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STEEL & MINES DEPARTMENT

NOTIFICATION

The 30th October, 2012

Sub: Constitution of Ministerial Committee for formulation of a policy for supply of ore to Odisha based industries on a long term basis.

No. 7762-VSL-96/05/SM.— Whereas the State Of Odisha has adequate deposits of iron ore, manganese ore, bauxite and chrome ore which need to be exploited to provide maximum benefit to the people of the State.

And, whereas, the State has put in place a robust policy frame work for industrial promotion and investment facilitation in the State, including creation of an enabling environment.

And, whereas, in response to the strategic initiatives taken by the State to leverage its abundant mineral and other natural resources to promote maximum value addition within the State, a large number investment proposals have been received for setting up mineral based industries such as steel, power, alumina and aluminium.

And, whereas, the State Government has executed Memorandum of Understanding with several leading private investors, including foreign companies for setting up of steel, alumina, aluminium, power and other projects and many of these projects have become operational or are at different stages of implementation.

And, whereas, a number of representations have been received from mineral based industries in the State that they are facing shortage of ore required for running their industries.

And, whereas, production of some of these industries has been severely affected on account of non-availability of ore.

And, whereas, there is every likelihood of such a situation having adverse socio-economic consequences such as unemployment, loss of wages etc.

And, whereas, this will have an adverse impact on investment climate and industrialization process in the State thereby hampering the growth of the economy of the State.

And, whereas, the State Government in Resolution No. 6899/SM., dated the 18th September, 2012 of Steel & Mines Department has decided to reserve the areas bearing iron ore, manganese ore, bauxite and chrome ore in the State for undertaking prospecting or mining operation through the Odisha Mining Corporation Ltd., excluding the areas already held under any prospecting licence or mining lease or reserved by the Central Government under section 17A (1A) of the said Act for Central PSU or recommended to Government of India for their prior approval under section 5(1) of the said Act and has also decided that the OMC would make a fair and equitable distribution of minerals amongst the user industries for higher value addition in the State, through appropriate long term arrangements, based on their requirements.

And, whereas, a major portion of ore produced in the State is raised from the mining leases held by the private mining lessees.

And, whereas, the State Government has decided to introduce the sale of iron, manganese and chrome ore through e-auction by all lessees and licensees in the State to bring transparency and improvement in the existing system.

Now, therefore, the State Government has decided to constitute a Committee of Ministers consisting of Minister of Finance as Chairman and Minister of Industries and Minister of State, Steel & Mines (Ind. Charge) as Members.

2. The Terms of Reference of the Committee shall be:—

- (i)* to suggest measures for making iron ore, manganese ore, bauxite and chrome ore available to the mineral based industries located in the State in a fair and equitable manner through the Odisha Mining Corporation and other mining lessees to meet the ore requirement of such industries,
- (ii)* to suggest modalities for making the ore available on a sustained basis to such industries through appropriate long term ore linkage arrangements,
- (iii)* to suggest a framework for making the ore available to local industries through a transparent process.

3. The modalities for the working of the Committee and the frequency of sittings may be decided by the Committee. The Committee may also invite any official(s) or expert(s) having knowledge on the subject to assist the Committee.

4. The Committee shall submit its report to the Government as soon as possible but not later than three months from the date of publication of the notification.

By Order of the Governor

RAJESH VERMA

Principal Secretary to Government