

CHAPTER 10

MINERAL RESOURCES

MINERAL RESERVES

10.01 Orissa is endowed with a variety of vast mineral deposits and therefore occupies a prominent place in the mineral map of India both in term of deposit and production. The State has abundant reserves of high grade iron-ore, coal, bauxite, chromite. Other minerals such as Nickel, Gemstone, Granite; Graphite etc. are also extensively available in the State. Orissa - one of the largest mineral bearing state where about 17% of the total mineral reserve of India are available which are also equally diverse.

10.02 As per the report of Directorate of Geology, the total mineral reserve in the State is about 72050.74 million tones in 2005-06 of which coal alone comprises 86.05% followed by iron ore 7.45%, Bauxite 2.42% and chromite 0.25%. Fig.10.1 reflects the percentage of major mineral reserves in Orissa for the year 2005-06. The mineral reserves in the State assessed as per geological investigation of Directorate of Geology for 2005-06 are given in Table-10.1.

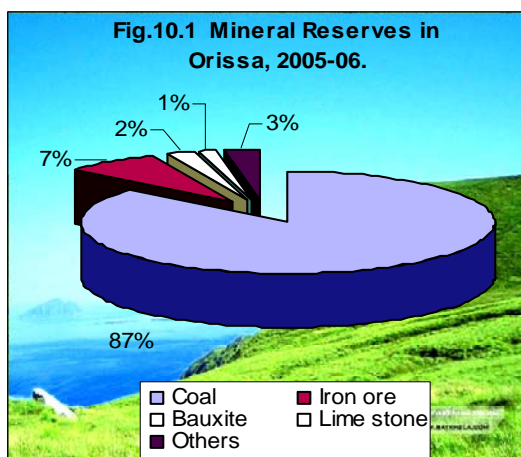
Table 10.1

Mineral Reserves in Orissa, 2005-06.

(In Million Tonne)

Mineral / Ore	Total Reserve (in million tonnes)	% to total
Bauxite	1743.00	2.42
China clay	314.00	0.44
Chromites	183.60	0.25
Coal	61999.00	86.05
Cobalt	30.91	0.04
Copper ore	6.05	0.01
Dunite	4.44	0.01
Dolomite	335.80	0.47
Fire clay	175.79	0.24
Graphite	4.60	0.01
Iron ore	5371.00	7.45
Lead & Zinc ore (Base metal)	4.98	0.01
Lime stone	1015.61	1.41
Manganese ore	115.00	0.16
heavy minerals	82.00	0.11
Nickel ore	174.48	0.24
Pyrophy lite	8.40	0.01
Tale / Scrap stone	0.90	0.00
Vanadium ore	2.50	0.00
Granite (million cum)	60.12	0.08
Quartz and Silica sand	71.00	0.10
Tin ore (tonnes)	347.56	0.48
Total	72050.74	100.00

Source: Directorate of Geology, Orissa, Bhubaneswar.



10.03 Indian Mineral Year Book, 2005 published by Indian Bureau of Mines (IBM), New Delhi represents the mineral deposits in the country for the year 1999-2000. Major mineral deposits assessed by IBM in major states are given in Table-10.2.

Table – 10.2
Major Mineral Deposits recorded in Major States
as per IBM report published in 2005.

(In thousand tonnes)

Name of the State	Bauxite	Coal	Chromite	Lime stone	Manganese ore	Fireclay	Nickel ore	Iron ore
Assam	-	340	-	1244214	-	3161	-	12600
Bihar	4114	160	-	851000	-	44	-	55
Andhra Pradesh	612756	16926	187	35219661	18288	22620	-	140016
Gujarat	178552	-	-	20261870	2954	61045	-	-
Haryana	-	-	-	71249	-	-	-	-
Karnataka	44981	-	1870	51210428	86568	16962	230	1148324
Kerala	14161	-	-	210051	-	18181	-	-
Maharashtra	119479	8582	530	1626666	22186	7545	-	270706
Madhya Pradesh	121544	19232	-	5883783	28358	110605	-	200657
Orissa	1491321	60984	175024	2038349	103707	175791	174480	3789391
Rajasthan	528	-	-	18727187	1780	52029	-	19442
Tamilnadu	25156	-	282	1200409	-	110061	-	-
Uttar Pradesh	18908	1062	-	505838	-	3221	-	38000
West Bengal	-	27813	-	44706	200	13714	-	-
INDIA	2925550	247847	178720	170458657	295063	695027	188710	11425788

Source: Directorate of Geology.

