

GOVERNMENT OF INDIA  
MINISTRY OF COAL

**LOK SABHA**  
**UNSTARRED QUESTION NO 5064**  
TO BE ANSWERED ON 02.04.2025

**Setting up of Ammonium Nitrate Plant through Coal Gasification**

**5064. Smt. Anita Subhadarshini:**

Will the Minister of Coal be pleased to state:

(a) whether Coal India Ltd. (CIL) and Bharat Heavy Electricals Limited (BHEL) have any proposal to set up an ammonium nitrate plant through coal gasification by using indigenous technology in Lakhanpur area of Mahanadi Coal Fields Limited (MCFL) in the State of Odisha;

(b) if so, the details thereof; and

(c) whether any budgetary allocation has been made for the said project during the current year and if so, the details thereof along with the expected year of completion of this plant?

**ANSWER**

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

(a) & (b): Yes sir. Bharat Coal Gasification and Chemicals Limited (BCGCL), a JV of Coal India Ltd. (CIL) and Bharat Heavy Electricals Limited (BHEL), has been incorporated on 21.05.2024 to undertake the coal to Ammonium Nitrate project at Lakhanpur, Mahanadi Coalfields Limited, Odisha. The gasification technology developed by the BHEL has been considered in the project to promote the Make in India and Atmanirbhar Bharat Yojana of Government of India. The project has been undertaken on Lump sum Turnkey (LSTK) mode. The Pre-Project activities have been completed.

(c): Government of India has approved the “Scheme for Promotion of Coal/ Lignite Gasification” on 07.02.2024, with an outlay of ₹8,500 crore as financial assistance to Government PSU’s and Private Sector. Under this scheme, Coal gasification project of BCGCL, has been selected for the financial support of ₹1350 crores (under category-I of the scheme). In financial year 2024-25 no budgetary allocation has been made for this project. Coal Gasification Plant Development and Production Agreement with BCGCL has been signed on 12.03.2025. The expected year of completion of this plant is September, 2029.

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