


<p>कोल इण्डिया लिमिटेड महारत्न कंपनी 3 तल्ला, कोर-2 प्रेमिसेस-04-एमआर, प्लॉट-ए एफ-III, एक्शन एरिया-1A, न्यूटाउन, रजरहट, कोलकाता-700156 फोन 033-23286926, फैक्स-033-23286910 ईमेल: mviswanathan2@coalindia.in वेबसाइट: www.coalindia.in</p>		<p>Coal India Limited A Maharatna Company (A Govt. of India Enterprise) Regd. Office: 3rd floor, Core-2 Premises no-04-MAR, Plot no-AF-III, Action Area-1A, Newtown, Rajarhat, Kolkata- 700156 PHONE; 033-2324-6526, FAX; 033-23246510 E-MAIL: mviswanathan2@coalindia.in WEBSITE: www.coalindia.in CIN- L23109WB1973GOI028844</p>
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Ref.No.CIL:XI(D):04156:2016:

Dated: 19th July'2016

To,
Listing Department,
Bombay Stock Exchange Limited,
14th Floor, P.J.Towers,
Dalal Street,
Mumbai – 400 001

SUB:- Buyback of Shares by Coal India Limited.

Ref. : Scrip Code 533278.

Dear Sir,

We refer to our letter No CIL:XI(D):04156:2016 dated 11th July'2016. In terms of Sections 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Management Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has fixed **Friday, the 15th July'2016** as the **Cut Off Date** for sending Notice of Postal Ballot alongwith Explanatory Statement and Postal Ballot Form to Members in connection with Buyback of Equity Shares of the Company. We are enclosing a copy of the same.

Company is also offering e-voting facility to all Members. It is availing the e-voting Platform of **National Securities Depository Limited (NSDL)** for providing this facility. The e-voting will commence from **Tuesday the 26th July'16 at 9.30 a.m.** and conclude at **5 p.m. on Wednesday, the 24th August' 2016.**

The results of the Postal Ballot will be announced on or before **26th August'2016.** This is for your information and records please.

Yours faithfully,

MVB
19/7/16

(M.Viswanathan/एम.विस्वनाथन)

Company Secretary/कंपनी सचिव
& Compliance Officer/कम्प्लायंस ऑफिसर

Enc: As above.



Coal India Limited

A Maharatna Company
www.coalindia.in

CIN: L23109WB1973GOI028844

Regd. Office: Coal Bhawan, Premises No-04-MAR, Plot-AF-III, Action Area-1A,
New Town Rajarhat, Kolkata, West Bengal-700156
Tel.: (033) 2324 6526; Fax: (033) 2324 6510; Email: complianceofficer.cil@coalindia.in
Website: <https://www.coalindia.in/>

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 AND RULES 20 AND 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

Dear Members,

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013 (the "**Companies Act**"), read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "**Management Rules**") including any statutory modification or re-enactment thereof for the time being in force, and other applicable provisions, if any, that the Resolutions appended below for buyback of equity shares of Coal India Limited (the **Company**) are proposed to be passed as Special Resolution by way of postal ballot including electronic voting for the postal ballot.

The Board of Directors of the Company at its meeting held on **Monday, the 11th July'2016** ("**Board Meeting**") has, subject to the approval of the shareholders of the Company by way of Special Resolution through postal ballot and subject to approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved buyback of not exceeding 10,89,55,223 (**Ten crore eighty nine lakhs fifty five thousand two hundred and twenty three**) equity shares of the Company, from all the members holding equity shares of the Company ("**Members**") on a proportionate basis through the "Tender Offer" route in accordance with the Companies Act, the Management Rules, the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, (the "**Buyback Regulations**"), as amended from time to time at a price of **Rs.335/-** (Rupees Three hundred and thirty five only) per equity share payable in cash for an aggregate consideration not exceeding **Rs.3650 crores** (Rupees Three Thousand Six hundred and fifty crores only) (the "**Buyback**"). The Buyback shall be upto 25% of the aggregate fully paid up share capital and free reserves of the Company as per audited accounts of the Company for the financial year ended March 31, 2016 (the last audited financial statements available as on the date of Board meeting recommending the proposal of the Buyback).

Since the Buyback is more than 10% of the total paid up equity capital and free reserves of the Company, in terms of Section 68(2) (b) of the Companies Act, it is necessary to obtain the consent of the Members of the Company, to the Buyback, by way of a special resolution. Further, as per Section 110 of the Companies Act read with Rule 22(16)(g) of the Management Rules, the consent of the Members to the Buyback is required to be obtained by means of postal ballot. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the Resolution appended below.

An explanatory statement pursuant to Section 102 of the Companies Act and other applicable legal provisions of the Companies Act and the Buyback Regulations, pertaining to the said Resolution setting out the material facts and the reasons therefor, is appended along with a postal ballot form (the "**Postal Ballot Form**"). Pursuant to Rule 22(5) of the Management Rules, the Company has appointed Shri Atul Kumar Labh of M/s A.K. Labh & Co, Practicing Company Secretaries, Kolkata as the Scrutinizer (the "**Scrutinizer**") for conducting the postal ballot process (including e-voting), in a fair and transparent manner.