10.04 However, both the report indicate that Orissa is one of the richest mineral State particularly in Bauxite, Chromite, Coal, Iron ore, Manganese, etc. Details of some of the major minerals are given below.

- ♦ *Bauxite deposits in the State are the largest in the country. Bulk of the bauxite reserves are confined to Koraput and Sundargarh district. Out of total all-India reserve, Orissa comprises*

1491.321 million tonnes, accounted 51% of all India level. In Chromite deposits, Orissa occupies a leading position. Out of total 178.720 million tonnes reserves at all-India level, Orissa occupies about 98% of the total deposit. Similarly about 25% of total coal deposit, 35% of manganese ore and 93% of the Nickel ore are also deposited in Orissa.

10.05 Orissa possesses a prominent position in respect of iron-ore reserve in the

country. Of the total reserves of 11,425.788 million tonnes in the country, Orissa accounts for 3789.391 million tonnes which works out to 33.2% of all-India reserves.

MINERAL PRODUCTION AND VALUE

10.06 Though Orissa is rich in minerals, exploitation does not commensurate with the potential. Enhanced rate of exploitation of different mineral reserves will not only

improve the financial position of the State but also will be helpful in generating sizeable direct and indirect employment. The rate of exploitation of minerals / ores in the State was less than 1% in all cases in 2005-06 except Graphite, Chromite and Iron ore. Table 10.3 shows the total mineral reserves and the rate of exploitation of different minerals in Orissa for the years 2003-04 to 2005-06.

Table – 10.3
Mineral Reserves and Rate of Exploitation of Important
Minerals in Orissa from 2003-04 to 2005-06.

(In million tones)

Ore/Mineral	Total reserves in	Exploitation during			Rate of exploitation to total reserves (%)		
	2005-06	2003-04	2004-05	2005-06	2003-04	2004-05	2005-06
Iron ore	5371	34.89	46.06	55.35	0.72	1.1	1.03
Chromite	184	2.88	3.42	3.29	1.13	3.08	1.79
Coal	61999	60.2	66.82	70.55	0.12	0.11	0.11
Bauxite	1743	4.94	4.91	4.87	0.28	0.32	0.28
Lime stone	1016	2.24	2.26	2.61	0.14	0.1	0.26
Dolomite	336	1.27	1.36	1.41	0.14	0.15	0.42
Fire clay	176	0.06	0.16	0.11	0.03	0.09	0.06
Quartz, quartzite and silica	71	0.14	0.16	0.19	0.15	0.17	0.27
Mineral sands	86	0.23	0.27	0.26	0.28	0.31	0.3
Graphite	4.6	0.03	0.04	0.06	1.1	0.87	1.3
Manganese ores	115.0	0.70	1.08	0.62	0.59	0.93	0.54

Source: Directorate of Mines, Orissa, Bhubaneswar.

Directorate of Geology, Orissa, Bhubaneswar.

10.07 Table 10.4 shows the production and value of mineral produced in the State since 2000-01. The table reflects that both the production and value of mineral produced are in an increasing trend. While the production and value of minerals produced in the year 2004-05 increased by 17.64% and 58.56% over 2003-04, and during 2005-06 it

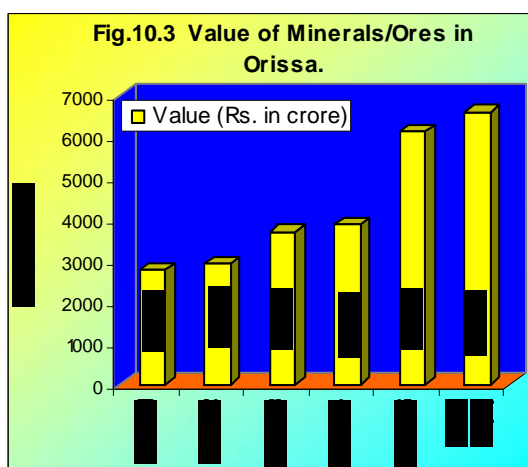
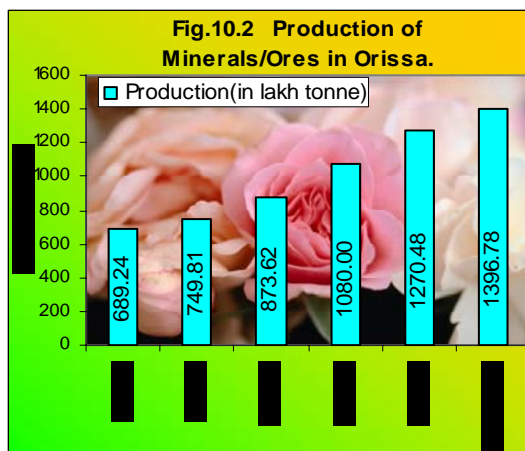
was increased by 9.94% and 7.73% respectively over 2004-05. During 2005-06 about 1396.78 lakh tonnes of minerals worth of Rs.6604.82 crore were produced in the State as against 1270.48 lakh tonnes of production worth of Rs.6,130.93 crore during 2004-05.

