

GOVERNMENT OF INDIA  
MINISTRY OF COAL

**LOK SABHA**  
**STARRED QUESTION NO. \*243**  
ANSWERED ON 17.12.2025

**COAL GASIFICATION AND COAL-TO-CHEMICAL PROJECTS**

† \*243. SHRI ANIL FIROJIYA:

SHRI KONDA VISHWESHWAR REDDY:

Will the Minister of COAL be pleased to state:

- (a) the details of the current status of ongoing and proposed coal gasification and coal-to-chemical projects in the country along with the expected timeline for commissioning of the same;
- (b) the total coal quantity allocated so far under the Coal Gasification Allocation Policy in the country particularly in Chhattisgarh along with the extent to which the same has translated into actual project progress;
- (c) whether the Government has finalised incentives or feasibility support mechanisms to accelerate the adoption of gasification technologies and if so, the details thereof;
- d) the estimated contribution of the coal gasification programme in reducing import dependence on petrochemicals, methanol, ammonia and other industrial feedstocks; and
- (e) whether there is any proposal for coal gasification in Singrauli, and if so, the details thereof?

**ANSWER**

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

(a) to (e): A statement is laid on the table of the house.

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**STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO. 243 ANSWERED ON 17.12.2025 REGARDING COAL GASIFICATION AND COAL-TO-CHEMICAL PROJECTS ASKED BY SHRI ANIL FIROJIYA: SHRI KONDA VISHWESHWAR REDDY:**

(a): Currently, there is an operational coal gasification project set up by M/s Jindal Steel Limited (JSL) at Angul district, Odisha. The Government has launched the National Coal Gasification Mission to promote coal/ lignite gasification projects for cleaner use of coal/ lignite and to substitute imports of chemicals, petrochemicals and fertilisers. New projects are being implemented by PSUs as well as the private sector.

Coal India Limited (CIL) is implementing the following four coal gasification projects in partnership with other Central Public Sector Undertakings (CPSUs):

1. **Talcher Coal-Based Ammonia-Urea Complex:** Talcher Fertilisers Limited (TFL), a Joint Venture of CIL, Rastriya Chemicals and Fertilisers Limited (RCFL), Gas Authority of India Limited (GAIL) and Fertiliser Corporation of India Limited (FCIL), is setting up a coal-based ammonia-urea complex. Commissioning is expected in FY 2027-28.
2. **Bharat Coal Gasification and Chemicals Limited (a joint venture of CIL and Bharat Heavy Electricals Limited)** has been incorporated for setting up of coal gasification-based ammonium nitrate plant at Lakhanpur, Odisha. Scheduled commissioning is in 2029-30.
3. **Coal Gas India Limited (a joint venture of CIL and GAIL)** has been incorporated for setting up a coal-to-synthetic natural gas plant at Bardhaman, West Bengal. Scheduled commissioning is in 2029-30.
4. **CIL Project at Western Coalfields Limited:** Coal-to-synthetic natural gas project at Chandrapur, Maharashtra. Scheduled commissioning is in 2029-30.

Further, the following 4 (four) coal gasification projects are being set up by private entities:

1. **Jindal Steel Limited (JSL):** JSL is setting up a coal gasification project at Angul district, Odisha, for Direct Reduced Iron (DRI) production. Commissioning is scheduled in 2029-30 as per the Coal Gasification Plant Development and Production Agreement (CGPDPA).
2. **Greta Energy and Metal Private Limited:** The company is setting up a coal gasification project at Bhadravati, Chandrapur, Maharashtra, for Direct Reduced Iron (DRI) production. Commissioning is scheduled in 2029-30 as per the CGPDPA.
3. **New Era Cleantech Solution Pvt. Ltd.:** The company is setting up a coal gasification project at Bhadravati, Chandrapur, Maharashtra, for the production of ammonium nitrate and hydrogen. Commissioning is scheduled in 2029-30 as per the CGPDPA.
4. **New Era Cleantech Solution Pvt. Ltd.:** The company is setting up a demonstration coal gasification project at Bhadravati, Chandrapur, Maharashtra for the production of ethanol. Commissioning is scheduled in 2029-30 as per the CGPDPA.

(b): CIL has allocated provisional coal linkages of 3.9 Million Tonnes (MT) to its joint venture companies. Additionally, Letters of Intent (LoI) for a total quantity of 1.45 MT have been issued to consumers procuring coal through the Non-Regulated Sector (NRS) Linkage Auction Scheme, under the sub-sector “*Production of Syngas – leading to coal gasification*”. The coal gasification plants of private entities will meet the coal requirement from their allocated coal mines, as well as by coal linkage from CIL mines. So far, no coal linkage has been allocated for coal gasification in Chhattisgarh.

(c): Yes, the Ministry of Coal has approved a financial incentive scheme on 24.01.2024 with an outlay of ₹ 8500 crores to support the coal/ lignite gasification projects in the country. Details are as under:

- I. Under Category-I, Rs 4,050 crores have been provisioned for Govt PSUs to support projects by providing lump sum grant of Rs 1,350 crores or 15% of capex, whichever is lower.
- II. Under Category-II, Rs 3,850 crores have been provisioned for private sector and Govt PSUs by providing lump sum grant of Rs 1,000 crores or 15% of the capex, whichever is lower.
- III. Under Category-III, Rs 600 crores have been provisioned for demonstration projects (indigenous technology) and/ or small scale product based gasification plants by providing lump sum grant of Rs 100 crores or 15% of capex, whichever is lower.

(d): Coal gasification from the projects approved under the aforesaid financial incentive scheme has the potential to substitute imports worth approx. Rs. 16,000 crores of various chemicals, including ammonium nitrate, natural gas, ethanol etc.

(e): At present, there is no coal gasification proposal under consideration in Singrauli District, Madhya Pradesh.

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