The Members are requested to carefully read the instructions enclosed with the Postal Ballot Form and return the said Form duly completed in the attached self-addressed, postage prepaid business reply envelope, if posted in India, so as to reach the Scrutinizer not later than close of working hours (5 pm IST) on **Wednesday, the 24th August' 2016**. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received. The postage expense will be borne and paid for by the Company.

In compliance with the provision of Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Management Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is also offering e-voting facility as an alternate mode of voting to all Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Forms. Members are requested to follow the procedure as stated in the notes and instructions for casting of votes by e-voting. The e-voting module will be disabled / blocked after

the business hours i.e. 5 pm IST on **Wednesday, the 24th August' 2016** for voting by the Members. The Members have both the options of voting i.e. by e-voting and through Postal Ballot Form. Kindly note that while exercising their vote, Members can opt for only one of the two modes of voting i.e. either through Postal Ballot Form or e-voting. If you are opting for e-voting, then do not vote through Postal Ballot Form and vice versa. In case Members cast their vote by postal ballot and e-voting, then voting done through valid e-voting shall prevail and the voting done by postal ballot will be treated as invalid.

The Scrutinizer will submit his report to Chairman-cum-Managing Director or in his absence Director (Finance), after completion of scrutiny of Postal Ballot (including e-voting) in a fair and transparent manner. The results of the Postal Ballot will be announced on or before **26th August'2016**, and will be displayed at the Registered Office of the Company and communicated to BSE Limited (the "**BSE**") and National Stock Exchange of India Limited (the "**NSE**") where the equity shares of the Company are listed. The results of the Postal Ballot will also be displayed on the Company's website i.e. www.coalindia.in and on the website of National Securities Depository Limited ("**NSDL**") i.e. www.evoting.nsdl.com. The date of declaration of the results of the Postal Ballot shall be the date on which the Resolution would be deemed to have been passed, if approved by the requisite majority. The Members are requested to consider and, if thought fit, pass the following Resolution:

SPECIAL BUSINESS:

APPROVAL FOR BUYBACK OF EQUITY SHARES

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, the Companies (Share Capital and Debentures) Rules, 2014 (the "Share Capital Rules") to the extent applicable, and in compliance with the Buyback Regulations, including any amendments, statutory modifications or re-enactments, for the time being in force and in accordance with Article 23 of the Articles of Association of the Company and subject to such other approvals, permissions, sanctions and exemptions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board", which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this Resolution), consent of the members be and is hereby accorded for the buyback by the Company of its fully paid-up equity shares of ₹10/-each not exceeding 10,89,55,223 (Ten crore eighty nine lakhs fifty five thousand two hundred and twenty three) equity shares (representing 1.72% of the total number of equity shares in the paid-up share capital of the Company) at a price of ₹335/- (Rupees Three hundred and thirty five only) per equity share (the "Buy Back Offer Price") payable in cash for an aggregate consideration not exceeding ₹ 3650 crores (Rupees Three Thousand Six hundred and Fifty Crores only) (the "Buyback Offer Size") which is not exceeding 25% of the aggregate of the fully paid-up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016, from the equity shareholders of the Company, as on the record date, on a proportionate basis, through the Tender Offer route as prescribed under the Buyback Regulations (hereinafter referred to as the "Buyback").

RESOLVED FURTHER THAT the Company, to the extent legally permissible, implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

RESOLVED FURTHER THAT such Buyback be made out of the Company's free reserves, and / or such other sources as may be permitted by law through "**Tender Offer**" route and as required by the Buyback Regulations and the Companies Act, the Company may buyback equity shares from all the existing members holding equity shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders, as prescribed under proviso to Regulation 6 of the Buyback Regulations.

RESOLVED FURTHER THAT the Buyback from non-resident members holding equity shares of the Company, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, if any, etc. shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any.

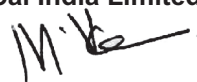
RESOLVED FURTHER THAT the Board be and is hereby authorized to give effect to the aforesaid resolutions and may delegate all or any of the power(s) conferred hereinabove as it may in its absolute discretion deem fit, to any Director(s) / Officer(s) / Authorised Representative(s) / Committee ("**Buyback Committee**") of the Company in order to give effect to the aforesaid Resolutions, including but not limited to finalizing the terms of the Buyback like record date, entitlement ratio, the timeframe for completion of Buyback; appointment of intermediaries / agencies, as may be required, for the implementation of the Buyback; Preparation, signing and filing of the Public Announcement, the Draft Letter of Offer / Letter of Offer with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the Securities and Exchange Board of India, Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder; and to initiate all necessary