Table 10.4
Production and Value of
Minerals / Ores in Orissa.

Year	Production (in lakh tonne)	Percentage increase over previous year	Value (Rs. in crore)	Percentage increase over previous year
2000-01	689.24	6.88	2776.15	6.57
2001-02	749.81	8.79	2910.47	4.84
2002-03	873.62	16.51	3694.17	26.93
2003-04	1080	23.62	3877.75	4.97
2004-05	1270.48	17.64	6130.93	58.56
2005-06(P)	1396.78	9.94	6604.82	7.73

P: Provisional

Source: Directorate of Mines, Orissa, Bhubaneswar.



10.08 Table 10.5 and Fig.10.4 represents the picture of mineral-wise production in the State from 2001-02 to 2005-06. Production of

minerals and mineral ores in the State has increased by 9.94% during 2005-06 over 2004-05, while the production of coal and metallic minerals has increased by 5.57% and 15.60% respectively and in case of non-metallic minerals it has increased by 5.25% during this period.

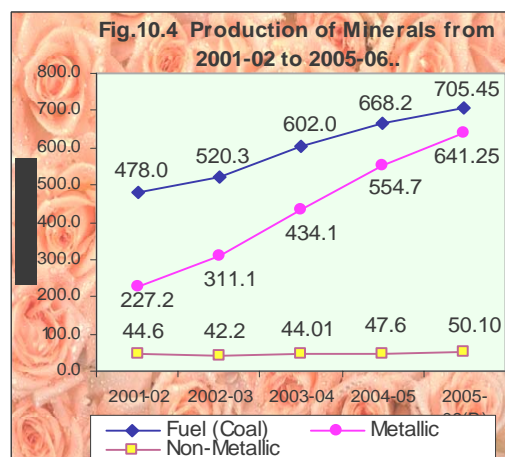
Table 10.5
Production of Minerals.

Mineral / Ore	2001-02	2002-03	2003-04	2004-05	2005-06(P)
Fuel (Coal)	478.0 (6.67)	520.3 (8.85)	602 (15.70)	668.2 (11.00)	705.45 (5.57)
Metallic	227.2 (14.69)	311.1 (36.93)	434.1 (39.54)	554.7 (27.78)	641.25 (15.60)
Non-Metallic	44.6 (3.72)	42.2 (5.38)	44.01 (4.27)	47.6 (8.18)	50.1 (5.25)
Total	749.8 (8.79)	873.6 (16.51)	1080.1 (23.95)	1270.5 (17.64)	1396.8 (9.94)

P: Provisional

Source: Directorate of Mines, Orissa, Bhubaneswar

N.B: - Fig. in bracket indicates percentage change over previous year.



10.09 Table 10.6 and Fig.10.5 represents the value of fuel, metallic and non-metallic minerals produced in Orissa as well as India. As per the report of Indian Bureau of

Mines, the value of minerals and ores produced in the State during 2005-06 was Rs.7436.69 crore constituting 9.82% of the total value of mineral produced in the Country. In case of fuel production, in Orissa, coal is the only fuel mineral but in the country it includes other liquid fuels, i.e. petrol and diesel etc. The percentage share of the value of minerals produced during 2005-06 was

highest i.e. 81.23 in case of fuel (coal) followed by 15.17 and 3.60 for metallic and non-metallic minerals respectively. Inside the State, the percentage share of the value of mineral, produced during 2005-06, was highest at 57.34 for metallic mineral followed by 41.19 and 1.47 for fuel (coal) and non-metallic minerals respectively.

