

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO. 816
ANSWERED ON 04.02.2026**

BALANCING COAL PRODUCTION AND EXPANDING GASIFICATION

816. Smt. Sangeeta Kumari Singh Deo:

Will the Minister of **COAL** be pleased to state:

(a) the manner in which the Ministry proposes to balance record coal production and expanding gasification initiatives with India's climate commitments particularly in coal-bearing and densely populated regions;

(b) whether the reduction in coal imports and blending has translated into measurable cost savings for power consumers and if so, the details thereof;

(c) the manner in which Coal Exchange and recent policy reforms like CoalSETU and Revised SHAKTI would ensure fair price discovery and prevent market concentration by large players;

(d) whether any independent assessment has been conducted on the social and environmental impact of new commercial and captive coal mine allocations issued in the year 2025 and if so, the details thereof; and

(e) the steps being taken by the Government to ensure transparent utilization and regional equity in Corporate Social Responsibility (CSR) expenditure by Coal PSUs particularly in mining-affected districts with high displacement and health vulnerabilities?

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

(a): The coal production plan in the country is based on the demand assessment of the various coal-consuming sectors through consultation with concerned stakeholders and the coal companies are aligning their mining operations with India's climate commitments through the following measures:

(i) Environmental safeguards: Strict compliance with environmental clearances, adoption of scientific mine closure plans, and large-scale land reclamation and afforestation.

(ii) Renewable Energy & Energy efficiency: Investment in renewable energy projects and energy efficiency initiatives to complement coal-based operations.

(iii) Technology adoption: Deployment of cleaner mining technologies, mechanized dust suppression, and use of eco-friendly & blast free mining technology (like surface miners, rippers, continuous miners, highwall & longwall mining) in coal production and removal of overburden.

(iv) Community focussed repurposing activities: Implementation of community development projects in the mined-out areas in in line with the mine closure guidelines.

Further, Government has launched the National Coal Gasification Mission, targeting 100 million tonnes of coal gasification capacity by 2030. Gasification is promoted as an environmentally friendlier way to utilize domestic coal reserves, converting coal into cleaner fuels like syngas, which can then be used to produce valuable chemicals, fertilizers, and power with lower emissions than direct combustion.

(b): During the FY 2024-25, total coal imported in the country was 243.62 Million Tonnes (MT), whereas, in FY 2023-24, it was 264.53 MT, leading to a forex saving of around ₹ 60,681.67 Crores during the FY 2024-2025 compared to FY 2023-24.

The coal imported for blending in power sector has reduced from 35.10 MT in FY 2022-23 to 14.02 MT in FY 2024-25. During the year 2025-26 (April- Dec 25) the coal imported for blending is 5.5 MT as compared to 12.0 MT during the same period last year, which is 54% less than previous year, thereby reducing input fuel cost to the domestic coal-based power plants.

(c): The Coal Exchange envisages an online trading platform where both buyers and sellers can bid simultaneously thereby making price discovery of coal more efficient and competitive, meeting the coal demand through a transparent market mechanism. All the coal linkages under Revised SHAKTI Policy and the CoalSETU window are made as per the methodology and policy document to ensure transparency and facilitate market driven price discovery by providing a level playing field to all eligible consumers.

(d): Upon allocation of coal mines by Ministry of coal, allottees obtain various clearances/ approvals for commencement of mining operations. Accordingly, assessments are conducted by the accredited agencies on the social and environmental impact of coal mining for obtaining the environmental clearance.

(e): To ensure regional equity in Corporate Social Responsibility (CSR) expenditure, Coal India Limited (CIL) prioritizes Project Affected Areas (PAAs) and mandates that at least 80% of CSR expenditure be incurred within 25 km of mines and establishments, in line with Section 135 of the Companies Act, 2013, so that mining districts receive maximum benefit. For transparent utilization, CIL follows a robust framework involving need-based project selection, approval through inter-disciplinary committees, execution in project mode with defined milestones, mandatory MoUs and utilization certificates, strong data monitoring, Board-level oversight, and independent impact assessments for large projects, along with public disclosure on company websites, ensuring accountability at pre-, during-, and post-implementation stages.
