



भारत सरकार
GOVERNMENT OF INDIA
कोयला मंत्रालय
MINISTRY OF COAL
शास्त्री भवन, नई दिल्ली
SHASTRI BHAWAN, NEW DELHI

Date: October 30, 2018

The Managing Director
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai 400 001, India

The Managing Director
The National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex,
Bandra (East)
Mumbai 400 051, India

Sub: Notice of the proposed offer for sale of Coal India Limited (the "Company") by its "promoter", the President of India (acting through and represented by the Ministry of Coal, Government of India) (the "Seller")

Dear Sirs,

We hereby notify you that the Seller proposes to sell up to 18,62,22,275 (3%) equity shares of face value of Rs. 10 each of the Company ("**Base Offer Size**"), on October 31, 2018 ("**T day**"), (for non-Retail Investors only) and on November 1, 2018 ("**T+1 day**") (for Retail Investors and non-Retail Investors who choose to carry forward their unallotted bids) with an option to additionally sell 37,24,44,550 (6%) equity shares of the Company (the "**Oversubscription Option**") and in event the Oversubscription Option is exercised, the equity shares forming part of the Base Offer Size and the Oversubscription Option will, collectively, hereinafter be referred to as "**Offer Shares**". In case the Oversubscription Option is not exercised, the equity shares forming part of the Base Offer Size will hereinafter be referred to as "**Offer Shares**") through a separate, designated window of the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**") and together with BSE, the "**Stock Exchanges**", collectively representing 9% of the total paid up equity share capital of the Company on October 30, 2018, and such offer hereinafter referred as the "**Offer**"), and in accordance with:

- the "Comprehensive Guidelines on Offer for Sale (OFS) of Shares by Promoters through the Stock Exchange Mechanism" issued by the Securities and Exchange Board of India (the "**SEBI**") through its circular no. CIR/MRD/DP/18/2012 dated July 18, 2012 (as amended up to June 27, 2017, pursuant to subsequent circulars issued by SEBI) (the "**OFS Circular**"), and section 21 of chapter 1 of the "Master Circular for Stock Exchange and Clearing Corporation" issued by SEBI through its circular no. SEBI/HO/MRD/DP/CIR/P/2016/135 dated December 16, 2016 (together with the OFS Circular, the "**OFS Guidelines**");
- the "Revised Comprehensive Modified Guidelines for Bidding in Offer for Sale (OFS) Segment" issued by the BSE through its notice no. 20160218-33 dated February 18, 2016, notice no. 20150702-28 dated July 2, 2015, and, to the extent applicable, the previous notices issued by the BSE in this regard, including notice no. 20150122-30 dated January 22, 2015, notice no. 20140902-33 dated September 2, 2014, notice no. 20130129-23 dated January 29, 2013, notice no. 20120727-26 dated July 27, 2012, notice no. 201202228-30 dated February 28, 2012 and notice no. 20120222-34 dated February 22, 2012; and
- the "Revised Scheme – Offer for Sale through Exchange Platform" issued by the NSE through its circular no. 10/2016 dated February 19, 2016, and to the extent applicable, the previous circulars issued by the NSE in this regard, including circular no. 29/2015 dated June 30, 2015, circular no. 6/2015 dated January 28, 2015, circular no. 44/2014 dated September 2, 2014, circular no. 52/2013 dated May 30, 2013, circular no. 0037/2013 dated January 31, 2013, circular no. 005/2013 dated January 30, 2013, circular no. 52/2012 dated August 2, 2012, circular no. 73/2012 dated February 24, 2012, and circular no. 2/2012 dated February 21, 2012.

The Offer shall be undertaken exclusively through the Seller's Brokers (defined hereinafter) on a separate window provided by the Stock Exchanges for this purpose.

This notice ("Notice") is being issued to the Stock Exchanges pursuant to paragraph 5(b) of the OFS Circular to announce the Seller's intention to undertake the Offer, and contains important details in respect of the Offer, including certain information that is required to be disclosed by the OFS Guidelines. Prospective investors, as well as their brokers, are requested to read the entire contents of this Notice, along with the OFS Guidelines before participating in the Offer.