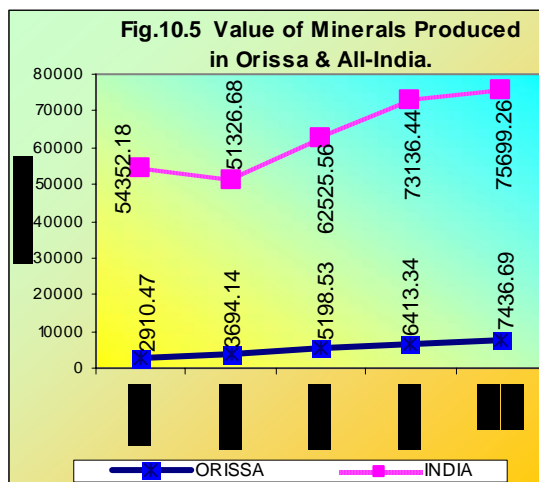
Table 10.6
Value of Minerals Produced in Orissa and India.

(Rs. in crore)

Type of mineral	ORISSA					INDIA				
	2001-02	2002-03	2003-04	2004-05	2005-06(P)	2001-02	2002-03	2003-04	2004-05	2005-06(P)
Fuel (Coal)	1900.99	2070.80	2897.30	2901.27	3063.44	48547.56	45407.25	54818.29	60511.58	61484.78
Metallic	846.89	1501.68	2139.56	3427.34	4263.84	3806.22	3910.16	5486.14	9940.38	11486.08
NonMetalic	162.59	121.66	161.67	84.73	109.41	1998.40	2009.27	2221.13	2684.48	2728.40
Total	2910.47	3694.14	5198.53	6413.34	7436.69	54352.18	51326.68	62525.56	73136.44	75699.26

P: Provisional

Source: Directorate of Mines, Orissa, Bhubaneswar, Regional Controller of Mines, Bhubaneswar.



10.10 The Iron ore exploration work was undertaken in Sundargarh district on behalf of Kudremukh Iron Ore Company Ltd. The work involved was 21 sq.km. of geological mapping and 506m of drilling with generation of 166 samples for analysis. Iron ore is abundantly available in the districts of

Mayurbhanj, Sundargarh, Keonjhar and Jajpur. As assessed upto 2005-06, total reserve of iron ore in the State is 5371 million tonne. Similarly, the total reserve of chromite ore in Orissa is of the order of 184 million tonne and manganese 115 million tonne. While chromite is mostly available in Jajpur, Dhenkanal and Keonjhar districts, manganese deposits are available in Sundargarh and Keonjhar districts. Dolomite is available plentifully only in the district of Sundargarh. Koraput is the major bauxite-bearing district in Orissa and produces 99.67% of the State's total production.

10.11 There are two major coal bearing areas in the State which are currently being

exploited, namely Talcher and the Ib Valley. The total reserve of coal in the State is estimated to be 61,999 million tonne out of which 705.45 lakh tonne valued at

Rs.3906.04 crore was exploited during 2005-06. Table 10.7 shows district wise figures of quantity and value of major minerals exploited in Orissa during 2005-06.

Table 10.7
District-wise Exploitation and Value of Major Minerals in Orissa, during 2005-06.

District	Chromite		Coal		Iron-ore		Manganese ore		Bauxite	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Angul	-	-	454.84	2187.78	-	-	-	-	-	-
Dhenkanal	0.25	3.69	-	-	-	-	-	-	-	-
Jajpur	31.72	465.33	-	-	13.43	37.60	-	-	-	-
Jharsuguda	-	-	219.93	1057.86	-	-	-	-	-	-
Keonjhar	0.93	13.69	-	-	429.32	1807.08	4.70	78.68	-	-
Mayurbhanj	-	-	-	-	3.52	17.77	-	-	-	-
Sundargarh	-	-	21.32	102.55	-	-	-	-	0.16	0.43
Koraput	-	-	-	-	-	-	-	-	48.53	131.03
Sambalpur	-	-	9.36	45.02	-	-	-	-	-	-
Bolangir	-	-	-	-	-	-	0.09	1.50	-	-
Rayagada	-	-	-	-	-	-	0.01	0.03	-	-
TOTAL	32.90	482.71	705.45	3393.21	446.27	1862.45	4.80	80.21	48.69	131.46

Source: Directorate of Mines, Orissa, Bhubaneswar.

10.12 From the above tabular analysis it is clear that about 96.41% of chromite has been mined from Jajpur district and the balance of 3.59% from Keonjhar and Dhenkanal districts. Coal has been exploited to the extent of 64.48% in Angul district followed by 35.52% in Jharsuguda, Sundargarh and Sambalpur districts taken together. Manganese ore has been largely exploited in Keonjhar district (97.92%) and the balance are from Bolangir and Rayagada districts. Iron ore has been largely exploited in Keonjhar district (96.20%) followed by Jajpur (3.01%) and Mayurbhanj (0.79%).

