



From Coal Availability to Energy Security: CIL Strengthens Coal Supply and Distribution to Power Sector

Posted On: 05 OCT 2026 2:15PM by PIB Delhi

For India's power sector, Coal is an essential component of the country's energy-security chain—linking mining, evacuation, power generation and electricity availability. In this chain, Coal India Limited (CIL), which supplies nearly four-fifths of its coal to the Power Sector, occupies a pivotal position.

The recent performance of CIL demonstrates a clear strengthening of this supply chain. FY 2026-27 has witnessed a marked improvement in coal offtake and power-sector supplies over the corresponding period of the previous year, supported by enhanced evacuation, better synchronisation of production and despatch, and utilisation of accumulated pithead stocks.

The numbers tell the story.

Supply momentum gains strength

During the first six months of FY 2026-27, CIL's total coal offtake reached 384.2 Million Tonne (MT), compared with 357.0 MT during the corresponding period of FY 2025-26—an increase of 27.2 MT or 7.6%.

The momentum strengthened considerably in the second quarter. CIL's Q2 offtake rose to 186.04 MT, compared with 166.04 MT in Q2 of FY 2025-26, representing a growth of 12.05%. Thus, the improvement was not confined to a single month but became progressively more pronounced during the quarter.

September provided a stronger signal. CIL's total coal supplies during the month rose to 61.20 MT, against 54.40 MT in September 2025, registering a growth of 12.5%.

Indeed, CIL liquidated 63 MT of pithead coal stocks during the first half of FY 2026-27, demonstrating that increased supply was supported not only by current production but also by better inventory utilisation.

Power Sector remains at the centre of the supply strategy

The significance of these numbers becomes clearer when viewed through the lens of the Power Sector.

During H1 FY 2026-27, CIL's power-sector coal despatch stood at 302.8 MT, compared with 285.4 MT during H1 FY 2025-26. This represents an increase of 17.4 MT or 6.1%.

In other words, nearly 79% of CIL's total H1 offtake was directed towards the Power Sector, reaffirming the primacy of power generation in CIL's distribution strategy.

The Q2 performance is especially significant. CIL supplied 148.20 MT to the Power Sector in Q2 FY 2026-27, against 133.50 MT in Q2 of the previous year—a growth of 11%.

Thus, the improvement is increasingly becoming broad-based: higher total offtake is translating into higher supplies to power plants.

September: a strong supply response to rising power demand

September 2026 stands out as a particularly strong month for CIL.

Power-sector supplies increased from 44.20 MT in September 2025 to 48.90 MT in September 2026, an increase of 4.70 MT or 10.63%. At the same time, overall CIL coal supplies increased by 6.80 MT or 12.5%.

The distribution data also shows the intensity of the daily supply effort. During September 2026, CIL's power-sector despatch aggregated approximately 48.99 MT, equivalent to an average of around 1.63 MT per day. The first seven days averaged about 1.51 MT/day, while the last seven days averaged about 1.59 MT/day—an improvement of roughly 5% in daily throughput towards the end of the month.

Looking at the data since 28th September, the intensity of the daily supply effort is visible where the daily power-sector despatch remained robust, reaching 1.74 MT, 1.79 MT and 1.71 MT on 28–30 September, and sustaining the momentum in October at 1.75 MT, 1.87 MT and 1.81 MT on 1–3 October, respectively.

Thus, CIL has been able to sustain high-volume daily supplies during the closing phase of the monsoon period and into the post-monsoon operating window.

Supply improvement is reflected in power generation

The most important test of a coal-supply system is ultimately its ability to support electricity generation.

The available generation data shows a clear improvement in domestic coal-based generation during the first half of FY 2026-27.

Domestic coal-based generation increased to 640.05 BU in H1 FY 2026-27, compared with 582.5 BU during the corresponding period of FY 2025-26—an increase of about 57.5 BU or 9.9%.

From mine to power plant: distribution is becoming increasingly responsive

CIL's distribution architecture has progressively evolved from a predominantly linkage-based framework into a more diversified and responsive system.

Power-sector requirements continue to be served principally through Fuel Supply Agreements and linkage mechanisms, while short-term requirements can be supported through other market-based channels. At the same time, linkage rationalisation, digital systems, consumer-facing portals and improved logistics have contributed to greater supply flexibility and efficiency.

The result is an increasingly integrated supply chain in which production, stock, evacuation and consumer demand are managed as interconnected elements rather than as isolated activities.

The current performance also demonstrates the value of maintaining adequate pithead inventory. The availability of coal stocks at the beginning of the financial year provided CIL with the ability to sustain consumer supplies even while production was being progressively ramped up following the monsoon period.

The road ahead: from higher supply to assured supply

The improvement achieved during FY 2026-27 is encouraging, but the objective is larger than simply achieving a higher offtake number.

The ultimate goal is assured, predictable and quality-conscious coal supply.

CIL's ongoing investments in First Mile Connectivity, rapid loading systems, and digital monitoring are aimed precisely at achieving this transition. 46 CHP-silos provide 432 MT of mechanised close-loop evacuation capacity. CIL is contemplating more CHP-Silos in its greenfield mines that are about to come.

Coal supply as an instrument of energy security

The measure of success for CIL is increasingly not only how much coal is produced, but how reliably it reaches the consumer, how effectively it supports power generation, and how efficiently the entire coal supply chain responds to the country's energy requirements.

With the post-monsoon production build-up, expanding evacuation infrastructure, and continued focus on Power Sector requirements, the objective now is clear: a resilient energy supply for the nation.

Shuhaib T

(Release ID: 2319084) Visitor Counter : 809

Read this release in: Urdu , हिन्दी , Bengali , Bengali-TR , Assamese , Telugu
