

ANNUAL PROGRESS REPORT 2011-12

NAGALAND STATE MINERAL DEVELOPMENT CORPORATION LIMITED



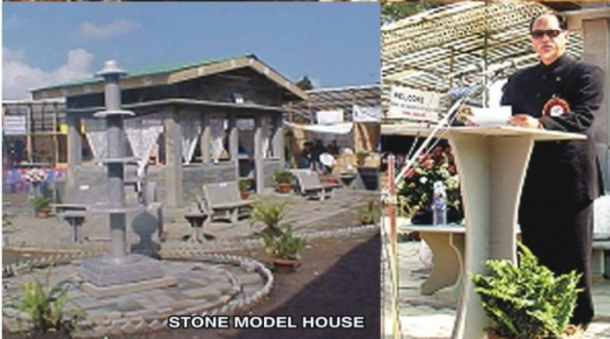
(A Government of Nagaland Undertaking)
NAGALAND : KOHIMA



LIMESTONE QUARRY



WAZEHO CEMENT FACTORY



STONE MODEL HOUSE



SAND STONE ARTIFACT



A MINERAL LINK ROAD



MARBLE ARTIFACT



PROMOTING MINERAL BASED INDUSTRIES

ANNUAL PROGRESS REPORT: 2011-12

CONTENTS

Sl.No.	Headings	Page
1.	Introduction	3- 4
2.	Strategies for 11 th Plan 2007-12	5- 6
3.	Identified viable mineral based industries during 11 th Five Year Plan	7-10
4.	Present Status	11- 15
5.	Activities of NSMDC during 2011-12	16-20
6.	New projects proposed for future	21-23
7.	Present Faculty Strength and Qualifications	24- 26

1. INTRODUCTION

NAGALAND STATE MINERAL DEVELOPMENT CORPORATION LIMITED

ANNUAL PROGRESS REPORT (20011-12)

INTRODUCTION:

Nagaland, a small state in the **Eastern most** part of India bordering Myanmar is provided with substantial deposits of various minerals. The main mineral reserves comprise of the following:

- (i) Petroleum & Natural Gas (prognosticated reserve of 600 million tonnes),
- (ii) Limestone & Marble (inferred reserve of 1000 million tonnes),
- (iii) Magnetite with Nickel, Cobalt and Chromium (5 million tonnes proved so far),
- (iv) Coal (inferred reserve of 150 million tonnes),
- (v) Rich deposits of varieties of Decorative & Dimensional Stones and
- (vi) Other associated metals like Zinc, Molybdenum & other possible precious metals such as Gold and Platinum groups (within ophiolites and metasediments) in Phek, Kiphire and Tuensang districts of South east Nagaland. Nagaland State Mineral Development Corporation Ltd (NSMDC) was set up by the Govt. of Nagaland and incorporated in May, 1981 with the main objectives of (i) Initiating commercial exploitation of limestone, coal and other mineral deposits and (ii) Promoting, establishing and developing economic activities in mines and mineral based industries. The Eleventh Plan has been formulated with the basic aim to promote and facilitate mineral-based industries in the State for economic growth along with generation of employment opportunities. The investments will also be justified by cost benefit analysis.

The following strategies are proposed to be adopted:

1. Initiation of mineral-based industries by facilitating and involving the people/private sectors with technical guidance and assistance from the Government through the Corporation so as to generate economic growth and employment with full justification in quantified terms.
2. To enter into Profit sharing ventures with private Companies in various limestone and other mineral based projects.
3. To enter into joint venturing with various oil companies in exploration and production of hydrocarbons and its downstream industries.
4. Leasing and/or privatization of existing production units such as the Cement Plant and the Decorative and Dimensional Stone Plants for better cost effectiveness.

The Board also decided that re-structuring be undertaken, towards which privatization/joint venturing possibilities and formation of separate profit center divisions/subsidiaries for each unit be examined and taken up. It was further decided that the Corporation should draw up programmes to involve the people, the villages and the landowners for exploitation of the mineral resources in the private sector and to follow up the above noted decisions of the Board, the following strategies for the Eleventh Plan are to be adopted.

