

GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
STARRED QUESTION NO. *268
TO BE ANSWERED ON 18.08.2025

UNDERGROUND COAL MINING

***268 # Shri Surendra Singh Nagar:**

Will the Minister of **Coal** be pleased to state:

- (a) the advantages of underground coal mining;
- (b) whether Government has recently introduced any new policy measures aimed at promoting underground coal mining; and
- (c) if so, the details thereof?

ANSWER

MINISTER OF COAL AND MINES
(SHRI G. KISHAN REDDY)

(a) to (c):A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE RAJYA SABHA STARRED QUESTION NO. 268 ANSWERED ON 18.08.2025 ASKED BY SHRI SURENDRA SINGH NAGAR, HON'BLE MP REGARDING 'UNDERGROUND COAL MINING'.

(a): Underground coal mining offers several advantages, particularly from environmental, land-use, and social perspectives. Since underground mining causes minimal disturbance to surface features, it results in reduced damage to infrastructure, agricultural land, forests, and habitation areas. This method of mining leads to lower land reclamation and rehabilitation costs after mining activities cease. Underground mining leaves comparatively less surface footprint, thereby contributing to lower indirect greenhouse gas emissions associated with land degradation and loss of vegetation. It is also well-suited for extracting deep-seated coal reserves, which are often of higher quality. Underground mine operations are generally less susceptible to adverse weather conditions, which can disrupt surface mining operations. This makes underground mining more feasible throughout the year under varying climatic conditions.

(b) & (c): In order to give further impetus to Underground mining, the methodology dated 28.05.2020 for the auction of coal and lignite mines or blocks for the sale of coal and lignite on revenue-sharing basis has been amended vide order dated 23.04.2025 to provide the bidders participating in the auction with the following incentives:

1. Reduction of the floor percentage of revenue share to 2%.
2. Complete waiver of the Upfront Amount.

The successful allocatee of coal and lignite mines or blocks, classified for underground mining on the aforementioned modified conditions of reduced floor percentage of revenue sharing and complete waiver of upfront amount, shall not be allowed to convert the Under-Ground Mine to Open Cast or Mixed Mine at any stage during the life of the mine.
