

Cabinet clears privatisation of Rashtriya Ispat Nigam

'Alternative Mechanism' under FM to decide if subsidiaries will be part of the transaction

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Mumbai, February 2

The Cabinet has approved privatisation of steel-maker Rashtriya Ispat Nigam Ltd (RINL), the 'navratna' PSU which runs the 7.3 million tonne (mt) capacity Visakhapatnam Steel Plant. The government currently holds 100 per cent stake in the com-

pany that makes long products used in construction.

"While approving the strategic disinvestment of RINL a few days ago, the Cabinet delegated powers to the Alternative Mechanism headed by the Finance Minister to decide whether the subsidiaries of RINL will be part of the transaction, depending on the feed-

back from potential investors," a government official briefed on the Cabinet decision said.

Heavy losses

RINL runs two subsidiaries — The Orissa Minerals Development Company Ltd (OMDC) and The Bisra Stone Lime Company Ltd (BSLC).

The company has been incurring heavy losses since FY17 on the back of rising interest costs, except for FY19 when it

posted a net profit of ₹96.71 crore.

In September 2020, the RINL board had approved a revised voluntary retirement scheme for employees to cut costs and improve productivity.

The revised VRS is applicable to employees who have completed 15 years of service and have attained 45 years.

OMDC operates six iron ore and manganese ore mining leases at Barbil in Odisha's Keonjhar district. The leases

are Dalki manganese mines, Kolha Roida iron and manganese mines, Thakurani iron and manganese mines, Belkundi iron and manganese mines, Bariaburu iron mines and Bhadrasai iron and manganese mines.

The lease rights of all the six mines have expired and are not in operation for want of statutory clearances, for which necessary action is being taken by the company to restart mining.

BSLC undertakes mining and marketing of limestone and dolomite. The mines are located at Birmitrapur in Orissa's Sundargarh district, with reserves of about 287 million tonnes of dolomite and 367 million tonnes of limestone.

RINL also runs RINMOIL Ferro Alloys Pvt Ltd, an equal joint venture with MOIL Ltd and RINL Powergrid TLT Pvt Ltd, also an equal joint venture with Power Grid Corporation of India Ltd.