

GOVERNMENT OF INDIA  
MINISTRY OF COAL

**RAJYA SABHA**  
**STARRED QUESTION NO. \*156**  
ANSWERED ON 15.12.2025

**COAL GASIFICATION AND COAL-TO-CHEMICALS PROJECTS**

\*156. SHRI ADITYA PRASAD:

Will the Minister of COAL be pleased to state:

- (a) the status of the coal gasification and coal-to-chemicals projects currently operational and proposed in the country and the likely timelines for commissioning thereof;
- (b) the total quantity of coal allocated so far under the Coal Gasification Allocation Policy and the extent to which this allocation has led to actual progress of the project;
- (c) whether Government has finalised any incentive or viability gap funding mechanism to accelerate the adoption of gasification technology;
- (d) if so, the details thereof; and
- (e) the expected contribution of the coal gasification programme in reducing imports of Petrochemicals, Methanol, Ammonia and other industrial feedstocks?

**ANSWER**

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

(a) to (e): A statement is laid on the table of the house.

\*\*\*\*\*

**STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE RAJYA SABHA STARRED QUESTION NO. 156 ANSWERED ON 15.12.2025 REGARDING COAL GASIFICATION AND COAL-TO-CHEMICALS PROJECTS ASKED BY SHRI ADITYA PRASAD.**

(a): Currently, there is an operational coal gasification project set up by M/s Jindal Steel Limited (JSL) at Angul district, Odisha. The Government has launched the National Coal Gasification Mission to promote coal/ lignite gasification projects for cleaner use of coal/ lignite and to substitute imports of chemicals, petrochemicals and fertilisers. New projects are being implemented by PSUs as well as the private sector.

Coal India Limited (CIL) is implementing the following four coal gasification projects in partnership with other Central Public Sector Undertakings (CPSUs):

1. **Talcher Coal-Based Ammonia-Urea Complex:** Talcher Fertilisers Limited (TFL), a Joint Venture of CIL, Rastriya Chemicals and Fertilisers Limited (RCFL), Gas Authority of India Limited (GAIL) and Fertiliser Corporation of India Limited (FCIL) is setting up a coal-based ammonia-urea complex. Commissioning is expected in FY 2027-28.
2. **Bharat Coal Gasification and Chemicals Limited (a joint venture of CIL and Bharat Heavy Electricals Limited)** has been incorporated for setting up of coal gasification-based ammonium nitrate plant at Lakhanpur, Odisha. Scheduled commissioning is in 2029-30.
3. **Coal Gas India Limited (a joint venture of CIL and GAIL)** has been incorporated for setting up a coal-to-synthetic natural gas plant at Bardhaman, West Bengal. Scheduled commissioning is in 2029-30.
4. **CIL Project at Western Coalfields Limited:** Coal-to-synthetic natural gas project at Chandrapur, Maharashtra. Scheduled commissioning is in 2029-30.

Further, the following 4 (four) coal gasification projects are being set up by private entities:

1. **Jindal Steel Limited (JSL):** JSL is setting up a coal gasification project at Angul district, Odisha for Direct Reduced Iron (DRI) production. Commissioning is scheduled in 2029-30 as per the Coal Gasification Plant Development and Production Agreement (CGPDPA).
2. **Greta Energy and Metal Private Limited:** The company is setting up a coal gasification project at Bhadravati, Chandrapur, Maharashtra for Direct Reduced Iron (DRI) production. Commissioning is scheduled in 2029-30 as per the CGPDPA.
3. **New Era Cleantech Solution Pvt. Ltd.:** The company is setting up a coal gasification project at Bhadravati, Chandrapur, Maharashtra for production of ammonium nitrate and hydrogen. Commissioning is scheduled in 2029-30 as per the CGPDPA.
4. **New Era Cleantech Solution Pvt. Ltd.:** The company is setting up a demonstration coal gasification project at Bhadravati, Chandrapur, Maharashtra for production of ethanol. Commissioning is scheduled in 2029-30 as per the CGPDPA.

(b): CIL has allocated provisional coal linkages of 3.9 Million Tonnes (MT) to its joint venture companies. Additionally, Letters of Intent (LoI) for a total quantity of 1.45 MT have been

issued to consumers procuring coal through the Non-Regulated Sector (NRS) Linkage Auction Scheme, under the sub-sector “*Production of Syngas – leading to coal gasification*”. The coal gasification plants of private entities will meet the coal requirement from their allocated coal mines as well as by coal linkage from CIL mines. The coal allocation through coal mines/ coal linkage made so far is commensurate with the fuel requirement of respective projects.

(c) & (d): Yes, the Ministry of Coal has approved a financial incentive scheme on 24.01.2024 with an outlay of ₹ 8500 crores to support the coal/ lignite gasification projects in the country. Details are as under:

- I. Under Category-I, Rs 4,050 crores have been provisioned for Govt PSUs to support projects by providing lump sum grant of Rs 1,350 crores or 15% of capex, whichever is lower.
- II. Under Category-II, Rs 3,850 crores have been provisioned for private sector and Govt PSUs by providing lump sum grant of Rs 1,000 crores or 15% of the capex, whichever is lower.
- III. Under Category-III, Rs 600 crores have been provisioned for demonstration projects (indigenous technology) and/ or small scale product based gasification plants by providing lump sum grant of Rs 100 crores or 15% of capex, whichever is lower.

(e): Coal gasification from the projects approved under the aforesaid financial incentive scheme has the potential to substitute imports worth approx. Rs. 16,000 crores of various chemicals including ammonium nitrate, natural gas, ethanol etc.

\*\*\*\*\*