

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION NO. 3087
TO BE ANSWERED ON 19.03.2025

Environmental Impact of Coal Mining

3087. Shri Azad Kirti Jha:

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

- (a) whether the Government has assessed the environmental and infrastructural burden on coal-rich States such as Jharkhand, Chhattisgarh and Odisha due to large-scale coal mining and thermal power generation;
- (b) if so, the details thereof and the remedial measures undertaken by the Government to mitigate the adverse impact;
- (c) whether the Government proposes to introduce a cess or levy on coal extraction and transportation to compensate coal-bearing States for environmental degradation and loss of natural resources;
- (d) whether the Government has considered a special financial assistance framework for coal-rich States through revenue-sharing or dedicated funds under the Finance Commission; and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

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

(a) & (b): Coal mining works are a site specific activity. The environmental impacts are managed and kept within the prescribed standards by planning and implementation of sustainable mining and environmental control measures as per approved Environment Management Plan.

A detailed Environment Impact Assessment (EIA) is carried out for each project considering pre and post mining conditions for preparing Environment Management Plans (EMPs). On the basis of the same, Environment Clearance (EC) is granted. While granting EC, conditions/mitigation measures are stipulated for implementing the EMPs, which have to be complied with by the project proponents. On obtaining EC, the project proponent also secures Consent to Establish (CTE) - one time and Consent to Operate (CTO) – periodic, under the provisions of Water and Air Acts from the concerned State Pollution Control Boards (SPCB). During the course of implementation of the project, the compliance of the conditions laid in the EC, CTO etc. is monitored regularly by the regulators like MoEF&CC, SPCB etc.

To promote environmental sustainability in Coal mines in the country various sustainable & environmental friendly initiatives have been taken such as plantation/bio-reclamation, mine water utilization for community use and development of Eco-parks and adoption of energy efficiency measures.

Additionally, for captive/commercial coal blocks, Clause 11.5 of Coal Block Development and Production Agreement for commercial mining executed between successful bidder and Nominated Authority mandates that the Successful Bidder shall implement mechanized coal extraction, transport and evacuation in the Coal Mine, in line with modern and prevalent technologies. Further, the Successful Bidder shall strive to minimise the carbon footprints from operations at the Coal Mine, undertake steps to reduce environmental pollution and promote sustainability, in accordance with Good Industry Practice.

(c) to (e): Presently, there is no proposal to introduce a cess or levy on coal extraction and transportation to compensate coal-bearing States for environmental degradation and loss of natural resources. However, the State Governments of the coal producing states are entitled to receive 14% of Royalty on sale price of coal and DMF @ 30% of royalty, from the coal produced by the coal companies and also the private sector. Also, a contribution of @2% of royalty amount is made to National Mineral Exploration Trust (NMET), which is utilized for further exploration activities. Goods and Services Tax (GST) compensation Cess at the rate of Rs 400 per tonne is levied on coal under the Goods and Services Tax (Compensation to States) Act, 2017. In case of Captive/commercial mines, State Governments are also entitled to receive the revenue share offered by the auction holder in transparent bidding process. Additionally, Coal companies are contributing for the development of the coal mining areas under Corporate Social Responsibility (CSR).