Name of the seller(promoter)	The President of India, acting through and represented by the Ministry of Coal, Government of India
Name of the company whose shares are proposed to be sold and its ISIN	<i>Company name:</i> Coal India Limited <i>Company ISIN:</i> INE522F01014
Name of the stock exchanges where orders shall be placed	BSE and NSE
Name of the designated stock exchange	BSE
Date and time of the opening and closing of the offer	The Offer shall take place on a separate window of the Stock Exchanges on <u>October 31, 2018 ("T"day)</u> and <u>November 1, 2018 ("T+1"day)</u>, from 9:15 a.m. to 3:30 p.m. (Indian Standard Time) on both days, as per details given below. <u>For non-Retail Investors:</u> <u>October 31, 2018 (Tday):</u> Non-Retail Investors can place their bids only on the T day. While placing their bids the non-Retail Investors may indicate their willingness to carry forward their un-allotted bids to T+1 day (defined below) for allocation to them in the unsubscribed portion of Retail Category (defined below); <u>November 1, 2018 (T+1 day):</u> Such non-Retail Investors who have placed their bids on T day <u>and</u> have chosen to carry forward their un-allotted bids to T+1 day, shall be allowed to revise their bids on T+1 day as per the OFS Guidelines. <u>For Retail Investors (defined below)</u> <u>November 1, 2018 (T+1 day):</u> Retail Investors shall be allowed to place their bids only on T+1 day.
Allocation methodology	The allocation shall be at or above the Floor Price (<i>defined below</i>) on price priority basis at multiple clearing prices, in accordance with the OFS Guidelines, except in case of Retail Investors, who shall have an option to bid at the Cut – Off Price (defined below) and for whom the final allocation price may be below the Floor Price (<i>defined below</i>) on account of Retail Discount (<i>defined below</i>). 20% of the Offer size shall be reserved for Retail Investors (<i>defined below</i>) subject to the receipt of valid bids (the "Retail Category"). The Stock Exchanges will decide the quantity of shares eligible to be considered in the Retail Category, based on the Floor Price (<i>defined below</i>) declared by the Seller. Unsubscribed portion of the shares reserved for Retail Investors shall

be available for allocation to such non-Retail Investors who have chosen to carry forward their un-allotted bids to T+1 day. However, such non-Retail Investors are required to indicate their willingness to carry forward their un-allotted bids to T+1 day.

Bidders can bid under the Retail Category or the non-Retail Category. Indicative price for non-Retail Category shall be displayed separately, but there shall be no indicative price for the Retail Category.

No single bidder other than Mutual Funds (*defined below*) and Insurance Companies (*defined below*) shall be allocated more than 25% of the Offer Shares (*defined below*).

Retail Category

“Retail Investor” shall mean an individual investor who places bids for shares of total value of not more than INR 2,00,000 (Indian Rupees Two Lakhs) aggregated across the Stock Exchanges (“**Retail Investor**”).

Retail Investors may enter a price bid or opt for bidding at the “Cut-Off Price”. For this purpose, “**Cut-Off Price**” means the lowest price at which the Offer Shares (*defined below*) are sold, as determined on the basis of all valid bids received in the non-Retail Category on T day. Allocation to Retail Investors shall be made based on the Cut-Off Price.

Retail Investors will be allocated Offer Shares (*defined below*) at a discount of 5% to the Cut-Off Price in accordance with the OFS Guidelines. The discounted price in respect to the Retail Investors shall be the price arrived at after deducting the quantum of discount calculated at 5% to the Cut-Off Price from the respective price bids of such retail investors, whether such bids are at Cut-Off Price or above (the “**Discounted Price**”). The Discounted Price shall be the final allocation price to such Retail Investors and may be below the Floor Price.

Discount shall be applicable on the bids received from the Retail Investors on T+1 day.

