

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION NO. 834
TO BE ANSWERED ON 04/02/2026

COAL TO SYNTHETIC NATURAL GAS PRODUCTION

834. SHRI TATKARE SUNIL DATTATREY:

Will the Minister of COAL be pleased to state:

- (a) the various initiatives taken by the Government to launch coal to synthetic natural gas production in the country;
- (b) the manner in which Synthetic Natural Gas (SNG) can be beneficial for meeting energy demand and environmental targets of the country;
- (c) the target set for synthetic natural gas production in the country along with the industries in which synthetic natural gas likely to be used;
- (d) the regions which have been identified for high potential for production of synthetic natural gas;
- (e) the details of collaboration with other Public Sector Undertakings (PSUs) for production of synthetic natural gas along with the role of private sector in production of synthetic natural gas;
- (f) the status of production of coal bed methane in the country along with the role of PSUs and private sector in Coal Bed Methane production; and
- (g) the regions which have been identified for high potential for production of coal bed methane?

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

(a): Government of India has identified coal gasification, including coal-to-Synthetic Natural Gas (SNG), as a key pathway for cleaner utilisation of domestic coal. In commercial coal block auctions, 50% rebate in revenue share is being provided for the coal used for gasification purposes provided the coal quantity used for coal gasification is at least 10 % of the total production. A Financial Incentive Scheme of ₹8,500 crore has been approved to promote coal/lignite gasification projects, including SNG. Two coal-to-SNG projects are being undertaken by PSUs as under:—

- I. Coal Gas India Limited (CGIL) - a joint venture of Coal India Limited (CIL) and Gas Authority of India Limited (GAIL)) is setting up a coal-to-SNG Plant of 633.6 Million Nm³ (1.83 MMSCMD) capacity at Bardhaman, West Bengal.
- II. CIL (MoU with BPCL) is setting up a coal-to-SNG Plant of 633.6 Million Nm³ (1.83 MMSCMD) capacity at Chandrapur, Maharashtra.

(b): Synthetic Natural Gas, produced from syngas through gasification of coal, can serve as an effective substitute for imported natural gas to meet requirements of chemical and power sectors, thereby strengthening national energy security.

Further, compared to direct coal or oil usage, the combustion of SNG results in significantly lower emissions of particulate matter, sulfur oxides (SO_x), and nitrogen oxides (NO_x), leading to improved air quality and public health. Accordingly, SNG has the potential to support India's environmental and sustainability objectives.

(c) and (d): As per Preliminary Feasibility Report (PFR), the CGIL project at Sonapur Bazari area in ECL, West Bengal and the CIL Project in WCL, Maharashtra are each estimated to produce 633.6 Million Nm³ (1.83 MMSCMD) of SNG per annum. These are likely areas for SNG production through coal gasification. SNG, being a substitute for natural gas, finds its use in chemical and power sectors thereby ensuring energy security.

(e): CIL has formed a Joint Venture with GAIL and also signed an MoU with BPCL for production of coal-based SNG project through surface coal gasification.

(f): At present, fifteen (15) Coal Bed Methane (CBM) blocks are active for exploration, development or production phases across India. Of these 15 CBM blocks, 6 blocks are in production stage, 7 blocks are in exploration stage and the remaining 2 are in the development stage. The cumulative CBM production has reached 7.1 Billion Cubic Meter (BCM) up to March, 2025, with the current production rate of about 2.27 MMSCMD. At present, 9 operators (both PSUs and Private Sector) are engaged in CBM exploration and development.

(g): The potential for production of Coal Bed Methane (CBM) in the country has been identified mainly in the coal-bearing sedimentary basins. High potential regions include coalfields located in the States of Jharkhand, West Bengal, Madhya Pradesh, Rajasthan, Gujarat, Odisha, Chhattisgarh, Tamil Nadu, Telangana, Andhra Pradesh, Maharashtra and North-East.
