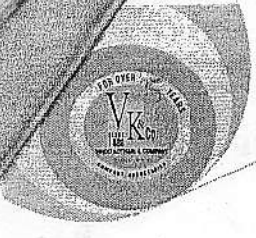




Policy on determination of materiality
under SEBI (Listing Obligations and
Disclosure Requirements)
Regulations'2015.



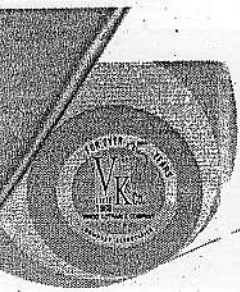
*[Approved by CIL Board at its 330th Meeting held on
19th/20th July'2016]*



Policy on Determination of Materiality

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SCOPE AND PURPOSE

The Securities Exchange Board of India, on 2nd September, 2015, has come out with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations, 2015). By virtue of the said Regulations, 2015, [name of the Company] (the "Company") recognizes the need to frame a policy to determine the material events by testing the materiality as required under Regulation 30 for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchange(s).

This Policy on Determination of Materiality (the 'Policy') has been adopted by the Board of Directors of the Company at its Meeting ----- held on [o]. The same would be effective from 1st December, 2015.

1. POLICY OBJECTIVE AND SCOPE

The primary objective of the policy is to determine the events or information which in the opinion of the Board are material and needs to be disclosed to the Stock Exchanges as per the time span hitherto defined.

The purpose of the policy is to present a high level policy statement of the Company with respect to disclosure of material events / information in accordance with the provisions of Regulations, 2015.

The policy intends to define Company's policy on disclosure of events / information and to provide guidance to the Board of Directors, Key Managerial Personnel and other executives and staff of the Company in understanding and making decisions regarding their responsibility about making public such events / information which may materially affect the performance/operation of the Company and thereby the market prices of listed securities of the Company.

The policy is framed for the purpose of systematic identification, categorization, review, disclosure to stock exchanges and updation of Company's website the details of events/information which are considered material and which may have a bearing on the performance/operation of the Company and which may materially affect the market prices of listed securities of the Company.


2. DEFINITIONS

2.1. "Acquisition" shall mean-

- a. acquiring control, whether directly or indirectly; or

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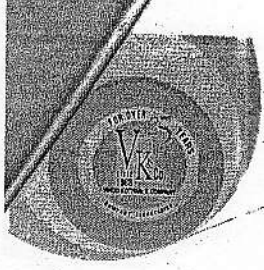


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- b. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
- i. the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; or
 - ii. there has been a change in holding from the last disclosure made under sub-clause (i) of clause (b) above and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- 2.2. **“Agreement”** shall include shareholder agreement, joint venture agreement, family settlement agreement to the extent the same impacts the management and control of the Company and agreement, treaty or contract with media companies, which are binding and not in normal course of business and revision, amendment and termination thereof.
- 2.3. **“Board”** shall mean the Board of Directors of the Company;
- 2.4. **“Committee”** shall mean a Committee constituted by the Board for the purpose of determination of materiality under this Policy, which shall consist of two or more Key Managerial Personnel of the Company as may be decided by the Board from time to time.
- 2.5. **“Company”** shall mean [name of the Company];
- 2.6. **“Compliance Officer”** shall mean the Company Secretary of the Company;
- 2.7. **“Convertible Security”** means a security which is convertible into or exchangeable with equity shares of the issuer at a later date, with or without the option of the holder of the security and includes convertible debt instrument and convertible preference shares;
- 2.8. **“Designated securities”** means-
- a. Specified securities;
 - b. Non-convertible debt securities;
 - c. Non-convertible redeemable preference shares;
 - d. Perpetual debt instrument;
 - e. Perpetual non-cumulative preference shares;
 - f. Indian Depository Receipts;
 - g. Securitised debt instruments;
 - h. Units issued by mutual funds; and
 - i. Any other securities as may be specified by the Securities Exchange Board of India;
- 2.9. **“Determining Person”** shall mean the Director(Technical), Director (Finance), Company Secretary or any other KMP of the Company for the time being designated for the purpose of determination of materiality of an event or information.

