



National Aluminium Company Limited

CIN: L27203OR1981GOI000920

Registered & Corporate Office: NALCO Bhawan, Plot No. P/1, Nayapalli,

Bhubaneswar -751013, Odisha, India

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**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 ROUTE
UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF
SECURITIES) REGULATIONS, 2018**

This Public Announcement (the “**Public Announcement**”) is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, (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 Schedule II of the Buyback Regulations.

**OFFER FOR BUYBACK OF NOT EXCEEDING 6,73,11,386 (SIX CRORES SEVENTY THREE
LAKHS ELEVEN THOUSAND THREE HUNDRED AND EIGHTY SIX ONLY) FULLY PAID
UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF ` 5 EACH AT A PRICE OF
` 75 (RUPEES SEVENTY FIVE ONLY) PER FULLY PAID UP EQUITY SHARE ON A
PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS USING THE
STOCK EXCHANGE MECHANISM**

1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1 The Board of Directors (“**Board**”), (which expression includes any committee constituted by the Board to exercise its powers, including the powers conferred by the resolution) of National Aluminium Company Limited (“**Nalco**” or the “**Company**”) at their meeting held on October 12, 2018 (“**Board Meeting**”), pursuant to the provisions contained in the Article 29A of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended from time to time (the “**Companies Act**”), the Companies (Share Capital and Debentures) Rules, 2014 (the “**Share Capital Rules**”) including any statutory modification or re-enactment thereof for the time being in force and the provisions contained in the Buyback Regulations, approved the buyback (the “**Buyback**”) of upto 6,73,11,386 (Six Crores Seventy Three Lakhs Eleven Thousand Three Hundred and Eighty Six only) fully paid-up equity shares of face value ` 5 each (“**Shares**” or “**Equity Shares**”) from all the eligible shareholders/ beneficial owners of Equity Shares of the Company as on the record date (i.e. Friday, October 26, 2018) (“**Eligible Shareholders**”) of the Company, on a proportionate basis, through the “**Tender Offer**” route, at a price of ` 75 per Equity Share (“**Buyback Offer Price**”) payable in cash, for an aggregate consideration of not exceeding ` 504,83,53,950.00 (Rupees Five Hundred and Four Crores Eighty Three Lakhs Fifty Three Thousand and Nine Hundred and Fifty only) (the “**Buyback Offer Size**”).

The Buyback is subject to such other approvals as may be necessary, from time to time from statutory, regulatory or governmental authorities including but not limited to Securities and Exchange Board of India (“**SEBI**”), BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”). BSE and NSE together referred as “**Stock Exchanges**”, where the Equity Shares of the Company are listed.

The Buyback Offer Size represents upto 5% of the aggregate of the fully paid-up equity share capital and free reserves, as per the standalone and consolidated audited financial statements of the Company for the financial year ended March 31, 2018 (the last audited standalone and consolidated financial statements available as on the date of Board Meeting recommending the proposal of the Buyback) and Buyback Offer Size is within the statutory limits of 10% of the fully paid up equity share capital and free reserves as per the latest audited accounts of the Company and is within the powers of Board of Directors of the Company. The maximum number of Equity Shares proposed to be bought back represents 3.48% of the total number of equity shares in the paid-up share capital of the Company which is 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 Buyback Offer Size will be met out of free reserves of the Company.

The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet. The Company confirms that as required under Section 68(2) (d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the fully paid-up share capital and free reserves after the Buyback.

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

- 1.3 The Buyback shall be on a proportionate basis from all the Eligible Shareholders of the Company through the “**Tender Offer**” process, as prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Eligible Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular bearing number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time (the “**SEBI Circulars**”) and circular issued by NSE bearing number NSE/CMTR/34242 dated February 22, 2017. 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 Exchange fees, advisors’ fees, public announcement publication expenses, printing & dispatch expenses, brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty and other incidental & related expenses.
- 1.5 A copy of this Public Announcement is available on the Company’s website (www.nalcoindia.com) and shall be available on the website of SEBI (www.sebi.gov.in) and on the websites of the Stock Exchanges i.e. 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 October 12, 2018, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ended March 31, 2018 and considering these, the Board decided to allocate a sum of ` 504,83,53,950.00 (Rupees Five Hundred and Four Crores Eighty Three Lakhs Fifty Three Thousand and Nine Hundred and Fifty only) for returning to the members holding equity shares of the Company through the Buyback.

