

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
STARRED QUESTION NO. *267
ANSWERED ON 11.03.2026

COAL GASIFICATION INCENTIVE SCHEME

***267. SMT. ROOPKUMARI CHOUDHARY**
SHRI BUNTY VIVEK SAHU:

Will the Minister of **COAL** be pleased to state

(a) the current status of implementation of the Coal / Lignite Gasification Financial Incentive Scheme and the progress that has been made towards achieving the long-term gasification targets in Chhindwara district of Madhya Pradesh, Telangana, along with the benefits accrued to Gujarat, particularly Dahod Lok Sabha Constituency;

(b) the details of incentives disbursed to PSUs, especially operated by Western Coalfields Limited and private sector projects along with the details of Non-Regulated Sector (NRS) coal linkage assured, State-wise including Telangana;

(c) whether the Government has assessed technology localisation and proposes additional tranches under Make in India programme and if so, the details of additional steps proposed in terms of investment, employment generation and environmental impact in Chhindwara region; and

(d) whether additional incentive tranches or policy support are proposed in Telangana and if so, the details thereof including timelines, budgetary allocation and any proposed gasification projects or pilot plants?

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 267 FOR REPLY ON 11.03.2026 ASKED BY SMT. ROOPKUMARI CHOUDHARY AND SHRI BUNTY VIVEK SAHU, REGARDING ‘COAL GASIFICATION INCENTIVE SCHEME’.

(a): The Coal/ Lignite Gasification Financial Incentive Scheme is designed to support and promote coal/lignite gasification projects across the country. The scheme is not State-specific. No proposal under the Scheme has been received to set up a coal/lignite gasification project in Chhindwara district, Madhya Pradesh, or in any region of Telangana or Gujarat, including the Dahod Lok Sabha constituency.

(b): No incentive has been disbursed to any project as on date under this Scheme, either of Western Coalfields Limited or any private sector. However, financial incentive of ₹6133.06 crores has been approved for 7 projects (3 PSU projects; and 4 private sector projects).

Coal India Limited (CIL) offers coal linkage for gasification projects through auction under Non-Regulated Sector (NRS) category ‘Production of Syngas leading to Coal Gasification’. Under this auction window, the actual booking is as follows:

Coal Company	Booking in Million Tonne (MT)
WCL	1.45 (Greta Energy - 0.75 MTPA; New Era Cleantech - 0.70 MTPA)

(c): Coal gasification in India is at a nascent stage. Accordingly, the Scheme is technology-agnostic and permits project proponents to adopt technologies best suited to their coal characteristics and end-use requirements. Further, with a view to promoting indigenous development in gasification, the Scheme supports demonstration projects for development and scale-up of indigenous gasification technologies.

Under the scheme, a PSU project of Bharat Coal Gasification and Chemicals Limited (JV of CIL and BHEL) utilises indigenous gasification technology developed by BHEL, while another project of Jindal Steel Limited has adopted Lurgi technology owned by Nalwa Green Energy. At the same time, projects of Jindal Steel Limited and Greta Energy and Metal Pvt. Ltd. involve about 80–85% indigenous equipment, thereby supporting domestic manufacturing.

No proposal for coal gasification has been received or approved in Chhindwara district of Madhya Pradesh.

(d): The Scheme is not State-specific, and no proposal for coal gasification has been received from Telangana as on date.