actions for preparation and issue of various documents including letter of offer, opening, operation and closure of necessary accounts including escrow account with the bank, entering into agreements, release of public announcement, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, extinguishment of dematerialized shares and physical destruction of share certificates in respect of the equity shares bought back by the Company, and such other undertakings, agreements, papers, documents and correspondence, under the Common Seal of the Company, as may be required to be filed in connection with the Buyback with the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies, Depositories and / or other regulators and statutory authorities as may be required from time to time.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any shareholder to offer and / or any obligation on the part of Company or the Board or the Buyback Committee to Buyback any shares, and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such Buyback, if so permissible by law.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board and / or Sri S. Bhattacharya, Chairman- cum- Managing Director be and are hereby jointly and/or severally empowered and authorised on behalf of the Company to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as the Board and / or any person authorised by the Board of Directors may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

By Order of the Board of Directors
For Coal India Limited



M. Viswanathan
Company Secretary and
Compliance officer

Place: New Delhi
Date: 11th July, 2016

NOTES:

1. Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of Special Resolution to be passed through Postal Ballot/E-voting are annexed hereto along with postal ballot form for your consideration. It also contains all the disclosures as specified in Schedule II Part A of SEBI (Buyback of Securities) Regulations 1998.
2. The Notice is being sent to all the members, whose names appear in the Register of Members/List of Beneficial Owners, as on the close of working hours on **Friday, the 15th July'2016** i.e. Cut Off Date, as received from the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").
3. Members who have registered their e-mail IDs with Depositories / with the Company/ with Registrar and Share Transfer Agent are being sent this Notice of Postal Ballot by e-mail and the members who have not registered their e-mail IDs will receive Postal Ballot Notice along with the Postal Ballot Form by Courier / Registered Post.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT 2013 FORMING PART OF THE NOTICE

1. APPROVAL FOR BUYBACK OF EQUITY SHARES

With an objective of rewarding members holding equity shares of the Company, through return of surplus cash, the Board at its meeting held on **Monday, the 11th July'2016** has approved and recommended the proposal of buyback of equity shares as contained in the Resolution in the Notice. As per the relevant and other applicable provisions of Companies Act and Buyback Regulations, this Explanatory Statement contains relevant and material information to enable the members holding equity shares of the Company to consider and approve the Special Resolution for the Buyback of the Company's equity shares.

Requisite details relating to the Buyback are given below:

a) Necessity for the Buyback

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 11th July'2016, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ended March 31, 2016 and considering these, the Board decided to allocate a sum of ₹ 3650 crores (Rupees Three Thousand Six hundred and Fifty Crores 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 **10,89,55,223** (Ten crore eighty nine lakhs fifty five thousand two hundred and twenty three) (representing **1.72%** of the total number of equity shares in the paid-up share capital of the Company) at a price of **₹335/-** (Rupees Three hundred and thirty five only) per equity share for an aggregate consideration of **₹ 3650 crores** (Rupees Three Thousand Six hundred and Fifty Crores 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 for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder”;
- iii. The Buyback may 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.

b) Method to be adopted for the Buyback

The Buyback shall be on a proportionate basis from all the members holding equity shares of the Company through the “Tender Offer” route, as prescribed under the Buyback Regulations. The Buyback will be implemented in accordance with the Companies Act and the Share Capital Rules to the extent applicable, and the Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a record date (the “Record Date”) for determining the names of the members holding equity shares of the Company who will be eligible to participate in the Buyback.

In due course, each shareholder as on the Record Date, will receive a Letter of Offer along with a Tender / Offer Form indicating the entitlement of the shareholder for participating in the Buyback.

The equity shares to be bought back as a part of the Buyback is divided in two categories:

- (a) Reserved category for small shareholders; and
- (b) The General category for all other shareholders

As defined in Regulation 2(1) (1a) of the Buyback Regulations, a “small shareholder” is a shareholder who holds equity shares having market value, on the basis of closing price on Stock Exchanges as on Record Date, of not more than **Rs.200000/- (Rupees Two Lakhs Only)**.

In accordance with the proviso to Regulation 6 of the Buyback Regulations, 15% (fifteen percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder”.

Based on the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of equity shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

Shareholders' participation in Buyback will be voluntary. Members holding equity shares of the Company can choose to participate and get cash in lieu of 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. Members holding equity shares of the Company may also accept a part of their entitlement. Members holding equity shares of the Company 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 shareholders, if any.

The maximum tender under the Buyback by any shareholder cannot exceed the number of equity shares held by the shareholder as on the Record Date.

