

Govt Mulls Selling Stakes in HZL, ITC; DIPAM begins Talks

Dept working on details of an offer for sale, extent of divestment; process expected to be completed by Sept

Anuradha.Shukla
@timesgroup.com

Revenue Avenues

Centre eyes OFS for residual stake sale in HZL

It's also looking to sell stake in ITC held by SUUTI

DIPAM likely to finalise details soon

A cabinet note to be moved by June 15

ON THE TABLE

	HZL	ITC
Govt stake (%)	29.54	7.91
Value (₹ cr)	37,000	27,000

*based on the stocks' closing prices on Friday

WHY THIS OPTION

LIC offer scaled down

Many strategic sales delayed, BPCL's called off

Reduction in fuel taxes and high fertiliser subsidy

Disinvestment revenues crucial for budget



The government has pegged the disinvestment target for FY23 at ₹65,000 crore. LIC's public offer raised about ₹20,560 crore earlier this month. The Department of Investment and Public Asset Management (DIPAM) has begun internal discussions on stake sales in HZL and ITC, said one of the people cited above.

Strategy Tweaked ▶▶ 10

Strategy Tweaked

▶▶ From Page 1

"We have reworked our strategy. Even in the current market situation, we expect stake sales in these to fetch us ₹64,000 crore," the official said.

DIPAM is working on technical aspects of the OFS and the note will be sent for cabinet approval by June 15, the official said.

"We are aiming to conclude these before September," said the official cited above. "But given the global situation, there are factors beyond our control so it would not be wise to give a definite timeline. We are flexible with timing."

The department held some preliminary discussions with the Vedanta Group last week after it withdrew litigation. Vedanta holds a majority stake in HZL, having acquired it in an earlier round of disinvestment in 2002. The Centre has raised about ₹23,575 crore through disinvestment so far in the current fiscal year. Of this, ₹20,560 crore was from the LIC IPO and ₹3,000 crore from the sale of 1.5% in state-run explorer Oil and Natural Gas Corporation Ltd.

The strategic sale of BPCL has been called off due to a lukewarm response from investors in view of geopolitical developments. The divestment of SCI is also running behind schedule, though the government is hopeful of completing the transaction in the current financial year.

