GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO-2425
ANSWERED ON 10/08/2026

RECORD COAL PRODUCTION AND DOMESTIC ENERGY SECURITY

2425 SHRI UJJWAL DEORAO NIKAM:
SHRI SUKHENDU SEKHAR RAY:
SHRI SHAMBHU SHARAN PATEL:
SHRI BRIJ LAL:
SHRI AMAR PAL MAURYA:

Will the Minister of COAL be pleased to state:

a) the major achievements of Government during the last one year in enhancing domestic coal production, including the highest-ever coal production and dispatch recorded during 2024–25;

(b) the measures taken to improve operational efficiency, strengthen coal evacuation infrastructure and ensure adequate coal supply to the power sector and other key industries;

(c) the initiatives undertaken to reduce dependence on imported coal through increased domestic production and improved logistics; and

(d) the expected contribution of these initiatives towards strengthening India’s energy security and supporting sustained economic growth?

ANSWER

THE MINISTER OF STATE FOR COAL AND MINES

(SHRI SATISH CHANDRA DUBEY)

(a) The domestic coal production and dispatch in the country during 2024-25 and the last year is as under:

[Figures in Million Tonnes (MT)]

Year	**Production**	**Dispatch**
2024-25	1047.52	1025.33
2025-26 (Provisional)	1040.08	1018.29

(b) & (c) Coal evacuation infrastructure in the country is being augmented in line with the projected growth in coal production through an Integrated Coal Logistics Plan launched by Ministry of Coal in coordination with concerned Ministries and stakeholders to address the issues in the coal logistics chain. The Coal Logistics Plan envisages development of 33 critical railway projects, expansion of First Mile Connectivity (FMC) infrastructure, augmentation of rail evacuation capacity in consultation with the Ministry of Railways and promotion of multimodal transportation through rail, coastal shipping and inland waterways.

To improve supply chain efficiency, 139 FMC projects having 1319 MT capacity are planned to set up by FY 2029-30. Further, coal PSUs are also implementing eight railway projects to ease coal evacuation in coal bearing States and ensuring timely coal supplies to power sector and other key industries in the country.

The key initiatives taken by the Government to increase coal production and reduce dependence on imports in the country are as under:

i. Regular reviews by Ministry of Coal to expedite the development of coal blocks.

ii. Enactment of Mines and Minerals (Development and Regulation) Amendment Act, 2021 [MMDR Act] 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.

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

iv. Project Management Unit (PMU) for handholding of coal block allottees for obtaining various approvals/ clearances for early operationalization of coal mines.

v. Auction of commercial mining on revenue sharing basis was launched in 2020. Under commercial mining scheme, rebate of 50% on final offer has been allowed for the quantity of coal that is produced earlier than scheduled date of production. Further, incentives on coal gasification or liquefaction (rebate of 50% on final offer) have been granted.

vi. Terms and conditions of commercial coal mining are very liberal with no restriction on utilization of coal, allowing new companies to participate in the bidding process, reduced upfront amount, adjustment of upfront amount against monthly payment, liberal efficiency parameters to encourage flexibility to operationalize the coal mines, transparent bidding process, 100% Foreign Direct Investment (FDI) through automatic route and revenue sharing model based on the National Coal Index.

vii. For speedier operationalization of mines, the timelines prescribed in the Coal Block Development and Production Agreement (CBDPA) have been reduced from existing 51 months to 40 months for fully explored coal blocks. Further, for the partially explored blocks, similar downward revision from 66 months to 52 months has been done.

viii. The Government has also undertaken the following regulatory reforms and policy initiatives to simplify procedures and facilitate higher domestic coal production:

   - Dispensed with the requirement of Prospecting License (PL) for accredited prospecting agencies, mine and seam opening permissions, and approval of Geological Reports (GRs) by Government;
   - Declared Coking Coal as a Critical Mineral; and
   - Introduction of incentives for underground coal mining.

In addition to the above, coal companies have also taken the following steps to increase domestic coal production:

i. Coal India Limited (CIL), in its Underground (UG) mines, is adopting new and modern technologies like Mass Production Technologies (MPT) with the deployment of Continuous Miners (CMs), Longwall (LW) and Highwall (HW), wherever feasible. In its Opencast (OC) mines, CIL already has State-of-the-Art technology in its high-capacity Excavators and Dumpers. Standardization of Heavy Earth Moving Machinery (HEMM) has been done in opencast mines. Surface Miners have also been deployed in opencast mines for efficient and eco-friendly mining.

ii. Regular liaison is being undertaken by Singareni Collieries Company Limited (SCCL) for grounding of new projects and operation of existing projects. SCCL has initiated action for developing infrastructure for evacuation of coal like Coal Handling Plants (CHPs), Crushers, Mobile Crushers, Pre-weigh-bins etc.

Measures taken by the Government to reduce coal import dependency in the country are as under:

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). Increase in the ACQ would result in more domestic coal supplies, thereby, reducing the import dependency.

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 upto 30 years. Further, 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 upto 30 years. Increase in tenure of these coal linkages in the NRS linkage auction for a period upto 30 years shall have a positive impact towards coal imports substitution.

iii. Government has decided in 2022 that coal to meet the full Power Purchase Agreement (PPA) requirement of all the existing linkage holders of Power Sector shall be made available by the coal companies irrespective of the trigger level and ACQ levels. This decision of the Government of meeting the full PPA requirement of the linkage holders of the Power Sector shall reduce dependence on imports.

iv. A new sub-sector 'Steel using Coking coal through WDO route' has been created in March, 2024 under the NRS linkage auctions which will lead to increase in the domestic coking coal consumption and also increase availability of washed coking coal in the country, thereby, reducing coking coal imports.

v. Coking Coal Mission has been launched to enhance coking coal supply to the Steel Sector to reduce imports of coking coal. Initiatives have been taken to enhance coking coal production.

vi. Imported Coal Based (ICB) Plants have been allowed to secure coal under the Revised SHAKTI Policy, 2025. The coal availability for ICB Plants under this Policy shall reduce dependence of these ICB plants on imported coal.

vii. 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. Coal availability beyond the ACQ to existing FSA holders will benefit the power producers to meet the full requirement of the power plants.

viii. Coal linkages under the recently created CoalSETU window under the Non-Regulated Sector linkage auctions shall increase the availability of washed coal in the country and consequently lead to reduction in coal imports.

(d) The initiatives for infrastructure development will enhance mechanized coal handling, reduce loading time, improve evacuation efficiency and ensure timely coal supplies to all the consuming sectors in the country. The increase in domestic coal production and reduction in coal imports will result in forex savings and contribute in promoting economic growth of the country while aligning with India's vision of Atmanirbhar Bharat. These initiatives will further strengthen energy security of the country and will also generate considerable direct and indirect employment.

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