

**GOVERNMENT OF INDIA
MINISTRY OF COAL**

**LOK SABHA
UNSTARRED QUESTION NO. 516
ANSWERED ON 22/07/2026**

CLEAN COAL TECHNOLOGY

†516 SHRI AMAR SHARADRAO KALE:

Will the Minister of COAL be pleased to state?

- (a) whether Government has taken steps to promote coal gasification and other clean coal technologies during the current year 2026;
- (b) if so, the number of coal gasification projects approved or under implementation, and their current status;
- (c) whether any financial incentives or viability gap funding mechanisms have been introduced to support such projects, if so, the details thereof; and
- (d) the details of potential improvement in coal use efficiency and emission reductions expected through these technologies?

ANSWER

MINISTER OF STATE FOR COAL AND MINES

(SHRI SATISH CHANDRA DUBEY)

(a): Yes. To promote coal gasification, the Government approved, on 13.05.2026, a scheme for Promotion of Surface Coal/Lignite Gasification Projects with a financial outlay of ₹37,500 crore.

(b)&(c): Government had approved, on 24.01.2024, an outlay of ₹8,500 crore for the Financial Incentive Scheme; therein, eight (8) coal gasification projects have been approved and are under various stages of implementation. These include three Government sector projects, three private sector projects and two small-scale product-based projects. A financial incentive of 15% of capex has been approved. One project of Jindal Steel Limited has achieved financial closure and is in the construction stage, while the remaining projects are at different stages of financial closure, statutory clearances, technology finalisation, tendering and project implementation.

(d): Coal/Lignite gasification enables the conversion of coal/lignite into synthesis gas (syngas), which can be used for the production of chemicals, fertilisers, synthetic natural gas, hydrogen and other value-added products. Compared to conventional coal utilisation, coal gasification facilitates cleaner utilisation of coal by enabling improved process efficiency, easier removal of pollutants before end use, and integration with technologies such as Carbon Capture, Utilisation and Storage (CCUS). These technologies are expected to improve resource utilisation and reduce emissions from coal-based industrial applications.
