

IOC's board clears ₹22k cr rights issue

Will Be Country's 4Th Largest | JV with S'pore's Sun Mobility For Electric Projects Gets Nod Too

TIMES NEWS NETWORK

New Delhi: The IndianOil board on Friday approved a rights issue for raising Rs 22,000 crore and forming an equal joint venture (JV) with Singapore-based Sun Mobility with equity investment of Rs 1,800 crore till 2026-27 on electric mobility initiatives.

The company board also approved investment of a little more than \$78 million in its Singapore subsidiary, 10CL Singapore, a wholly owned subsidiary of IndianOil, for acquiring preference shares and warrants. IndianOil informed the stock exchanges in the evening.

"The details of rights issue viz the issue price, right entitlement, record date, issue open date, issue closure dates, terms of payment, etc, will be intimated separately in accordance with the applicable laws, and subject to receipt of necessary approvals as may be required," the company said without identifying the projects that will be funded with the money

raised through this route.

The joint venture with Sun Mobility will focus on battery-swapping business and other initiatives such as retrofitting and developing an aggregator ecosystem to promote electric mobility.

IndianOil is the second state-run refiner-retailer to announce a rights issue. The Bharat Petroleum board had on June 28 approved a similar plan to raise Rs 18,000 crore for funding energy transition projects.

RAISING FUNDS

Top rights issues (In ₹cr)

April 30, '20	RIL	53,125
April 10, '19	Voda Idea	25,000
May 3, '19	Airtel	24,939
July 7, '23	IOC	22,000
Feb 18, '08	SBI	16,736
Feb 14, '18	Tata Steel	12,704



Source: Prime Database

These are part of a four-year-old initiative undertaken before the company announced its 2040 net zero road map.

Sun Mobility is promoted by Chetan Maini and Uday Khaitan of Russia-based Sun Group. Swiss-based Dutch energy & commodity trading house Vitol and German engineering giant Bosch have been investors since two and three years, respectively.

The Union Budget had made a provision of Rs 30,000 crore as capital support for energy transition projects of IndianOil, Bharat Petroleum and Hindustan Petroleum.

IndianOil had recently doubled its authorised capital to Rs 30,000 crore. Industry watchers said higher equity capital will boost capital spending of oil companies & credibility of carbon-reduction plans.