

GOVERNMENT OF INDIA
MINISTRY OF COAL

RAJYA SABHA

UNSTARRED QUESTION No. 1011
ANSWERED ON 09.02.2026

REDUCING DEPENDENCY ON COAL IMPORT

1011. SMT. MAYA NAROLIYA.

Will the Minister of COAL be pleased to state:

- a. whether Government has reviewed the coal production targets in light of the increasing energy demand and supply constraints;
- b. the quantum of reduction achieved so far in coal imports and the major factors affecting import dependence;
- c. the details of the environmental monitoring and rehabilitation measures implemented in coal mining areas; and
- d. the steps taken by Government to ensure a just transition in coal-dependent regions while achieving clean energy targets?

ANSWER

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

(a): Ministry of Coal plans and reviews its future coal production projections considering the demand of coal, availability of resources like land, statutory clearances, etc. and past performance. Further, most of the demand of coal in the country is met through indigenous coal production. Demand for domestic coal is primarily met from sources of Coal India Limited (CIL) under Fuel Supply Agreement(s) (FSAs) and Single Window Mode-Agnostic (SWMA) auctions. Besides procuring domestic coal, as per coal import policy, the import of coal has been kept under Open General License (OGL) and users are free to import coal from the sources of their choice as per their contractual prices on payment of applicable duties.

In order to meet future demand of coal through indigenous sources and to reduce non-essential import of coal, domestic coal production is expected to grow by 6-7% annually in next few years to reach about 1.5 billion tonnes by 2029-30. Further, the following measures have been taken by the Government to enhance the production of coal in the country:

- i.** Identification and development of new coal blocks, including through captive and commercial route.
- ii.** Enactment of Mines and Minerals (Development and Regulation) Amendment Act, 2021 for enabling captive mine owners (other than atomic minerals) to sell up to 50% of their annual mineral (including coal) production in the open market after meeting the requirement of the end use plant linked with the mine in such manner as may be prescribed by the Central Government on payment of such additional amount.

iii. Single Window Clearance portal for the coal sector to speed up the operationalization of coal mines.

iv. Project Monitoring Unit for hand-holding of coal block allottees for obtaining various approvals/clearances for early operationalization of coal mines.

v. Commercial auction of coal blocks on revenue sharing basis. Under commercial mining scheme, rebate of 50 % on final offer would be allowed for the quantity of coal produced earlier than scheduled date of production. Also, incentives on coal gasification or liquefaction (rebate of 50 % on final offer) have been granted.

vi. Coal India Limited is adopting Mass Production Technologies (MPT) in its Underground (UG) mines, mainly Continuous Miners (CMs), wherever feasible. Coal India Limited has also envisaged working large numbers of Highwalls (HW) mines in view of the availability of Abandoned/Discontinued mines. Coal India Limited is also planning large capacity UG mines wherever feasible.

vii. In Opencast (OC) mines, Coal India Limited has adopted State-of-the-Art technology through high capacity Excavators, Dumpers and Surface Miners.

(b): In 2024-25, coal imports in the country stood at 243.63 MT i.e. a reduction of around 8% from 264.53 MT, coal imported in 2023-24.

Major factors affecting import dependence are as under: -

i. High Grade Coking Coal required by Steel Industry: Steel industry requires large quantity of high-grade coking coal, which is a key raw material for the blast furnace process. India has limited reserves of this specific type of coal resulting in its import to meet the demand. However, implementing Stamp Charging battery technology across steel plants by 2029-30 will enable 30% blending of domestic coking coal.

ii. Imported Coal Based (ICB) Power Plants: Thermal power plants along the coast are technically designed to run on imported high-grade non-coking coal. Based on techno-commercial viability, certain plants have been identified for blending the domestic coal with the imported coal which would result in part substitution of such imports.

iii. Industry-specific requirements of non-coking coal: Certain industries, such as cement, captive power plants (CPPs), require coal with specific quality parameters, such as low ash content, higher calorific value, or specific sulphur levels, which may not be fully available from domestic sources.

Despite the above challenges, efforts are being made to increase domestic production, and to reduce import dependence. Still, owing to the quality-specific requirements, a part of coal imported in the country is non-substitutable. Dependence on import of such coal may continue.

(c): Ministry of Coal ensures environmental and pollution compliance through mandatory Environmental Clearances (ECs) for all new and expansion projects. Regular environmental monitoring is carried out, and pollution control measures identified in Environmental Impact

Assessments (EIAs) and Environmental Management Plans (EMPs) are systematically implemented.

All the mines are operated with valid Consent to Operate granted by the Pollution Control Board and renewed at periodic interval. Periodic compliance reports are submitted to the Ministry of Environment, Forest and Climate Change (MoEF&CC) as well as to the respective State Pollution Control Boards, thereby ensuring adherence to prescribed standards.

Real time Monitoring system like Continuous Ambient Air Quality Monitoring System (CAAQMS) and Continuous Water Quality Monitoring System (CWQMS) for air and water quality monitoring are deployed.

Third-party environmental audits are carried out by organizations like the Indian Council of Forestry Research & Education (ICFRE) to verify compliance and assess pollution levels.

Further, mines are periodically inspected by the regulatory authorities like the Officials from Regional Office of the Pollution Control Board, Officials from The Integrated Regional Office of the MoEFCC and others.

Further, CIL and its subsidiaries mostly acquire land under Coal Bearing Areas (Acquisition & Development) CBA (A&D) Act 1957 for coal mining and ancillary activities. Apropos Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) (Removal of Difficulties) Order 2015, Land & asset compensation benefits are provided as per Schedule- I and Rehabilitation & Resettlement benefits are provided to the displaced families as per Schedule- II of RFCTLARR Act 2013 respectively.

The CIL and its subsidiaries also follow Rehabilitation and Resettlement policy (R&R Policy), 2012 and also follow Annuity scheme, 2020. Additionally, subsidiaries of CIL provide R&R benefits over and above existing norms based on the local conditions.

In addition to this, state specific guidelines regarding procedures and benefits to be extended to project affected families in case of compulsory acquisition is also followed.

(d): India is presently augmenting its domestic coal production to meet the increasing energy requirements of the country. As per the Economic Survey 2022- 23, coal production is projected to reach approximately 1.5 Billion Tonnes (BT) by 2030. In the year 2024-25, coal production stands at about 1,047.69 MT. Further, coal demand is expected to continue rising and may peak around 2040. Therefore, there is no scenario of transition away from coal that would impact workers and communities associated with coal mining in short and medium time frame. However, Coal and Lignite PSUs have undertaken several initiatives for the benefit of local communities. These include the development of eco-parks and recreational parks, implementation of pisciculture activities in mine voids, setting up of manufactured sand (M-sand) production units from overburden, and gainful utilization of mine water for community use.
