

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

29 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: Announcement of Floor Price for the proposed Offer for Sale of equity shares of Coal India Limited (the "Company") through stock exchange mechanism (the "Announcement")

I am directed to refer to Clause 5(c)(i) of the Circular no. CIR/MRD/DP/18/2012 dated July 18, 2012, as amended by Circulars bearing 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"). A copy of the notice dated 28 January 2015 ("Sale Notice") is enclosed herewith as Annexure A. As stated in the Sale Notice, the Seller has opted to publicly disclose the floor price in accordance with Clause 5(c)(i) of the SEBI OFS Circular.

In this regard, the floor price for the Sale in terms of the SEBI OFS Circular shall be as below:

Rs. 358/- (Rupees three hundred and fifty eight Only) per equity share of Coal India Limited (the "Floor Price")

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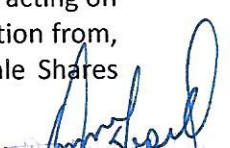
Important Information

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 Announcement 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 Announcement. The Sale is subject to the further terms set forth in the contract note to be provided to the prospective successful Bidders.

This Announcement 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 Announcement 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 Announcement 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 otherwise 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.

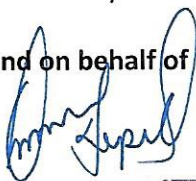
The Company may be classified as a passive foreign investment company ("PFIC") within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended (the "Code"), for U.S. federal income tax purposes. If the Company is classified as a PFIC, U.S. taxpayers that hold the Sale 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 Announcement in its entirety, (b) accepted and complied with the terms and conditions set out in this Announcement, 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 विभाग / Ministry of Coal
भारत सरकार / Govt. of India
शास्त्री भवन / Shastri Bhawan
नई दिल्ली / New Delhi