Besides, 99.67% of bauxite has been exploited from Koraput district and the balance 0.33% exploited from Sundargarh district during 2005-06.

MINERAL REVENUE

10.13 Mining sector is an important source of revenue for the State. Collection of mining revenue comprising fees, rents, royalties etc. has been showing an increasing trend over the years. During 2005-06, an amount of Rs.690.78 crore mining revenue have been collected as against Rs.670.51 crore collected during 2004-05, showing an increase of about 3%.

But collection of cess decreased even recorded as 'Nil' due to abolition of collection of cess on royalty. The trend of collection of mining revenue and cess since 2000-01 is given in Table 10.8.

Table 10.8

**Revenue Receipt from Mining
Sector in Orissa.**

(Rs. in Crore)

Year	Target	Cess	Other Mining Revenue	Grand Total
2000-01		0.09	360.3	360.4
2001-02	360.0	0.07	376.4	376.5
2002-03	422.0	Nil	443.5	443.5
2003-04	530.0	0.01	550.8	550.8
2004-05	618.7	Nil	670.5	670.5
2005-06	860.0	Nil	690.8	690.8

R.E.: Revised Estimate

Source: 1. Directorate of Mines, Orissa, Bhubaneswar.
2. Annual Financial Statement, 2005-06.

10.14 Effective steps are being taken for enforcement of the Orissa Mineral Act, 1989 (Preventive of theft, smuggling and other unlawful activities) and the rules framed there under to curb illegal mining activities and trading of ores and minerals and to prevent leakage of revenue.

10.15 During 2005-06 about 400 cases of illegal extraction, store, transportation of iron ore, manganese ore, chromites, fire clay etc. valued at Rs.77.42 lakh were detected. About 170 vehicles involved in such activities were seized and Rs.91.08 lakh was realized as penalty, compounding fees and cost of minerals.

10.16 During 2003-04 about 279.91 lakh cum minor minerals were produced in the State worth of Rs.80.48 crore as against 340.65 lakh cum of minor minerals valued at Rs.70.28 crore were produced during 2002-03. The trend of production and value of minor minerals produced since 2000-01 is given in Table 10.9.

Table - 10.9

**Production & value of minor
Minerals in Orissa.**

Year	Production (lakh cum)	Value (Rs. in Cr.)
2000-01	138.47	39.83
2001-02	175.66	50.39
2002-03	340.65	70.28
2003-04	279.91	80.48
2004-05(P)	NA	NA
2005-06	NA	NA

10.17 During 2003-04, 0.23 lakh cum of decorative stone (Granite) valued at Rs.5.20 crore was produced in the State against 0.22 lakh cum valued at Rs.4.94 crore produced in 2002-03.

MINERAL EXPORTS

10.18 Table 10.10 presents the export picture of minerals produced in Orissa. During the year 2005-06, 146.35 lakh tonne of minerals and ores were exported from the State as against 171.67 lakh tonne in 2004-05.

Table 10.10
Export of Minerals / Ores from Orissa.

(Quantity – in lakh tonne) / (Value – Rs. in crore)

Items	2000-01		2001-02		2002-03		2003-04		2004-05(P)		2005-06(P)	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Chromite	7.1	185.9	10.3	255.7	11.8	267.4	11.7	264.3	11.8	NA	13.6	843.2
Iron Ore	28.3	222.9	35.5	272.3	46.6	374.3	61.9	852.4	156.8	NA	129.8	8307
Mineral sand & zinc	1.3	45.1	0.3	10.8	0.3	0.5	2.8	59.7	3.1	NA	2.3	NA
Manganese	-	-	-	-	-	-	0.0	10.1	0.1	NA	0.6	NA
Total	36.6	453.8	46.0	538.8	58.7	642.2	76.4	1186.5	171.7	NA	146.3	NA

P: - Provisional

Source: Directorate of Mines, Orissa, Bhubaneswar.

DEVELOPMENT OF MINERAL BASED INDUSTRIES

10.19 Mines and minerals constitute a fundamental component of nation's resources and economic base. The rich reserves of minerals in Orissa have led to establishment of several mineral based industries in Orissa, which include Rourkela Steel Plant (RSP), aluminium plants by INDAL and National Aluminium Company (NALCO), three charge chrome plants at Brahmanipal, Bhadrak and Choudwar by Orissa Mining Corporation (OMC), Ferro Alloys Corporation (FACOR) and Indian Charge Chrome Ltd. (ICCL). At Theruvalli in Rayagada district, Indian Metals and Ferro-Alloys (IMFA) has set up a plant for production of charge chrome / ferro chrome. The other important mineral based industries established include two sponge iron plants in Keonjhar district, a refractory in Dhenkanal district and mineral sands separation and synthetic rutile plants of Indian Rare Earth Ltd. at Chhatrapur in Ganjam district. Several cement plants have been set up in the State and four coal based thermal power plants

have been set up at Talcher, Kaniha, Ib Valley and Banharpalli. In addition NALCO, RSP, ICCL, INDAL etc. have set up their own coal based captive power plants.