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

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

3. DETAILS OF PROMOTER SHAREHOLDING AND INTENTION OF PROMOTER AND PROMOTER GROUP TO PARTICIPATE IN THE BUYBACK

- 3.1 The aggregate shareholding of the Promoters, as on October 12, 2018, i.e. the date of the Board Meeting, is given below:

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

- 3.2 No equity shares or other specified securities of the Company were either purchased or sold or transferred by the Promoters during a period of six months preceding the date of the board meeting at which the Buyback was approved, except the following:

President of India acting through Ministry of Mines, Government of India

Date of Transaction	Aggregate no. of shares sold	Nature of transaction	Maximum price (₹)	Date of maximum price	Minimum price (₹)	Date of minimum price
20.06.2018 to 22.06.2018	6,98,88,827	Transfer to Bharat 22 ETF	₹ 70.20*	20.06.2018	₹ 63.35*	22.06.2018

*Average transaction price for the above was ₹64.61 and total sale consideration amounted to 4,51,55,17,112.00

- 3.3 In terms of the Buyback Regulations, under the Tender Offer process, the Promoters of the Company have the option to participate in the Buyback. In this regard, the following Promoter has expressed its intention, vide its letter dated October 12, 2018 to participate in the Buyback and tender the number of equity shares as set out against its name herein below:

S. No.	Name of the Promoter	Equity Shares held as on October 12, 2018	Maximum Equity Shares intended to be offered in the Buyback
1.	President of India, acting through Ministry of Mines, Government of India	109,38,28,280	6,73,11,386

- 3.4 Since the entire shareholding of the said participating Promoter i.e. President of India, acting through Ministry of Mines, Government of India, is in demat mode, the details of the date and price of acquisition/sale of entire equity shares that the said Promoter has acquired/sold till date are set-out below:

S. No.	Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
1.	February 10, 1981	4,70,000	47,00,00,000	Allotment for cash
2.	May 6, 1981	50,000	5,00,00,000	Allotment for cash
3.	October 23, 1981	50,000	5,00,00,000	Allotment for cash
4.	December 30, 1981	1,00,000	10,00,00,000	Allotment for cash
5.	March 31, 1982	4,55,000	45,50,00,000	Allotment for cash
6.	May 17, 1982	28,452	2,84,52,000	Allotment for cash
7.	July 26, 1982	2,40,000	24,00,00,000	Allotment for cash
8.	October 30, 1982	3,50,000	35,00,00,000	Allotment for cash
9.	January 31, 1983	40	40,000	Allotment for cash
10.	May 7, 1983	1,25,000	12,50,00,000	Allotment for cash
11.	August 26, 1983	5,75,000	57,50,00,000	Allotment for cash
12.	May 14, 1984	5,00,000	50,00,00,000	Allotment for cash
13.	March 27, 1985	5,00,000	50,00,00,000	Allotment for cash
14.	June 4, 1985	2,58,300	25,83,00,000	Allotment for cash
15.	July 31, 1985	1,36,000	13,60,00,000	Allotment for cash
16.	October 9, 1985	4,60,000	46,00,00,000	Allotment for cash
17.	December 31, 1985	10,68,700	106,87,00,000	Allotment for cash
18.	March 18, 1986	16,24,300	162,43,00,000	Allotment for cash
19.	May 19, 1986	4,00,000	40,00,00,000	Allotment for cash
20.	June 13, 1986	2,10,000	21,00,00,000	Allotment for cash
21.	August 7, 1986	3,02,500	30,25,00,000	Allotment for cash

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

Note:

- 1) The face value of share was ` 1,000/- till December 31, 1991, which was reduced to ` 10/- with effect from January 1, 1992.
- 2) As on March 26, 1999, Capital Restructuring Scheme of the Company was effected wherein 50% of share capital was converted to 14.5% Non-convertible Redeemable Secured Debentures of ` 1000 each and balance were issued as new series of shares. The paid-up capital was thus reduced to ` 6,44,30,96,280.
- 3) As on March 18, 2011, there was a split/sub-division of face value of each share of the Company from ` 10 to ` 5 and issue of bonus shares in the ratio of 1:1 thereafter in March, 2011. The paid-up share capital of the Company became ` 12,88,61,92,560 as on March 18, 2011, consisting of 2,57,72,38,512 shares of ` 5 each.
- 3.5. As on October 12, 2018 i.e. the date of Board Meeting approving the Buyback, the shareholding of the Key Managerial Persons of the Company is as follows:

