

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION NO. 2953
ANSWERED ON 05/08/2026

PROGRESS MADE UNDER COAL AND LIGNITE GASIFICATION PROJECTS

2953. SHRI GANESH SINGH:

Will the Minister of COAL be pleased to state:

(a) the progress made under the Scheme for Promotion of Surface Coal/Lignite Gasification Projects approved by the Government including the number of projects proposed and likely to be taken up in the first phase;

(b) the details of investments envisaged, coal gasification capacity targeted and expected outcomes in terms of production of syngas, methanol, ammonia, urea and other value-added products;

(c) the implementation status and expected commissioning timelines of the Coal India Limited-Bharat Heavy Electricals Limited (CIL-BHEL) and Coal India Limited-Gas Authority of India Limited (CIL-GAIL) joint venture coal gasification projects;

(d) the extent to which the National Coal Gasification Mission is expected to reduce India's dependence on imports, while enhancing energy security and value addition from domestic coal resources; and

(e) the steps being taken to promote private sector participation, technology partnerships and regional industrial development through coal gasification projects?

ANSWER

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

(a): The Government approved the Scheme for Promotion of Surface Coal/Lignite Gasification Projects on 13.05.2026 with a financial outlay of ₹37,500 crore.

The Scheme Guidelines were issued on 25.06.2026 while Request for Proposal inviting applications has been issued on 07.07.2026. It is expected that around 25 surface coal/lignite gasification projects will be established under the Scheme, utilising approximately 75 million Tonnes Per Annum (MTPA) of coal.

(b): Earlier, the Government had approved the Scheme for Promotion of Coal/Lignite Gasification Projects on 24.01.2024 with a financial outlay of ₹8,500 crore. Under the Scheme,

eight (8) projects have been approved. The details of the investment envisaged, production capacity, and expected outcomes are as under:

Sl. No.	State	Project/Company	Product	Production Capacity	Investment (₹ crore)
1	Odisha	Bharat Coal Gasification & Chemicals Limited (BCGCL)	Ammonium Nitrate	0.66 MMTPA	25,016
2		Jindal Steel Limited (JSL)	Direct Reduced Iron (DRI)	2.0 MMTPA	3,882
3	West Bengal	Coal Gas India Limited (CGIL)	Synthetic Natural Gas (SNG)	633.6 Million Nm ³ /year	13,053
4	Maharashtra	Coal India Limited (CIL)	Synthetic Natural Gas (SNG)	633.6 Million Nm ³ /year	12,215
5		Greta Energy & Metal Private limited (GEMPL)	Direct Reduced Iron (DRI)	0.5 MMTPA	2,763
6		New Era Cleantech Solution Private Limited (NECSPL)	Ammonium Nitrate & Hydrogen	0.33 MMTPA AN + 0.10 MMTPA H ₂	6,976
7		New Era Cleantech Solution Private Limited (NECSPL)	Ethanol	18 KTPA	667
8		Kartikay Vayunandana Private Limited (KVPL)	Acetic Acid	75.9 KTPA	793

These 8 projects are expected to gasify about 12 MMTPA of coal and attract investment of about ₹65,365 crore.

(c): The implementation status of the two Joint Venture coal gasification projects is as under:

(i) **Bharat Coal Gasification and Chemicals Limited (BCGCL):** A joint venture of CIL and BHEL, the project is located at Lakhampur, Odisha, for production of Ammonium Nitrate. Environment Clearance has been obtained, EPC contracts have been awarded, and

ground-breaking was completed on 20.06.2026. The project is targeted for commissioning in FY 2030.

(ii) **Coal Gas India Limited (CGIL):** A joint venture of CIL and GAIL, the project is located at Bardhaman, West Bengal, for production of Synthetic Natural Gas (SNG). The project is at pre-construction stage. The Terms of Reference (ToR) for Environment Clearance have been obtained and tendering for major packages is in process. The project is targeted for commissioning in FY 2030.

(d): The National Coal Gasification Mission is expected to gasify 100 MT of coal by 2030 in order to reduce import dependence, promote cleaner technology, and produce fuels and chemicals such as fertilisers, synthetic natural gas, hydrogen etc. On commissioning of projects under the ₹8,500 crore scheme, ₹37,500 crore scheme and Talcher Fertilisers Limited, import substitution from coal/lignite gasification is expected to be approximately ₹1.5 lakh crore annually.

(e): In the coal gasification incentive scheme approved in January 2024, private companies could apply for financial incentive in category II (total outlay Rs. 3,850 crores) and category III (total outlay Rs 600 crores). In the new scheme approved in May 2026, private sector companies can apply for availing financial incentive.

In category-III of the scheme notified in January 2024, demonstration projects based on indigenous coal gasification technologies are supported. Under category-I, Bharat Coal Gasification and Chemicals Limited (BCGCL) is based on indigenous gasification technology developed by BHEL. Under category-II, Jindal Steel Limited has adopted Lurgi gasification technology owned by Nalwa Green Energy.

The scheme approved in May 2026 has provided for encouraging indigenous technology.

Ministry of Coal has continuously engaged with coal bearing states to facilitate and promote the development of coal/ lignite gasification projects, including cluster based development approaches to enable infrastructure optimization. States like Odisha, Maharashtra etc. have made policies for encouraging establishment of coal gasification projects in their States.
