Ministry of Coal

Enhancement of Coal Production

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Coal production in the country has already crossed the 1 Billion Tonnes (BT) in the Financial Year 2024-25, and the coal production target of 1 BT from Coal India Limited (CIL) by 2026-27 has been prepared. The details of coal production/projection of CIL till 2029-30 are given below: -

Company/Year	Projection Plan					
	2024-25 Actual (Prov).	2025-26 Annual Plan Target	2026-27	2027-28	2028-29	2029-30
CIL	781.07	875.00	1004.00	1043.00	1082.00	1131.00

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 and higher grade non-coking coal as their domestic production is limited due to either scarce reserves or non-availability**.** In order to meet future demand of coal through indigenous sources and to reduce non-essential import of coal, domestic coal production is expected to grow by 6-7% annually in next few coming years to reach about 1.5 billion tonne by 2029-30.

The all-India domestic coal production in the year 2024-2025 was 1047.67 Million Tonne (MT) (Prov.) in comparison to 997.83 MT in the year 2023-2024 with the growth of about 4.99 %. During 2024-25, CIL produced coal 781.07 MT (Prov.) in comparison to 773.81 MT with a growth of 0.94%.

Government has initiated several steps to ramp up domestic coal production and to eliminate non-essential import of coal in the country. Some of the major initiatives undertaken include Single Window Clearance, amendment of Mines and Minerals (Development and Regulation) Act, 1957 to allow captive mines to sell up to 50% of their annual production after meeting the requirement of the end use plants, production through MDO mode, increasing use of mass production technologies, new projects and expansion of existing projects, and auction of coal blocks to private companies/PSUs for commercial mining. Hundred percent (100%) Foreign Direct Investment has also been allowed for commercial mining.

(I) Following measures have been taken by the Government to substitute coal imports:

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 the 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. Increase in tenure of coking coal linkages in the NRS linkage auction for a period upto 30 years is expected to have a positive impact towards coal imports substitution.

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 Annual Contracted Quantity levels. The decision of the Government of meeting the full PPA requirement of the linkage holders of the

Power Sector shall reduce the dependence on the imports.

iv. An Inter - Ministerial Committee (IMC) has been constituted in the Ministry of Coal on 29.05.2020 for the purpose of coal import substitution. On the directions of the IMC, an Import Data System has been developed by Ministry of Coal to enable the Ministry to track the imports of coal. As per Foreign Trade Policy governing import of goods, coal is freely importable without any restrictions. However, with effect from December, 2020, the same has been revised from “Free” to “Free subject to compulsory registration in Coal Import Monitoring System (CIMS) Portal”. Efforts are being made on a continuous basis to ensure more domestic supplies of coal. Thus, the entire substitutable imported coal is expected to be met by the country and no import other than the very essential should happen. A Strategy Paper on Coal Import Substitution has been released.

v. A new sub-sector ‘Steel using Coking coal through WDO route’ has been created in March, 2024 under the NRS linkage auctions which shall lead to increase in the domestic coking coal consumption and shall increase the availability of washed coking coal in the country, 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. 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. The coal availability for ICB Plants under the Revised SHAKTI Policy is expected to reduce the dependence of these ICB plants on the imported coal.

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

(II) The steps taken by the Government to increase the coal production 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 mines 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 in such manner as may be prescribed by the Central Government on payment of such additional amount.

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

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

v. Auction of commercial mining on revenue sharing basis launched in 2020. Under commercial mining scheme, 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 liquefication (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.

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

i. Coal India Limited (CIL) has adopted number of measures to increase coal production. In its Underground (UG) mines, CIL is adopting Mass Production Technologies (MPT), mainly with

Continuous Miners (CMs), wherever feasible. CIL has also planned Highwalls (HW) mines in view of the availability of Abandoned/ Discontinued mines. CIL is also planning large capacity UG mines wherever feasible. In its Opencast (OC) mines, CIL already has State-of-the- Art technology in its high-capacity Excavators, Dumpers and Surface Miners.

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 CHPs, Crushers, Mobile Crushers, Pre-weigh-bins etc.

This information was given by Union Minister of Coal and Mines Shri G. Kishan Reddy in a written reply in Rajya Sabha today.

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