

अनुराग कपिल
निदेशक

Anurag Kapil

Director

दूरभाष/Tel. : 011-23384594



भारत सरकार
GOVERNMENT OF INDIA

कोयला मंत्रालय

MINISTRY OF COAL

शास्त्री भवन, नई दिल्ली-110 001

SHASTRI BHAWAN, NEW DELHI-110 001

28 January 2015

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

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

Dear Sir/Madam

Sub: Notice of Offer for Sale of equity shares of Coal India Limited (the "Company") by its promoter, the President of India, acting through the Ministry of Coal, Government of India, through the Stock Exchange Mechanism (the "Notice")

I am directed to refer to Clause 5(b) of the Circular no. CIR/MRD/DP/18/2012 dated July 18, 2012, as amended by Circulars nos. CIR/MRD/DP/04/2013 dated January 25, 2013, CIR/MRD/DP/17/2013 dated May 30, 2013, CIR/MRD/DP/24/2014 dated August 8, 2014 and CIR/MRD/DP/32/2014 dated December 1, 2014, ("SEBI OFS Circular") issued by the Securities and Exchange Board of India ("SEBI") pertaining to comprehensive guidelines on offer for sale of shares through stock exchange mechanism.

The President of India, acting through and represented by the Ministry of Coal, Government of India is the promoter of Coal India Limited (the "Seller"). The Seller, proposes to sell 31,58,18,220 (Thirty one crores fifty eight lacs eighteen thousand two hundred and twenty) equity shares of face value of Rs. 10 each (the "Offer Shares") with an option to sell an additional upto 31,58,18,220 (Thirty one crores fifty eight lacs eighteen thousand two hundred and twenty) equity shares of face value of Rs. 10 each of the Company (collectively along with Offer Shares, as "Sale Shares"), collectively aggregating to 10% of the total paid up equity share capital of the Company, on 30 January 2015, in accordance with (i) SEBI OFS Circular, (ii) notice number 20120222-34 dated February 22, 2012, notice number 20120228-30 dated February 28, 2012, notice number 20120727-26 dated July 27, 2012, notice number 20130129-23 dated January 29, 2013, notice number 20140902-33 dated September 2, 2014 and notice number 20150122-30 dated January 22, 2015 issued by the BSE Limited ("BSE") and (iii) circulars bearing reference numbers 52/2012 dated August 2, 2012, 005/2013 dated January 30, 2013, 0037/2013 dated January 31, 2013, 52/2013 dated May 30, 2013 and 44/2014 dated September 2, 2014 issued by the National Stock Exchange of India Limited ("NSE", and together with the BSE, the "Stock Exchanges" and such offer for sale hereinafter referred to as the "Sale").

The Sale shall be undertaken exclusively through Seller's Brokers named below on a separate window provided by the Stock Exchanges for this purpose.


अनुराग कपिल / ANURAG KAPIL
निदेशक / Director
कोयला मंत्रालय / Ministry of Coal
भारत सरकार / Govt. of India
शास्त्री भवन / Shastri Bhawan
नई दिल्ली / New Delhi

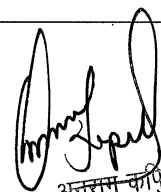
The details of the Sale, in accordance with the requirements of Clause 5(b) of the SEBI OFS Circular, are set forth below. In addition, other important information in relation to the Sale is set out below under the heading “**Important Information**”, and the information included therein forms an integral part of the terms and conditions of the Sale. Brokers and prospective buyers are required to read the information included in this Notice in its entirety alongwith the SEBI OFS Circular.

