. May 25, 2016 is given below :

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

3.2 No shares or other specified securities in the Company were either purchased or sold by the Promoter during a period of six months preceding the date of the board meeting at which the Buyback was approved and from that date till the date of notice of Postal Ballot for Buy-back.

3.3 In terms of the Buyback Regulations, under the Tender Offer process, the Promoter of the Company have the option to participate in the Buyback. In this regard, the Promoter as listed in paragraph 3.1 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.

S. No	Name	Equity Shares held 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

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 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 1991-92	(3,50,99,800)	(46,09,52,145)	Disinvestment (Note 1)
FY 1992-93	(12,98,85,000)	(442,39,28,800)	Disinvestment
FY 1993-94	(30,000)	(9,60,000)	Disinvestment

FY 1994-95	(6,05,030)	(96,84,480)	Disinvestment
FY 1998-99	56,14,99,635	-	Note 2
FY 2010-11	224,59,98,540	-	Note 3
FY 2012-13	(15,69,38,918)	(628,53,26,563)	Offer for Sale through Stock Exchange
FY 2013-14	(32,77,000)	(12,45,26,000)	Offer for Sale through Stock Exchange to Employees
FY 2013-14	208,57,82,622		

Note:

- 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.
- 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.
- 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.
- 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.
- The Board of Directors of the Company on the date of the Board Meeting i.e. May 25, 2016 has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:
 - 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;
 - 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 intentions 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
 - 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.
- Report addressed to the Board of Directors by the Company’s Statutory Auditors on the permissible capital payment and the opinion formed by the Directors regarding the insolvency:
The text of the report dated May 25, 2016 received from the Joint Statutory Auditors of the Company viz. M/s. ABP & Associates, Chartered Accountants and 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’) under Clause (xi) of Part A of Schedule II of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 (as amended).

- 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:
 - 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.
 - 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
 - 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.
- 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 aforementioned 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.
- 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.
- 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
(CA Niranan Agrawalla)
Partner
Membership No.087939
Place : New Delhi
Dated : 25th May, 2016

For **Guha Nandi & Co.**
Chartered Accountants
FRN – 302039E
(Dr. B. S. Kundu)
Partner
Membership No.051221

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
(CA Niranan Agrawalla)
Partner
Membership No.087939
Place : New Delhi
Dated : 25th May, 2016

For **Guha Nandi & Co.**
Chartered Accountants
FRN – 302039E
(Dr. B. S. Kundu)
Partner
Membership No.051221

Unquote

7. Process and Methodology to be adopted for Buyback

- The Buyback is open to all Shareholders / beneficial owners of the Company holding Shares either in physical and/or electronic form on the Record Date.
- The Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 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.
- For implementation of the Buyback, the Company has appointed M/s. 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, Mafatall 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)- INZ0000007237

- BSE has been appointed as the Designated Stock Exchange. Separate acquisition window will be provided by Recognized Stock Exchanges to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be as specified by the Recognised Stock Exchanges.
- At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through Company’s Broker. During the tendering period, the order for selling the Equity Shares will be placed in the acquisition window by eligible Shareholders through their respective stock brokers during normal trading hours of the secondary market. The stockbrokers (each a “**Shareholder Broker**”) can enter orders for demat shares as well as physical shares. In the tendering process, the Company’s Broker may also process the orders received from the Shareholders.

7.6 Procedure to be followed by Shareholders holding Equity Shares in the dematerialized form:

- 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 Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the Recognized 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 Recognized Stock Exchanges.

- 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. 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 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.

7.7. Procedure to be followed by registered Shareholders holding Equity Shares in the physical form:

- 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 the (i) original share certificate(s), (ii) invalid 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 favour of the Company, (iii) self-attested copy of PAN Card(s) of the Shareholders, (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Shareholder is deceased, etc., as applicable. In addition, 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 Shares in Physical form and who wish to tender Equity Shares in the Buyback, using the acquisition window of Recognized Stock Exchanges. Upon placing the bid, the Shareholder Broker shall provide a 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 the original share certificate(s) & documents (as mentioned in Paragraph 7.7.1 above) along with TRS either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback Offer (at the address mentioned at paragraph 11 below) not later than 2 (two) days of bidding by the Shareholder Broker. 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 Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such verification, the Recognized 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’.

- Modification/cancellation of orders will be allowed during the tendering period of the Buyback.

- The cumulative quantity tendered shall be made available on the websites of Recognized Stock Exchanges i.e. www.bseindia.com and www.nseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

8. METHOD OF SETTLEMENT

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

- The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 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 will receive funds payout in their settlement bank account.
- 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 Recognized Stock Exchanges.
- Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Shareholders would be returned to the respective Shareholder Broker by Clearing Corporation in payout. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned to the concerned Shareholders directly by Registrar to the Buyback Offer.
- Shareholder Broker will issue contract notes and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling 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, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.

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.

9. RECORD DATE AND SHAREHOLDER ENTITLEMENT

- As required under the Buyback Regulations, the Company has fixed Friday, July 29, 2016 as the record date (the “**Record Date**”) for the purpose of determining the entitlement and the names of the shareholders, who are eligible to