

F. No. 13011/2/2020-CBA2-Part (2)/P&S-II
Government of India
Ministry of Coal

Shastri Bhawan, New Delhi
Dated, the 23rd April, 2025

ORDER

Subject: Methodology for Auction of Coal Mines/Blocks for sale of coal under the Coal Mines (Special Provisions) Act, 2015 and the Mines and Minerals (Development and Regulation) Act, 1957.

The undersigned is directed to refer to the order dated 28.05.2020 on the aforementioned subject (Annexure-I) wherein the methodology for auction of Coal Mines/Blocks for sale of coal was issued upon competent approval. The said methodology was amended *vide* order dated 24.11.2021 and was further amended *vide* order dated 31.10.2022 (Annexure-II & III).

2. The aforementioned methodology prescribes the floor percentage of revenue share as 4%. Secondly, the allocatee is required to deposit an Upfront Amount which is calculated at 0.2% of the value of estimated geological reserves subject to the prescribed ceiling. Both of these requisites are to be met uniformly by all allocatees irrespective of method of mining deployed by them, i.e., Open Cast, Under Ground or Mixed Mining.

3. Ministry of Coal in its endeavours to promote environmental-friendly and sustainable mining practices, is encouraging coal miners by way of various incentives. This Ministry also acknowledges that when compared to Open Cast Mining, Under Ground Mining requires higher initial investment, has a longer period of gestation and is marked with higher cost of production. However, environmental benefits of Under Ground Mining certainly override such financial metrics, thereby making it the preferable method of mining.

4. In order to give further impetus to the Under Ground Mining, the competent authority has approved the proposal to reduce the floor percentage of revenue share to 2% and to provide complete waiver of the Upfront Amount to the bidders participating in auction of coal and lignite mines/blocks (reserved for underground mining) for sale of coal/lignite. Therefore, the methodology dated 28.05.2020 is further amended as below:

- i. After the existing paragraph '2.1.2 Bid Parameter' the following shall be inserted:

“Provided, for the mines classified for Under Ground Mining in the Tender Document the floor percentage of revenue share shall be 2%.”

- ii. In existing paragraph 2.1.5 Upfront Amount, after sub-para (D), the following sub-para shall be inserted:

“(E) Notwithstanding anything in this paragraph, for the mines classified for Under Ground Mining in the Tender Document no Upfront Amount shall be payable.”

5. The successful allocatees of coal/lignite mines 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.
6. The aforesaid modification shall be applicable from successive tranches of auctions.
7. All other terms and conditions mentioned in order dated 28.05.2020 (as modified from time to time) shall remain the same.

This issues with the approval of competent authority.

Encl: As above.



(L. Khamminthang)

Under Secretary to Govt. of India

Tel: 011-23073936

To,

1. Additional Secretary & Nominated Authority, Ministry of Coal
2. Director (NA)/Director (T/NA), Director (P&S-I/P&S-II), Ministry of Coal

Copy to: -

1. PS to Hon'ble Minister of Coal
2. PS to Hon'ble Minister of State for Coal
3. PSO to Secretary (Coal)
4. PPS to AS & NA
5. STD, NIC, Ministry of Coal..... for uploading on the website of Ministry.