If the Retail Category is fully subscribed, bids by Retail Investors below the Cut-Off Price shall be rejected. If the Retail Category is not fully subscribed, price bids received in the Retail Category between the Cut-Off Price and the Discounted Price will also be eligible for allocation, provided the relevant price bids are not less than the Floor Price (*defined below*). Allocation to all such bids shall be done at the Discounted Price.

Any unsubscribed portion of Retail Category, after allotment, shall be eligible for allocation in the Non-Retail Category in respect of their un-allotted bids on T Day who choose to carry forward their bid to T+1 Day. Such non-Retail Investors, choosing to carry forward their bid to T+1 Day, are required to indicate their willingness to carry forward their bid on T Day.

In case of oversubscription in the Retail Category, if the aggregate number of Offer Shares bid for at a particular clearing price / Cut-Off Price, as the case may be, is more than available quantity then the allocation for such bids will be done on a proportionate basis at such clearing price (at or above the Cut-Off Price) / the Cut-Off Price, as the case may be.

	Employee Category Such number of equity shares as would be equivalent to up to 5% of the Equity Shares sold pursuant to the Offer (over and above the Offer Shares) may be offered to eligible and willing employees of the Company at a discount of up to 5% to the Cut-off Price in the Retail Category of the Offer subsequent to completion of the Offer, in terms of SEBI circular CIR/MRD/DP/65/2017 dated June 27, 2017. The employees will be eligible to apply for Equity Shares upto Rs. 2,00,000. Provided that in the event of under-subscription in the employee portion, the unsubscribed portion may be allotted on a proportionate basis, for a value in excess of Rs. 2,00,000, subject to the total allotment to an employee not exceeding Rs. 5,00,000. Non-Retail Category Non-Retail Investors shall have an option to carry forward their un-allotted bids from T day to T+1 day. Such Non-Retail Investors choosing to carry forward their un-allotted bids to T+1 day are required to indicate their willingness to carry forward their un-allotted bids while placing their bids on T day. Further, such non-Retail Investors can also revise their bids on T+1 day in accordance with OFS Guidelines. The allocation to non-Retail Investors shall be at a price equal to the Cut-Off Price or higher as per the bids. A minimum of 25% of the Offer Shares (defined below) shall be reserved for mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended ("Mutual Funds") and insurance companies registered with the Insurance Regulatory and Development Authority under the Insurance Regulatory and Development Authority Act, 1999 as amended ("Insurance Companies"), subject to receipt of valid bids at or above the Floor Price (defined below). In the event of any under subscription by Mutual Funds and Insurance Companies, the unsubscribed portion shall be available to other bidders in the non-Retail Category. In case of oversubscription in the non-Retail category, the Seller may choose to exercise the Oversubscription Option, which will be intimated to the Stock Exchanges after trading hours (on or before 5:00 P.M.) on T day. Accordingly, allocation to Bidders in the non-Retail category shall be done from the offer Shares forming part of the Base Offer Size and the Oversubscription Option. Further, in the event the Oversubscription Option is exercised, the equity shares forming part of the Base Offer Size and the Oversubscription Option will, collectively, hereinafter be referred to as "Offer Shares". In case the Oversubscription Option is not exercised, the equity shares forming part of the Base Offer Size will hereinafter be referred to as "Offer Shares". In case of oversubscription in the non-retail category on T+1 day, if the aggregate number of Offer Shares bid for at a particular clearing price is more than available quantity then the allocation for such bids will be done on a proportionate basis.
Total number of equity shares	Upto 18,62,22,275 equity shares of the Company of face value of Rs. 10

