

Cabinet approves equity investment by (i) CIL for setting up of Coal-to-SNG Project at ECL command area through a JV of CIL & GAIL; and (ii) for setting up of Coal-to-Ammonium Nitrate Project at MCL command area through a JV of CIL & BHEL

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The Cabinet Committee on Economic Affairs (CCEA) chaired by the Prime Minister Shri Narendra Modi today approved proposal for equity investment by (i) CIL for setting up of Coal-to-SNG (Synthetic Natural Gas) Project at ECL command area through a JV of CIL & GAIL; and (ii) for setting up of Coal-to-Ammonium Nitrate Project at MCL command area through a JV of CIL & BHEL.

The CCEA has approved the proposal of equity investments by CIL as follows:

- a. Equity Capital of Rs.1,997.08 Crore ($\pm 25\%$) by CIL considering a Debt-Equity Ratio of 70:30, and 51% Equity Investment in JV Company with an estimated Project Capex of Rs.13,052.81 Crore (accuracy of $\pm 25\%$) for the proposed Coal-to-Synthetic Natural Gas (SNG) at Sonepur Bazari Area of Eastern Coalfields Limited (ECL) in Burdwan district of West Bengal through JV of CIL and GAIL.
- b. Equity Capital of Rs.1,802.56 Crore ($\pm 25\%$) by CIL considering a Debt-Equity Ratio of 70:30, and 51% Equity Investment in JV Company with an estimated Project Capex of Rs.11,782.05 Crore (accuracy of $\pm 25\%$) for the proposed Coal-to-Ammonium Nitrate (AN) at Lakhanpur Area of Mahanadi Coalfields Limited (MCL) in Jharsuguda district of Odisha through JV of CIL and BHEL.
- c. Approval for Equity Investment by CIL beyond 30% of its Net-worth in the JV of CIL-GAIL as at point (a) above, and in JV of CIL-BHEL as at point (b) above.

Coal India Limited (CIL) will set up following two Coal Gasification Plants with a view to achieve the target of 100 MT coal gasification by the year 2030 and to fulfil India's dual objectives of self-reliance and energy independence –

- a. CIL has signed MOUs with GAIL for setting up of Coal-to-SNG Project at Sonepur Bazari Area of Eastern Coalfields Limited (ECL) in Burdwan district of West Bengal through JV of **CIL & GAIL** at an estimated project cost of **Rs.13,052.81 Crore ($\pm 25\%$)** considering a debt:equity ratio of up to 70:30.
- b. CIL has signed MOUs with BHEL for setting up of Coal-to-Ammonium Nitrate Project at Lakhanpur Area of Mahanadi Coalfields Limited (MCL) in Jharsuguda district of Odisha a JV of **CIL & BHEL**, at an estimated project cost of **Rs.11,782.05 Crore ($\pm 25\%$)** considering a debt:equity ratio of up to 70:30.

DS/SKS

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