

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION NO 2677
TO BE ANSWERED ON 07.08.2024

COAL GASIFICATION

2677. Shri Konda Vishweshwar Reddy:

Will the Minister of **Coal** be pleased to state:

the details and the year by which the Government envisages commercial scale project of coal gasification in the country?

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

Government has launched a Scheme with financial outlay of ₹8500 crore to provide viability gap funding (VGF) to promote Coal/Lignite Gasification Projects for both PSUs and the private sector. The approved scheme covers projects under following three categories –

- **Category I**, with a provision of ₹4050 crores, is for Government PSUs. They can submit proposals for funding assistance, and three selected projects will receive a maximum grant of ₹1350 crores or 15% of project cost, whichever is lower.
- **Category II**, with ₹3850 crores, is available to both private sector and government PSUs with a maximum grant of Rs. 1000 cr or 15% of project cost, whichever is lower.
- **Category III**, with ₹600 crores for demonstration or small-scale projects with maximum outlay per project of Rs. 100 cr or 15% of project cost, whichever is lower.

Ministry of Coal has floated Request for Proposals (RFPs) for seeking applications for setting up of Coal/Lignite Gasification projects under all three categories, as mentioned above. RFPs provide a time frame of 5 years from the date of execution of agreement of financial incentive scheme. As per the timelines, the date of submission of bid is 11.11.2024 and the date of execution of Agreement is 13.05.2025. Hence, the commercial scale Coal Gasification Projects are expected by May 2030 in the country.