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- 2.10 "Guidance Notes" shall inter-alia include the circulars and guidance notes issued by SEBI on September 09, 2015 on continual disclosures requirements and/or any other guidance note or circular issued by SEBI pertaining to such continual disclosures.
- 2.11 "Key Managerial Personnel/KMP" means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 i.e.-
- Chief Executive Officer (CEO)/ Managing Director (MD)/ Manager;
 - Whole-time Director (WTD);
 - Chief Financial Officer (CFO);
 - Company Secretary (CS).
- 2.12 "Information or Market Sensitive Information" shall mean information concerning the Company that a reasonable person would expect to have a material effect on the price or value of its securities or information which causes the market to maintain the price of security at or about its current level when it would otherwise be expected to move materially in a particular direction, given price movements in the market generally or in the Company's sector.
- 2.13 "Officer" means as assigned to the term in clause (59) of Section 2 of the Companies Act, 2013 and shall include Promoters of the Company.
- 2.14 "Promoter" means as assigned to the term in clause (za) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- 2.15 "Regulations" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations, 2015)
- 2.16 "Stock Exchange" means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956;
- 2.17 "Specified Securities" means 'equity shares' and 'convertible securities' as defined under clause (zj) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- 2.18 "Subsidiary" means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013;
- 2.19 "Policy" means this CIL Policy for Determination of Materiality of Events or Information for Disclosure framed under Regulation 30(4) of Regulations, 2015.

All other words and expressions used but not defined in this policy but defined in the Act or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations

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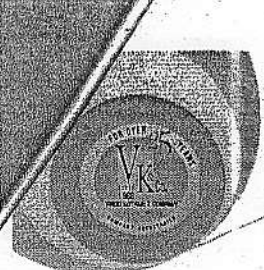
made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be

3. KEY PRINCIPLES IN DETERMINING MATERIALITY

An information or an event is considered to be material when it is likely to impact the normal price or value of the securities of the Company. Where the price or value of the securities of the Company in the normal course is likely to be affected on the basis of the disclosure or non-disclosure of an event or information, such event or information is to be regarded as material. Accordingly, the following events and guidelines shall be considered while testing materiality for disclosure of an event/information:

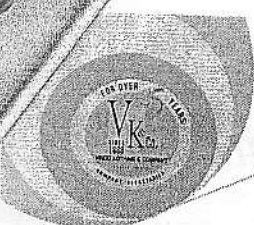
A. EVENTS WHICH SHALL BE DEEMED MATERIAL SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF MATERIALITY IN TERMS OF PARA (A) OF PART(A) OF SCHEDULE III OF THE REGULATIONS READ WITH THE GUIDANCE NOTES

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/merger/demerger/restructuring), or sale or disposal of any unit(s) or division(s) or subsidiary of the Company or any other restructuring.
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. Revision in rating(s).
4. Outcome of Meetings of the Board of the Company: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - (i) declaration of dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - (ii) any cancellation of dividend with reasons thereof;
 - (iii) the decision on buyback of securities;
 - (iv) the decision with respect to fund raising by way of equity proposed to be undertaken;
 - (v) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;



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- (vi) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
 - (vii) short particulars of any other alterations of capital, including calls;
 - (viii) financial results; and
 - (ix) decision on voluntary delisting by the Company from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s) / treaty (ies) / contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
 6. Fraud/defaults by Promoter or KMP or by the Company or arrest of KMP or Promoter.
 7. Change in Directors, KMP, Auditor and Compliance Officer.
 8. Appointment or discontinuation of share transfer agent.
 9. Corporate debt restructuring.
 10. One time settlement with a bank.
 11. Reference to Board of Industrial and Financial Reconstruction and winding-up petition filed by any party/creditors.
 12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company.
 13. Proceedings of Annual and Extraordinary General Meetings of the Company.
 14. Amendments to Memorandum and Articles of Association of the Company.
 15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
- B. EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY REFERRED SUB-REGULATION (4) OF REGULATION (30):**
1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.



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2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or Product launch
4. Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
8. Litigation(s)/dispute(s)/regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than KMP) or employees of Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

C. ANY OTHER INFORMATION/EVENT VIZ. MAJOR DEVELOPMENT THAT IS LIKELY TO AFFECT BUSINESS:

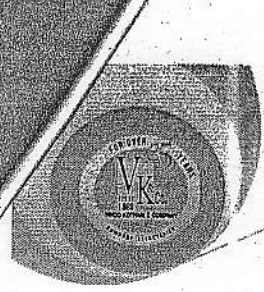
Events/ Information that may include but are not restricted to-

1. Emergence of new technologies;
2. Expiry of patents;
3. Any change of accounting policy that may have a significant impact on the accounts, etc.;
4. Any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

D. Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by the SEBI from time to time.

4. ADMINISTRATIVE MEASURES

- 4.1. The Determining Person shall be authorized for the purpose of determining materiality of an event or information and making disclosures to the stock exchange.



