

BCGCL and MCL Sign Landmark Land Leasing Agreement for Coal to Ammonium Nitrate Project at Lakhanpur, Odisha

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In a major step towards advancing India's coal gasification roadmap, a landmark land leasing agreement was signed between Bharat Coal Gasification and Chemicals Limited (BCGCL) and Mahanadi Coalfields Limited (MCL) for the upcoming Coal to Ammonium Nitrate Project at Lakhanpur, Odisha. The signing ceremony was held in New Delhi today in the august presence of the Union Minister of Coal and Mines Shri G Kishan Reddy.



The project, envisaged as a Coal to 2000 TPD Ammonium Nitrate facility, marks a historic breakthrough as India's first coal gasification project to deploy indigenously developed gasification technology by Bharat Heavy Electricals Limited (BHEL). It reflects a decisive shift towards indigenous innovation, technological advancement, and reduced dependence on imported technologies in the energy and chemical sectors.

Spread over approximately **350** acres of land under the possession of MCL, the project has been enabled through recent progressive policy reforms of the Ministry of Coal. These reforms enable the utilisation of Coal Bearing Area (CBA) land for coal gasification projects, unlocking new pathways for value-added utilisation of India's abundant coal resources and strengthening the sector's diversification.

Reinforcing its commitment to promoting coal gasification, the Ministry of Coal has extended financial support of ₹1,350 crore under its dedicated financial incentives scheme. The project is already witnessing strong momentum on the ground, with major LSTK (Lump Sum Turnkey) packages, LSTK-1 and LSTK-2, having been awarded to BHEL, while LSTK-3 and LSTK-4 have been awarded to Larsen & Toubro. Simultaneously, site development works, including boundary wall construction and tree enumeration, are progressing in parallel, ensuring adherence to timelines.



Addressing the gathering at the signing ceremony of the land lease agreement, Union Minister of Coal & Mines, Shri G. Kishan Reddy, emphasised that, in line with the Prime Minister's vision of Atmanirbhar Bharat, the Government is driving focused initiatives to transform the coal sector. Highlighting that India is endowed with abundant coal reserves, he underscored the imperative to harness this resource beyond conventional use through large-scale adoption of coal gasification.

He informed that the Cabinet has approved an outlay of ₹8500 crore to promote coal gasification, with 7 projects already finalized, including 3 where bhoomi puja has been completed. Describing the land lease agreement between MCL and BCGCL, with an investment of about ₹25,000 crore, as a significant step forward, he noted that it marks the first indigenous project of BCGCL and reflects the growing momentum in this sector.

The Minister asserted that coal gasification will be a game-changer, with the potential to significantly reduce import dependency and conserve valuable foreign exchange. He emphasised the need to adopt the best global technologies while simultaneously strengthening indigenous capabilities, assuring full Government support. Emphasising a whole-of-government approach, he highlighted the coordinated role of Ministries including MoEF&CC, Ministry of Heavy Industries, and Ministry of Commerce, and urged industry, investors, and stakeholders to actively participate. He also called for expeditious implementation of the project, with a focus on completing it ahead of schedule.



Addressing the gathering, Shri Vikram Dev Dutt, Secretary, Ministry of Coal, termed the signing of the land lease agreement between BCGCL and MCL a landmark milestone in advancing coal gasification in the country. He emphasised that in the present global scenario, there is a need to accelerate efforts towards Atmanirbharta and strengthen domestic capabilities.

Shri Dutt noted that all key enablers, including statutory clearances, Letters of Award (LOAs), and tender processes, are in place and have reached advanced stages, positioning the project for timely execution. Describing it as a potential model for indigenous development with a competitive cost structure, he urged all stakeholders to work with a strong sense of ownership, ensure timely escalation of issues, and demonstrate effective coordination among PSUs for the successful implementation of the project.



On this occasion, the Minister also inaugurated the official website of BCGCL, marking a step forward in enhancing transparency, accessibility, and stakeholder engagement. The platform will serve as a centralised hub for disseminating key information, including project updates and tenders, fostering greater openness in project implementation.



The signing of this lease agreement is expected to significantly accelerate project execution and ensure timely completion within the stipulated schedule. The Coal to Ammonium Nitrate Project at Lakhanpur is an important industrial initiative that reflects India's progress in technology, policy reforms, and efforts towards achieving self-reliance, while contributing to the nation's long-term industrial growth and economic resilience.

In the present global scenario, marked by evolving geopolitical dynamics and supply chain uncertainties, such initiatives assume greater significance in strengthening domestic capabilities. The project aligns with the vision of Viksit Bharat, focusing on innovation, resource efficiency, and sustainable industrial development. It reinforces India's commitment to reducing import dependence, enhancing value addition to its natural resources, and building a resilient, future-ready economy.

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