



Scheme for Promotion of Surface Coal/Lignite Gasification Projects: Ministry clarifies position on applications

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Reference is drawn to reports appearing in a section of the press suggesting that the ₹37,500 crore Scheme for Promotion of Surface Coal/Lignite Gasification Projects has not attracted any applications. The Ministry of Coal wishes to place the correct facts on record and clarify that such reports are premature and do not reflect the status of the Scheme or the application process.

The Scheme for Promotion of Surface Coal/Lignite Gasification Projects was approved by the Union Cabinet on 13 May 2026 with a total financial outlay of ₹37,500 crore. The Scheme is aimed at accelerating the development of coal and lignite gasification in the country and promoting the conversion of domestic coal and lignite into higher-value products, including syngas, methanol, ammonia and urea. By facilitating greater utilisation of domestic resources for production of such value-added products, the Scheme seeks to reduce dependence on imported feedstock and strengthen India's energy and economic security.

Following approval of the Scheme, the Ministry of Coal undertook sustained outreach and stakeholder engagement to encourage participation from potential project developers. Roadshows were organised in New Delhi on 28 May 2026, Hyderabad on 11 June 2026 and Mumbai on 18 June 2026. These events brought together representatives from State Governments, public and private sector companies, technology providers, investors, financial institutions and other stakeholders. The events were attended by the Union Minister of Coal and Mines and senior officials of the Ministry, reflecting the Government's emphasis on building awareness and facilitating industry participation in the Scheme.

The Request for Proposal under the Scheme was issued on 7 July 2026, following which the online portal for submission of applications was launched. To facilitate greater clarity and ensure that prospective applicants had an opportunity to seek clarifications, a pre-application conference was held on 20 July 2026. During the conference, prospective applicants raised queries and sought clarifications relating to various provisions of the Scheme, eligibility requirements and the application process. The Ministry has also continued to engage with interested stakeholders to facilitate their participation.

The first-round deadline for submission of applications is 7 September 2026. Accordingly, the number of applications received in the first round cannot be assessed or stated conclusively until the application window closes. Any conclusion that the Scheme has received no applications, while the first application window is still open, is therefore premature and does not represent the actual position.

Further, based on discussions with stakeholders, the Ministry has been informed that Talcher Fertilisers Limited (TFL) and NTPC Limited have already submitted their respective applications through the online portal. This itself demonstrates that the assertion that the Scheme has received "no takers" is factually incorrect. The Ministry is also in communication with other prospective applicants who are at various stages of project preparation and application finalisation.

Given the significant scale and complexity of the projects envisaged under the Scheme, prospective applicants are required to undertake substantial preparatory work, including preparation of Pre-Feasibility Reports, assessment of technology options, identification of coal/lignite and other feedstock arrangements, evaluation of project economics and preparation of detailed project proposals. It is therefore expected that additional applicants may finalise and submit their proposals as the deadline approaches.

Importantly, the Scheme has been structured to provide industry with multiple opportunities to participate. Application rounds will operate on a rolling basis. Upon closure of the application window for one round, the subsequent round will open from the very next day and remain open for a period of two months. This ensures that companies that may require additional time to complete project preparation are not excluded merely because they are unable to participate in an earlier round. The rolling-round mechanism has been deliberately incorporated in view of the substantial preparation and investment requirements associated with large-scale coal/lignite gasification projects.

The Ministry remains confident of strong industry participation in the Scheme. The initiative is expected to catalyse investments of approximately ₹2.5 lakh crore to ₹3 lakh crore across nearly 25 projects and generate around 50,000 direct and indirect employment opportunities. The Scheme will also contribute significantly towards the Government's broader objective of achieving 100 million tonnes of coal gasification capacity by 2030.

The Ministry reiterates that the Scheme is at an early stage of implementation and that the first application window remains open until 7 September 2026 and therefore, it is not appropriate to characterise the Scheme as having received "no takers" at an interim stage. Its success and level of participation should be assessed after completion of the prescribed application process and subsequent rounds, rather than on the basis of premature assessments.

The Ministry remains confident that the Scheme will receive sustained industry participation and will provide a significant impetus to the development of coal and lignite gasification in India.

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