
Godawari second iron ore mine by October 2009

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DNA reported that Godawari Power and Ispat Limited, the Raipur based steel billet and sponge iron manufacturer plans to commission its second iron ore mine by October 2009. It had recently commissioned its first iron ore mine in Ari Dongri and is mining 1,000 tonne of iron ore per day.

Mr Dinesh Gandhi director, finance of Godawari Power said "The environment and forest approval is underway and soon we will approach the Chhattisgarh government to sign a mining lease agreement."

Mr Gandhi said the entire process will take 3 to 4 months and by October the company will be ready to start production. The second mine is located in Boria Tibu in Chhattisgarh.

He said the 2 mines put together have ore reserves of 15 million tonne. We are planning to produce 0.6 million tonne per annum from the 2 mines at peak production.

In a May 29th report, analyst Mr Akhil Jain with IL&FS said "GPIL's mining assets will be the key driver of margin expansion and earnings growth over FY 2010-11 and will also de risk the company's business from the fluctuations in availability and prices of raw material."

(Sourced from DNA)

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