Sr. No.	Details required to be mentioned in the Notice	Particulars of the Sale
1.	Name of the Seller (Promoter/ ~~Promoter Group~~)	President of India, acting through and represented by the Ministry of Coal, Government of India
2.	Name of the company whose shares are proposed to be sold and ISIN	Coal India Limited ISIN: INE522F01014
3.	Name of the stock exchange where orders shall be placed	BSE and NSE
4.	Name of the designated stock exchange	BSE
5.	Date and time of the opening and closing of the Sale	The Sale shall take place on a separate window of the Stock Exchanges and shall commence on 30 January 2015 at 9:15 AM and shall close on the same date at 3:30 PM Indian Standard Time (“ Sale Date ”)
6.	Allocation methodology	The allocation shall be on a price priority method at multiple clearing prices in accordance with the SEBI OFS Circular. 20% of the size of the Sale shall be reserved for Retail Investors (as defined below) (“Retail Category”). BSE and NSE will decide the quantity of shares eligible to be considered in the Retail Category, based upon floor price declared by the Seller. Bidders can bid under Retail Category and non-retail category. Indicative price for the Retail Category and non-retail category shall be displayed separately. The cut-off price shall be determined separately for bids received in the Retail Category and for bids received in the non-retail category. No single bidder other than Mutual Funds (as defined below) and Insurance Companies (as defined below) shall be allocated more than 25% of the Sale Shares being offered in the Sale. Non-Retail Category allocation methodology A minimum of 25% of the Sale Shares shall be reserved for allocation of mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended

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		("Mutual Funds") and insurance companies registered with the Insurance and Regulatory and Development Authority under the Insurance Regulatory and Development Authority Act, 1999, as amended ("Insurance Companies"), subject to receipt of valid bids/orders at or above the floor price and as per the allocation methodology. In event of any under subscription by Mutual Funds and Insurance Companies, the unsubscribed portion shall be available to the other bidders in this category. Retail Category allocation methodology Retail investor shall mean an individual investor who places bids for shares of total value of not more than Rs. 2,00,000/- (Rupees Two Lakhs) aggregated across Stock Exchanges ("Retail Investor"). Retail Investors shall have the option to bid in the Retail Category and the non-retail category. However, if the cumulative bid value by any individual investor in both categories exceeds Rs. 2,00,000/- (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 BSE and NSE exceeds Rs. 2,00,000/- (Rupees Two Lakhs), bids by such investor shall be rejected. Retail Investors will be allocated Sale Shares at a discount of 5% to the bid price entered by them in accordance with the SEBI OFS Circulars. The discounted price, which shall be the final allocation price to the Retail Investors, may be below the Floor Price. Upon determining cut-off price for the Retail Category, the Sale Shares reserved for such category shall be allocated to eligible bids of Retail Investors on price priority method at multiple clearing prices in accordance with the SEBI OFS Circular. Any unutilized portion shall be offered to non-retail category of bidders. In case of excess demand in the Retail Category at the cut-off price, allocation shall be on a proportionate basis.
7.	Total number of equity shares being offered in the Sale	31,58,18,220 equity shares of the Company of face value of Rs. 10 each, aggregating to 5% of the total paid up equity share capital of the Company
8.	Maximum number of shares the Seller may choose to sell over and above made at point 7 above	31,58,18,220 equity shares of the Company of face value of Rs. 10 each, aggregating to 5% of the total paid up equity share capital of the Company
9.	Name of the broker(s) on	(i) DSP Merrill Lynch Limited,

