

Round 1 of Scheme for Promotion of Surface Coal/Lignite Gasification Projects Concludes with Overwhelming Response Receiving Seven Applications from Leading Public and Private Sector Companies

NTPC, Adani Enterprises, Talcher Fertilisers, Gallantt Ispat and Shyam Sel & Power Limited Among Applicants as India's Flagship Coal Gasification Push Gathers Momentum

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The Round 1 of the ₹37,500 crore Scheme for Promotion of Surface Coal/Lignite Gasification Projects has closed to an overwhelming response from industry, with seven (7) applications received from some of India's largest corporate houses and premier public sector undertakings, decisively vindicating the Ministry of Coal's confidence in the scheme. The response underscores growing industry confidence in coal gasification as a key pillar of India's energy security, import substitution and industrial development strategy.

The applications received under the first round are as follows:

Sl. No.	Applicant	End Product(s)
1	NTPC Limited (1 Project)	Synthetic Natural Gas
2	Adani Enterprises Limited (3 Projects)	Urea
3	Gallantt Ispat Limited (1 Project)	Direct Reduced Iron and Syngas
4	Shyam Sel & Power Limited (1 Project)	Syngas
5	Talcher Fertilisers Limited (1 Project)	Urea

“When we said reports of ‘no takers’ were premature, we were confident that industry would respond and it has, decisively. Seven applications in the very first round, including from some of India’s largest industrial houses and public sector undertakings, are a clear vote of confidence in the scheme and in India’s coal gasification mission. The market has spoken, and it has spoken loudly.”- said Shri Alok Kumar Singh, Advisor (Projects), Ministry of Coal.

The coal and lignite gasification projects are large-scale, capital-intensive investments that require extensive preparatory work, including pre-feasibility studies, technology assessments, environmental considerations and detailed financial planning. The submission of seven applications within the first round is a testament to the seriousness with which industry has engaged with the scheme since the Request for Proposal was issued on 7 July 2026. These projects have the potential to contribute significantly to the development of a robust domestic coal gasification ecosystem, with eight gasification projects already under implementation under the earlier ₹8,500 crore Financial Incentive Scheme.

Scheme Background

The Scheme for Promotion of Surface Coal/Lignite Gasification Projects was approved by the Union Cabinet, chaired by Prime Minister Shri Narendra Modi, on 13th May 2026, with a total financial outlay of ₹37,500 crore. The scheme is designed to:

- Promote the conversion of domestic coal and lignite into higher-value products such as syngas, methanol, ammonia, urea and hydrogen.
- Reduce India's dependence on imports of LNG, urea, ammonia and methanol, which together accounted for approximately ₹2.77 lakh crore in imports during FY 2024-25.
- Support the national objective of achieving 100 million tonnes of coal gasification capacity by 2030, including the development of 75 million tonnes of capacity under the scheme.
- Catalyse investments estimated at ₹2.5-3 lakh crore and generate substantial direct and indirect employment opportunities across the value chain.

The scheme builds on the National Coal Gasification Mission and the ₹8,500 crore scheme approved in January 2024, under which eight projects are currently under implementation.

Road Ahead

Applications received under Round 1 will now undergo detailed evaluation in accordance with the scheme guidelines and the RFP.

The Ministry further announced the opening of Round 2 of the scheme from 8 September 2026. In accordance with the RFP, the application windows will continue to open at two-month intervals, providing regular opportunities for eligible entities to participate. Several prospective applicants are presently at advanced stages of project preparation and are expected to submit proposals in forthcoming rounds.

The Ministry appreciates the participation of all applicants and their confidence in the scheme. It remains committed to accelerating the development of coal gasification technologies in India, strengthening energy security and import substitution, and positioning the country as a global leader in clean coal technologies.

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