10.20 With opening of the economy and liberalization policies the mineral resources have now drawn world wide attention for large scale mining and setting up of mineral based industries in the State specially in iron and steel sector. In view of growing world wide demand for steel, there has been a major surge of interest in this sector. As Orissa possesses a total reserve of 5371 million tonne of high-grade iron ore which is about one-third of the country's deposit, the steel makers of national and international repute have shown interest to establish steel plants in the State. Government of Orissa have already signed 45 Memoranda of Understanding (MoU) for setting up steel plants with an investment of Rs.1,95,540.00. crore to produce about 74.56 MTPA steel .

10.21 A reputed and well established foreign company viz M/S Pohang Steel

Company (POSCO), South Korea, which is one of the largest producers of steel in the world, have signed an MoU for setting up a mega steel plant having a capacity of 12 MTPA with an investment of about US \$ 12 billion.

10.22 In addition to above, M/S TATA Iron and Steel Co. Ltd. and M/S Sterlite Iron and Steel Co. Ltd. have also signed MoUs with the State Govt. to set up mega steel projects of 6 MTPA and 5 MTPA respectively with a proposed investment of about Rs.27,902 crore. Besides Neelachal Ispat Nigam Ltd. (NINL), which has been promoted as a joint sector project of IPICOL, Government of Orissa, MMTC and MECON has started commercial production of pig iron from 1.1 MTPA blast furnace since 2002. The Sinter Plant of NINL has been commissioned during March 2004, which will make production of Pig iron more profitable. The associated project of Konark Met Coke Ltd. (KMCL) set up at Duburi Industrial Complex made steady progress for production of coke, which will make it one of the unique project of its kind in the country at a time when country is facing acute shortage of coke.

10.23 Orissa is rich in bauxite deposits with a reserve of 1,530 million tonne which is 49.74.% of the country's deposit. The State Government have decided in principle, to lease the bauxite mines to the prospective entrepreneurs through Orissa Mining

Corporation with the condition that they will set up Alumina / Aluminium industries in the State. The OMC has entered into an agreement with M/s Utkal Alumina Ltd. to set up an Alumina Project in Rayagada district.

10.24 Consequent upon the finding of Diamond bearing Kimberlitic/Olivine lamproite bodies in Dharambandha block of Nuapada district by the Directorate of Geology, investigation has been extended to the adjacent areas to locate more such bodies. In the process, approximately one sq. km. of area was covered under geological mapping. Trial excavation to the tune of 50 cum has been achieved. Samples weighing 102 tonnes have been collected for lab-testing for diamond incidence.

EMPLOYMENT IN MINING AND QUARRYING SECTOR

10.25 The Mineral sector provides employment to a large section of the population, particularly to rural tribal peoples belonging to hilly areas. Table 10.11 shows the numbers of persons employed directly in major mineral activities. Table-10.11 depicts that the direct employment in major mineral activities was in a declining trend since 2003-04. There after it is gradually increasing and mounted to 55764. Further, it also revealed that about 37% of total employees were engaged in Iron ore activities followed by coal mines 26% in 2005-06.

Table 10.11
Year wise Number of Workers Directly Employed in Major Mineral Activities.

Mineral Ore/ District	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06(P)
Bauxite	603	458	724	792	775	839
(Koraput, Sundargarh)						
Chromite	6743	5624	4786	4424	6607	8236
(Dhenkanal, Jajpur, Keonjhar)						
Coal	19583	17069	17657	17318	17624	14500
(Angul, Jharsuguda, Sambalpur, Sundargarh)						
Dolomite and lime stone	4868	3302	3245	3516	1626	2378
(Baragarh, Bolangir, Nuapada, Koraput, Sundargarh)						
Iron ore	13255	11983	10523	11418	19592	20782
(Jajpur, Keonjhar, Mayurbhanj, Sundargarh)						
Manganese ore	4081	3437	3660	3892	1513	1505
(Keonjhar, Sundargarh, Rayagada)						
Others	3804	3262	3572	2383	2100	7524
Total	52937	45135	44167	43743	49837	55764

P: Provisional

Source: Directorate of Mines, Orissa, Bhubaneswar.

