

## Indian government awaits final merger decision to divest RINL shares

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India's Ministry of Steel is undecided on the divestment of government equity holding in Rashtriya Ispat Nigam Limited (RINL) and is expected to defer the issue until a final decision is taken on the proposed merger of the steel mill with Indian iron ore miner NMDC Limited, a government official said on Wednesday, June 24.

The official said that while the ministry is initially working on selling of 10 percent of the government's full 100 percent equity stake in RINL to private investors, but a decision is unlikely to be taken in a hurry since a merged entity of RINL and NMDC will get a higher valuation.

At the same time, even divestment in the merged entity will need to be reconsidered, since NMDC is already a listed company with private investors and financial institutions having stake in the mining company, he said.

RINL is the only large steel mill in India which does not have access to captive iron ore mines, and so a merger with iron ore miner NMDC will sharply improve the steel mill's cost competitiveness.