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	behalf of the Seller	(ii) Credit Suisse Securities (India) Private Limited, (iii) Deutsche Equities India Private Limited, (iv) Goldman Sachs (India) Securities Private Limited, (v) JM Financial Institutional Securities Limited, (vi) Kotak Securities Limited, and (vii) SBICAP Securities Limited
10.	Date and time of declaration of Floor Price (if Seller chooses to disclose it to the market)	The Seller shall declare the Floor Price for the Sale on 29 January 2015, latest by 5:00 PM Indian Standard Time, to the Stock Exchanges and the Stock Exchanges shall ensure that the same is informed to the market immediately.
11.	Retail discount (if any)	Retail Investors will be allocated Sale Shares at a discount of 5% to the bid price entered by them in accordance with the SEBI OFS Circular.
12.	Conditions for withdrawal of the Sale	The Seller reserves the right to not to proceed with the Sale at any time prior to the time of opening of the Sale on the Sale Date. In such a case, there shall be a cooling off period of 10 trading days from the date of withdrawal before an offer for sale on the Stock Exchanges is made again. The Stock Exchanges shall suitably disseminate details of such withdrawal.
13.	Conditions for cancellation of the Sale	In the event (i) the aggregate number of orders received in the Sale at or above the Floor Price (except where discount to Retail Investors is applicable) is less than the total number of Sale Shares or (ii) of any default in settlement obligations, the Seller reserves the right to either conclude the Sale to the extent of valid bids / orders or cancel the Sale in full. The decision to either accept or reject the Sale shall be at the sole discretion of the Seller.
14.	Conditions for participating in the Sale	1. Non-institutional investors bidding in the non-retail category shall deposit 100% of the bid value in cash upfront with the clearing corporation at the time of placing bids for the Sale. 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 applicable SEBI circulars. 3. In respect of bids in the retail category, clearing corporation shall collect margin to the extent of 100% of order value in cash or cash equivalents. Pay-in and pay-out for retail bids shall take place as per normal secondary market transactions.

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		4. The funds collected shall neither be utilized against any other obligation of the trading member nor co-mingled with other segments; 5. Modification or cancellation of orders: (a) Orders placed by institutional investors and by non-institutional investors, with 100% of the bid value deposited upfront: Such orders can be modified or cancelled any time during the trading hours; (b) Orders placed by institutional investors without depositing 100% of the bid value upfront: Such orders cannot be modified or cancelled by the investors or stock brokers, except for making upward revision in the price or quantity. 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. 6. Bidder shall also be liable to pay any other fees, as may be levied by the Stock Exchanges, including securities transaction tax. 7. 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 the investor and collected from the broker. This amount shall be credited to the Investor Protection Fund of the Stock Exchange. 8. Multiple orders from a single bidder shall be permitted.
15.	Settlement	Settlement shall take place on a trade for trade basis. For non-institutional investors and institutional investors who place orders with 100% of the order value deposited upfront, settlement shall take place on T+1 (T being the Sale Date and T+1 being 2 February 2015), in accordance with the SEBI OFS Circular. Pay-in and pay-out of bids by Retail Investors shall take place as per normal secondary market transactions. In the case of institutional investors who place bids without depositing 100% of the order value upfront, settlement shall take place as per the existing rules for secondary market transactions (i.e. on T+2, being 3 February 2015).



Important Information

The Sale 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 Sale 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 person within or outside India.

There will be no "public offer" of the Sale 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 Sale 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 Sale 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 Sale.

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 Sale 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 US Investment Company Act of 1940, as amended (the "**Investment Company Act**") and, as such, holders of the Sale Shares will not be entitled to the benefits of the Investment Company Act. The Sale 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 Sale 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 requirement. The purchasers of Sale 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.

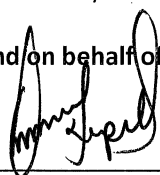
The Company may be classified as a passive foreign investment company ("PFIC") within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended (the "Code"), for U.S. federal income tax purposes. If the Company is classified as a PFIC, U.S. taxpayers that hold the Sale 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 Sale Shares.*

By submitting a bid in connection with the Sale or receiving the Sale 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 Sale Shares are purchased, will be, the beneficial owner of such Sale 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 Sale Shares in offshore transactions in reliance upon Regulation S or (ii) a QP who is also a QIB purchasing the Sale 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 Sale, 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 under the Securities Act) in connection with the offer or sale of the Sale Shares, (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 Sale Shares, (c) offered or will offer and sell the Sale 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.

Thanking You,
Yours faithfully

For and on behalf of President of India, Ministry of Coal, Government of India



Anurag Kapil, Director
Ministry of Coal, Government of India

अनुराग कपिल / ANURAG KAPIL
निदेशक / Director
कोयला मंत्रालय / Ministry of Coal
भारत सरकार / Govt. of India
शास्त्री भवन / Shastri Bhawan
नई दिल्ली / New Delhi