MINING LEASES

10.26 There were 629 mining leases subsisting during the year 1990-91 covering an area of 124.23 thousand hectares out of which 399 numbers were working leases covering an area of 93.36 thousand hectares.

10.27 There were 571 mining leases subsisting during the year 2005-06 covering an area of 86.42 thousand hectares as against 594 mining leases during 2004-05 covering an area of 99.08 thousand hectares. Out of 571 subsisting leases during 2005-06, 335 leases covering an area of 59.08 thousand hectares were in operation. Mineral wise leases in the State (working and non-working) during the year 2005-06 are indicated in Annexure – 10.1. Table 10.12

shows the status of mining leases (both working and non-working).

Table - 10.12
Mining leases in Orissa.

Year	Total leases		Working leases	
	No.	Area in thousand hectares	No.	Area in thousand hectares
1990-91	629	124.22	399	93.36
2000-01	613	112.47	335	82.96
2001-02	629	112.19	323	81.86
2002-03	594	100.99	313	72.66
2003-04	607	101.95	339	73.91
2004-05	594	99.08	331	72.2
2005-06	571	86.42	335	59.08

10.28 38 leases covering an area of 20,923 hectares have been sanctioned in favour of Orissa Mining Corporation (OMC) Ltd. out of which 18 leases covering an area of 14087 hectare were in operation during 2005-06.

10.29 Emphasis is being given on grant of mining leases for mineral based industries for value addition, so as to generate more employment opportunities and to accelerate the pace of industrialization in the State.

10.30 During 2005-06 (till December, 2005) 11 mining leases and 15 prospecting licenses for major minerals covering 696.235 hectares and 925.503 hectares respectively have been granted. In respective of decorative stones 5 prospecting licenses and 5 mining leases covering 72.765 hectares and 80.318 hectares respectively have also been granted during the year 2005-06.

ORISSA MINING CORPORATION (OMC) Ltd.

10.31 The Orissa Mining Corporation (OMC) Ltd. was established jointly with State and Union Government in the year 1956 and was the first Public Sector Undertaking (PSU) in the mining sector in the country. Since 1962, it became fully state owned and is in the part of progress and becoming a debt free corporation and has registered record turnover and profit to achieve its aims and objectives. At present, 38 leases are being held by OMC with 20,923 hectare leased areas. Out of this 18 leases with 14,087 hectare are under operation. The detail of leases held by OMC Ltd. as on 31.03.2006 are given in Table-10.13

Table - 10.13

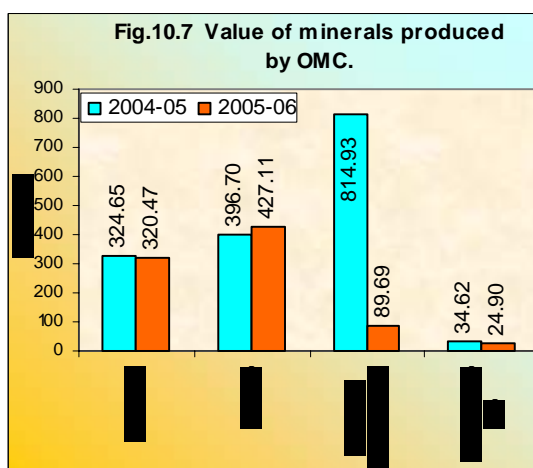
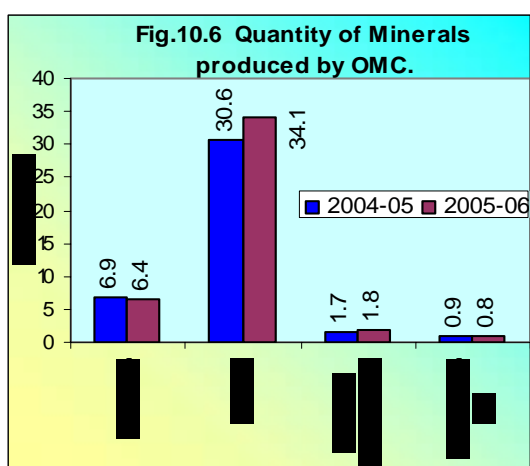
***Leases held by OMC Ltd.
as on 31.03.2006.***

