

Cabinet approves the scheme for promotion of Coal/Lignite Gasification Projects of Government PSUs and Private Sector towards incentive for coal gasification projects under three categories

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The Cabinet chaired by the Prime Minister Shri Narendra Modi approved the scheme for promotion of Coal/Lignite Gasification Projects of Government PSUs and Private Sector with an outlay of Rs.8,500 crore towards incentive for coal gasification projects under three categories.

The cabinet has approved the scheme as follows:

- a. Total outlay of Rs.8,500 crore will be provided as financial assistance for coal gasification projects under three categories.
- b. In category I, Rs.4,050 crore provisioned for Government PSUs in which upto 3 projects will be supported by providing lump-sum grant of Rs.1,350 crore or 15% of capex, whichever is lower.
- c. In category II, Rs.3,850 crore provisioned for private sector as well as Government PSUs in which lump-sum grant of Rs.1,000 crore or 15% of capex, whichever is lower provided for each project. At least one project will be bid out on tariff-based bidding process and its criteria will be designed in consultation with NITI Aayog.
- d. In category III, Rs.600 crore provisioned for demonstration Projects (indigenous technology) and/or small-scale product-based Gasification Plants under which lump-sum grant of Rs.100 crore or 15% of capex, whichever is lower, will be given to the selected entity who will have a minimum Capex of Rs. 100 Crore and minimum production of 1500 Nm³/hr Syn gas.
- e. The selection of entities under category II and III shall be carried out through a competitive and transparent bidding process.
- f. The grant will be paid to the selected entity in two equal instalments.
- g. EGoS chaired by Secretary Coal shall be fully empowered to make any changes required in the modalities of the scheme subject to the condition that overall financial outlay remain within Rs.8,500 crore.

DS/SKS

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