

# Now, Centre plans to divest in Hind Zinc in small tranches

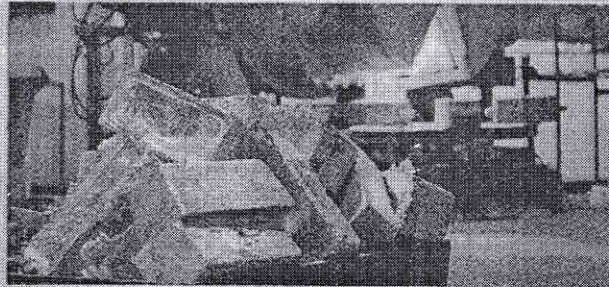
**FOR RIGHT TIME.** To wait out the volatility in markets, particularly in metal stocks

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The Centre is planning to divest shares of Hindustan Zinc in small tranches of 5-7 per cent, instead of larger blocks, and at a "suitable time", said sources aware of the discussions.

It continues to explore available options and has reportedly been advised to wait out the volatility in markets and, particularly, in metal stocks, said a person in the know. Officials aware of the discussions say that it is highly unlikely that large tranches or the entire stake will be let off at one go.

A senior Department of Investment and Public Asset Management (DIPAM) official told *businessline* that the RFP on divestment in Hindustan Zinc mentions that the Government of India intends



**PROFIT PLUNGE.** Hindustan Zinc's net profit fell 36% in Q1FY24 to ₹1,970 crore due to a 22% drop in y-o-y sales

to disinvest its entire residual shareholding of 29.535 per cent paid-up equity capital of HZL "through SEBI approved methods in the open market in tranches".

"Our position remains the same now too (sale through tranches)," the DIPAM official said.

While Anil Agarwal-owned Vedanta has the majority shareholding in Hindustan Zinc - the country's largest integrated zinc miner and pro-

ducer - of 64.92 per cent; the Centre is the minority shareholder at 29.54 per cent. The remaining is mostly public shareholding. Roadshows for divestment have already been held.

#### TIMING OF SALE

"The question is on the timing of the offer for sale and the size. In all likelihood, it will be in smaller tranches of 5-7 per cent and not larger chunks; since there is still some con-

cern on the ability of the market to absorb a large number of shares. Considering the market volatility and price movement in metal stocks, it would be ideal to wait for later this year when some recovery is expected," another official said.

Over the last six months, the Hindustan Zinc stock fell from ₹355.15 a piece, on January 24, at the BSE to ₹316.80 a piece on July 24 - down 11 per cent. Earlier this month, the Supreme Court dismissed a plea by Hindustan Zinc's parent company, Vedanta, that sought to direct the Centre to divest its residual stake in the company in the open market.

Hindustan Zinc reported a 36 per cent drop in net profit for Q1FY24 to ₹1,970 crore on account of 22 per cent drop in sales on a y-o-y basis (to ₹7,282 crore). Weak LME prices of zinc and lead were seen as the key reasons for the decline in EBITDA and fall in bottom-line.