

**GOVERNMENT OF INDIA
MINISTRY OF COAL**

**RAJYA SABHA
UNSTARRED QUESTION NO. 2428
ANSWERED ON 10.08.2026**

SCALING UP COAL GASIFICATION TO REDUCE IMPORT DEPENDENCE

2428 SHRI KARTIKEYA SHARMA:

Will the Minister of COAL be pleased to state:

- (a) whether Government proposes to strengthen India's energy security and reduce import dependence by scaling up coal gasification and coal-to-chemicals, so as to substitute imported natural gas, methanol, ammonia and urea;
- (b) the estimated value of imports that could be saved and the benefits envisaged for the country from this transition;
- (c) the progress made so far, the areas and coal blocks identified for gasification projects, and the incentives offered under the coal gasification mission; and
- (d) the roadmap and targets set for gasified coal in the coming years?

ANSWER

MINISTER OF STATE FOR COAL AND MINES

(SHRI SATISH CHANDRA DUBEY)

(a) & (b): To strengthen India's energy security and reduce import dependence, the Government is promoting coal gasification and has approved two financial incentive schemes, one with an outlay of ₹8,500 crores in January, 2024 and another scheme in May, 2026 with an outlay of ₹37,500 crores for Promotion of Coal/Lignite Gasification Projects. Under the first scheme, eight (8) coal gasification projects have been approved. On commissioning, these projects are expected to reduce import dependence of products such as Ammonia, Ammonium Nitrate, Synthetic Natural Gas (SNG), Methanol, Urea, Acetic Acid and Direct Reduced Iron (DRI). These projects are estimated to generate annual foreign exchange savings of about ₹16,500 crore through import substitution.

(c): The details of the financial incentive earmarked against the eight (8) projects which have been approved under the three categories of the Rs. 8,500 crore scheme are as under:

Category	Financial Assistance Earmarked for approved projects	Financial Assistance Disbursed
Category-I	₹4,050 crore across 3 projects (₹1,350 crore for each project)	Nil
Category-II	₹1,983.06 crore across 3 projects	₹235.52 crore disbursed in FY2026 to JSL

Category-III	₹200 crore across 2 projects (₹100 crore for each project)	Nil
Total	₹ 6,233.06 crore across 8 projects	₹235.52 crore

The details of the mines identified for the approved coal gasification projects under the ₹8,500 crore Scheme are given below:

Particulars	Company	State	Coal Blocks / Mines Identified
Category – I	Bharat Coal Gasification and Chemicals Limited	Odisha	LBL Mine, Lakhanpur , MCL
	Coal Gas India Limited	West Bengal	Sonepur Bazari , ECL
	Proposed CIL-BPCL JV	Maharashtra	Borda UG, Takli Jena OC, WCL
Category – II	Jindal Steel Limited	Odisha	Utkal C, Utkal -B1, B2
	Greta Energy and Metal Private Limited	Maharashtra	Borda Mine , WCL
	New Era Cleantech Solution Private Limited	Maharashtra	Bhandak-West Borda , WCL
Category – III	New Era Cleantech Solution Private Limited	Maharashtra	Bhandak-West Borda WCL
	Kartikay Vayunandana Private Limited	Maharashtra	To be identified by project proponent

(d): Under the National Coal Gasification Mission, the Government has set the target of gasifying 100 Million Tonnes (MT) of coal by 2030. Projects with approximately 22.6 Million Tonnes Per Annum (MTPA) of coal gasification capacity have been approved under the Rs. 8,500 crore scheme while the new scheme with financial incentive of Rs. 37,500 crores approved on 13.05.2026 is expected to add gasification capacity of approximately 75 MTPA of coal.
