

Coal Gasification

Posted On: 07 AUG 2024 4:18PM by PIB Delhi

Government has launched a Scheme with financial outlay of ₹8500 crore to provide viability gap funding (VGF) to promote Coal/Lignite Gasification Projects for both PSUs and the private sector. The approved scheme covers projects under following three categories –

- **Category I**, with a provision of ₹4050 crores, is for Government PSUs. They can submit proposals for funding assistance, and three selected projects will receive a maximum grant of ₹1350 crores or 15% of project cost, whichever is lower.
- **Category II**, with ₹3850 crores, is available to both private sector and government PSUs with a maximum grant of Rs. 1000 cr or 15% of project cost, whichever is lower.
- **Category III**, with ₹600 crores for demonstration or small-scale projects with maximum outlay per project of Rs. 100 cr or 15% of project cost, whichever is lower.

Ministry of Coal has floated Request for Proposals (RFPs) for seeking applications for setting up of Coal/Lignite Gasification projects under all three categories, as mentioned above. RFPs provide a time frame of 5 years from the date of execution of agreement of financial incentive scheme. As per the timelines, the date of submission of bid is 11.11.2024 and the date of execution of Agreement is 13.05.2025. Hence, the commercial scale Coal Gasification Projects are expected by May 2030 in the country.

This information was given by Union Minister of Coal and Mines Shri G. Kishan Reddy in a written reply in Lok Sabha today.

Sunil Kumar Tiwari

(Release ID: 2042653)