



India Strengthens Energy Security: Historic First — Coal Mine Development Agreements with Underground Coal Gasification Provisions Signed

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In a landmark milestone for India's energy transition and self-reliance, the Ministry of Coal today executed Coal Mine/Block Production and Development Agreements (CMDPAs) with successful bidders for four coal mines — marking the first-ever tranche of commercial coal mines in India to carry embedded provisions for Underground Coal Gasification (UCG). This historic step signals a transformative leap in how India envisions and unlocks the full value of its vast coal reserves.

The agreements were executed under the 14th round of commercial coal mining auctions, with Reliance Industries Limited securing the Recherla and Chintalpudi Sector A1 mines, and Axis Energy Ventures India Private Limited bagging the Dip Extension of Belpahar and Tangardihi East coal mines. These mines spans across the states of Andhra Pradesh and Odisha with two being partially explored and two fully explored mines.



UCG represents a revolutionary approach to coal utilisation — one that converts coal into synthetic gas in situ, directly within the seam, without the need for conventional mining. This technology unlocks energy from deep, thin, or otherwise unworkable coal seams that traditional extraction methods cannot economically access, significantly expanding India's exploitable energy resource base. By integrating UCG provisions into CMDPAs for the first time, the Ministry of Coal has future-proofed these mines, enabling operators to pursue this cutting-edge pathway to cleaner and more efficient energy production alongside conventional extraction.

The introduction of UCG provisions reflects India's commitment to not only maximising domestic coal production, but also adding value addition to the coal economy by substituting the derivate products potentials the coal possesses. The syngas produced through UCG can serve as a domestic feedstock for the manufacture of urea and ammonia, significantly reducing India's dependence on imported fertilisers

and strengthening food security. In the chemicals and petrochemicals sector, UCG syngas can replace imported natural gas and naphtha as a base feedstock, enabling domestic production of methanol, dimethyl ether (DME), and synthetic fuels

With these four CMDPAs, the total number of agreements signed under commercial coal auctions reaches 138 mines, covering a peak rated capacity of 331.544 MTPA. These 138 mines are projected to generate annual revenues of approximately ₹42,980 crores, attract capital investments of ₹48,231 crores, and create direct and indirect employment for approximately 4,34,175 persons.

The Ministry of Coal remains firmly committed to advancing domestic coal production, ensuring long-term energy security, and driving socio-economic development through transparent, investor-friendly auction processes — while embracing frontier technologies like UCG to position India at the forefront of the global energy landscape.

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