



**REF No.CIL: XI(D):04132;2018:22089**

**Date: 10<sup>th</sup> November 2018**

**CIRCULAR FOR OFFER FOR SALE OF EQUITY SHARES TO EMPLOYEES OF COAL INDIA LIMITED AND ITS SUBSIDIARIES BY PRESIDENT OF INDIA, ACTING THROUGH MINISTRY OF COAL, GOVERNMENT OF INDIA**

**Disclaimer**

*Investment in equity shares involve a degree of risk such as market risk, company specific risk etc. Investors must rely on their own examination of Coal India Limited ("Company") and its subsidiaries and this Employee Offer for Sale, including the merits and risks involved in the investment prior to making any investment decision in the Company.*

*Investors are advised to make their own independent decision and seek their own financial and legal advice, and this Circular should not be construed as a recommendation to subscribe to the Employee Offer for Sale either by the President of India acting through the Ministry of Coal, Government of India ("Seller") or the Department of Investment and Public Asset Management, Ministry of Finance, Government of India ("DIPAM") or the Company or any of their advisors. Neither the Seller nor the DIPAM nor the Company shall not be responsible for any losses, claims or damages that may be incurred by any employee by participating in this Employee Offer for Sale.*

**Subject: Offer of equity shares having face value of Rs 10/- each ("Equity Shares") to the eligible employees of Coal India Limited and its subsidiaries as per the Alternative Mechanism approval dated October 30, 2018 - Employee Offer for Sale ("Employee OFS")**

In accordance with the approval given in relation to the Alternative Mechanism on October 30, 2018, the President of India, acting through the Ministry of Coal, Government of India, proposes to offer upto 99,00,196 Equity Shares of face value of Rs. 10/- each of the Company to its eligible employees, at a discounted price of Rs. 254.22 per equity share (i.e. at 5% discount to the cut-off price for retail investors of Rs. 267.60 discovered in the Offer for Sale of Equity Shares of the Company, carried out by the President of India, acting through the Ministry of Coal, Government of India on October 31, 2018 and November 01, 2018).

The above offer for sale took place 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 through a circular dated July 18, 2012 as amended from time to time.

**The Employee Offer for Sale (OFS) will be carried out as under:**

1. An "Eligible Employee" shall mean a permanent and full-time employee of Coal India Limited and its subsidiaries working in India as on October 30, 2018, i.e. the date of decision in relation to the Alternative Mechanism to undertake the Offer for Sale transaction, as mentioned above.

It is clarified that:

- (a) Employees who have joined after October 30, 2018 or who have been regularized after October 30, 2018: Those employees who were full-time employee of the Company or its subsidiaries and were made permanent after October 30, 2018 or joined the Company or its subsidiaries after October 30, 2018 are not eligible to participate in the Employee OFS:-

*Handwritten signature/initials*

- (b) Employees who have ceased to be employees of the Company or its subsidiaries after October 30, 2018: A person who was an Eligible Employee as on October 30, 2018, even if he or she is not an employee as on the date of the Employee OFS, can still participate in the Employee OFS.
- (c) Deceased Eligible Employees: Legal heir(s) / successor(s) of deceased Eligible Employees shall not be entitled to apply or participate in the Employee OFS.
2. The minimum number of Equity Shares which can be applied by an Eligible Employee is 10 (ten) Equity Shares, subject to maximum of 786 Equity Shares. An Eligible Employee may apply for additional Equity Shares beyond 786 Equity Shares and in the event of under-subscription in the employee reservation portion, where the unsubscribed portion may be allotted on a proportionate basis, for a value in excess of two lakhs rupees, subject to the total allotment of Equity Shares to an employee not exceeding five lakhs rupees which makes the maximum limit per employee as 1,966 Equity Shares.
  3. In the event of any over-subscription in the Employee OFS, the Eligible Employee applying shall get proportionate allotment of the Equity Shares on the basis of the number of Equity Shares applied for in the duly completed and submitted application form.
  4. The Eligible Employees shall have no right of renunciation/assignment in favour of any other person in respect of the Employee OFS. Eligible Employees can apply for Equity Shares of the Company only in their names and no application for joint holding of Equity Shares shall be accepted.
  5. There shall be no lock-in period for the Equity Shares of the Company transferred/allotted under the Employee OFS.
  6. Equity Shares will be issued to the Eligible Employees in demat mode only. It is necessary for the Eligible Employees to have a demat account with any of the depository participants.
  7. Eligible employees who are interested and willing to participate in the Employee OFS may apply in the prescribed application form as per **Annexure I available under "Investor Center, OFS Tab"** at [www.coalindia.in](http://www.coalindia.in) and its subsidiaries website at [www.easterncoal.gov.in](http://www.easterncoal.gov.in), [www.bcclweb.in](http://www.bcclweb.in), [www.centralcoalfields.in](http://www.centralcoalfields.in), [www.cmpdi.co.in](http://www.cmpdi.co.in), [www.mahanadicoal.in](http://www.mahanadicoal.in), [www.ncl.gov.in](http://www.ncl.gov.in), [www.secl.gov.in](http://www.secl.gov.in) and [www.westerncoal.in/?q=node/1125](http://www.westerncoal.in/?q=node/1125) within the time period stated below and submit the same to Nodal officer of the Company and its subsidiaries after signing and making payment in the Bank. For accessing of the online application form, an employee has to enter his Employee code and PAN number. Upon validation, this detail only the form will be opened. The employee also has an option to download the application form and submit the same along with Cheque/DD to the respective SBI bank branches whose detail is attached in Annexure III. The copy of the application form duly received by the bank is to be submitted to Nodal or Designated area official of the company. The employee whose name and PAN details are not appearing in the eligible employee list can still download the application form, fill up the same and deposit it with the SBI Bank branches whose list is attached. However, they would be required to contact the designated area official for incorporating their name, employee no. and PAN number in the eligible employee list.
  8. Ex-Employees who are qualified "**Eligible Employees**" under this Employee OFS as on the cut-off date of October 30, 2018 can also participate in the Employee OFS by applying in

**Annexure I** as per the above details in Sl. No. 7 and submit the same to Nodal officer of the Company and its subsidiaries after signing and making payment in the Bank .