being offered in the offer	each, representing 3% of the total paid up equity share capital of the Company (" Base Offer Size ").
Maximum number of shares the seller may choose to sell over and above the offer shares	Upto 37,24,44,550 equity shares of the Company of face value of Rs. 10 each, representing 6% of the total paid up equity share capital of the Company ("Oversubscription Option"). The Seller shall intimate the Stock Exchanges of its intention to exercise the Oversubscription Option after the trading hours (i.e. on or before 5:00 P.M.) on T day.
Name of the broker(s) on behalf of the seller	1. Axis Capital Limited (BSE: 6105; NSE: 13872); 2. ICICI Securities Limited (BSE: 103; NSE: 07730); 3. JM Financial Institutional Securities Limited (BSE: 400; NSE: 12966); 4. Kotak Securities Limited (BSE: 673; NSE: 08081); 5. SBICAP Securities Limited (BSE: 95; NSE: 10529); (together, the "Seller's Brokers").
Floor Price	The floor price for the Offer shall be INR 266 (Indian Rupees Two Hundred and Sixty-Six) per equity share of the Company. The Stock Exchanges are required to ensure that the Floor Price is immediately informed to the market.
Retail discount	Retail Investors will be allocated Offer Shares at the Discounted Price. The Discounted Price shall be the final allocation price to Retail Investors and may be below the Floor Price. Prices determined after applying Retail Discount, which shall be final allocation prices to the Retail Investors, in certain/all cases, may be below the Floor Price.
Conditions for withdrawal of the offer	The Seller reserves the right to not to proceed with the Offer at any time prior to the time of opening of the Offer on the T day. In such a case, there shall be a cooling off period of 10 trading days from the date of withdrawal before another offer for sale through Stock Exchange mechanism is made. The Stock Exchanges shall suitably disseminate details of such withdrawal.
Conditions for cancellation of the offer	In the event (i) the aggregate number of orders received in the Offer at or above the Floor Price is less than the total number of Offer Shares; or (ii) of any default in settlement obligations, the Seller reserves the right to either conclude the Offer to the extent of valid bids received or cancel the Offer in full. The decision to either accept or reject the Offer shall be at the sole discretion of the Seller.
Conditions for participating in the offer	1. Non-institutional investors shall deposit 100% of the bid value in cash upfront with the clearing corporation at the time of placing bids for the Offer. 2. Institutional investors have an option of placing bids without any upfront

payment. In case of institutional investors who place bids with 100% of the bid value deposited upfront, custodian confirmation shall be within trading hours. In case of institutional investors who place bids without depositing 100% of the bid value upfront, custodian confirmation shall be as per the existing rules for secondary market transactions and applicable SEBI circulars.

3. Individual investors shall have the option to bid in the Retail Category and the non-Retail Category. However, if the cumulative bid value by an individual investor across both categories exceeds INR 2,00,000 (Indian Rupees Two Lakhs), the bids in the Retail Category shall become ineligible. Further, if the cumulative bid value by an individual investor in the Retail Category across the Stock Exchanges exceeds INR 2,00,000 (Indian Rupees Two Lakhs), bids by such investor shall be rejected.
4. In respect of bids in the Retail Category, margin for bids placed at the Cut-Off Price, shall be at the Floor Price and for price bids at the value of the bid. Clearing corporation shall collect margin to the extent of 100% of order value in cash, or cash equivalents, at the time of placing bids. Pay-in and pay-out for bids by Retail Investors shall take place as per normal secondary market transactions.
5. Retail Investors may enter a price bid or opt for bidding at the Cut-Off Price.
6. The funds collected shall neither be utilised against any other obligation of the trading member nor co-mingled with other segments.
7. Modification or cancellation of orders:
 - (a) Orders placed by Retail Investors (with 100% of the bid value deposited upfront) can be modified or cancelled any time during the trading hours on T+1 day.
 - (b) Orders placed by non-Retail Investors (institutional investors and by non-institutional investors) on T day, with 100% of the bid value deposited upfront can be modified or cancelled any time during the trading hours on T day and in respect of any un-allotted bids which they have indicated to be carried forward to T+1 day, orders can be modified on T+1 day in accordance with the OFS Guidelines.
 - (c) Orders placed by institutional investors without depositing 100% of the bid value upfront cannot be cancelled. Further, such orders can be modified only by making upward revision in the price or quantity any time during the trading hours on T day and in respect of any un-allotted bids which they have indicated to be carried forward to T+1 day, orders can be modified (only by making upward revision in the price or quantity) on T+1 day in accordance with the OFS Guidelines.