**2. STRATEGIES FOR 11TH PLAN
2007-12**

STRATEGIES FOR 11TH PLAN :

The State Government suggested that the Nagaland State Mineral Development Corporation changes its strategies to function as Promoter, Consultant and also to work in joint-venture with private companies. Accordingly, the Board of Directors of the Corporation had decided to re-structure the corporation by forming independent profit earning units and privatizing it. The corporation shall enter into joint-venture with private Firms both in exploration as well as in operation of mineral-based industrial units wherever feasible. The corporation will also take up promotion activities for the mineral based industries in order to facilitate Private Investors to set up the mineral based industries in the state. It was also decided that the Corporation should draw up programmes to involve the people, the villages and the land-owners for exploitation of the mineral resources in private sector. Accordingly, the following strategies are being adopted during the 11th Plan:

- i) The existing production units shall be brought up to the profitable level in order to make it attractive for eventual privatization and joint venturing.
- ii) The viable mineral based industries to be identified, promotional activities to be taken up and the private firms shall be encouraged and facilitated to take up the mineral based industries.
- iii) NSMDC shall steadily change over from being a direct production agency to become a facilitating and consulting agent. As part of this strategy, NSMDC will identify the viable Projects, prepare the Feasibility Report, provide guidance and training wherever required and possible.
- iv) NSMDC shall function as a Channeling Agency for rapid development of mineral-based industries in the state. The seed-money shall be sought from the Financial Institutions as well as from the State Government and Loans will be provided to the potential entrepreneurs with nominal interest. Technical guidance and capacity building shall be provided.
- v) NSMDC shall co-ordinate with all the departments concerned for development of infrastructures to establish mineral-based-industries.
- vi) Explore the means of laying down the frame work for export of mineral resources, specially, the Limestones and Decorative Stones to South East Asian countries through International Trade Centres being developed in the border areas with Myanmar.
- vii) To enter into Joint venturing with Oil Companies for exploration and exploitation of oil resources in the state.
- viii) To provide technical information and guidance on the potentiality of mineral deposits in the state to the people.

**3. IDENTIFIED VIABLE MINERAL
BASED INDUSTRIES DURING
11TH FIVE YEAR PLAN.**

IDENTIFIED VIABLE MINERAL-BASED INDUSTRIES DURING ELEVENTH FIVE YEAR PLAN

1. **Limestone Based Industries** : Apart from the operationalisation of the expanded Wazeho Cement Plant, the following projects have been identified based on the huge reserves of more than 1000 million tonnes of chemical grade limestone in the 'Nimi Limestone Belt' of Eastern Nagaland bordering Myanmar :

- i) Export Oriented Mega Cement Plant of 3000 TPD (1 MTPA) capacity under private sector or joint venture at Laluri/Nimi
- ii) 200 TPD Lime Plant at Longpotrop (near Nimi).
- iii) 20 TPD Calcium Carbide Plant, Dimapur.
- iv) 18 TPD Hydrated Lime and 1 TPD Bleaching Powder Plant, Dimapur.

An outlay of Rs.400.00 lakh has been proposed for joint venturing in the above and other projects during the Eleventh Plan.

2. **Decorative and Dimensional Stone based Industries** : Stone, one of the rich resources of the State in terms of quantity, quality and variety, is proposed to be exploited to its full potential for use as a locally available and durable raw material in the building and housing sector. Some deposits which are abundantly available are Marble, Gabbro, Spilite, Sandstone, Slate, etc. Besides promoting the two existing units of DDSPs the following projects will be pursued during Eleventh Plan:-

i) **People Development Programme**: A "People Development Programme" (PDP) under Self Employment Generation Scheme (SEGS) to promote and facilitate setting up of small scale units of Decorative and Dimensional Plants and Stone Crushers by private entrepreneurs based on local stone deposits is proposed to be continued during 11th Five Year Plan. Preparatory ground works have already been started with the help of Experts/Consultants of stone industry from Rajasthan. Project Reports have been drawn up for different stone units as deemed suited to the local deposits.

Financing will be done through and with collateral guarantee of the Village Councils/Village Development Boards as is being done in the case of the Canadian aided NEPED schemes.

This scheme has the potentiality to bring about a revolution by helping local unemployed youth and bringing economic self reliance to the people. An outlay of Rs.500.00 lakh has been proposed for this programme during the Eleventh Plan.

ii) **Export Oriented Units** : The Corporation proposes to promote 'export oriented units' (E.O.U.s) in the form of medium-sized Stone Processing Plants with Gang Saws and Tiling Plants in the private sector for trading in raw minerals as well as processed products (based on the huge limestone/marble and other decorative & dimensional stones in the South-eastern parts of the State) for which fund requirement has been provided under promotion and facilitating activities during the Eleventh Plan.

3. Oil & Gas and other minerals:

Efforts to promote oil & gas production and export other precious minerals will be continued. To facilitate such ventures a Corpus Fund of Rs. 1200.00 lakh is proposed during Eleventh Plan.

- i) Oil & Natural Gas : The State Government decided to participate in exploration and production of oil and gas through its PSU (NSMDC) and promote gas-based petrochemical industries by facilitating private entrepreneurs to take up viable projects or undertake joint venturing with other companies wherever required, for which a token amount of Rs. 800.00 lakh has been proposed during the Eleventh Plan.

