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Daily news summary**National Coal Gasification Scheme Imported Coal Provision**

UPSC Civil Services • 28 August 2026 • Prelims and Mains

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WHY IN NEWS

- Government permitted developers under the Rs 37,500-crore coal gasification scheme to use imported coal without a domestic linkage guarantee.
- Foreign companies selected to set up units must establish a local Indian entity.

WHAT IS THE COAL GASIFICATION SCHEME?

- Initiative to convert coal into syngas, chemicals, fertilizers, and clean energy fuels.
- Aims to reduce import dependence on natural gas, methanol, and ammonia while utilising domestic energy resources.

KEY OPERATIONAL RELAXED GUIDELINES

- Developers must arrange their own fuel supply, as the Centre removed mandatory domestic coal allocation guarantees.
- Imported coal is explicitly permitted for feedstock to ensure operational viability of gasification plants.
- Financial support is extended directly to plant and machinery capital costs.
- Foreign entities winning bids are mandated to set up domestic local subsidiaries.

WHY IT MATTERS

- Solves feedstock constraint for low-ash coal requirements in advanced gasification technologies.
- Accelerates India's target of gasifying 100 million tonnes of coal by 2030.

KEY TERMS

- **Coal Gasification:** Process of producing syngas—a mixture consisting primarily of carbon monoxide, hydrogen, carbon dioxide, natural gas, and water vapour—from coal and water, air, or oxygen.
- **Syngas:** Synthesis gas produced through gasification used as an intermediate for synthetic natural gas or chemical manufacturing.

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PRELIMS FACTS

- Coal gasification produces syngas composed mainly of carbon monoxide and hydrogen.
- Imported coal is permitted as feedstock without mandatory domestic coal guarantees.

MAINS DISCUSSION

- Evaluation of coal gasification in balancing industrial feedstock import reduction against carbon emission goals.

KEY DATA

- **Gasification Target:** 100 Million Tonnes by 2030 - National objective under Ministry of Coal to reduce carbon intensity of coal usage.
- **Scheme Outlay:** Rs 37,500 Crore - Financial support framework for public and private sector coal gasification projects.

[Official source](#)

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