9. The Offer under the Employee OFS shall remain open from November 12, 2018 (12:00 NOON) to November 15, 2018 (05:00 PM) (both days inclusive). The portal service provided by M/s. Alankit Assignment Ltd, Registrar will be de-activated at 5.00 P.M. on November 15, 2018.
10. The Offer to Eligible Employees to the extent of unsubscribed portion of the Employee OFS shall be deemed to have lapsed.
11. No request for withdrawal of application for which amount has been credited to the Escrow Bank Account will be entertained.
12. Every Designated Person of the Company shall disclose to the Company the number of Equity Shares acquired or disposed of within two trading days of such transaction if the value of the shares traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rupees Ten Lakh. (Refer SEBI (Prohibition of Insider Trading) Regulations, 2015 & the Company's Code of Internal Procedures and Conduct for Prevention of Insider Trading in Securities).
13. The Instructions for filling the Applications Form in **Annexure II** form an integral part of this circular. These instructions should be read carefully before filling the application form by the Eligible Employees.
14. All Eligible Employees should be careful while making the payment for the Equity Shares applied through the Employee OFS and all payments made should be commensurate to the number of shares applied for in accordance with the price per share as set forth above. In case there is a mismatch in the amount paid and number of shares applied for, allotment will be done for number of shares arrived by reverse calculation based on amount actually paid/credited, subject to allotment of shares in accordance with the allocation methodology set forth above.

**Illustration\***


No. of Shares applied for	Amount to be paid (in Rs.)	Remarks
10	Rs. 2,543.00	This amount is commensurate with the number of shares applied for in accordance with the offer price per equity share. The amount is rounded upto the next higher rupee.
100	Rs. 25,422.00	
786	Rs. 1,99,817.00	
1,966	Rs. 4,99,797.00	Allotment in excess of 786 Equity Shares will only be made as per allocation methodology if issue remains under subscribed. The amount is rounded upto the next higher rupee.

*\*The above examples are for illustration purposes only.*

15. Any excess amount paid by the Eligible Employees shall be refunded to them in 10 working days after allotment of Equity Shares.
16. No interest is payable by the Company or its subsidiaries or the President of India, acting through the Ministry of Coal, Government of India (“Selling Shareholder”) on the application money / refund amount.
17. **Bank charges, if any, levied with respect to the remittance made for application towards the Equity Shares shall be to the account of respective Eligible Employee.**

*M/Be*

18. **The Application form duly filled in alongwith payment made to[“COAL INDIA LIMITED – EMPLOYEES OFFER - ESCROW ACCOUNT 2018 ”] Account No 38054268895, IFSC Code- SBI0009998 should be submitted to the Nodal Officer of Coal India Limited and its subsidiaries on or before November 15,2018 at selected branches of SBI as per Annexure III**
19. **Nodal Officers** —The Company and its subsidiaries has appointed Nodal Officers who will assist the Eligible Employees in this regard. Eligible Employees may consult the concerned Nodal Officers of the subsidiaries/Areas/Units for any assistance in filing the form and making necessary payment at selected branches of SBI as per Annexure III.
20. Refunds if any, would be deposited in the bank account of the respective Eligible Employees, details of which shall be obtained from the Depository Participants.
21. The Selling Shareholder will take necessary steps for transfer of the Equity Shares from its demat account to the demat account of Eligible Employees whose applications are found to be valid and complete in all respects and who are transferred/allotted Equity Shares in accordance to the terms and allocation methodology set forth herein.
22. Kindly note that application once submitted can't be modified or resubmitted, therefore request all the Eligible Employees to be careful while filing the application form
23. Attention is drawn to the obligations of the Designated Employees of the Company and its subsidiaries under the Company's Code of Internal Procedures and Conduct for Prevention of Insider Trading in Securities (the “Insider Trading Code”). Since the Trading Window is closed from November 5, 2018 to November 14, 2018, Designated Employees other than the Directors of the Company& its subsidiaries can apply for Equity Shares only on November 15, 2018.
24. The Heads of Finance and Personnel Department are requested to widely circulate the circular amongst all eligible employees and to extend all help to the employees in this regard.
25. This issue with the approval of Competent Authority.

  
Company Secretary, Coal India Limited

<b>REGISTRAR TO THE EMPLOYEE OFS</b>	<b>BANKER TO THE EMPLOYEE OFS</b>
<b>M/s Alankit Assignments Limited</b> Alankit Height, 3E/7,Jhandewalan Extension, New Delhi-110 055 E-mail id: <a href="mailto:alankit_rta@alankit.com">alankit_rta@alankit.com</a> Ph. no.: 011-4254-1234/2354-1234 Fax: 011-4154-3474 Website: <a href="http://www.alankit.com">www.alankit.com</a> Contact Person: Shri Sachin Kr. Gupta	STATE BANK OF INDIA CAG Branch 34, Jawaharlal Nehru Road, Kolkata - 700 071 Ph No.:033 22889418 IFSC Code: SBIN0009998 Escrow Account: 38054268895 E-mail: <a href="mailto:samir.pal@sbi.co.in">samir.pal@sbi.co.in</a> Contact Person: Shri Samir Pal