4. Other Minerals:

a) Nickel-Chromium-Cobalt bearing Magnetite Project: Based on the R&D works being carried out by National Metallurgical Laboratory (NML), Jamshedpur, at the initiation of Geology & Mining Department, it is proposed to promote/facilitate a commercial project in the private sector. In case of necessity, joint venturing with a maximum of 10% equity participation may be considered, for which \$ 400.00 lakh is provided under other Mineral Based Industries during the Eleventh Plan.

b) Small Coal Mining : In order to facilitate scientific small scale coal mining units in the private sector (to overcome the prevailing practices of 'rat-hole mining' by local landowners), a model small scale Coal Mining Project is proposed to be taken up in Changki/Merakyong area to be followed by promotion of similar units in other small coalfields in the 'Belt of Schuppen' along the foothills in Nagaland. For this fund requirement is provided under Promotional and Facilitating Activities during the Eleventh Plan.

An amount of Rs.400.00 lakhs is provided for venturing in other mineral based industries.

5. Self Employment Generation Schemes:

- a) Mineral Industry Growth Centre :

Nagaland has got substantial reserves of various minerals which are yet to be exploited. In order to promote tiny scale mineral and stone based industries and generate employment for the educated youths and introducing its viability to local people, NSMDC is to initiate, and establish pilot plants which will be used as demonstration units as well as earn its maintenance costs and train intending entrepreneurs. Accordingly, NSMDC has already taken up the Mineral Industry Growth Centre (MIGC) at I.I.D.C., Kiruphema, Kohima. Initially, the construction of Administrative Building and Factory sheds are being taken up at the cost of \$ 250.00 lakh. In the second phase, machinery, such as (i) stone Engraving (by sand blasting technic) (ii) Hollow-Block making machine (with stone dust) (iii) Stone-cutting/polishing machine (iv) Artificial Pebble making machine etc. costing another \$ 250.00 lakh shall be installed. The total approved cost is \$ 500.00 lakh. The project is being taken up under S.P.A. Scheme.

6. Promotion, Facilitating, Channeling Activities :

NSMDC proposes to undertake effective steps to motivate and involve the people/private sector in the field of mineral exploration while strengthening itself, so as to further contribute towards the resource base and economic growth of the State. The theme will be to promote industrial activities in the private sector in the State by facilitating them. The first and foremost need is to develop infrastructures such as roads linking to the mineral deposit areas, power connections, water supplies etc.

Further, programmes to facilitate/attract investments from outside, privatization, promotion of joint ventures wherever necessary, entrepreneurship development of local educated unemployed youth, training and capacity building of the officers and staff of the Department as well as the intending entrepreneurs, involvement of the landowners and the villagers for exploitation of the mineral resources as well as contributing necessary R&D/consultancy works and establishing funding/marketing linkages with national/international organizations shall be taken up by the Corporation. Since such works will require resources which is a constraint with NSMDC at present, the Government has already approved in principle to provide a 'Corpus Fund' to give a boost to the various efforts necessary.

Intensive co-ordination with other related Departments such as (i) Industry, (ii) Roads & Bridges, (iii) Power, (iv) Rural Development, (v) Transport & Communication, (vi) PHE, (vii) Medical, (viii) Education, etc. is deemed essential as without the necessary infrastructure in place, the efforts to exploit the mineral wealth of the State even with the involvement of the people would become a futile exercise. Therefore, the action plan of co-ordination with other sectors will invariably form an essential part of the Departmental/Corporate action plan.

The Department of Geology & Mining/NSMDC has also been given the responsibility to explore the means of laying down the framework for export of our mineral resources specially the Limestone products and Decorative/Dimensional Stones to South East Asian Countries.

An amount of Rs.230.00 lakh (Rs. 180.00 lakh + Rs. 50.00 lakhs) is proposed for the above purposes during the Eleventh Plan.

The total outlay for NSMDC during the 11th Plan is Rs.28.80 crore.

4. PRESENT STATUS

PRESENT STATUS :

Initially, three projects were taken up, viz. (i) Mini Cement Plant at Wazeho, (ii) Exploratory Coal Mine in Borjan and (iii) Semi Mechanised Brick Plant in Chumukedima. While the Borjan Coal Mining project was shelved due to land acquisition problem, the Semi Mechanised Brick Plant could not be completed owing to lack of funds and eventually abandoned in 1995. During 2001-02 two units of small Decorative and Dimensional Stone (Marble) Plants, one at Chumukedima and the other at Wazeho were set up. During 2007-08 another two Units of Decorative and Dimensional Stone Plants under the name “Common Facility Centres” Sponsored by N.E.C. were set up, one at Khonoma Village and the other at Longsa Village. On completion, the Plant were already handed over to the respective village councils for operation as envisaged.

