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Government Announces OFS in Coal India Limited

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The Government of India has announced an Offer for Sale (OFS) in Coal India Limited with a base offer of 1% equity and an additional 1% Green Shoe Option in case of oversubscription.

The Department of Investment and Public Asset Management (DIPAM) fixed the floor price at ₹412 per share. The move is part of the government's ongoing disinvestment and asset monetisation programme.

Key Highlights

The OFS opened for non-retail investors on 27 May 2026, while retail investors can participate on 29 May 2026. The government plans to sell up to 2% stake in Coal India through this process. At the fixed floor price, the Centre is expected to mobilise nearly ₹5,000 crore if the entire 2% stake is sold.

The floor price of ₹412 per share is nearly 10% lower than Coal India's previous market closing price, making the OFS attractive for investors. DIPAM stated that Coal India continues to remain a strong long-term investment opportunity because of its operational performance, profitability, and regular dividend payouts.

What is an OFS?

Offer for Sale (OFS) is a mechanism through which promoters of listed companies, especially the government in Public Sector Undertakings (PSUs), sell shares directly through the stock exchange platform. It helps the government raise revenue while maintaining management control over strategic PSUs.

About Green Shoe Option

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A Green Shoe Option allows the seller to increase the size of the share sale if investor demand remains high. In this case, the government can sell an additional 1% stake in Coal India if the OFS receives strong subscription.

About Coal India Limited (CIL):

Established: 1975

Headquarters: Kolkata, West Bengal

Type: Maharatna Central Public Sector Enterprise

Ministry: Ministry of Coal

Coal India is the world's largest government-owned coal mining company.

It contributes more than 80% of India's domestic coal production.

About DIPAM

Full Form: Department of Investment and Public Asset Management

Ministry: Ministry of Finance

Responsible for:

Disinvestment of PSUs

Asset monetisation

Government equity management in CPSEs

Disinvestment Programme

Disinvestment means selling government stake in public sector enterprises.

Objective:

Raise government revenue

Improve efficiency

Encourage wider public ownership

Union Budget FY27 target for disinvestment and asset monetisation: ₹80,000 crore.

Importance of Coal in India

Coal remains India's primary source of electricity generation.

Major coal-producing states:

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Jharkhand

Odisha

Chhattisgarh

West Bengal

Madhya Pradesh

Important Personalities:

Union Minister of Coal: G. Kishan Reddy

DIPAM Secretary: Arunish Chawla

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