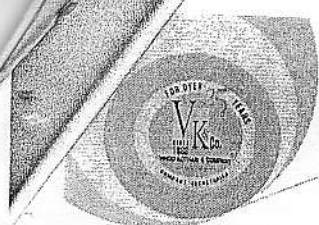
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- 4.2. The Determining Person so designated may also be guided by previous guidance of SEBI or comparable international Regulators about materiality, while expressing a view on whether the information is Market Sensitive.
- 4.3. The Determining Person shall take into consideration totality of factors surrounding the particular information to take a view on whether the information is Market Sensitive or not. Without prejudice to the generality of the above, the Determining Person may consider the following factors in arriving at the decision:
 - 4.3.1. Whether the Information is likely to cause prices of the Company's Specified Securities to move, as a result of the Information, by 10% or more, as the Information comes to public domain;
 - 4.3.2. Whether the Information pertains to a matter which may have an impact on the Company's net worth, as a result of the Information, to be affected by 10% or more;
 - 4.3.3. Whether the Information pertains to a matter which may cause the Company's turnover to move, as a result of the Information, by 10% or more;
 - 4.3.4. Whether the Information pertains to a matter which may cause the assets of the Company, amounting to 10% or more of such assets, to be deployed into an application other than the one where they are currently deployed.
- 4.4. The Determining Person may seek expert advice where so felt necessary as to whether an Information is Market Sensitive or not.
- 4.5. All decisions of the Determining Person will be recorded and preserved for a minimum period of 4 years subject to its conformity with the Policy for Preservation of Documents of the Company.
- 4.6. The contact details of the Determining Person shall be disclosed to the stock exchange and also be placed on the Company's website.
- 4.7. The Determining Person shall periodically bring to the attention of the Board of Directors of the Company all information, events or materials which in its opinion has to be brought to the attention of the Members of the Stock Exchanges.

5. INTERPRETATION

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.





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6. GUIDANCE ON WHEN AN EVENT/INFORMATION IS DEEMED TO BE OCCURRED

- 6.1 The events/information shall be said to have occurred upon approval by the Board e.g. further issue of capital by rights issue and in certain events/information after approval of both i.e. Board and shareholders that is to say, after the approval of the shareholders of the Company;
- 6.2 The events/ information that may be of price sensitive nature such as declaration of dividends etc., on receipt of approval of the event by the Board, pending Shareholder's approval;
- 6.3 In the events/information such as natural calamities, disruption etc. can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties;

7. DISCLOSURE

The Compliance Officer shall observe the following for proper and timely disclosure of any material events/ information as defined hereon:

- 7.1 For determining materiality of any event/transaction, reference is to be made to this Policy and the Regulations.
- 7.2 Disclosure of the events enumerated in Clause 3(A) (4) above shall be made within 30 minutes of the conclusion of the Board Meeting at which such events were discussed along with the time of commencement and conclusion of the meeting.
- 7.3 All other events mentioned under Clause 3(A) and (B) above, other than those mentioned in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.
- 7.4 The details with regard to any fraud/ default by Directors, Promoter or KMP or by the Company or arrest of any Promoter or KMP shall be disclosed at the time of unearthing of the fraud or occurrence of default/ arrest.
- 7.5 The Stock Exchange shall also be intimated further details regarding the same including actual amount of fraud/ default, actual impact of such fraud/ default on the Company and its financials and corrective measures taken thereon.
- 7.6 Disclosure of any material development shall be made on a regular basis of any event, till the time the event is resolved/ closed.
- 7.7 The disclosure shall be made with respect to the Company, its KMPs, or Promoters, or ultimate person in control at the time of becoming party to any litigation assessment, adjudication, arbitration



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or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed against or in favour of the Company, the outcome of which can reasonably be expected to have an impact.

- 7.8 The Stock Exchange shall also be regularly intimated details of any change in the status and/ or any development thereon till the litigation or dispute is concluded and/ or is resolved.
- 7.9 All the disclosures made to the Stock Exchange under this Policy shall also be disclosed on the Website of the Company and the same shall be hosted for a minimum period of five years.
- 7.10 The Determining Person jointly and severally in consultation with the Board of Directors shall disclose such events / information about its subsidiaries which are material for Coal India Limited and whose disclosure is likely to materially affect the market prices of securities of the Company.

8. POLICY REVIEW

The Board is authorized to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the Regulations.

9. AUTHORISATION TO KMPs TO SUO MOTO ACCEPT / DENY REPORTED EVENT OR INFORMATION

The Company shall generally maintain silence in case of rumours with respect to the Company unless otherwise decided by the Key Managerial Personnel (KMPs) consisting of the Managing / Whole-time Director, Chief Finance Officer and the Company Secretary who are hereby jointly and severally authorised to suo moto accept / deny any report event or information, which has been unauthorisedly made public by media or by any other means including but not limited to electronic means. They are further authorised to respond to the rumours amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company. Such action taken by the KMPs shall however, be brought to the attention of the Board of Directors at its immediately subsequent meeting.

Place:
Date:

(Authorised Signatory)

Signature