A. MINICEMENT PLANT

The 50 TPD Mini Cement Plant at Wazeho was sponsored by NEC along with two other similar plants, viz. Tezu in Arunachal Pradesh and Hundung in Manipur, during the Sixth Five Year Plan. NEC entrusted implementation of the project to NEITCO who could not complete the project owing to legal disputes with their machinery suppliers. The State Government, on the request of NEC, had to step in from 1989 onwards (through NSMDC) and brought it to trial operation from September 1992. N.E.C took another five years (1993 to 1997 to get the ‘Industrial Audit’ carried out by National Productivity Council and released the balance requirement of funds in March to June, ’97 and the project was finally completed and normalised by 1999-2000. The Plant was operated achieving the highest possible quality standards (up to 53 Mpa), but could not reach break-even levels of production till 2003-04, due to the obsolete old machines procured in the mid-eighties and frequent breakdowns and non-availability of spares.

Therefore, the Detailed Project Report for Expansion of Wazeho Mini Cement Plant (which was approved for implementation during the 9th Five Year Plan but could not take off due to lack of funds) was revised by the National Council for Cement and Building Materials (NCB) and taken up along with Modernisation of the existing Unit for replacement of the old obsolete machinery (as recommended by NCB) for Rs.1849.40 lakh. After the last revision due to cost escalation of steel and other building materials, the requirement of additional fund for civil works was proposed and with the approval of the State Planning Board, the total amount was raised to Rs.2022.00 lakh. This was financed by State Government as equity by availing Negotiated Loan from LIC and HUDCO as follows:

a)	LIC	-	Rs. 1852.00 lakh
b)	HUDCO	-	Rs. 370.00 lakh (including addl. fund for quarry approach roads)
			Rs. 2222.00 lakh

Immediately after receiving the first instalment of Rs.500.00 lakh in March 2004, NSMDC called a National Open Tender and the lowest Tenderer M/s Saboo Engineers Pvt. Ltd. (SEPL), Jodhpur was awarded supply of Plant and Machinery for 100 TPD by State Level Tender Committee. The Plant was installed by NSMDC under the supervision of the Machinery suppliers. The total requirement of fund was made available to implementing agency (NSMDC) spreading over 4 (four) years. NSMDC has taken up all the construction works of the Expansion and modernization of the plant costing Rs.509.40 lakh by fully engaging all the Employees of the Cement Plant and expert workers from outside. The construction works got started in 2005-06 and the Plant was inaugurated on 27.06.2008.

With regard to the privatization of the plant, a National Level open Advertisement was floated but only one Private Firm based at Nagpur, namely M/s TPS Infrastructures Ltd., responded, but backed out. Then its sister concern M/s Meta Process Limited came in; but later on backed out M/s Resource Cement Limited under Ruia Group of Companies from Kolakata had shown interest and an MOU was signed on 30.05.2008 with NSMDC with the approval of the Government. However, this M.O.U. was also terminated as per the decision taken by the highest body of the Government on 03.02.2010 as the company could not take over the Plant even after 21 months.

B. DECORATIVE & DIMENSIONAL STONES PLANT

1. Decorative and Dimensional Stone Plant at Chumukedima & Wazeho :

Two numbers of Decorative and Dimensional Stone Plants, one at Chümukedima, Dimapur District and the other at Wazeho, in Phek District, sponsored by N.E.C. at the cost of Rs.252.14 lakh has been set up and made operational since August 2001. Each of the plants has a production capacity of 200 sq.ft. of stone slabs in a day. The Plant at Chümukedima process sandstones and the Plant at Wazeho process marbles. The products are in the form of Slabs, Blocks, Cladding, Artifacts and Monoliths. The average capacity utilization of the unit at Chümukedima is 60% and that of the unit at Wazeho is 30%. The products are being sold at Kohima and Chümukedima.

Two Units of Excell-III type of stone cutters of Small Scale Decorative and Dimensional Stone Plants, one at Chümukedima, Dimapur District and the other at Wazeho, Phek District have been set up at the cost of Rs.22.00 lakhs sponsored by Government of Nagaland under "People Development Programme" that is, to impart practical training to the educated unemployed youths in stone industry were added to the above two units and became functional since 2004. So far the Corporation had imparted 3 months in-plant training to 20 youths for operation as well as for management of Stone Industries.

2. Common Facility Centre on Decorative & Dimensional Stone Plant at Khonoma (Kohima) and Longsa (Wokha) financed by N.E.C. :

NSMDC had taken up the implementation of 2 Nos. of Common Facility Centres (CFCs) on Decorative and Dimensional Stone Plant at the approved cost of Rs.44.66 lakh (Rs.40,54 lakh by NEC and Rs.4.12 lakh by Govt. of Nagaland). One of the unit had been set up at Khonoma village and inaugurated by the Hon'ble Speaker, Nagaland Legislative Assembly on 16.11.2007. The other unit had been set up at Longsa village of Wokha District and the same is inaugurated by Chairman NSMDC on 08.04.2008. Each of the CFC Unit can produce 200 sq.ft. of stone-slabs per day and will employ 7 persons. All the villagers in these two villagers are expected to get benefit. 3 persons from each village had been imparted with 3 months training from the NSMDC's own running Plant at Chümukedima. Both the Plants were handed over to the village councils for operation.

