



NEELACHAL EXECUTIVE ASSOCIATION

Neelachal Ispat Nigam Limited, Off: Kalinga Nagar Industrial Complex
Duburi - 755026, Dist. : Jaipur, Odisha, India
Regd. No. 1334/138



AVIJIT KOLEY

President

Mob. 8763150846

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General Secretary

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Press Release

Revival of Neelachal Ispat Nigam Ltd by merging with SAIL/RINL/NMDC.

Production of NINL plant units should be immediately started by merging of NINL with SAIL/RINL/NMDC like captive mines operation started with the help of NMDC.

Neelachal Ispat Nigam Ltd, Odisha (NINL) is a 1.1 MT integrated Iron & Steel Plant in Kalinganagar, Odisha. Plant production is stopped from mid Jun 2019 (Blast furnace) i.e., more than 2 years. Long shutdown of the plant is severely affecting health of plant, equipments & machineries. Plant with its Captive Iron Ore Mines (110 Million ton reserve) is under disinvestment by DIPAM with the approval of CCEA on 8 Jan 2020. Being a public sector undertaking NINL was granted captive sources on out of turn basis without following the auction process. At no point of time, the Mines granted/allotted to this public sector undertaking since 1999 was explored. The raw materials were purchased from outside at higher rate. 4 deadlines of completion of disinvestment already crossed. Preliminary Information Memorandum was published to invite EOI (Expression of Interest) on 25 January 2021. Bidders have been shortlisted by DIPAM for further process. Perspective bidders have visited site for physical due diligence. At present on Dt: 21.08.2021 electric power from NINL site was cut-off due to nonpayment of pending electric bill, which is a measure threat to equipments, plant and machineries as well as to the lives of the employees also. It has been reliably learnt Ministry of Commerce has objected the valuation methodology adopted for NINL i.e. "Enterprise Value Method" for disinvestment that forces Govt rethink on NINL valuation, delaying sale. The administrative ministry of MMTC that holds the majority stake in NINL pointed out that the method is inappropriate for NINL and could encourage low bids covering only a part of debt, leading to suboptimal outcome. According to DIPAM this will lead to complex bidding structure and commencement of insolvency and bankruptcy code proceedings by financial and operational creditors. More importantly this enterprise value method was unanimously decided by Secretaries of administrative department and DIPAM based on the advice of transaction advisor.

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Till now completion of disinvestment process is unpredictable & uncertain, but employees of NINL are passing through a very pathetic situation. NEA on 06 Jul 2021 communicated to Union Steel Ministry & Union Commerce Ministry that "when joblessness & sluggish economic growth is a worry now in Indian economy, almost 3500 contractual employees have lost their job in NINL in Covid-19 pandemic period. Employees salary & arrears due from March 2020 ; more than 10000 people are directly & indirectly affected. NINL has lost 17 nos employees due to nonpayment of salary, want of medical facility."

MMTC Ltd, under Ministry of Commerce, major Shareholder of NINL has informed that "disinvestment proceeds of Neelachal Ispat Nigam Ltd may be affected by cases/ Anglo Coal, Government directives and Covid-19 pandemic situation etc." After losing the above case at Supreme court now MMTC is not in a position to support NINL during this extraordinary period.

A meeting co-chaired by Union Minister of Commerce and Industry & Railways & Union Minister of Petroleum & Natural Gas and Steel, on 10 Nov 2020 it was decided to create a corpus to pay arrear salaries to the employees, but the same has not happened yet. On 09 Mar 2021 NINL has got permission to sell 50% of annual capacity of iron ore mines to sell in open market to meet employee salary & arrear salary with other legitimate dues. On Dt:27.08.2021 mining operation was started from Mithirida mines at Koida which has brought some relief to the employees of NINL, but still we are helpless, almost 2 years plant production has been stopped, no steps from shareholders or both Central Govt. & State Govt. have been proved fruitful. By selling finished products at NINL and iron ore from mines employees dues should be cleared immediately for sustenance of the dependants & families.

Neelachal Executive Association (NEA) seeks intervention & strong support from Ministry of Commerce & Ministry of Steel, Govt. of India & Govt. of Odisha to save NINL, a national property in Odisha from ruin by immediately resuming plant operation by engaging any steel PSUs under Steel Ministry i.e. SAIL/RINL/NMDC like captive mines operation started with the help of NMDC. Distressed members of NEA are peacefully protesting wearing black badges demanding their arrear salaries, salaries & other legitimate dues.

Ajit
4/9/21

Ajit Kumar Pradhan

General Secretary (NEA) NINL

Neelachal Executive Association

NINL, Jajpur Odisha