

**GOVERNMENT OF INDIA
MINISTRY OF COAL**

**LOK SABHA
UNSTARRED QUESTION NO. 1667
TO BE ANSWERED ON 30.07.2025**

Underground Coal Mining

†1667. Shri Narayan Tatu Rane:
Shri Ashok Kumar Rawat:

Will the Minister of COAL be pleased to state:

- (a) the details of advantages /benefits of underground coal mining;
- (b) whether the Government has implemented any new policy/measures recently to promote underground coal mining; and
- (c) if so, the details thereof?

ANSWER

**MINISTER OF COAL & MINES
(SHRI G. KISHAN REDDY)**

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