C. MINERAL DEPOSIT LINK ROADS :

NSMDC proposed to take up 5 Nos. of Mineral Link Roads (Roads of Economic importance) with a total length of 75 Km with an initial estimated cost of Rs.36.06 crores as per the Nagaland SOR : 2004. The cost of the project has been re-revised to Rs.477.30 crores as per the Nagaland SOR : 2006. The Ministry of DoNER, vide its sanctioned order No.F.No.65/2006-NLP(NL) dated 16th May 2008, had sanctioned only three Mineral Link Roads at the approved cost of Rs.2653.91 lakh on the basis of 90% grant and 10% Loan (to be provided by State Government). The three Link-Roads sanctioned are as follows :-

- (a) Wazeho to Satuza (8 Km),
approved cost Rs.547.45 lakhs : 80% of this road is now completed and will link up to the Limestone deposit at Satuza.
- (b) Zipu to Moke (9 Km),
approved cost Rs.571.02 lakh : 80% of this road is completed and this will link up Marble deposit at Moke
- (c) Laluri to Nimi (20 Km),
approved cost Rs.1535.44 lakh : 80% of this road is completed and will link up the biggest Limestone deposits at Nimi.

The first Link Road, i.e. Wazeho to Satuza will facilitate opening up of new Limestone based industry as well as meeting the requirement of additional Limestone requirement to the 150 TPD Cement at Wazeho. The second Link Road, i.e. Zipu to Moke will facilitate new Marble Plant as well as feeding of Raw material to the existing Decorative and Dimensional Stone Plant at Wazeho. The third Link Road, i.e. Laluri to Nimi will facilitate setting up of the proposed Mega Cement Plant, (3000TPD export oriented Cement Plant).

D. JOINT VENTURE WITH M/S ASIAN OILFIELD SERVICES LTD. VADODARA IN “SEISMIC SURVEY” (Oil Exploration):

Nagaland State Mineral Development Corporation and Asian Oilfield Services Ltd. (AOSL) Vadodara (Gujarat) has signed a formal MOU on 14.09.2007 for collaboration in SEISMIC DATA ACQUISITION SERVICES in Nagaland. This was followed by signing of a COMMERCIAL AGREEMENT on 09.01.2008. The SEISMIC SURVEY, was for exploration to prove the existence of crude oil below ground by means of blasting and measurement of the Seismic Wave, and was to cover Dimapur District, Peren District, Wokha District and part of Mokokchung District. Under this M.O.U. the Scope of works of NSMDC Ltd. are:

- 1) Conducting of Awareness Campaign jointly with Geology & Mining Department.
- 2) Settlement of dispute and compensation in case of property damage.
- 3) Liasoning with the Government of Nagaland.
- 4) Procurement, transportation and safe storing of Explosives and Detonators.

All expenditures shall be borne by AOSL and over and above that AOSL shall pay NSMDC Rs.10.00 lakh plus 3% of the Expenditures for the Service rendered by the Corporation per season. The work had started in Dimapur District in the second week of February 2008. The Survey works were the extended to Wokha District, Peren District and Mokokchung District for which all the formalities were almost completed. However, due to certain problems, the State Government has suspended all the exploration activities in Nagaland, vide MEMO No.GM-9/NSM/2007 dated 5th March 2009 and accordingly, this joint venture work with AOSL was also suspended for the time being.

5. ACTIVITIES OF THE NSMDC DURING 2011-12

ACTIVITIES DURING 2011-12

The main activities taken up by the Corporation during 2011-12 are as follows:

1. Direction and Administration.
2. Promotional activities for rapid establishment of mineral-based industries in the State.
3. Employment Generation Scheme to promote and facilitate setting up of small scale mineral processing Units in private sector.
4. Operation of the Decorative Stone Plants at Chumukedima (Dimapur) and Wazeho,(Phek) till privatization.
5. Construction of Mineral Deposit Link roads to Moke, Mollen, Satuza, Pokphur, and Nimi.

1. DIRECTION AND ADMINISTRATION:

The Corporation continues to strive to re-structure itself for survival and growth. The Board of Directors has decided to adopt a strategy for re-structuring to make a transition by embarking on a fast turnaround programme comprising the following five elements:

- i) Short-term crisis management to ensure survival;
- ii) Creation of viable business as a platform for growth;
- iii) Capacity building and improvement of performance;
- iv) Introduction of a performance ethic; and
- v) Formation of alliance with other companies.