S. No.	Name of Directors	Designation	No. of Equity Shares held	Percentage (%)
1.	Shri V. Balasubramanyam	Director	3,016	Negligible

		(Production)		
2.	Shri S.K. Roy	Director (P&T)	8,275	Negligible
3.	Shri N.K. Mohanty	Company Secretary	3,500	Negligible

- 3.6 No Equity Shares of the Company have been purchased/ sold by any of the Directors of the Company during the period from six months preceding the date of the Board Meeting at which the Buyback was approved.
4. The Company confirms that no defaults have been made or subsisting in the repayment of the deposits accepted either before or after the commencement of the Companies Act, interest payment thereon, redemption of debentures or preference shares or payment of dividend to any shareholder or repayment of any term loan or interest payable thereon to any financial institutions or banking company.
5. The Board of Directors of the Company on the date of the Board Meeting i.e. October 12, 2018 has confirmed that it has made a full enquiry into the affairs and prospects of the Company and that based on such enquiry, the Board of Directors has formed an opinion that:
- Immediately following the date of the Board meeting, there will be no grounds on which the Company could be found to be unable to pay its debts;
 - As regards the Company's prospects for the year immediately following the date of the Board meeting 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 the Board Meeting; and
 - In forming the opinions as set out in paragraph 5 (a) and (b) above, 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 (to the extent notified), Insolvency and Bankruptcy Code, 2016 as the case may be, including prospective and contingent liabilities.
6. 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 October 12, 2018 received from the Statutory Auditors of the Company viz. M/s. Guha Nandi & Co., and M/s. Patro & Co., Chartered Accountants addressed to the Board of Directors of the Company is reproduced below:

Quote:

AUDITOR'S REPORT

(As prescribed in the Clause (xi) of Schedule I of the SEBI Buyback Regulations)

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

Dear Sirs,

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

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

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

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

Note 1: Retained earnings as on March 31, 2018 is exclusive of balance of Other Comprehensive Income of Rs. 85,95,06,758 as on that date but inclusive of Final Dividend for 2017-18 and Dividend Distribution Tax thereon aggregating to Rs. 233,02,48,105, paid subsequent to March 31, 2018.

- (iii) Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on October 12, 2018, is unreasonable in any of the circumstances in the present

context.

(iv) The Board of Directors in their meeting held on October 12, 2018, have formed the opinion in terms of Clause (xi) of Schedule I of the Buyback Regulations, on reasonable grounds that the Company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date.

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

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

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

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

(CA B K Sarawagi)
Membership Number: 054894

(CA Rajendra Patro)
Membership Number: 019423

Place: Bhubaneswar

Date: October 12, 2018

Unquote:

7. PROCESS AND METHODOLOGY TO BE ADOPTED FOR BUYBACK

- 7.1 The Buyback is open to all Eligible Shareholders of the Company holding Shares either in physical and/or demat form on the Record Date.
- 7.2 The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circulars, as may be amended from time to time and following the procedure prescribed in the circular issued by NSE bearing number NSE/CMTR/34242 dated February 22, 2017, Companies Act and the Buyback Regulations and as may be determined by the Board (including the Buyback 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.
- 7.3 For implementation of the Buyback, the Company has appointed IDBI Capital Market & Securities Limited as the registered broker to the Company (the "**Company's Broker**") through whom the purchases and settlements on account of the Buyback would be made by the

Company. The contact details of the Company's Broker are as follows:

IDBI Capital Markets & Securities Limited

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

CIN: U65990MH1993GOI075578

Contact Person: Ms Charushila Parkar

Tel: +91 (22)4322 1212;

Fax: +91 (22) 2285 0785;

