

Govt to sell 3% in CIL via OFS, eyes ₹4,162 cr

SHREYA JAI

New Delhi, 31 May

The Centre has proposed to sell up to 3 per cent of its stake in national miner Coal India (CIL) through the offer for sale (OFS) route from June 1.

The government is looking to garner around ₹4,162 crore through the sale process. The stake sale would contribute to the Centre's disinvestment target for 2023-24, pegged at ₹51,000 crore. The Centre missed its disinvestment target in the last fiscal year.

The stake sale in CIL has been in the offing since 2018. But the share price of the company has been below expectations. The government and the CIL were hoping for the share price to inch above ₹220 a share to initiate a sale process.

In the last quarter, a spike in share price owing to high coal demand helped CIL

achieve its production target.

The Centre's proposal comprises sale of up to 1.5 per cent stake in CIL on June 1 and 2, with an option to sell an additional 1.5 per cent as green shoe option. The Centre currently holds 66.13 per cent stake in CIL. The floor price for the stake sale has been set at ₹225 a share.

"The seller proposes to sell up to 92.4 million equity shares of face value of ₹10 each of the company (representing 1.50 per cent of the total paid-up equity share capital of the company) (base offer size), on June 1 and 2 for retail investors and non-retail investors," the filing said. There will be an option to additionally sell 92.4 million (1.5 per cent) equity shares of the firm. CIL on Tuesday announced its first major coal price hike since 2018 with an 8 per cent increase across high grades G2 to G11.