The Corporation will be re-structured along the above strategies; and the Corporate team shall be strengthened, trimmed and invigorated to become a successful company. The State Government has introduced a Voluntary Retirement Scheme, which is also being offered to the employees as part of the above strategy. But due to its poor benefits, there is very few takers. Performance enhancement activities are being pursued by deputing our employees to trainings, seminars and expose them to other parts of the country.

Outlay for Direction and Administration during 2011-12 :

NSMDC was established in 1981 with its Head Office at Kohima and was operating 3 (three) mineral based industries , namely (i) Mini Cement Plant, Wazeho (ii) Decorative & Dimensional Stone Plant, Wazeho and (iii) Decorative & Dimensional Stone Plant, Chumukedima (Dimapur). The mini cement had however, stopped production since 2002 for taking up expansion and modernization. The Corporation is also implementing three (3) mineral Link-Roads sanctioned by Ministry of DONER under NLCPR. Besides the above activities, the Corporation has entered into a joint venture with M/s Asian Oilfield Services Ltd., Baroda in SEISMIC SURVEY for oil in Nagaland, however discontinued in March 2009. The present manpower strength of NSMDC is shown in Table I below.

With implementation of ROP – 2010, the actual expenditure on Salary and Wages (2010-11) is \$ 364.00 lakh and by enhancing 3% increment and 18% Dearness Allowances and further adding leave encashment and terminal benefits for retirees, the minimum requirement on Salaries and Wages alone comes to \$ 430.00 lakh per year. Being a Corporation, the salaries and wages and other establishment expenses are also being met from the Plant Fund allocated by the State Government as normal grant.

Table-I

Section	<u>Regular Employees</u>	<u>Fixed Pay Workers</u> (Skilled, Semi-skilled & Unskilled workers)	<u>Total</u>
a) Head Office, Kohima.	42 (Officer = 11, Staff = 31)	9 (including 3 A/C Trainees)	51
b) Wazeho Mini Cement Plant, Wazeho.	54 (Officer =6, Staff = 48)	56	110
c) Decorative & Dimensional Stone Plant, Chumukedima (Dimapur)	12 (Officer = 2, Staff = 10)	10	22
d) Decorative & Dimensional Stone Plant, Wazeho	10 (Officer = 1, Staff = 9)	15	25
	<hr/> 118	<hr/> 90	<hr/> 208

2. FACILITATING, CHANNELING AND CONSULTANCY ACTIVITIES:

In tune with the State Governments' policy NSMDC is slowly shifting its activities from being a production organization to become a promoter, facilitator and consultancy organization. As a promoter and facilitator, the Corporation shall continue to identify the economically viable mineral deposits and develop infrastructures and provide necessary side services. Prepare Feasibility Reports (FR, TEFRRs and DPRs) in order to help and attract investors from State as well as from outside the State. NSMDC continue preparing ground works in order to facilitate local entrepreneurs in setting up economically viable tiny and small scale mineral based industries based on minerals available in the State. An amount of Rs. 47.00 is allocated during 2010-11. DPR for more mineral Link Roads are submitted to Government.

3. EMPLOYMENT GENERATION SCHEME :

Towards the objective to initiate, promote and facilitate economic activities in the mineral sector and as part of the Government's programme on Self Employment Generation, NSMDC continued the schemes to facilitate private entrepreneurs in setting up small scale and tiny mineral based projects during 2011-12.

The requirement of fund was expected to be made available from Financial Institutions, CM's Corpus Fund and Corporation's Corpus Fund for channeling to the entrepreneurs as a continuing scheme. The Fund proposed for 2011-12 was Rs. 50.00 lakh. Initially this was "Corpus Fund" for "People Development Programme" to facilitate small and tiny Decorative and

Dimensional Stone Projects only. Since then, Government has accorded approval to let NSMDC become channeling agency for various mineral based projects. “NSMDC Corpus Fund” was then started during 2007-08 and scope widened to cover both stone and mineral based projects under “Employment Generation Schemes”. Already seven entrepreneurs were selected for Stone Crushing Units for which 3 nos of crushers had already been procured and of which 4 crushers had been successfully installed and in operation. Three are under installation.

4. ENTREPRENEUR DEVELOPMENT AND TRAINING :

Modern management need expertise and well skilled professionals which makes training a must for growth. Capacity building, the process of training a person to increase knowledge and skill of doing a particular job. This is one of the most effective and tested tools for performance enhancement by upgrading knowledge and skills. This also increases confidence, reduce supervision cost and accidents thereby increasing productivity. Keeping these benefits in mind, NSMDC has already started ground works for facilities such as Excel-III installation at Wazeho and Chumukedima. The installation of the Mineral Industry Growth Centre at I.I.D.C. Kiruphe had started. Accordingly, NSMDC has taken up capacity building of in-house personnels regularly and also to impart operational as well as managerial capabilities to entrepreneurs. An amount of Rs.2.00 lakh has been proposed for 2010-11.

