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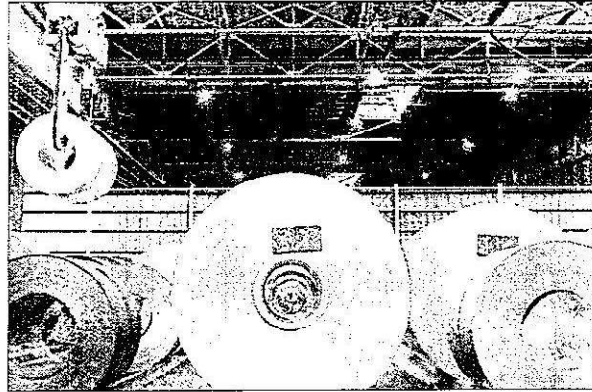
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ಪತ್ರಿಕೆಯ ಹೆಸರು : NAME OF THE NEWS PAPER: Deccan Herald ದಿನಾಂಕ : DATE : 09/01/2020

Cabinet approves strategic sale of Neelachal Ispat

The decision was taken by the Cabinet Committee on Economic Affairs

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As big disinvestment proposals are put on hold due to poor market conditions, the Union Cabinet on Wednesday approved an in-principle strategic disinvestment of equity shareholding in loss-making Neelachal Ispat Nigam Ltd (NINL) by five other PSUs – Minerals and Metals Trading Corporation Ltd (MMTC), NMDC, MECON, BHEL and two Odisha state PSUs IPICOL and Odisha Mining Corporation (OMC).

NINL is a joint venture company, in which MMTC holds 49.78% share, followed by OMC, 20.47%, IPICOL 12%, NMDC 10.10%, while MECON and BHEL hold 0.68% each. The company operates 1.1 million tonnes steel plant at Kalinga Nagar in Odisha.

It has a captive iron-ore mine with an estimated 110 million tonnes of reserves.

A decision to this effect was taken by the Cabinet Committee on Economic Affairs (CCEA), headed by Prime Minister Narendra Modi, in-

formation and Broadcasting Minister Prakash Javadekar told reporters.

The strategic buyer for NINL will be identified through a two-stage auction procedure, an official statement said.

“The proposed strategic disinvestment of NINL would unlock resources to be used to finance the social sector/developmental programmes of the government benefiting the public,” it said.

It is also expected that the successful strategic buyer may bring in new management/technology/investment for the growth of the company and may use innovative methods for the development of the business operations of the company, which may generate more employment opportunities, it said.

NMDC recently pumped in an additional Rs 60 crore in NINL to make it a going concern. For the year ended March 2018, NINL reported

a net loss of Rs 375.43 crore on a turnover of Rs 955 crore during 2017-18. The loss was mainly on account of general recession in the economy and steel sector in particular. The performance was also affected due to temporary shut down of blast furnace for capital repair and non-operation of steel melting shop during the year due to sluggish steel market and BF shutdown, the company said in its annual report.

The government is all set to miss a lofty disinvestment target of Rs 1.05 lakh crore this year, with the share sale in public sector companies touching only about Rs 18,000 crore. Two big disinvestments of Air India and BSNL have been put on hold for next year.

While the former has not attracted any bidder even during the road shows in Singapore and London, the latter has met with a lot of opposition, even within the BJP.