In case of any permitted modification or cancellation of the bid, the funds shall be released / collected on a real-time basis by the clearing corporation.

8. Bidder shall also be liable to pay any other fees, as may be levied by the Stock Exchanges, including securities transaction tax.

	9. Multiple orders from a single bidder shall be permitted. 10. In case of default in pay-in by any bidder, an amount aggregating to 10% of the order value shall be charged as penalty from such bidder and collected from the broker. This amount shall be credited to the Investor Protection Fund of the Stock Exchanges. 11. The equity shares of the Company other than the Offer Shares shall continue trading in the normal market. However, in case of market closure due to the incidence of breach of "Market wide index based circuit filter", the Offer shall also be halted.
Settlement	Settlement shall take place on a trade for trade basis. For bids received from Non-Retail Category on T Day, non-institutional investors and institutional investors who place orders with 100% of the order value deposited upfront, settlement shall take place on a T+1 Day, in accordance with the SEBI OFS Circulars. In the case of institutional investors who place bids without depositing 100% of the order value upfront, settlement shall be as per the existing rules for secondary market transactions (i.e., on T+2 Day). For the bids received on T+1 Day, from the Retail Category and from the un-allotted non-Retail Investors who choose to carry forward their bid to T+1 Day, the settlement shall take place on T+3 Day. In case of non-institutional investors and institutional investors bidding with 100% margin upfront who chose to carry forward their un-allotted bids to T+1 Day, the settlement shall take place on T+2 Day.

IMPORTANT INFORMATION

The Offer is personal to each prospective bidder (including individuals, funds or otherwise) registered with the broker of the Stock Exchanges who makes a bid (each a **"Bidder"**) and neither the Offer nor this Notice constitutes an offer to sell or invitation or solicitation of an offer to buy, to the public, or to any other person or class of persons requiring any prospectus or offer document to be issued, submitted to or filed with any regulatory authority or to any other person or class of persons within or outside India.

There will be no "public offer" of the Offer Shares under applicable law in India or any other jurisdiction. Accordingly, no documents have been or will be prepared, registered or submitted for approval as a "prospectus" or an offer document with the Registrar of Companies and/or SEBI under applicable law in India, including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or to the Stock Exchanges or any other regulatory or listing authority in India or abroad, and no such document will be circulated or distributed to any person in any jurisdiction, including in India. The Offer is being made in reliance on the SEBI OFS Circular and subject to the guidelines, circulars, rules and regulations of the Stock Exchanges. The Bidders acknowledge and agree that any buy order or bid shall be made solely on the basis of publicly available information and any information available with SEBI, Stock Exchanges, Company's website or any other public domain, together with the information contained in this Notice. The Offer is subject to the further terms set forth in the contract note to be provided to the prospective successful Bidders.

This Notice is for information purposes only and is neither an offer nor invitation to buy or sell nor a solicitation of an offer to buy or sell any securities, nor shall there be any sale of securities in any jurisdiction (**"Other Jurisdiction"**) in which such offer, solicitation or sale is or may be unlawful whether prior to registration or qualification under the securities laws of any such jurisdiction or otherwise. This Notice and the information contained herein are not for publication or distribution, directly or indirectly, in or to persons in any Other Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction. Prospective purchasers should seek appropriate legal advice prior to participating in the Offer.

