

GOVERNMENT OF INDIA  
MINISTRY OF COAL

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 57**  
**ANSWERED ON 22.07.2024**

**Infrastructure and logistics for transportation of coal**

**57 Shri Babubhai Jesangbhai Desai:**

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

(a) the details of plans to develop the infrastructure and logistics required to transport coal and gas across the country to support coal gasification projects; and

(b) whether Government plans to address the high capital and operating costs associated with these projects to encourage private investment, if so, the details thereof and if not, the reasons therefor?

**ANSWER**

**MINISTER OF COAL AND MINES**  
**(SHRI G. KISHAN REDDY)**

(a): Ministry of Coal has prepared a detailed “Integrated Coal Logistics Plan for Coal Mines/ Blocks (including CIL & Non-CIL)”. The details of approach for formulation of optimal coal logistics plans are as follows:

1. Current Origin – Destination (O-D) Mapping Analysis
2. Establishing future optimal Supply mix
3. Future Origin-Destination (O-D) Mapping Analysis
4. Analyzing constraints and recommendations.

After finalization of “Integrated Coal Logistics Plan for Coal Mines/ Blocks (including CIL & Non-CIL)”, infrastructure gaps have been identified and taken up with Ministry of Railways, Ministry of Road Transport and Highway and Ministry of Ports, Shipping and Waterways. Accordingly, these Ministries have planned projects to fulfill the gap and to transport the coal from mines to end users.

The end product of coal/lignite gasification project will be Synthetic Natural Gas (SNG) or other chemicals. Project Proponent and end-consumers will decide the mode of transportation of the end product.

(b): The Government has launched a Scheme with financial outlay of ₹8500 crore to grant viability gap funding (VGF) to promote Coal/Lignite Gasification Projects for both PSUs and the private sector. The approved scheme covers projects under following three categories –

- **Category I**, with a provision of ₹4050 crores, is for Government PSUs. They can submit proposals for funding assistance, and three selected projects will receive a maximum grant of ₹1350 crores or 15% of project cost, whichever is lower as VGF.

- **Category II**, with ₹3850 crores, is available to both private sector and government PSUs with a maximum grant of Rs. 1000 cr or 15% of project cost, whichever is lower as VGF.
- **Category III**, with ₹600 crores for demonstration or small-scale projects with maximum outlay per project of Rs. 100 cr or 15% of project cost, whichever is lower as VGF.

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