The equity shares tendered as per the entitlement by members holding equity shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement of the tenders under the Buyback is expected to be done using the “Mechanism for acquisition

of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

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 in due course to the members holding equity shares of the Company as on the Record Date.

c) Maximum amount required under the Buyback, its percentage of the total paid up capital and free reserves and the sources of funds from which the Buyback would be financed

The maximum amount required under the Buyback will not be exceeding **Rs. 3650 crores** (Rupees Three Thousand Six hundred and Fifty Crores only) ,being **24.95%** which is not exceeding 25% of the aggregate of the fully paid-up share capital and free reserves of the Company as per the audited accounts for the financial year ended March 31, 2016. The Buyback would be financed 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 will be not more than twice the paid-up capital and free reserves after the Buyback.

d) Buyback Price and the basis of arriving at the Buyback Price

The equity shares of the Company are proposed to be bought back at a price of **Rs.335/-** per equity share (the “**Buyback Offer Price**”). The Buyback Offer Price has been arrived at after considering various factors such as the average closing prices of the equity shares of the Company on Stock Exchanges where the equity shares of the Company are listed, 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) premium of 7.07% and 7.07% over the volume weighted average price of the equity shares on BSE and NSE respectively, for 2 weeks preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buyback (ii) premium of 4.12% and 4.05% over the closing market price of the equity shares on BSE and NSE respectively, as on the date of the intimation to BSE and NSE for the Board Meeting to consider the proposal of the Buyback; and (iii) premium of 13.12% and 13.15% over the volume weighted average price of the equity shares on BSE and NSE respectively, for 60 trading days, 3 months, 6 months preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buyback.

e) Number of shares that the Company proposes to Buyback and the time limit for completing the Buyback

The Company proposes to Buyback not exceeding 10,89,55,223 (Ten crore eighty nine lakhs fifty five thousand two hundred and twenty three) equity shares of face value of Rs.10/- each of the Company. The Buyback is proposed to be completed within 12 months of the date of Special Resolution approving the proposed Buyback.

f) Compliance with Section 68(2) (c) of the Companies Act

The aggregate paid-up share capital and free reserves as at March 31, 2016 is **Rs. 14629.17** crores. Under the provisions of the Companies Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate of the fully paid-up share capital and free reserves of the Company i.e. **Rs.3657.29** crores. The maximum amount proposed to be utilized for the Buyback, is not exceeding **Rs. 3650 crores** (Rupees Three Thousand Six hundred and Fifty Crores only) and is therefore within the limit of 25% of the Company's fully paid-up share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016(the last audited financial statements available as on the date of Board meeting recommending the proposal of the Buyback).

Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of equity shares that can be bought back in the current financial year is 1579091100 equity shares. Since the Company proposes to buy back upto 10,89,55,223 (Ten crore eighty nine lakhs fifty five thousand two hundred and twenty three) equity shares, the same is within the aforesaid 25% limit.

g) The aggregate shareholding of the Promoters and of the Directors of the Promoter where Promoter is a Company and of Persons who are in Control of the Company, and of Directors and Key Managerial Personnel of the Company as on the date of this Notice:

Sl. No.	Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in Dematerialized form	Percentage of issued Equity Share capital
1.	PRESIDENT OF INDIA (Through Ministry of Coal)	5030970582	5030970582	79.649
2.	Shri N. Kumar, Director (Technical)	400	400	negligible
3.	Shri M. Viswanathan, Company Secretary	400	400	negligible

- h) No shares or other specified securities in the Company were either purchased or sold by persons mentioned in clause (g) during a period of six months preceding the date of the board meeting at which the Buyback was approved and from that date till the date of notice of Postal Ballot for Buyback.
- (i) The Promoter has expressed its intention, vide its letter dated 11th July'16, to participate in the Buyback and tender an aggregate of 10,89,55,223 (Ten crore eighty nine lakhs fifty five thousand two hundred and twenty three) equity shares. Since the entire shareholding of the Promoter is in the demat mode, the details of the date and price of acquisition/ sale of entire Equity Shares that the Promoter has acquired/sold till date are set-out below:

Date of Transaction	Number of Equity Shares	Acquisition (Rs.)	Nature of Transaction
14.06.1973	3	3,000	Issued to the President of India(Pol on signing MoA)
14.06.1973	1	1,000	Issued to Mr. S.K.Dhar as nominee of Pol
14.06.1973	1	1,000	Issued to Mr. P.K.Lahiri as nominee of Pol
26.03.1974	79,995	7,99,95,000	Further issue to the President of India
15.03.1975	3,88,466	38,84,66,000	Further issue to the President of India
19.11.1975	14,75,377	1,47,53,77,000	Further issue to the President of India
31.12.1975	1,50,403	15,04,03,000	Further issue to the President of India
30.06.1976	1,14,000	11,40,00,000	Further issue to the President of India
22.09.1976	3,57,600	35,76,00,000	Further issue to the President of India
22.12.1976	17,97,333	1,79,73,33,000	Further issue to the President of India
02.12.1977	4,49,240	44,92,40,000	Further issue to the President of India
02.12.1977	36,600	3,66,00,000	Further issue to the President of India
13.01.1978	1,00,000	10,00,00,000	Further issue to the President of India
06.04.1979	10,15,440	1,01,54,40,000	Further issue to the President of India
31.05.1979	2,80,850	28,08,50,000	Further issue to the President of India
01.09.1979	5,42,791	54,27,91,000	Further issue to the President of India
01.09.1979	3,90,500	39,05,00,000	Further issue to the President of India
08.08.1980	10,61,640	1,06,16,40,000	Further issue to the President of India
07.10.1980	2,62,600	26,26,00,000	Further issue to the President of India
22.12.1980	3,20,000	32,00,00,000	Further issue to the President of India
19.02.1981	3,50,000	35,00,00,000	Further issue to the President of India
09.04.1981	4,00,000	40,00,00,000	Further issue to the President of India
24.06.1981	2,17,400	21,74,00,000	Further issue to the President of India
21.08.1981	7,15,189	71,51,89,000	Further issue to the President of India
18.09.1981	6,54,400	65,44,00,000	Further issue to the President of India
03.11.1981	6,25,700	62,57,00,000	Further issue to the President of India
03.03.1982	4,00,426	40,04,26,000	Further issue to the President of India
25.06.1982	16,21,000	1,62,10,00,000	Further issue to the President of India
30.09.1982	11,00,000	1,10,00,00,000	Further issue to the President of India
12.05.1983	19,10,000	1,91,00,00,000	Further issue to the President of India
30.09.1983	13,30,000	1,33,00,00,000	Further issue to the President of India
29.11.1983	9,70,000	97,00,00,000	Further issue to the President of India
21.02.1984	5,80,000	58,00,00,000	Further issue to the President of India
22.02.1985	49,10,000	4,91,00,00,000	Further issue to the President of India
23.05.1985	7,70,000	77,00,00,000	Further issue to the President of India
15.07.1985	2,50,000	25,00,00,000	Further issue to the President of India
29.08.1985	4,20,000	42,00,00,000	Further issue to the President of India
20.11.1985	16,30,000	1,63,00,00,000	Further issue to the President of India
20.12.1985	7,50,000	75,00,00,000	Further issue to the President of India
21.03.1986	10,00,000	1,00,00,00,000	Further issue to the President of India
17.05.1986	4,80,000	48,00,00,000	Further issue to the President of India
17.03.1987	51,70,000	5,17,00,00,000	Further issue to the President of India
14.05.1987	8,80,000	88,00,00,000	Further issue to the President of India

16.07.1987	11,54,074	1,15,40,74,000	Further issue to the President of India
11.09.1987	24,40,000	2,44,00,00,000	Further issue to the President of India
12.11.1987	13,20,000	1,32,00,00,000	Further issue to the President of India
29.04.1988	2,78,592	27,85,92,000	Further issue to the President of India
09.06.1988	10,50,000	1,05,00,00,000	Further issue to the President of India
14.07.1988	10,00,000	1,00,00,00,000	Further issue to the President of India
10.08.1988	6,30,000	63,00,00,000	Further issue to the President of India
26.09.1988	19,50,000	1,95,00,00,000	Further issue to the President of India
21.11.1988	14,23,771	1,42,37,71,000	Further issue to the President of India
05.12.1988	3,40,000	34,00,00,000	Further issue to the President of India
27.01.1989	82,135	8,21,35,000	Further issue to the President of India
23.06.1989	17,78,903	1,77,89,03,000	Further issue to the President of India
23.08.1989	17,30,000	1,73,00,00,000	Further issue to the President of India
30.09.1989	10,40,000	1,04,00,00,000	Further issue to the President of India
07.02.1990	43,784	4,37,84,000	Further issue to the President of India
06.06.1990	2,20,425	22,04,25,000	Further issue to the President of India
13.07.1990	32,50,000	3,25,00,00,000	Further issue to the President of India
12.09.1990	2,74,167	27,41,67,000	Further issue to the President of India
20.12.1990	10,02,318	1,00,23,18,000	Further issue to the President of India
18.02.1991	9,094	90,94,000	Further issue to the President of India
20.03.1991	42,966	4,29,66,000	Further issue to the President of India
31.07.1991	13,30,000	1,33,00,00,000	Further issue to the President of India
22.08.1991	4,15,945	41,59,45,000	Further issue to the President of India
15.11.1991	4,16,068	41,60,68,000	Further issue to the President of India
20.03.1992	8,11,529	81,15,29,000	Further issue to the President of India
02.06.1992	3,56,466	35,64,66,000	Further issue to the President of India
27.07.1992	4,20,000	42,00,00,000	Further issue to the President of India
29.08.1992	379	3,79,000	Further issue to the President of India
22.12.1992	2,988	29,88,000	Further issue to the President of India
19.02.1993	2,00,093	20,00,93,000	Further issue to the President of India
10.06.1993	4,359	43,59,000	Further issue to the President of India
02.09.1993	29,154	2,91,54,000	Further issue to the President of India
15.11.1993	3,431	34,31,000	Further issue to the President of India
05.03.1994	26,844	2,68,44,000	Further issue to the President of India
06.05.1994	10,941	1,09,41,000	Further issue to the President of India
20.07.1994	3,063	30,63,000	Further issue to the President of India
06.03.1995	21,15,200	2,11,52,00,000	Further issue to the President of India

On 16.2.2010, 63,163,644 equity shares of Rs.1,000 each were split into 6,316,364,400 equity shares of Rs. 10 each and were subsequently Dematerialized.