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

Website: www.idbicapital.com

SEBI Registration Number: INZ000007237

- 7.4 For the Purpose of this Buyback, National Stock Exchange of India Limited ("NSE") has been appointed as the Designated Stock Exchange. Separate acquisition window will be provided by NSE to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be as specified by the NSE. In case, the Eligible Shareholders' registered stock broker is not registered with NSE, Eligible Shareholder may approach Company's Broker to place its bid.
- 7.5 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 broker (i.e. "**Shareholder Broker**") during normal trading hours of the secondary market. The Shareholder Broker can enter orders for demat Shares as well as physical Shares.
- 7.6 **Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialized form:**
- 7.6.1 Eligible Shareholders who desire to tender their Equity Shares held by them in dematerialised 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.
- 7.6.2 The Eligible Shareholder is required to transfer the Equity Shares under the Buyback Offer to a special account of the NSE Clearing Limited ("**Clearing Corporation**"/ "**NCL**"), specifically created for the purpose of Buyback Offer ("**Special Account**") by using the settlement number through the early pay-in mechanism of Depositories. This shall be validated by the Shareholder Broker at the time of order/bid entry.
- 7.6.3 The details of the settlement number for the Buyback will be provided in a separate circular which shall be issued at the time of issue opening by Designated Stock Exchange/Clearing Corporation.
- 7.6.4 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 close of trading hours on the last day of the tendering period. (i.e. date of closing of 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.
- 7.6.5 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.
- 7.6.6 In case of non-receipt of the completed tender form and other documents, but receipt of Equity

Shares in the accounts of the Clearing Corporation and a valid bid in the exchange bidding system, the bid for Buyback shall be deemed to have been accepted.

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

7.7.1 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 the (i) Tender Form duly signed (by all Eligible Shareholders in case shares are in joint names) in the same order in which they hold the shares (ii) original share certificate(s), (iii) valid share transfer form(s) duly filled and signed by the transferors (i.e. by all Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of PAN Card(s) of the Eligible Shareholder(s), (v) 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 Eligible 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 which may *inter alia* consist of any one of the following documents: valid Aadhar card, voter identity card or passport.

7.7.2 Based on these documents, the concerned Shareholder Broker shall place a bid on behalf of the Eligible Shareholders holding Equity Shares in physical form and who wish to tender Equity Shares in the Buyback, using the acquisition window of NSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.

7.7.3 Eligible Shareholder/ Shareholder Broker, is required to deliver the original share certificate(s) & documents (as mentioned in Paragraph 7.7.1 above) along with TRS generated by exchange bidding system upon placing the bid, 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 2018**”. 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.

7.7.4 Eligible 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 offer will verify such bids based on the documents submitted on a daily basis and till such verification, the NSE shall display such bids as ‘unconfirmed physical bids’. Once Registrar to the Buyback offer confirms the bids, they will be treated as ‘confirmed bids’.

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

7.9 The cumulative quantity tendered shall be made available on the website of 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:

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

In case of deals confirmed by custodian, settlement will be released to custodian's settlement account.

- 8.5. The Equity Shares bought back in the demat form would be transferred directly to the escrow demat 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 NSE.
- 8.6. The Eligible Shareholders will have to ensure that they keep the depository participant ("**DP**") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance.
- 8.7. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned to the concerned Eligible Shareholders directly by Registrar to the Buyback offer. The Company has authorized the Registrar to split the share certificate and issue a new share certificate for the unaccepted Equity Shares.
- 8.8. The settlements of fund obligation for dematerialised and physical Equity Shares shall be effected as per the SEBI Circulars and as prescribed by Stock Exchange and Clearing Corporation from time to time. For Equity Shares accepted under the Buyback, the Eligible Shareholders holding Equity Shares in dematerialised form will receive funds payout in the Eligible Shareholder's bank account as provided by the depository system from Clearing Corporation and in case of physical shares the Clearing Corporation will release the funds to the Shareholder Broker(s) as per secondary market pay out mechanism. If Eligible Shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any issue then such funds will be transferred to the concerned Shareholder Brokers' settlement bank account for

onward transfer to their respective Eligible Shareholders.

