GOVERNMENT OF INDIA
MINISTRY OF COAL

RAJYA SABHA

UNSTARRED QUESTION No. 4031
ANSWERED ON 30.03.2026

IMPACT OF GLOBAL WAR SITUATION ON INDIA'S COAL INDUSTRY AND ENERGY SECURITY

4031. SHRI SANJAY RAUT:

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

(a) whether any assessment has been made regarding the impact of global conflicts on India's coal supply chain, imports and energy security;

(b) the steps taken to ensure uninterrupted coal supply to thermal power plants in view of possible disruptions in imports from countries such as Australia and Indonesia;

(c) whether companies such as Coal India Limited have been directed to increase domestic coal production to meet shortages;

(d) the measures taken to address rising coal prices and transportation challenges affecting industries; and

(e) whether any long-term strategy has been formulated to strengthen India's coal reserves and safeguard the power sector during global energy disruptions?

ANSWER

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

(a), (b) & (c): Most of the demand of coal in the country is met through indigenous coal production, thereby reducing exposure to global market shifts. As on 20th March, 2026, the domestic coal production in the country has crossed 1 billion tonne mark, this feat being achieved two years in a row.

Presently, the coal stocks in the country are at a sufficient level - (i) about 165 million tonnes (MT) at pithead of mines and in transit and (ii) about 54 MT at the power plants. Thus, there is adequate availability of coal to provide uninterrupted coal supply to the consumers in power sector as well as other sectors. This stock position is at historic high levels.

Further, keeping in view of the ongoing geopolitical situation and in order to avoid any potential shortfall of coal supplies, the Coal India Limited (CIL) has increased frequency of coal auctions (short-term as well as long term) for making coal available to the power sector as well as to the Non-Regulated Sector.

However, coal being under Open General Licence (OGL), the consumers are free to import coal.

(d): The Government has undertaken several structural and policy-level interventions to optimize logistics, improve supply efficiency, and reduce the overall delivered cost of coal to end consumers, particularly the power sector. The key steps are as under:

i. **Rationalization of Coal Linkages:** Coal India Limited (CIL) has been implementing rationalization of coal linkages with an objective to reduce the landed cost of coal due to reduction in transportation cost and landed cost of coal. At the same time, CIL endeavours to supply coal from geographically nearest mines to newly commissioned and upcoming thermal power plants, resulting in substantial savings in freight cost.
ii. **Flexi Policy (Flexibilization in Utilisation of Domestic Coal):** Under the Flexi Policy, power generators are allowed to utilize coal from their allocated linkages across multiple generating stations, to reduce the cost of power generation.
iii. **Supply to Nearest Upcoming Plants:** Greenfield Thermal Power Projects have been made eligible for coal linkages under the Revised SHAKTI Policy, if they are established near pithead.
iv. **First Mile Connectivity (FMC) Projects:** Coal India Limited (CIL) has undertaken 72 First Mile Connectivity (FMC) projects and is being implemented in 4 phases with a total capacity of 843 MT for progressive improvement in loading accuracy, reduction in underloading/overloading instances, and lowering of demurrage expenses, thereby enabling more cost-effective and efficient coal supply. After commissioning of all FMC Projects along with pre-existing 20 CHP-Silos of 151 MT Capacity, CIL shall be having mechanical/rapid loading capacity of 994 MT by FY 2028-29. Share of FMC projects in the total coal loading of CIL has shown a consistent increase (17% in FY 2023 to 33% in FY 2026).
v. With increasing usage of silo loading, underloading charges declined by approximately 26% during 2025-26 (till Feb), reducing to ₹7.40 per tonne compared to ₹9.95 per tonne during the corresponding period of the previous year.

(e): The Government of India has formulated a comprehensive, long-term strategy to strengthen domestic coal reserves and secure the power sector against global energy disruptions, aiming for 1.5 billion tonnes (BT) of coal production by FY 2029-30. Further, a comprehensive exploration strategy has been formulated to carry out exploration of 90 lakh meters by 2030-31. This strategy covers the exploration of coking coal, high-grade non-coking coal, and other potential coal deposits across the country, with the objective of strengthening India’s coal resource base.

This strategy, aimed at achieving "Atmanirbhar Bharat" (self-reliant India) in coal production, focuses on reducing non-essential imports through accelerated domestic production, commercial mining, and infrastructure modernization.

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