Ore / Mineral	Leases held		Leases in operation	
	No.	Area (in hect.)	No.	Area (in hect.)
Chromite	11	5829	4	2046
Iron	11	7243	9	6755
Iron & Manganese	4	3405	3	3140
Iron & Manganese	1	1012	1	1011
Manganese	4	1821	1	1135
Lime stone	1	860	-	-
China clay	1	96	-	-
Gemstone	4	155	-	-
Graphite	1	502	-	-
Total	38	20923	18	14087

10.32 During 2005-06, OMC produced / processed various minerals 4,327,663 MT valued at Rs.862.17 crore as against production of 4,020,698 MT mineral valued at Rs.1,570.90 crore during 2004-05. This shows that though the quantity of production increased by 7.6% over the previous year, the value of mineral produce declined by 45.1%. The main reason for such declination is due to fall of price of chromite concentration in international market. The quantity and value of mineral produced by OMC during 2004-05 and 2005-06 are given in Table 10.14, Fig.10.6 and Fig.10.7 respectively.

Table - 10.14
Quantity & Value of Minerals
produced by OMC Ltd.

Ore / Mineral	2004-05		2005-06	
	Quantity (in MT)	Value (Rs. in Cr.)	Quantity (in MT)	Value (Rs. in Cr.)
Chromite	691080	324.65	646347	320.47
Iron ore	3062244	396.70	3419193	427.11
Chromite concentrate	170371	814.93	180896	89.69
Manganese Ore	97003	34.62	81227	24.90
Total	4020698	1570.90	4327663	862.17

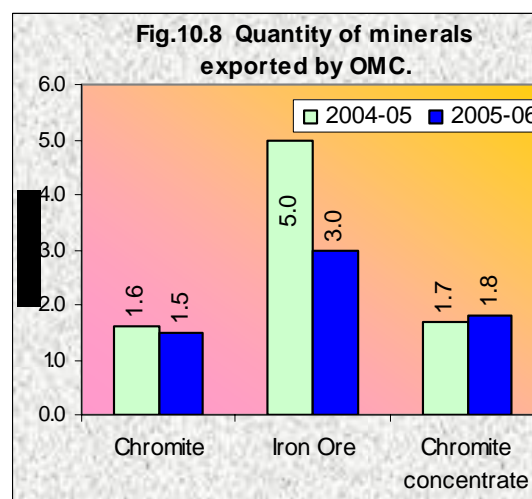


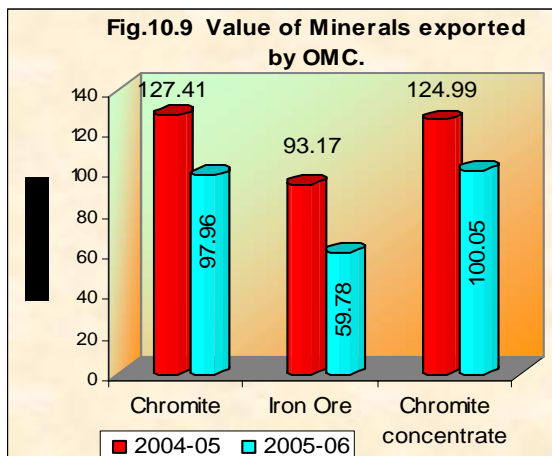
10.33 Average employment generation / day for 6,570 persons have been created by OMC during 2005-06 against 3,549 persons generated during 2004-05. During 2005-06,

OMC has despatched about 6,40,822 MT ore / minerals worth of Rs.257.79 crore towards export as against 8,37,555 MT valued at Rs.345.57 crore which was exported during 2004-05. The value of ores / minerals exported during 2005-06 declined by 34% over 2004-05. The quantity and value of ores / minerals exported by OMC is given in Table 10.15, Fig.10.8 and Fig.10.9 respectively.

Table - 10.15
Quantity & Value of Ores / Minerals
exported by OMC.

Ore / Minerals	2004-05		2005-06	
	Quantity (in MT)	Value (Rs. in Cr.)	Quantity (in MT)	Value (Rs. in Cr.)
Chromite	165986	127.41	153600	97.96
Iron Ore	500469	93.17	305622	59.78
Chromite concentrate	171100	124.99	181600	100.05
Total	837555	345.57	640822	257.79





10.34 OMC is in the process of registering a Society / Trust viz. "MAITREE". This society

will ultimately take up developmental work in the field of health, education, communication, irrigation etc. in the peripheral areas of the mines. OMC has bagged several awards such as World Mining Congress & Expo Award, CAPEXIL Export Award etc. OMC has the unique distinction of getting the Capexil Award in a row since 1998-99 for its consistent export performance.

