GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION No. 2873
ANSWERED ON 05.08.2026

STRATEGIES TO REDUCE COAL IMPORT

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Will the Minister of COAL be pleased to state:

(a) whether several initiatives have been undertaken by the Government to increase coal production during the last three years and if so, the details of the actual increase in production as a result of these initiatives and the Government's production target by the year 2030;

(b) whether the country is still importing coal in large quantities and if so, the details of Government's strategy to reduce dependence on imported coal and to increase production of high-quality domestic coal; and

(c) the number of coal gasification projects currently approved, under construction and operational under the promotion of clean coal technology and coal gasification along with the number of projects out of these that are being operated by the public sector and private sector?

ANSWER

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

(a): Yes, Sir. The Government has taken several initiatives to increase coal production during the last three years which are as under:

i. 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.
ii. Setting up Single Window Clearance portal for the coal sector to speed up operationalization of coal mines.
iii. Project Management Unit (PMU) for hand-holding of coal block allottees for obtaining various approvals/ clearances for early operationalization of coal mines.
iv. Auction of commercial mining on revenue sharing basis was launched in 2020. Under this, rebate of 50% on final offer has been allowed for the quantity of coal produced earlier than scheduled date of production. Further, incentives on coal gasification or liquefaction (rebate of 50% on final offer) have been granted.

v. Terms and conditions of commercial coal mining place no restriction on utilization of coal and new companies are allowed to participate in the bidding process. There is reduced upfront amount that can be adjusted against monthly payment, efficiency parameters are liberal that encourage flexibility to operationalize the coal mines and auctions are conducted through transparent bidding process. There is provision for 100% Foreign Direct Investment (FDI) through automatic route and revenue sharing model based on the National Coal Index.

(II) Coal companies have taken the following steps to increase domestic coal production:

i. Coal India Limited (CIL) is executing a two-pronged approach that focuses on the expansion of existing operational mines alongside the early operationalization of new greenfield projects.

ii. Capacity expansion is also being done through enhancement of Environmental Clearance (EC) under para 7(ii)(a) of EIA Notification, 2006, for expansion up to 50%, within the existing premises/ mine lease area, without additional land acquisition, wherever feasible.

iii. Mines operations are being modernized for increasing man productivity both in underground & opencast mines depending upon geo-mining conditions, through adopting Mass Production Technologies (MPT) in its Underground (UG) mines. Use of Highwalls (HW) mines, high-capacity Excavators, Dumpers, Surface Miners significantly improves efficiency.

iv. MDO route has also been adopted for capacity augmentation under which 31 projects have been identified with a capacity of about 244 MTY. 8 MDO projects are in operational stage.

v. 7 major rail lines projects across states like Jharkhand, Odisha, and Chhattisgarh have been undertaken to de-congest existing networks and secure reliable evacuation.

vi. Opening of 6 new mines and expansion of the 2 existing mines have been undertaken in SCCL.

As a result of these initiatives, coal production has crossed the one billion tonne mark for two consecutive years. Coal production during the last three years and the production projection up to 2029-30 are given below: -

(in Million Tonnes)

Year	**Coal Production**			**Production Projection**			
	2023-24	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**
Quantity	997.83	1047.52	1040.08	1112.00	1378.14	1449.75	1533.04

(b): Most of the requirement of coal in the country is met through indigenous coal production. Import of coal mainly consists of essential import like coking coal (by steel industry) and higher grade non-coking coal as their domestic production is limited due to either scarce reserves or non-availability. Power plants import coal primarily (i) due to requirement of Imported Coal Based (ICB) power plants which are specially designed to use imported coal, and (ii) for blending purpose by

Domestic Coal Based (DCB) power plants. Coal imports during the last three years and FY 2026-27 (Apr-May, 26) are given below:

(In Million Tonnes)

Year	Coking Coal	Non-Coking Coal	Total Import
2023-24	58.81	205.72	264.53
2024-25	57.58	186.05	243.62
2025-26	66.33	180.04	246.37
2025-26 (Apr-May, 25)	11.32	38.00	49.32
2026-27 (Apr-May, 26)	11.99	30.70	42.69
(%) Change in Apr-May (2026-27) w.r.t. Apr-May (2025-26)	5.90 %	-19.20 %	-13.44 %

(I) Steps taken by the Government to reduce coal import dependency are as under:

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

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

iii. Government has decided in 2022 that the 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.

iv. An Inter-Ministerial Committee (IMC) was constituted in the Ministry of Coal on 29.05.2020 for the purpose of coal import substitution. On directions of IMC, an Import Data System has been developed by Ministry of Coal to enable the Ministry to track import of coal.

v. A new sub-sector 'Steel using Coking coal through WDO route' has been created in March, 2024 under the NRS linkage auctions to increase domestic coking coal consumption, thereby reducing coking coal imports.

vi. Coking Coal Mission has been launched to enhance coking coal supply to the Steel Sector to reduce imports of coking coal.

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.

(II) Further, the steps taken by the Government to increase the production of high-quality domestic coal particularly coking coal are as under:

i. Increase coal production from existing Mines of Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL).

ii. Offered 11 discontinued coking coal mines on a new innovative model of Revenue Sharing with the private sector.

iii. Increasing the production by operationalization of new coking coal mines (FY2029-30) with rated capacity of 15 (Million Tonne Per Annum) MTPA.

(III) Steps taken to increase Washed Coking Coal Production:

i. 10 Coking coal washeries are operational with combined operable capacity of 19.70 MTPA.

ii. Setting up of 07 number of coking coal washeries by 2029-30, with a capacity of 19.50 MTPA.

iii. Monetization of three (3) old washeries to enhance washing capacity to the tune of 4.23 MTPA.

iv. Utilization of idle washing capacity of washeries of private players like TATA Steel Limited for beneficiation of coking coal available with CIL.

v. Renovation of 4 old washeries (7.1 MTPA) to improve the washing capacity.

(c): Under the ₹8,500 crore Financial Incentive Scheme that was approved on 24.01.2024, a total of eight (8) coal gasification projects have been approved and are under various stages of implementation. These include three Government sector projects, three private sector projects and two small-scale product-based projects. A financial incentive of 15% of capex has been approved. One project of M/S Jindal Steel Limited (JSL) has achieved financial closure and is in the construction stage, while the remaining projects are at different stages of financial closure, statutory clearances, technology finalisation, tendering and project implementation.

Apart from the above, M/S Jindal Steel Limited, a private sector entity, has an operational coal gasification project of about 8 Million Tonnes Per Annum (MTPA) capacity, and Talcher Fertilisers Limited (TFL), a Public sector entity, has a 2.6 MTPA coal gasification project under implementation.

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