


<p>कोल इण्डिया लिमिटेड महारत्न कंपनी 3 तल्ला, कोर-2 प्रेमिसेस-04-एमआर, प्लॉट-ए एफ-III, एक्शन एरिया-1A, न्यूटाउन, राजरहट, कोलकाता-700156 फोन 033-23246526, फैक्स-033-23246510 ईमेल: mviswanathan2.cil@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.cil@coalindia.in WEBSITE: www.coalindia.in CIN- <u>L23109WB1973GOI028844</u></p>
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Ref.No.CIL:XI(D):04156:2017: 16029

Dt. 28th March.'2017

To,
Mrs Dhara Barot
Asst. Manager
Listing Compliance, Listing Department,
Bombay Stock Exchange Limited,
14th Floor, P.J. Towers,
Dalal Street,
Mumbai – 400 001

Sub: News Clarification- CCI Cuts Coal India Penalty by a Third to Rs 591 crore.
Ref.: Scrip Code 533278.

Dear Madam,

We refer to your email dated 27th March'2017 seeking clarification on the media report on the above subject matter. The clarification is as under:-

Background

1. Mahagenco and GSECL filed separate informations alleging abuse of dominance by Coal India Limited and its subsidiaries in relation to the unfair terms and conditions in their Fuel Supply Agreements (*FSAs*) with various power generation companies.
2. The CCI, on 9 December 2013 had passed an order under Section 27 holding CIL and its subsidiaries to be abusing their dominant position in the supply of non-coking coal in India and imposing unfair / discriminatory terms and conditions in the Fuel Supply Agreements (*FSAs*). The Hon'ble Commission also imposed a penalty of INR 1773. 05 Crores on CIL. CIL filed an Appeal before the Hon'ble Competition Appellate Tribunal (*Tribunal*).

Remand of CCI Order:

3. However, the Hon'ble Tribunal, through its order dated 17 May 2016 set aside the Hon'ble Commission's Order and remitted the matter back for fresh consideration by the CCI. The CCI re-heard the parties and issued its order on 24 March 2017.

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“On 24 March 2017, the Competition Commission of India (CCI) passed its order in the cases of Maharashtra State Power Generation Company (*Mahagenco*) v. Mahanadi Coalfields Limited and Coal India Limited, Maharashtra State Power Generation Company v. Western Coalfields Limited and Coal India Limited, and Gujrat State Electricity Corporation Limited (*GSECL*) v. South Eastern Coalfields Limited and Coal India Limited, holding Coal India Limited and its above mentioned subsidiaries (together referred to as *CIL*) to be in contravention of Section 4(2)(a)(i) of the Competition Act, 2002(*Act*).

Directions by the CCI to CIL

- FSAs to be modified in consultation with all stakeholders including Mahagenco and GSECL;
- CIL to ensure uniformity between old and new power producers as well as private and PSU power producers;
- CIL to incorporate suitable modifications to provide for fair and equitable sampling and testing procedure – CIL *may* also consider feasibility of sampling at the unloading end.

Penalty: Having considered, conduct of CIL and the modifications to the FSA, a reduced penalty of INR 591.01crore has been imposed.”

This is for your information and records. This is as per Regulation 30 of the SEBI (LODR) Regulations 2015.

Yours faithfully,

M/V
28/3/17

(M.Viswanathan)
Company Secretary &
Compliance Officer.