

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:1630

ANSWERED ON:30.07.2015

Acquisition of Coal Blocks

Maragatham Smt. K.

Will the Minister of COAL be pleased to state:

- (a) whether it is a fact that the Coal India Limited (CIL) will relinquish the 75 per cent of area and it has found that the area contained nothing that could be called coal in two coal blocks that CIL had acquired in Mozambique about six years ago;
- (b) if so, the quality of the reserve at a large area of the two blocks does contain carbon but it has not good enough to be called coal;
- (c) if not, the details thereof;
- (d) whether the move follows the local Government's decision to double the charges of holding the blocks which have so far not yielded any coal worth the effort, and if so, the details thereof;
- (e) whether these reserves cannot sustain a 12 per cent of return on investment in the medium to long run and the investment so far made by the CIL in Mozambique seems to be a total waste; and
- (f) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL, POWER AND NEW AND RENEWABLE ENERGY
(SHRI PIYUSH GOYAL)

(a) to (c): Coal India Limited (CIL) has taken a decision to relinquish 170 sq km area out of the total leasehold area of 224 sq km (which is about 75% of the total area) as the exploration results of the two coal blocks owned by its wholly owned subsidiary Coal India Africana Limitada (CIAL) have revealed that even the topmost coally horizon is not found even upto a depth of 500m.

CIL has retained 54 sq km area in which there are preliminary indications of occurrences of coal horizons. The final Geological Report on the 54 sq km prospective area has not been prepared to assess the quality and quantity of coal reserves.

(d): The decision of relinquishment of 170 sq km area has been taken primarily because the top most coally horizon has not been found even upto a depth of 500m and also to reduce the financial implications of 14 times increase in surface taxes by Government of Mozambique.

(e) & (f): The Geological Report has not been prepared. Techno economic feasibility can only be worked out on the basis of Geological Report.

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