5. CONSTRUCTION OF MINERAL INDUSTRY GROWTH CENTRE :

In order to initiate and facilitate small and tiny scale industries based on various minerals available within the State, NSMDC had started installing a Mineral Industry Growth Centre at I.I.D.C. Kiruphema. This project will augment the entrepreneur development programmes envisaged above. This will introduce, demonstrate and promote various techniques in exploiting minerals available plentifully all over Nagaland. This will generate employment as well as open avenues for the educated youth to set up small and tiny Industries. Out of the revised estimated cost of Rs.500.00 lakh based on NPWP SOR 2010, an amount of Rs.250.00 lakh has been approved under Special Plan Assistance during 2010-11 and the construction work has been taken up at IID centre, Kiruphema near NH-29.

6. DECORATIVE & DIMENSIONAL STONE PLANTS, CHUMUKEDIMA/WAZEHO:

The two units of Decorative and Dimensional Stone Plants at Chumukedima and Wazeho were set up under NEC sponsorship during the Ninth Plan. During the Tenth Plan the additional requirements were revised costing Rs. 192.14 lakh were procured the project has been completed during 2006-07. Both units are under operation.

Besides promoting the above units, under People Development Programme (PDP), NSMDC and Directorate of G&M will continue facilitating setting up of small and tiny scale units by local/private entrepreneurs based on various local stone deposits. Working Capital for these are not available and so with a nominal grant for Rs.10.00 lakh, the Plants are maintained and being operating

7. (A) CONSTRUCTION OF LINK ROADS TO MINERAL DEPOSIT AREAS (MOKE, MOLLEN, SATUZA, POKPHUR, NIMI, ETC.)

Good mineral deposits are found in various locations but for want of road connectivity, the deposits could not be exploited. In order to facilitate preparation of DPRs, fund provision is included under 'Promotional and Facilitating Activities'. Construction of 3 nos. of mineral deposit Link-Roads had already been sanctioned by ministry of DoNER under NLCPR at the approved cost Rs.2653.91 lakhs. So far a total amount Rs.2601.89 lakhs (90%) by Ministry of DoNER and 10% by the Government of Nagaland) had already been released in 3 installments, leaving a balance of \$ 52.02 lakhs. An average of 80% of the work had been completed till date. In order to complete the three roads in all respect.

NSMDC had already applied for cost enhancement and approval is awaited.

(B) CONSTRUCTION OF BRIDGES ACROSS TIZU RIVER AND CHIZUTE RIVER IN THE NIMI-LALURI MINERAL LINK ROAD

Ministry of DoNER had already sanctioned two Bridges under NLCPR, one across the Tizu River (100M Span) at total approved cost of \$ 2053.93 lakh vide sanction Order No.106/2010-NLP9NL) dated 23.12.2010. The time frame for completion of the project is 24 months from the date of issue of the sanction order.

Construction materials were already accumulated at the site. All the Machinery and manpower are ready at the site and the works are about to start.

8. OIL AND GAS.

Nagaland has good prospect for extraction of Oil and Gas. Champang Oilfield has already been confirmed and ready for extraction. Canoro Resource Ltd has completed its Seismic Survey in Mokokchung District. Asian Oilfield Ltd in collaboration with NSMDC carried out Seismic Survey in Wokha, Dimapur and Peren Districts but suspended by Government and could not be restarted. The State Government shows its desire to Product Sharing Contract at an agreed percentage which will require Share Capital etc. NSMDC therefore, proposes to open a Corpus Fund, to be utilised when the right time comes. Without starting a Corpus Fund, the State Government will face too much burden to contribute its share capital in one go. However, no fund is allocated during 2011-12.

9. MINERAL BASED INDUSTRIES.

Some Multi National Company may come in to set up mega Cement Plant in the near future with Nimi/Laluri Limestone resources. Nagaland Government has indicated her desire to have a small share. A 10% share will amount to Rs.50.00 crore to Rs.100.00 crore. State Share Contribution for such projects in one installment will be too heavy. However, no fund is allocated during 2011-12.

The total Budget Estimate for Annual Plan 2011-12 is kept Rs.464.00 lakh against action plans given above.

6. NEW PROJECTS PROPOSED FOR FUTURE

NEW PROJECTS PROPOSED DURING 2011-12

(i) Coal:

With ever increasing demand for coal with more and more industrialization and also to meet the requirement of the thermal Plants proposed to be set up in Nagaland and for the requirement of H.P.C's Tuli Paper Mill in Mokokchung District which is going to be revamped soon, NSMDC proposed to take up Coal Mine Project. The Coal deposit at Borjan (Mon District) being one of the most prominent deposit with 6 million Tonne proved reserve, an underground Coal Mine is being proposed based on this Coal Deposit. The proposal is however, kept in abeyance due to random extraction of the coal in open cast mine by the land owners.

