
Gremach Infrastructure acquires stakes in Mozambique coalmines

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Gremach Infrastructure Equipments & Projects Limited announced that it has acquired 75% controlling stake in 11 coalmine licenses from Osho Mozambique Coal Mining Limitada in Mozambique over an aggregate area of 13,520 hectares in the Karoo basin in Moatize. Gremach Infrastructure is planning to start prospecting of the area in October 2007, which will be completed by mid 2008.

The two license no 1165L and 1100L have been renamed as GRE Mine no 1 and 2. Expected reserves in these mines are more than 200 million tonnes.

Mr Rishi Raj Agarwal MD of Gremach Infrastructure said that the move to acquire a controlling stake in Osho Mozambique Coal Mining was in line with its aim to own raw material assets, which would be later used for coal production. He said "These 11 licenses are very close to existing Companhia Vale do Rio Doce mines and few of them are having common boundary with CVRD licenses where hard prime coking coal has already been found. "Mozambique is strategically located for Indian coal needs; freight from the African country is less than half of what is paid to ship the mineral from Australia."

Gremach Infrastructure, a company that provides construction equipment on rent, has a coking unit called Austral Coke & Projects.

Many Indian companies are pitching for coalmining licenses in Mozambique. TATA Steel acquired 35% stake in Australian firm Riversdale Mining Ltd's coal project in Mozambique for USD 85 million.

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