

GOVERNMENT OF INDIA
MINISTRY OF COAL

RAJYA SABHA
STARRED QUESTION NO. *231
ANSWERED ON 10.08.2026

ECONOMIC AND REGULATORY CONCERNS OF GASIFICATION PROJECTS

*231 SHRI RAVI CHANDRA VADDIRAJU:

Will the Minister of COAL be pleased to state:

- (a) whether Government acknowledges that coal gasification is a high-cost venture that involves significant financial risk;
- (b) details of any Central or State Government clearances required for the Singareni Collieries gasification plant, given the environmental impact; and
- (c) whether there is any financial support or funding from the Central Government for this project and if so, the specifics of that funding?

ANSWER

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

- (a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO. *231 FOR REPLY ON 10.08.2026 REGARDING ECONOMIC AND REGULATORY CONCERNS OF GASIFICATION PROJECTS ASKED BY SHRI RAVI CHANDRA VADDIRAJU.

(a): The Government recognises that coal gasification projects require substantial capital investment and being a nascent sector, also faces viability challenges. Recognising these challenges and in order to support setting up of gasification projects on account of their strategic national imperative, the Government has approved two financial incentive schemes. The first scheme was approved on 24.01.2024 with a provision of ₹8,500 crore while the second scheme has been approved on 13.05.2026 with a provision of ₹37,500 crore.

(b) & (c): For establishment of gasification plants, clearances are required from various Central and State Government authorities with respect to Environment, Safety, Statutory and operational aspects.

Ministry of Coal has not received any proposal from Singareni Collieries Company Limited (SCCL) seeking support for coal gasification project. The benefits under the financial incentive schemes of the Ministry of Coal are available to all eligible applicants, including Central/State PSUs and private sector entities. Since SCCL has not sought any financial support from this Ministry for its coal gasification initiatives, no financial incentive has been earmarked or approved by the Ministry for any SCCL coal gasification project.
