GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO-835
ANSWERED ON - 27/07/2026

DECLINE IN COAL IMPORTS

835 DR. SIKANDER KUMAR:

Will the Minister of COAL be pleased to state:-

(a) specific target actions including the recently launched CoalSETU policy or logistics monitoring, that led to 24.89 per cent drop in coal imports specifically for power sector;

(b) specific interventions that enabled 27.45 per cent decline in coal imports for plants structurally designed to run on imported coal in April, 2026;

(c) steps being taken in coordination with the Ministry of Railways and Coal India Limited to expand first mile connectivity infrastructure to sustain downward import trajectory; and

(d) measures taken to maintain price competitiveness of domestic linkages against highly volatile global seaborne coal indices?

ANSWER

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

(a) & (b) The total coal imported by the thermal power plants in FY 2025-26 was 45.4 Million Tonnes (MT) as compared to 62.5 MT in FY 2024-25 with a decline of around 27.4 %. Further, the coal imported by plants designed on imported coal was 2.88 MT in April, 2026 as compared to 3.97 MT in April, 2025, showing a decline of around 27.45%.

The key measures taken by the Government to reduce coal import dependency for power sector 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. 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.

iii. 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.

iv. 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.

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

(c) The Ministry of Coal launched an Integrated Coal Logistics Plan in coordination with concerned Ministries and stakeholders to assess and address the issues in the coal logistics chain. This includes 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 strengthen coal evacuation, 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.

(d) As per the current import policy, coal is kept under Open General License (OGL) and consumers are free to import coal from the source of their choice as per their contractual prices on payment of applicable duty. However, the Government has allowed Imported Coal Based (ICB) Plants to secure coal under the Revised SHAKTI Policy, 2025. The focus of the Government is on increasing the domestic production of coal and to eliminate non-essential import of coal in the country. The removal of GST compensation cess has made the domestic coal competitive vis a vis imported coal.

Further, the coal PSUs continue to provide coal at affordable prices keeping in view, inter-alia, the regulatory provisions applicable thereto to each sector. Over the past eight years, the notified price of the majority of coal grades in respect of Coal India Limited (CIL) has seen only a marginal increase of ₹20 per tonne. Further, CIL has also conducted three tranches of Short-term Auctions and one Tranche of Long/Medium Term Auction under Window-II of Revised SHAKTI Policy in 2026 (till June, 2026) in which sufficient quantity of coal made available has benefited power plants to book coal at near zero premiums to meet their short/medium/long term requirements.

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