This Notice is not for release, publication or distribution in the United States of America, its territories and possessions, any state of the United States of America, and the District of Columbia (together, the **"U.S."** or the **"United States"**) or to U.S. persons (**"U.S. Persons"**) as defined in Regulation S (**"Regulation S"**) under the United States Securities Act of 1933, as amended, (the **"Securities Act"**), and is neither an offer to sell nor a solicitation of an offer to buy any securities of the Company within the United States or to U.S. Persons. The Offer Shares have not been and will not be registered under the Securities Act and may not be offered or sold in the United States or to U.S. Persons absent registration under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the **"Investment Company Act"**) and, as such, holders of the Offer Shares will not be entitled to the benefits of the Investment Company Act. The Offer Shares will be offered within the United States only to "qualified purchasers" (as defined in Section 2(a)(51) of the Investment Company Act) (**"QPs"** and each a **"QP"**) who are also "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) (**"QIBs"** and each a **"QIB"**) or outside the United States to non-U.S. Persons in offshore transactions in reliance upon Regulation S. The Offer Shares may not be offered or sold to any "Benefit Plan Investor" as defined in the Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**) or to anyone acting on behalf of such person, unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, such registration requirements. The purchasers of Offer Shares within the United States are hereby advised that any resale of such shares must be made in accordance with the registration requirements of the Securities Act or to a non-U.S. Person in offshore transactions in reliance upon Regulation S, and in a manner which would not require the Company to register under the Investment Company Act.

The Company may be classified as a passive foreign investment company (**"PFIC"**) within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended (the **"Code"**), for U.S. federal income tax purposes. No determination has been made as to whether the Company has been, is, or will be classified as a PFIC. If the Company is classified as a PFIC, U.S. taxpayers that hold the Offer Shares (directly and, in certain cases,

indirectly) may be subject to significant adverse tax consequences. In addition, U.S. taxpayers will also be subject to additional U.S. tax form filing requirements, and the statute of limitations for collections may be suspended if the taxpayer does not file the form. Certain holders may be able to mitigate these consequences by making a "mark-to-market" election (if available). *The PFIC rules are complex. Prospective purchasers should consult their own tax advisors regarding the U.S. federal, state and local tax implications to them of acquiring the Offer Shares.*

Except for the Seller's Brokers, no broker may solicit bids for the Offer Shares or accept orders for bids for the Offer Shares from persons in the United States.

By submitting a bid in connection with the Offer or receiving the Offer Shares, each Bidder and any broker acting on such Bidder's behalf will be deemed to have (a) read and understood this Notice in its entirety, (b) accepted and complied with the terms and conditions set out in this Notice, and will be deemed to have and be required to represent, agree and acknowledge that they are, and at the time the Offer Shares are purchased, will be, the beneficial owner of such Offer Shares, not an affiliate of the Company or a person acting on behalf of such an affiliate, and (i) are non-U.S. Persons located outside the United States and purchasing such Offer Shares in offshore transactions in reliance upon Regulation S or (ii) a QP who is also a QIB purchasing the Offer Shares in a transaction exempt from the registration requirements of the Securities Act, and (iii) not a "Benefit Plan Investor" as defined in ERISA or anyone acting on behalf of such person.

By submitting a bid on behalf of a Bidder in connection with the Offer, each broker will also be deemed to have represented, agreed and acknowledged that it is located outside the United States and that none of the broker, its affiliates and all persons acting on its or their behalf has (a) engaged or will engage in any "directed selling efforts" (as defined in Regulation S) in connection with the offer or sale of the Offer Shares pursuant to Regulation S, (b) engaged or will engage in any form of "general solicitation" or "general advertising" (each, within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of the Offer Shares in the United States, (c) offered or will offer and sell the Offer Shares except to non-U.S. Persons outside the United States in offshore transactions in reliance upon Regulation S or within the United States to persons reasonably believed to be QPs who are also QIBs in transactions exempt from the registration requirements of the Securities Act and (d) offered or will offer to any "Benefit Plan Investor" as defined in ERISA or anyone acting on behalf of such person.

Sincerely,

For and on behalf of the President of India:

Ministry of Coal, Government of India


किशोर कुमार / KISHORE KUMAR
अवर सचिव / Under Secy.
भारत सरकार / Govt. of India
कोयला मंत्रालय / Ministry of Coal
शास्त्री भवन / Shastri Bhawan
नई दिल्ली / New Delhi

Shri Kishore Kumar
Under Secretary