Date of Transaction	Number of Equity Shares Sold	Sale Consideration (Rs. in Crores)	Nature of Transaction
30.10.2010	-631636440	15,199.44	Divestment in IPO of Company
27.03.2014	-22037834	550.67	Transfer as Divestment in ETF
30.01.2015	-631636440	22557.63	Transfer as Divestment in OFS of Company
09.04.2015	-83104	NIL	Transfer as Loyalty Units in ETF
Total Current Holding	5030970582		

(j) Confirmations from Company as per the provisions of Buyback Regulations and Companies Act

- i. The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback;
 - ii. The Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of subsisting obligations.
 - iii. The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the public announcement of the offer to buyback is made;
 - iv. The Company shall not buyback locked-in shares and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.
 - v. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares purchased through the Buyback to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.
 - vi. The Company confirms that no defaults have been made by Company in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
- k) The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:
- a) Immediately following the date of the Board meeting, and the date on which the results of shareholders' resolution passed by way of Postal Ballot/ E-voting ("**Postal Ballot Resolution**") will be declared, approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts;
 - b) As regards the Company's prospects for the year immediately following the date of the Board meeting approving the Buyback as well as for the year immediately following the date of Postal Ballot Resolution, 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 as also from the date Postal Ballot Resolution; and
 - c) In forming an opinion as aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities), as if the Company was being wound up under the provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act (to the extent notified), as the case may be.
- l) **Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:**
The text of the Report dated **11th July'2016** received from Shri **S.C. Chaturvedi, Partner of M/s. Chaturvedi & Co.**, of the Company, addressed to the Board of Directors of the Company is reproduced below:

Auditor's Report

To,
The Board of Directors,
Coal India Limited
CoalBhawan, Premises No-04-MAR, Plot-AF-III
Action Area-1A, New Town Rajarhat
Kolkata West Bengal-700156

Dear Sir,

Sub: Statutory Auditors' Report in respect of proposed buyback of equity shares by Coal India Limited ('the Company') in terms of Clause (xi) of Part A of Schedule II of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended).

1. In connection with the proposed buyback of **10,89,55,223** equity shares by the Company constituting **1.72%** of the existing issued, subscribed and paid-up equity share capital of the Company ("**Buyback**") in pursuance of the

provisions of Section 68, 69 and 70 of the Companies Act, 2013 (the “Act”) and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 as amended (the “Buy Back Regulations”), we report that:

- i. We have enquired into the state of affairs of the Company in relation to the last Audited Standalone State of Affairs of the Company for the year ended March 31, 2016 as approved by the Board of Directors in the meeting held on 28th May' 2016.
 - ii. The amounts of permissible capital payment towards Buy Back of equity shares (including premium), as stated in **Annexure-A** has been properly determined in accordance with the provisions of Section 68(2) of the Act and Regulation 4(1) of the Buy Back Regulations; and
 - iii. The Board of Directors of the Company, in their meeting held on **11th July'2016** have formed their opinion as specified in clause (xi) of Part A of Schedule II of the Buy Back Regulations on reasonable grounds, and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the board meeting at which the proposal for Buyback was approved and from the date on which the result of the shareholders' resolution passed by way of Postal Ballot/ E-Voting approving the Buyback is declared (“Postal Ballot Resolution”).
2. Compliance with the provisions of the Act and the Buy Back Regulations is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy based on our abovementioned statements. For the purpose of this report, we conducted verification in accordance with the Guidance Note on Audit Reports and Certificate for Special Purposes issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.
 3. This report has been issued solely in connection with the proposed Buyback and should not be used, referred or distributed for any other purpose without our prior written consent.
 4. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

Annexure A

Coal India Limited

Computation of amount of permissible capital payment towards buy back of equity shares in accordance with provisions of section 68 (2) of the Companies Act, 2013 and Regulation 4(1) (a) of the Buy Back Regulations based on the last Audited Financial Statements of the Company for the year ended 31 March 2016.

Particulars	(Rs. in Crores)
Paid up equity shares capital (A)	6316.36
Free reserves:	
- Securities premium account	0.00
- General reserve	7871.78
- Surplus in the statement of profit and loss	441.03
Total free reserves (B)	8312.81
Total (A+B)	14629.17
Maximum amount permissible for the Buy-back i.e. 25% of the aggregate fully paid-up share capital and free reserves	3657.29

For **Chaturvedi & Co.**
Chartered Accountants
Firm Registration No.302137E
Sd/-
S.C. Chaturvedi
Partner
Membership No.-012705

Place: New Delhi
Date : July 11, 2016

Unquote:-

For any clarifications related to the Buyback process, members holding equity shares of the Company may contact Shri M.Viswanathan, Company Secretary & Compliance Officer., Tel: +91 033-2324-6526; Email: complianceofficer.cil@coalindia.in.

