

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO. 1584
TO BE ANSWERED ON 31.07.2024

Coal Gasification Projects in Andhra Pradesh

1584. SHRI SRIBHARAT MATHUKUMILLI:

Will the Minister of Coal be pleased to state:

- (a) the specific allocation of funds earmarked for coal gasification projects in Andhra Pradesh from the recently approved Rs. 8,500 crore incentive scheme;
- (b) whether the Government has identified any specific sites or locations in Andhra Pradesh for setting up coal gasification projects under the scheme and if so, the details of these locations and the criteria used for their selection under the scheme;
- (c) the timeline for the implementation of coal gasification projects in Andhra Pradesh including key milestones and expected completion date;
- (d) the challenges encountered/anticipated in implementing coal gasification projects in Andhra Pradesh and the measures being undertaken to mitigate these challenges effectively; and
- (e) whether any collaboration with local industries and stakeholders in Andhra Pradesh is planned to enhance the effectiveness of these projects, if so, the details thereof and if not, the reasons therefor?

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

(a): The Government has recently approved ₹8500 crore incentive scheme 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 as VGF.
- **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 as VGF.
- **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 as VGF.

Under the above scheme, funds are to be given to projects, not to States. As such, no fund has been earmarked for any state, including Andhra Pradesh.

(b) to (e): Till date, no specific sites or location proposal has been received for setting up of Coal/Lignite Gasification projects in the state of Andhra Pradesh from any PSUs, Private Sectors, local industries or stakeholders. Stakeholders' consultations have been conducted in various parts of the country, including Hyderabad.
