

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT

LOK SABHA

UNSTARRED QUESTION NO. 2379

TO BE ANSWERED ON MONDAY, December 13, 2021

Agrahayana 22, 1943 (Saka)

Disinvestment of NINL

2379. Shri Pinaki Misra:

Will the Minister of FINANCE be pleased to state:

(a) the timeline of completion of disinvestment of Neelachal Ispat Nigam Limited (NINL) which is under progress since 2018 by DIPAM as employees of NINL are being deprived of salary since March 2020;

(b) Whether NINL employees would be provided benefits such as pay scale revision, departmental promotion, Voluntary Retirement Scheme and pension, etc. during disinvestment period, if so, details thereof; and if not, the reasons therefor;

(c) whether the service terms and conditions of NINL employees would remain unaltered after disinvestment. if not, the reasons therefor;

(d) the reasons behind DIPAM not allowing NINL to conduct DPC pending up to June 2021; and

(e) the reasons for DIPAM not taking any initiative to start the production of NINL by merging with SAIL/RINL/ NMDC like its captive mines started with the help of NMDC?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KISHANRAO KARAD)

(a) to (e): Neelachal Ispat Nigam Limited (NINL) is a Joint Venture company of 4 CPSEs namely MMTC Limited (49.78%), NMDC Limited (10.10%), Bharat Heavy Electrical Limited (BHEL) (0.68%) and MECON Limited(0.68%) and 2 State PSUs of Odisha Government, namely, Industrial Promotion and Investment Corporation of Orissa Ltd. (IPICOL) (12%) and Odisha Mining Corporation Limited (OMC) (20.47%). MMTC Limited is the controlling promoter in the NINL. Government of India does not have any shareholding in NINL.

Government on 08.01.2020 has accorded 'in-principle' approval for strategic disinvestment of entire shareholding of all 4 CPSEs & 2 State PSUs shareholding (93.71%) in NINL through a single transaction. Expression of Interest (Eoi) was invited on 25.01.2021. After shortlisting of bidders and an elaborate process of due diligence, Request for Proposal (RFP) document inviting financial bids has been issued to the Qualified Interested Bidders (QIBs).

The employee-related issues of the company are within the purview of present Management and Promoters of NINL. NINL has informed that outstanding dues of salary of employees upto December, 2020 have been disbursed. Further, the selling Shareholders have signed a Waterfall Agreement amongst themselves for distribution of disinvestment receipts, which ranks priority for payment of various dues and liabilities of NINL, out of which dues of employees get the highest priority from the proceeds of the sale. There are employee protection provisions in the definitive agreement to be entered by selling shareholders and successful bidder.