All the material documents referred to in the Explanatory Statement such as the Memorandum and Articles of Association of the Company, relevant Board Resolution for the Buyback, the Auditors Report dated 11th July'2016 and the audited accounts of the Company for the financial year ended March 31, 2016 are available for inspection by the members of the Company at its Registered Office on any working day between 10.00 am and 5.00 pm up to the last date of receipt of Postal Ballot Form specified in the accompanying Notice.

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its members holding equity shares of the Company. The Directors, therefore, recommend passing of the Special Resolution as set out in the accompanying Notice.

None of the Directors or any Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested, either directly or indirectly in passing of the said Resolution, save and except to the extent of their respective interest as shareholders of the Company.

By Order of the Board of Directors
For **Coal India Limited**



M.Viswanathan
Company Secretary and
Compliance officer

Place: New Delhi
Date : 11th July, 2016

INSTRUCTIONS FOR VOTING BY PHYSICAL POSTAL BALLOT FORM

1. Shareholders desirous of exercising vote by physical Postal Ballot should complete the Postal Ballot Form in all respects and send it to the Scrutinizer in the attached self-addressed postal prepaid business reply envelope which shall be properly sealed with adhesive or adhesive tape. However, letters containing Postal Ballot Form, if sent by courier, at the expense of the shareholder will also be accepted. The shareholders are requested to convey their assent or dissent in the enclosed Postal Ballot Form.
2. A Postal Ballot Form and a self-addressed postage prepaid business reply envelope are attached to this Notice. The self-addressed envelope bears the address to which duly completed Postal Ballot Form is to be sent.
3. The Postal Ballot Form should be signed by the shareholders as per the specimen signatures registered with the Registrar/ Depository. In case the equity shares are jointly held, Postal Ballot Form should be completed and signed (as per specimen signatures registered with Registrar/ Depository) by the first name shareholder and his/her absence, by the next named shareholder. Holder(s) of Power of Attorney(s) (POA) on behalf of the shareholder(s) may vote on the Postal Ballot enclosing an attested copy of the POA. Unsigned Postal Ballot Forms will be rejected.
4. In case of Equity Shares held by the shareholders other than the individual shareholders, the duly completed Postal Ballot Form should be signed by the authorized signatory, whose signature was already registered with Registrar/ Depository and it should be accompanied by a certified copy of Board Resolution/ Authorisation together with the specimen signature(s) of the duly authorized signatories giving requisite authorities to the person voting on the Postal Ballot Form.
5. Postal Ballot Form signed by the holder of power of attorney for and on behalf of a shareholder of the company must be accompanied by the copy of power of attorney duly certified by Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office.
6. The Duly Completed Postal Ballot Form should reach the Scrutinizer not later than close of working hours (till 5 P.M.) on **Wednesday, the 24th August'2016** on Postal Ballot Form received after this date will be treated as if reply from such Shareholder has not been received. The shareholders are requested to send the duly completed Postal Ballot Form well before the last date providing sufficient time for the postal transit.
7. Voting rights shall be reckoned on the paid up value of the shares registered in the name(s) of the shareholder(s) as on **Friday, the 15th July'2016**.
8. Shareholders are requested not to send any paper (other than the Resolution/authority as mentioned under instruction above) along with the Postal Ballot Form in the enclosed self-addressed postage prepaid letter as all such documents will be sent to the Scrutinizer and if any extraneous paper is found therein, the same would not be considered and would be destroyed by the Scrutinizer.
9. There will be only one Postal Ballot Form for every folio / client ID irrespective of the number of the joint shareholders. On receipt of the duplicate Postal Ballot Form, the original will be rejected.
10. In case a Member is desirous of obtaining a printed postal ballot form or a duplicate, he or she may send an email to **Alankit Assignments Limited, "Alankit Heights", 1E/13, Jhandewalan Extension, New Delhi-110055, Email: alankit_cil@alankit.com**.
11. The votes should be cast either in favour of or against by putting the tick (✓) mark in the column provided for assent or dissent. Postal Ballot Form bearing tick marks in both the columns will render the Form invalid.
12. Incomplete, unsigned or incorrectly filled Postal Ballot Form shall be rejected. No other form or photocopy of the attached Postal Ballot Form will be permitted.

