कोयला मंत्रालय
Ministry of Coal

सत्यमेव जयते

Financial Incentive for Setting Up Coal/Lignite Gasification Projects in India

Responses to Queries/Suggestions on

Request for Proposals (RFPs) dated 30.09.2025

October 22nd, 2025

CCT Section
Ministry of Coal, Government of India
622-A, Shastri Bhawan, New Delhi 110001

Responses to Queries/Suggestions on RFPs dated 30.09.2025

A pre-bid conference with industry stakeholders was held on 10 October 2025 regarding the RFPs published on 30 September 2025 for providing financial support to coal/lignite gasification projects in India. The clarifications sought have been addressed, and responses submitted are as follows:

Sno.	Clause Reference	Queries/Suggestions	Revised Clause/Remarks
1.	Clause 1.1.4	**Definition of "Indigenous Technology":** Kindly clarify the exact definition or parameters that constitute *"indigenous technology"* for the purpose of determining eligibility under the "commercially scalable demonstration project" category. Specifically, we request guidance on whether: a. Indigenous technology refers to technology developed and owned within India (including patents/IP), or b. It includes technology adapted or customized in India through technical collaboration or technology transfer.	For the purpose of determining eligibility under the "commercially scalable demonstration project" category, **"indigenous technology"** refers to technology that has been developed, owned, and substantially proven within India, including any associated patents or intellectual property rights. However, technology that is adapted, customized, or further developed in India through technical collaboration or technology transfer may also be considered indigenous, provided that: a) Significant development, adaptation, or innovation occurs within India, and b) Resulting technology is demonstrably capable of independent commercialization under Indian conditions.
2.	Clause 1.1.4	**Interchange between Demonstration and Small-Scale Projects:** In case an applicant initially applies under the *Commercially Scalable Demonstration Project* category (with indigenous technology) or *Small-Scale*	Such inter-category change from Demonstration to Small-Scale Project, or vice versa, may be allowed, provided that the applicant continues to satisfy all relevant qualification and eligibility criteria applicable to the new category.

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		Project category, but subsequently, based on technical or economic viability assessment, finds it necessary to shift from one category to the other— kindly confirm whether such inter-category change (from Demonstration to Small-Scale or vice versa) is permissible, provided all other qualification criteria, including minimum CAPEX and syngas production parameters, continue to be met.	
3.	Clause 1.1.4	Under Category-III, for a demonstration project involving Underground Coal Gasification (UCG) at pilot scale, it is noted that no indigenous technology exists in India with proven pilot-scale reference. Further, for small-scale plants, the current requirement specifies that the technology should be in commercial operation anywhere in the world. However, for UCG, most projects globally are still at the pilot scale. In view of this, we propose that the requirement for proven indigenous or commercially operational technology may be dropped or relaxed for UCG pilot-scale projects to enable early-stage technology demonstration and adoption in India.	Please refer Clause 1.1.4 of the RFP The requirement for the technology to be indigenous and proven at the pilot scale applies to all commercially scalable demonstration projects other than Underground Coal Gasification (UCG). In the case of a commercially scalable demonstration project involving UCG, the technology must be proven at the pilot scale, and the capex on the proposed coal gasification unit must be at least ₹100 crore.
4.	Clause 1.1.7	The requirement to secure debt financing from banks or financial institutions for the projects may be waived or removed.	The same shall be as per clause 1.1.7 of the RFP

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5.	Clause 2.2.2, Clause 1.1.7	The Financial Eligibility for Category-II specifies that the bidder must have a minimum Net Worth of 30% of the total equity commitment for the project, as pe the Board-approved PFR/DPR and the latest audited financial statements and that this requirement is to be evaluated based on a Debt:Equity ratio of 70:30 for financing the project, regardless of the actual means of finance, with Net Worth computed as defined under clause (57) of section 2 of the Companies Act, 2013. Upon preliminary review of our financials, we note that we might not fully meet the Net Worth requirement as outlined. **This is primarily due to legacy accumulated losses, as we had acquired M/s GR Krishna under the NCLT process, where operations had ceased.** Since acquisition, we have restarted operations from the ground up, and are currently in the improvement phase. Our net worth is being progressively rebuilt, and we are confident that it will develop steadily over the coming financial periods as operations stabilize and capacity utilization improves. We respectfully submit that this transitional financial position does not reflect our true potential, promoter strength, or long-term viability. As a group, we bring over two decades of experience in DRI production and integrated steelmaking, backed by proven technical, operational, and managerial	The qualification criteria shall be as per the RFP.

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		capabilities. We are also continuing to review the RFP in detail and evaluating possible avenues for alignment with the criteria. **Moreover, as per Clause 1.1.7 of the RFP dated 30 September 2025, the first instalment of the Financial Incentive will be disbursed only after the bank/financial institution has sanctioned and disbursed the project loan, and after we have contributed 30% equity in the form of paid-up capital. This provision inherently implies that the financial viability and credibility of the project will already have been independently assessed and validated by the lending institution**. Banks do not sanction loans without conducting rigorous due diligence covering promoter credibility, financials, business viability, risk profile, and repayment capability. Therefore, a formal loan sanction is a strong third-party validation of our financial soundness and our ability to meet the equity contribution and execute the project responsibly. In addition to the above, we wish to inform you that we are currently being considered for a parallel project focused on the use of green hydrogen in the iron and steelmaking process. In that initiative, we propose to achieve up to 80% hydrogen utilisation through the syngas route in our Vertical Shaft Furnace for DRI	

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		production. This future-forward approach further underscores our commitment to cleaner technologies, CO, reduction, and alignment with India's energy transition objectives. Given this context, we humbly **request the Ministry to reconsider or relax the strict Net Worth criterion, or to provide flexibility for companies undergoing financial recovery, particularly when backed by formal bank sanction letters and equity commitment.** This will enable deserving and experienced bidders, particularly from the secondary steel sector, to meaningfully participate in this forward -looking initiative. We would be grateful for the Ministry's kind consideration of our request to allow us to participate under the Scheme, and we reiterate our full commitment to making this a model project in the coal gasification-driven steelmaking ecosystem Note: Our project, estimated at approximately 900 crores, involves the establishment of a coal gasification-based DRI (HBI) production facility using advanced technology via an Air Separation Unit and Vertical Shaft Furnace, with an expected capacity of 2.5 lakh TPA. We believe it is fully aligned with the objectives and structure of Category-II and represents a first-of-its-kind effort in the secondary steel sector.	

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6.	Clause 4.6.1 b)	For the purpose of this calculation, the denominator should reflect the highest investment proposed by any bidder, which has been correctly illustrated in the example provided in the RFP. **4.6.1 b) Investment score:** (Proposed investment by the Bidder ÷ Highest plant capacity received among all Bidders) × 35% (thirty five percent).	Clause 4.6.1 b) may be read as: **4.6.1 b) Investment score:** (Proposed investment by the Bidder ÷ Highest proposed investment received among all Bidders) × 35% (thirty five percent).
7.	Annexure I - Point 16	At any stage of the project, if it comes to light that a Category-III project, whether a demonstration project or a small-scale product-based plant, is no longer technically or financially viable, are there any provisions that allow the applicant to cease the project without incurring penalties?	Any termination of the project will result in penalties and other provisions as set forth in the RFP and Project Agreement.
8.	Annexure-VIII	Carbon Capture, Utilization, and Storage (CCUS) technologies should be explicitly supported under Category-III (pilot and small-scale projects) for coal/lignite gasification.	Under Category III, CCUS technologies may be integrated as part of the proposed demonstration projects or small-scale product-based plants.

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