

**GOVERNMENT OF INDIA
MINISTRY OF COAL**

**RAJYA SABHA
UNSTARRED QUESTION NO. 46
ANSWERED ON 20/07/2026**

STATUS ON COAL GASIFICATION

46. SHRI SANJAY SETH:

Will the Minister of COAL be pleased to state?

- (a) the current status of achieving the 100 MT coal gasification target by 2030;
- (b) whether the financial incentives announced have successfully mobilized private sector joint ventures;
- (c) if so, the details of the MoUs signed between November 2025 and February 2026;
- (d) the funds disbursed under the financial outlay scheme; and
- (e) the steps taken to acquire indigenous technology for high-ash coal gasification?

ANSWER

MINISTER OF STATE FOR COAL AND MINES

(SHRI SATISH CHANDRA DUBEY)

(a): India has set a target of achieving 100 Million Tonnes (MT) of coal gasification capacity by 2030. As on date, approximately 22.6 Million Tonnes Per Annum (MTPA) of coal gasification capacity is operational or under implementation, comprising:

- (i) Jindal Steel Limited (JSL): ~8 MTPA (operational)
- (ii) Talcher Fertilisers Limited (TFL): ~2.6 MTPA (under implementation)
- (iii) Projects approved under the ₹8,500 crore Financial Incentive Scheme: ~12 MTPA (under implementation)

To further augment coal gasification capacity, the Government recently, on 13.05.2026, approved another Scheme for Promotion of Surface Coal/Lignite Gasification Projects with an outlay of ₹37,500 crore, which is expected to facilitate the establishment of around 25 coal/lignite gasification projects utilising approximately 75 MTPA of coal and thus contribute towards achieving the national target of 100 MT coal gasification.

(b)&(c): Yes. The Scheme has successfully mobilised private sector participation through Category-II and Category-III projects of the scheme. Under Category-II (Private Sector and Government PSUs), financial incentives amounting to ₹1,983.06 crore have been earmarked for private sector projects. Further, under Category-III (Demonstration Projects and/or Small-

scale Product-based Gasification Plants), ₹200 crore has been earmarked for private sector projects.

As of now, work orders have been issued to 7 project proponents, and one has been declared successful, and a Letter of Award (LOA) has been issued. There is no Memorandum of Understanding (MoUs) or agreement that has been signed for coal gasification projects during the specific period from November 2025 to February 2026.

(d): So far, ₹235.52 crore has been disbursed under the ₹8,500 crore Financial Incentive Scheme.

(e): The Government is promoting indigenous technology for high-ash coal gasification through the ₹8,500 crore Financial Incentive Scheme. Of the eight projects under implementation, the Bharat Coal Gasification and Chemicals Limited (BCGCL) project is based on BHEL's indigenous Pressurised Fluidised Bed Gasification (PFBG) technology, developed for Indian high-ash coal. Jindal Steel Limited (JSL) is implementing a coal gasification project based on its proprietary adaptation of Lurgi Fixed Bed Dry Bottom Gasification Technology, contributing to domestic technological capability and operational experience. Further, the Scheme provides dedicated support under Category-III for demonstration projects based on indigenous coal gasification technologies proven at pilot scale, to facilitate their commercialisation and wider deployment.

Further, under the new scheme for Promotion of Surface Coal/Lignite Gasification Projects approved on 13.05.2026, an additional evaluation score weightage is provided to the projects that are adopting indigenous gasification technologies, with a view to promoting their development, commercialisation, and wider deployment for the efficient utilisation of domestic high-ash coal.
