GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO- 2422
ANSWERED ON- 10/08/2026

COAL IMPORT DESPITE INCREASED DOMESTIC COAL PRODUCTION

2422. SHRI S NIRANJAN REDDY:

Will the Minister of COAL be pleased to state:

(a) whether Government has examined the reason for some domestic coal-based power plants continue to import coal despite increased domestic coal production and dispatches, and despite CIL having a large stock of 122.46 MT as on 12th March, 2026;

(b) the quantity of coal imported by domestic coal-based power plants during the last three years;

(c) whether such imports are due to grade requirement, blending requirement, logistics constraints or quality concerns; and

(d) the steps being taken to reduce avoidable imports of non-coking coal?

ANSWER

MINISTER OF STATE FOR COAL AND MINES
(SHRI SATISH CHANDRA DUBEY)

(a), (b) & (c): Most of the coal requirement in the country is met through indigenous coal production. Coal imports are primarily undertaken to meet essential requirements, such as coking coal for the steel industry and high-grade thermal coal, the domestic availability of which is limited due to scarce reserves or non-availability.

Apart from this, imports continue in specific cases, including for Imported Coal-Based (ICB) power plants, which are designed to operate on imported coal, and for blending requirements by Domestic Coal-Based (DCB) power plants, wherever technically or operationally necessary.

The coal imported by DCB power plants for blending purposes in the country during last three financial years and current financial year 2026-27 (April-June, 2026) is as under:

(In Million Tonnes)

Year	Domestic Coal Based Plants (DCB)
2023-24	23.9
2024-25	14.0
2025-26	6.8
2026-27 (Apr-June, 2026)	1.7

As may be evident from the table above, coal imports by DCB power plants for blending purposes have declined from 23.9 million tonnes in 2023-24 to 6.8 million tonnes in 2025-26, registering a decline of 71.5% over the period of three years.

Further, import of coal is permitted under the Open General License (OGL) policy. Accordingly, power plants are free to import coal based on their technical and operational requirements.

(d): Government has taken various policy initiatives as under to encourage use of domestically produced coal and to reduce coal import dependency:

i. The Annual Contracted Quantity (ACQ) has been increased upto 100% of the normative requirement, in the cases where the ACQ was either reduced to 90% of normative requirement (non-coastal power plants) or where the ACQ was reduced to 70% of normative requirement (coastal power plants).

ii. Vide amendment to the Non-Regulated Sector (NRS) linkage auction policy introduced in 2020, the tenure of coking coal linkages in the NRS linkage auction has been revised for a period up to 30 years.

iii. Vide amendment to the NRS linkage auction policy introduced in 2026, the tenure of the coal linkages to the sub-sector “Production of Syngas leading to Coal Gasification” in the NRS linkage auction has been revised for a period up to 30 years.

iv. Government, in 2022, has decided that to meet the full Power Purchase Agreement (PPA) requirement of all the existing linkage holders of Power Sector, coal shall be made available by the coal companies irrespective of the trigger level and ACQ levels.

v. A new sub-sector ‘Steel using Coking coal through WDO route’ has been created in March, 2024 under the NRS linkage auctions.

vi. Coking Coal Mission has been launched to enhance coking coal supply to the Steel Sector to reduce imports of coking coal, wherein initiatives have been taken to enhance coking coal production.

vii. Imported Coal Based (ICB) Plants have been allowed to secure coal under the Revised SHAKTI Policy, 2025.

viii. Existing Fuel Supply Agreement (FSA) holders have been allowed to secure coal under the Revised SHAKTI Policy, 2025 after procuring 100% of the ACQ coal under existing FSA.

ix. Coal linkages have been allowed for coal washeries under the recently created CoalSETU window under the Non-Regulated Sector linkage auctions.

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