



Odisha wants 51% Stake in Mining JV

The Odisha government wants its resources arm, Odisha Mining Corporation (OMC) to hold controlling 51 per cent stake in the mining joint venture (JV) to be formed for the proposed ultra mega steel plant (UMSP) in the state.

"For implementing the ultra mega steel plant, a special purpose vehicle (SPV) will be formed along with a JV for mining. We want at least 51 per cent stake by OMC in that mining JV. The decision on stake sharing in the SPV and the mining JV is yet to be taken," said an official source.

The UMSP is being jointly promoted by central sector PSUs, Rashtriya Ispat Nigam Ltd (RINL) and National Mineral Development Corporation Ltd (NMDC) along with state undertaking like OMC and Odisha Industrial Infrastructure Development Corporation (Idco). As per preliminary discussions, RINL and NMDC would together hold 76 per cent stake in the steel SPV while the balance 24 per cent equity would belong to OMC and Idco.

A high-level delegation consisting of P Madhusudan, chairman cum managing director of Rashtriya Ispat Nigam Ltd (RINL), Narendra Kothari, CMD of National Mineral Development Corporation Ltd

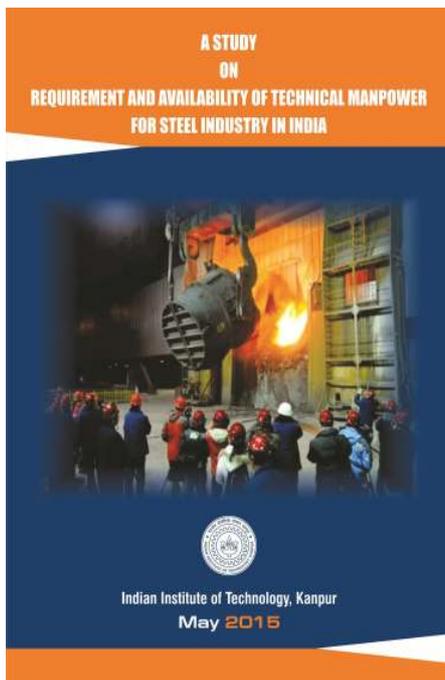


(NMDC) recently called on chief minister Naveen Patnaik to apprise him on the proposed mega steel project. The capacity of the UMSP is pegged at six million tonne per annum (mtpa) and it would be located in Patna tehsil in Keonjhar district where ArcelorMittal proposed to set up a 12 million tonne per annum steel plant. The LN Mittal owned company later scrapped the project. The UMSP needs 3480 acres of land. For Arcelor Mittal's project, Idco had identified 2,847.50 acres of government land and 4,905.80 acres private land in 14 villages under Patna tehsil.

NMDC has evinced interest to set up UMSPs in four mineral rich states such as Odisha, Jharkhand, Chhattisgarh and Karnataka in line with the ultra-mega power projects (UMPPs) of the Union power ministry. Mecon Ltd, a Government of India consultant, has identified two sites in

Keonjhar and one site in Sambalpur for UMSPs in Odisha, envisaging a total steelmaking capacity of 16 mtpa. While the state government would allocate iron ore mines to the mining JV, the onus will be on the SPV to assemble land, secure statutory approvals and clearances and arrange for ore and water linkages. The UMSPs are planned to help meet the ambitious domestic steel output of 300 mtpa by 2025. In its proposal, the steel ministry had argued that setting up these plants will bridge the widening demand-supply gap of the metal, since imports were rising. It had also proposed a Steel Finance Corporation (SFC) as an SPV on the lines of Power Finance Corporation (PFC) to finance the projects on a fast-track basis over the next few years. The SFC was to have an initial corpus of Rs 1,500 crore and would be conferred the status of a non-banking financial company.

Study on Availability of Technical Manpower



Steel plays a vital role in the development of any modern economy. "Per capita consumption of steel" is generally accepted as a yardstick of socio-economic development and living standards of people. As such, no developing country can afford to ignore steel as the latter, owing to its strategic importance in development. Steel has diverse applications but is predominantly used as structural materials. Nearly 60% of steel produced in India is currently used in construction and remaining as automotive material, capital goods, consumer durables, packaging material and so on. Current level of steel production in the country is about 81 MTPA, projecting a dismal figure for per capita steel consumption.

A study "on the requirement and availability of technical manpower for steel industry in India" sponsored by the Ministry of Steel, Govt. of India was recently carried out at IIT Kanpur. Professor Indranil Manna,

Director, IIT Kanpur and Professor Dipak Mazumdar, Ministry of Steel Chair were the co-investigators. A distinguished project committee comprising of several experts steered the project. The task of estimating technical manpower requirement was carried out at the same venue for availability at IIM, HQ Kolkata. The exercise was initiated by framing a set of appropriate questionnaires for various industries and educational institutes in the country. Feed back from industries and educational institutes as well as vital inputs obtained from INSDAG, SIMA, AIIFMA and IRMA formed the basis of estimating technical manpower requirement and availability with reference to 300 MTPA production in 2025. A comparison of requirement with the effective available number of engineers indicates distinct gaps between supply and demand as far as metallurgical and ceramic engineers. A report on this and other related issues has already been submitted to the Ministry of Steel.