

GOVERNMENT OF INDIA
MINISTRY OF COAL

RAJYA SABHA
UNSTARRED QUESTION NO 69
TO BE ANSWERED ON 21.07.2025

Coal and lignite gasification initiative

69. Shri Bhubaneswar Kalita:
Shri Harsh Mahajan:

Will the Minister of Coal be pleased to state:

- (a) initiatives taken by Government to promote coal and lignite gasification in the public and private sectors; and
- (b) financial assistance approved by Government for promoting coal and lignite gasification projects?

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

(a): The Government has taken the following initiatives to promote coal and lignite gasification in the public and private sectors-

- On January 24, 2024, the Government has approved an incentive scheme for promotion of coal and lignite gasification projects for PSUs and private sector with an outlay of ₹ 8,500 crore.
- The Government has also approved investment by Coal India Limited (CIL) in joint ventures of Coal India Limited - Bharat Heavy Electricals Limited (CIL-BHEL) and Coal India Limited - Gas Authority of India Limited (CIL-GAIL) for undertaking coal gasification projects. Both JV companies have now been established.
- In 2022, a new sub-sector, "Production of Syngas leading to coal gasification," was created under the Non-Regulated Sector (NRS) linkage auctions policy to support coal gasification initiative.
- The Government has allowed coal supply to gasification projects under the NRS auction with a floor price at the notified price of the regulated sector, for the projects commissioning within the next seven years.
- 50% rebate in the revenue share for coal used in gasification has been introduced in commercial coal block auctions, provided that at least 10% of the total coal production is used for gasification purposes.
- A framework has been established for granting waivers from registration for Transfer of Technology (ToT) from land-border-sharing countries on a case-by-case basis. Waiver to one application has been granted.

(b): The aforesaid ₹8500 crore financial incentive scheme has the following three categories against which a total of 7 (seven) projects have been approved—

- **Category I** - with a provision of ₹4,050 crores under which only PSUs were entitled to apply, a total of three projects with Government assistance of ₹1,350 crores each have been approved.
- **Category II** - with a provision of ₹3,850 crores under which both private sector and PSUs were entitled to apply, a total of three private sector projects with Government assistance amounting to ₹1,983.06 crores have been approved.
- **Category III** - with a provision of ₹600 crores for demonstration or small-scale projects, one private sector project with ₹100 crores of Government assistance has been approved.
