

SAIL Scouts for a Foreign Co to Operate Chiria Mines

Steel maker plans to outsource mining operations for the first time

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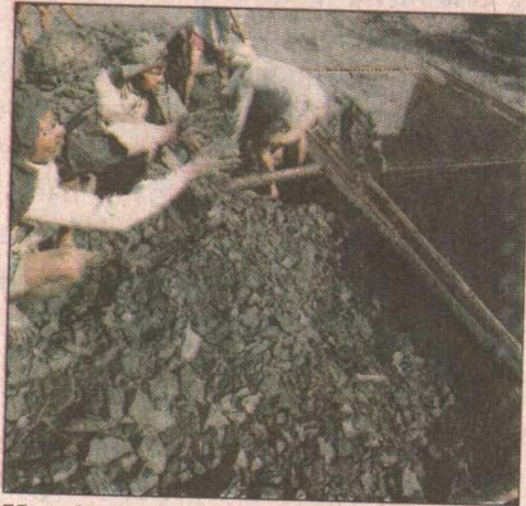
Steel Authority of India is scouting for a foreign company to operate its mines at Chiria, estimated to contain the world's second-largest iron ore reserves.

This is the first time that the country's largest steel maker is looking to outsource its mining operations, prompted by the growing realization that mining activities invariably have environmental implications and are best left to specialists who can handle compliance issues better.

SAIL, which has appointed Nagpur-based consultant aXYKno to prepare the tender document, aims to mine some 7 million tonne of iron ore from its four leases at Chiria, which will account for half of the Rs 10,200-crore investment lined up for new mines in the east.

"We would like to choose a global partner to be able to bring in best available technology and mining practices at Chiria," said SN Singh, director in-charge of SAIL's raw materials division and CEO of Rourkela Steel Plant. "This is the first time we will be trying out such a process within SAIL."

SAIL has already appointed



Hatch Associates of Australia to prepare a detailed project report for Chiria. It will submit its report next month. The first phase of development at Chiria, where four out of SAIL's eight mining leases have been renewed, is likely to take four to five years. "In case, we cannot attract the right kind of mining partner at Chiria, we would take up the job departmentally," Singh said. Depending on the DPR, SAIL will decide whether or not to set up a pellet plant or beneficiation unit. Incidentally, SAIL is setting up beneficiation unit and pellet plants at Bolani and Gua mines.

The PSU has taken up social activities in the area, such as organising self-employment, education and health camps, to generate goodwill among locals. It is also setting up initial infrastructure for schools and hospitals. "We have created a CSR (corporate-social responsibility) team and have also appointed a senior executive in the rank of general manager in charge of CSR for Chiria," Singh said.