(ii) Limestone:-

The Limestone available in Nagaland is of highest grade having the CaO content as high as 54% (The highest possible percentage being 56%). The Lime stones are highly crystalline, very hard, having beautiful texture and variable colours from Grey to Dark Grey. It takes good polishing and can be used as Marble. Besides using as the main raw material for the Cement Plant, it can be used as Flux in Blast Furnace and also can be used as Marble.

NSMDC proposed to take up new Limestone Mine to meet the requirement of the existing Decoration and Dimensional Stone Plants at Wazeho (Phek District) and at Chümukedima (Dimapur District). The requirement of Limestone for the Tuli Paper mill (42,000 Metric Tonne Annually) is also can be made available from this mine. Preparation of Detailed Project Report will be taken up.

(iii) Lime:

The requirement of Lime for Tuli Paper mill alone is 110. Metric Tonne daily. In order to meet this requirement (initially) it is proposed to take up proposal on setting up of Lime Burning Plant to be located near the source of Limestone. Preparation of Detailed Project Report will be taken up.

(iv) Mineral Link Roads:

Nagaland has got substantial Mineral Deposits which when fully explored and properly developed, will boost the economy of the State. Many of the discovered Minerals are still remaining unexplored and underdeveloped because of lack of road. NSMDC has already taken up the construction of 3 Nos. of Mineral Link Roads from 2008-09 and onward, (and completing by May 2010). It is also proposes to take up more Mineral Link Road even during 2011-12. Some of the important Mineral Link Roads proposed to be taken up are:-

- (a) Molen village – Molen Limestone Deposit, having 10 Km Length
- (b) Pungro – Pokphur Magnetite Deposit, having 28Km length (upgradation of jeepable Road)
- (c) Akash Bridge – Wazeho, having about 36 Km length.

(v) Mineral Industry Growth Centre:

In spite of having substantial Mineral deposits, Nagaland, remains industrially backward till date. With the availability of many of the raw materials in the form of Minerals, Nagaland State should have been much more industrialized, its economy should be better of and there should not be unemployment problem. Lack of Technical – Know – how and poor economy are the two main factors due to which Nagaland remain industrially backward hitherto. A promoter or a facilitator, taking initiation in this sector, appears to be the need of the hour. NSMDC proposes to take up this challenging task. To start with, NSMDC has taken up a small growth centre wherein a cluster of small scale Mineral based industries is going to be established which will function as Pilot Plants and ultimately to be handed over to the entrepreneurs for commercial operation. This MIGC is being established at IIDC Kiruphema on NH-29. An amount of \$ 250.00 lakh had already been approved and sanctioned under Special Plan Assistance in the first phase from the total estimated cost of \$ 500.00 lakh. The financing pattern, as usual, is 90% by Planning Commission and 10% by the State Government.

7. PRESENT FACULTY STRENGTH AND QUALIFICATIONS

PRESENT FACULTY STRENGTH AND QUALIFICATIONS

Sl. No.	Designation	Status	Strength	Qualifications
1	2	3	4	5
1.	Managing Director	E8	1	B.E. (Mining)
2.	General Manager	E7	3	B.E. (Mining/Chemical/ Civil)
3.	Deputy General Manager	E6	1	B.E. (Ceramic)
4.	Manager	E5	1 3 1	B.E. (Electrical) B.Sc./B.A B.E. (Metallurgy)
5.	Deputy Manager	E3	2 2 5 1	B.E. (Civil, Mech)) B.Sc. /B.A. Diploma (Mining/Civil) M.B.A
6.	Assistant Manager	E2	1	B.Com.
7.	Jr. Engineer	E1	1	Diploma (Draftsman)
	Sub Total (Executive)		22	
8.	U D A	S8	3	P.U, Matriculate
	Accountant		2	M.Com./B.Com.
9.	Foreman Gr.II	S7	2	Diploma (Mech.), Matriculate
	Sr.Technicians/Operators(Sp.Gr.)		16	Matriculate or ITI
10.	Sr.Technicians/Operators	S6	4	Matriculate or ITI
	Sr. Driver		5	Licence in Driving
11.	LDA (Accounts)	S5	2	B.Com.
	LDA/Computer Operators		4	Matriculate/Dip. in Computer
	Technicians/Operators		6	Matriculate or ITI
12.	Computer Assistant	S4	2	Certificate in Computer
	Driver Gr.II		2	Licence in Driving
	S.K. Gr.III		1	
	Assistant Electrician Gr.II		1	
13.	Assistant Electrician Gr.III	S3	1	I T I
	Driver Gr.III		2	Licence in Driving
14.	Grade IV Staff	S2 & S1	57	
	Sub Total (Staff)		110	
	Total		132	

**MANUAL - I NO.6 :- ORGANISATIONAL STRUCTURE
NAGALAND STATE MINERAL DEVELOPMENT CORPORATION LIMITED**