INSTRUCTION FOR E-VOTING

The Company has engaged the services of **National Securities Depository Limited (NSDL)** as the Authorised Agency to provide the facility of casting of votes by using an electronic voting system ("e-voting"). The detailed process, instructions and manner for availing e-voting facility is provided herein below:

- A. The E-voting period begins on **Tuesday, the 26th July'2016** at 09:30 am and ends at 5:00 pm IST on **Wednesday, the 24th August'2016**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Friday, the 15th July'2016** may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- B. For those shareholders opting for e-voting, the process and manner of e-voting will be as follows:
 - (a) **In case of Shareholders' receiving e-mail from NSDL**
 - (i) Open e-mail and open PDF file viz; "remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of **COAL INDIA LIMITED**
 - (viii) Now you are ready for e-Voting as Cast Vote page opens

- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote or cast your vote again
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail **aklabh@aklabh.com** with a copy marked to **evoting@nsdl.co.in**.
- (b) In case of Shareholders' receiving Postal Ballot Form by Post:
- (i) Initial password is provided at the bottom of the Postal Ballot Form.
 - (ii) Please follow all steps from Sl. No. B(a)(ii) to Sl. No. B(a)(xii) above, to cast vote.
- C. In case of any queries, you may refer the Frequent Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders, available at the download section of www.evoting.nsdl.com or call on toll free no 1800-222-990. In case of any grievance related to voting by electronic means, you may please contact **Mr. Amit Vishal**, Senior Manager, NSDL at 022 2499 4360 and send an e-mail to evoting@nsdl.co.in and amitv@nsdl.co.in.
- D. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.



Coal India Limited

A Maharatna Company
www.coalindia.in

CIN: L23109WB1973GOI028844

Regd. Office: Coal Bhawan, Premises No-04-MAR, Plot-AF-III, Action Area-1A,
New Town Rajarhat, Kolkata, West Bengal-700156
Tel.: (033) 2324 6526; Fax: (033) 2324 6510; Email:complianceofficer.cil@coalindia.in
Website: https://www.coalindia.in

POSTAL BALLOT FORM

(Kindly refer to the instructions specified before filing the form)

Serial No.

- (i) Name & Regd. Address of the Sole/
First Named Shareholder (in block letters)
- (ii) Name(s) of Joint holder(s), if any
- (iii) Regd. Folio No./ *DP ID-Client ID No.
(* Applicable to Shareholders Holding Shares
in demat Form)
- (iv) No. of shares held
- (v) I/We hereby exercise my/our vote in respect of the Special Resolution as mentioned in the Notice, to be passed through postal ballot for the business stated in Postal Ballot Notice dated **11th July'2016** of the Company by sending my/our assent/dissent to the said Resolution by placing the tick (✓) mark against the appropriate box below:

Resolution No.	Particulars	No. of shares held	For/ assent to the resolution Please tick (✓)	Against/ dissent to the resolution Please tick (✓)
1	Special Resolution under section 68, 69 and 70 of the Companies Act'2013 for buyback of a maximum of 10,89,55,223 (Ten crore eighty nine lakhs fifty five thousand two hundred and twenty three) equity shares of the Company(representing 1.72% of the total number of equity shares in the paid capital of the Company) from all the equity shareholders on a proportionate basis through the " Tender Offer " route as prescribed under SEBI (Buyback of Securities) Regulations 1998 at a price of Rs. 335/- per equity share aggregating amount not exceeding Rs.3650 Crores (Rupees Three Thousand Six hundred and Fifty Crores).			

Date:
Place:

Signature of Shareholder(s)/PoA holder(s)

Electronic Voting Particulars

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD

Please refer to the Paras B or C, printed under 'The Procedure with respect to e-voting' in the Notice

Last Date of Receipt of Postal Ballot Forms by Scrutinizer is 24th August'2016

Please see General Instruction overleaf.

GENERAL INSTRUCTIONS

- a) The voting rights for the equity shares of the Company are one vote per equity share, registered in the name of the Shareholders.
- b) Voting rights shall be reckoned on the paid up value of the shares registered in the name(s) of the shareholder(s) as on **Friday, the 15th July, 2016**.
- c) Voting by Postal Ballot, in the physical form or e-voting, can be exercised only by the shareholder or his/her duly constituted attorney or in case of bodies corporate, the duly authorized person. Voting rights in a Postal Ballot cannot be exercised by a Proxy.
- d) Voting period commences on and from **Tuesday, 26th July'2016 at 9.30 a.m.** and ends on **Wednesday, the 24th August, 2016 (5.00 pm)**
- e) Kindly note that the shareholder(s) **can opt for only one mode** of voting, i.e. either Physical Ballot or e-voting. However, in case shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid e-voting shall prevail and the voting done by physical Postal Ballot will be treated as invalid.
- f) The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
- g) The Company shall announce the results, on or before 26th August' 2016. The date of declaration of Postal Ballot results will be taken as the date of passing of the Resolutions contained in this Notice.
- h) Any query in relation to the Resolutions proposed to be passed by Postal Ballot may be sent to the Company at Coal India Limited, Coal Bhawan, Premises No-04-MAR, Plot-AF-III, Action Area-1A, New Town, Rajarhat, Kolkata, West Bengal-700156. e-mail:complianceofficer.cil@coalindia.in.