- 8.9 Eligible 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 Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Eligible Shareholders.
- 8.10 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**

- 9.1 As required under the Buyback Regulations, the Company has fixed Friday, October 26, 2018 as the record date (the “**Record Date**”) for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback Offer. The Equity Shares proposed to be bought back by the Company, as part of this Buyback Offer shall be divided into two categories: (a) reserved category for Small Shareholders (A “Small Shareholder” is defined in the Buyback Regulations as a shareholder, who holds equity shares having market value, on the basis of closing price of the Equity Shares on the recognized stock exchange registering the highest trading volume in respect of such shares, as on Record Date, of not more than ₹ 2,00,000 (Rupees Two Lakhs only)) and (b) the general category for all other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.
- 9.2 In accordance with the proviso to Regulation 6 of the Buyback Regulations, 15% (fifteen per cent) of the number of Equity Shares which the Company proposes to Buyback, or number of shares entitled as per shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.
- 9.3 Based on the shareholding on the Record Date, the Company will determine the entitlement of each Eligible Shareholder to tender their Equity Shares in the Buyback. This entitlement for each Shareholder will be calculated based on the number of Equity Shares held by the respective Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Shareholder belongs. The final number of Equity Shares that the Company shall buyback from Eligible Shareholders will be based on the total number of shares tendered. Accordingly, the Company may not purchase all of the Equity Shares tendered by the Eligible Shareholders.
- 9.4 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Shareholders in that category, and thereafter from Eligible Shareholders who have tendered over and above their entitlement in other category.
- 9.5 In order to ensure that the same Eligible Shareholder with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common Permanent Account Number (“**PAN**”) shall be clubbed together for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of

Eligible Shareholders' holding physical shares, where the sequence of PAN is identical and where the PANs of all joint shareholders are not available, the Registrar will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the depositories. Further, the Equity Shares held under the category of "clearing members" or "corporate body margin account" or "corporate body - broker" as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

- 9.6 The Eligible Shareholders' participation in the Buyback will be voluntary. The Eligible Shareholders can choose to participate, in full or in part and get cash in lieu of Equity Shares to be 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. The Eligible Shareholders may also tender a part of their entitlement. The Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any.
- 9.7 The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
- 9.8 The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations.
- 9.9 Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent through email along with the application form in due course to the Eligible Shareholders as on Record Date, who have their email IDs registered with the Company/ registrar and transfer agent/ depository. However, on receipt of a request by Manager to the Buyback or Registrar to the Buyback to receive a copy of Letter of Offer in physical format from such Eligible Shareholder (to whom Letter of Offer and Tender Form were emailed), the same shall be sent physically. For all remaining Eligible Shareholders who do not have their email IDs registered with the Company/ Registrar to the Buyback/ depository, or physical share certificate holders the Letter of Offer alongwith Tender Form will be sent physically.

10. COMPLIANCE OFFICER

Nayan Kumar Mohanty

Company Secretary

NALCO Bhawan, Plot No. P/1,

Nayapalli Bhubaneswar -751013,

Odisha, India

Tel: +91 (0674) 2300677

Fax: +91 (0674) 2300677

Email: company_secretary@nalcoindia.co.in

Website: www.nalcoindia.com

Investor(s) may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10.00 a.m to 5.00 p.m on all working days except Saturday, Sunday and public holidays.

11. REGISTRAR TO THE OFFER AND INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar to the Buyback offer on any day except Saturday and Sunday and Public Holiday between 10.00 a.m. to 05.00 p.m. at the following address:



KARVY COMPUTERSHARE PRIVATE LIMITED

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

Contact Person: M. Murali Krishna

Tel: +91 (040) 6716 2222

Fax: +91 (040) 2343 1551

E-mail: nalcobuyback2018@karvy.com;

Website: www.karvycomputershare.com;

SEBI Registration Number: INR000000221

Validity Period: Permanent Registration

CIN: U72400TG2003PTC041636

12. MANAGER TO THE BUYBACK



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 8322,

Email: nalcobuyback2018@sbicaps.com,

Website: www.sbicaps.com

SEBI Registration Number: INM000003531

Validity period: Permanent

CIN: U99999MH1986PLC040298

13. DIRECTORS' RESPONSIBILITY

As per Regulation 24(1) (a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Public Announcement and confirms that this Public Announcement contains true, factual and material information and does not contain any misleading information.

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

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

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

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

**Place: Bhubaneswar
Date: October 15, 2018**