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CIL HIKES THERMAL COAL PRICE BY UP TO 8% FROM TODAY



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CIL increases thermal coal price by up to 8%

Eyes additional revenue of ₹2,703 crore for the balance period of FY24

SHREYA JAI
New Delhi, 30 May

The Board of Directors of Coal India (CIL) on Tuesday approved an 8 per cent hike in non-coking, or thermal, coal prices with effect from May 31, 2023. CIL is expecting to earn an incremental revenue of ₹2,703 crore for the balance period of the financial year 2023-24 following the hike in prices.

"The board has approved a price increase of 8 per cent over the existing notified prices for high-grade coal of grade G2 to G10... This will be applicable to all subsidiaries of Coal India Limited, including NEC, for regulated and non-regulated sectors. Due to this revision, CIL will earn approx. incremental revenue of ₹2,703 crore for the balance period of financial year 2023-24. All add-ons would be as per the extant practice," the CIL said in an exchange notification.

In a recent interview to *Business Standard*, Pramod Agrawal, CMD, CIL, had confirmed plans to hike coal prices. CIL's previous price increase was in January 2018. Since then, the company



State-run power discoms have proposed a hike in power tariffs in their annual filing as coal prices have gone up due to high demand and rise in imported coal

had absorbed much of the inflationary costs, especially on diesel and explosives, without revisiting our prices, he had said.

"CIL as a whole has been able to sustain a strong financial bottomline so far. But only some of the CIL's arms are achieving profits, while others, especially Eastern and Western Coalfields, Bharat Coking Coal, are feeling the financial pinch and may not be able to finance their future projects unless there is adequate compensation," he had said.

To take on the challenging output and offtake targets, it is essential that suitable capital is in store to invest in mining and rail evacuation projects. "There is a credible argument for price revision. However, we will take a balanced approach as an increase in coal price will have a cascading effect on various commodities. We will take a call on coal pricing with stakeholders on board. The aim is to protect our EBITDA and shield the nation from the impact," Agarwal said.

The increase in coal prices comes at a time when the country is facing record high electricity demand. India touched record high demand of 220 Gw on May 16. The price hike of coal will increase prices of coal. Several state-run power distribution firms have proposed a hike in power tariffs in their annual filing, as coal prices have gone up due to high demand and rise in imported coal.

The domestic coal price hike will raise fuel cost further for power generators, which is passed on to electricity consumers.

(With inputs from PTI)

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Govt to Sell Up to 3% in CIL Via OFS

The government will sell up to 3% of its stake in Coal India to raise about ₹4,200 crore through a two-day offer-for-sale (OFS) from Thursday. The OFS will open for subscription for non-retail investors on Thursday, while retail investors can subscribe on Friday.

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TO RAISE ABOUT ₹4,200 CRORE; ISSUE TO OPEN FOR SUBSCRIPTION TODAY

Govt to Sell Up to 3% in Coal India via OFS

Our Bureau

Mumbai: The government will sell up to 3% of its stake in Coal India to raise about ₹4,200 crore through a two-day offer-for-sale (OFS) from Thursday.

The government has proposed to sell up to 9.24 crore shares representing 1.50% of the total paid-up equity as a base offer with an option to additionally sell 9.24 shares or 1.5% of the company equity in the event of oversubscription.

The OFS will open for subscription for

non-retail investors on Thursday, while retail investors can subscribe on Friday. The floor price for the offer has been fixed as ₹225, a 6.7% discount to Wednesday's closing price of ₹241.20. About 10% of the offer will be reserved for retail investors.



Non-institutional investors who place bids can flag their willingness to carry forward their un-allotted bids to Friday for allocation to them in case the retail category stays unsubscribed.

Shares of Coal India have rallied 25% in

the last one year and 63% in the past two years, compared to Nifty's gain of 12% and 19% during these periods.

The Union Budget for 2023-24 has set a disinvestment target at ₹51,000 crore for FY24, lower than the previous financial year. Earlier, the estimates for FY23 were revised to ₹50,000 crore from the earlier target of ₹65,000 crore.

This is the first big-ticket sale from the government so far in FY24 against the disinvestment target of ₹51,000 crore.

The government currently holds a 66.13% stake in Coal India.

Date- 02.06.23

Publication -The Statesman

CIL`s CSR spend higher than statutory requirement: Coal India Ltd`s spend of Rs 513 crore in FY 23 on corporate social responsibility (CSR) was 15.3% more than the statutory requirement of Rs. 445 crore. For the fourth year on the trot the company has achieved this feat. More than half of the CSR spent at Rs 1,209cr or 54% was on health, sanitation and nutrition because it is a national theme and mandated by the department of public enterprises. This was followed by education and livelihood which accounted for 21% at Rs 463cr. The rest was spread on rural development, environmental stability, promotion of sports and other themes.