MINISTRY OF COAL

Coal gasification incentive Round 3 open until January 11, 2027

The Ministry of Coal has opened Round 3 of its Rs 37,500 crore coal and lignite gasification scheme. Applications are due January 11, 2027.

THE MINISTRY OF COAL (MoC) issued the Request for Proposal (RFP) for Round 3 of the "Scheme for Promotion of Surface Coal/Lignite Gasification Projects" on November 10, 2026. The RFP, No. CCT-17012/4/2026-Part(1), invites applications to set up new surface coal or lignite gasification projects in India, and the last date for submission is January 11, 2027. A notice of the same date, signed by L. Khamminthang, Under Secretary, sets the Round 3 schedule: a pre-application conference on November 20, 2026, queries by November 25, the ministry's replies on December 4, opening of applications on January 12, 2027, and the project agreement on May 7, 2027. The notice calls these dates tentative.

KEY FACTS

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Request for Proposal (RFP), Round 3, No. CCT-17012/4/2026-Part(1)

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Ministry of Coal · November 10, 2026

The Ministry of Coal (MoC) issued the Request for Proposal (RFP) for Round 3 of the "Scheme for Promotion of Surface Coal/Lignite Gasification Projects" on November 10, 2026. The RFP, No. CCT-17012/4/2026-Part(1), invites applications to set up new surface coal or lignite gasification projects in India, and the last date for submission is January 11, 2027. A notice of the same date, signed by L. Khamminthang, Under Secretary, sets the Round 3 schedule: a pre-application conference on November 20, 2026, queries by November 25, the ministry's replies on December 4, opening of applications on January 12, 2027, and the project agreement on May 7, 2027. The notice calls these dates tentative.

The scheme has an outlay of Rs 37,500 crore. It pays a financial incentive of at most 20% of the cost of plant and machinery. The incentive for one project is capped at Rs 5,000 crore, and for any one product across all approved projects at Rs 9,000 crore, except urea and synthetic natural gas. An applicant and its group companies can receive no more than Rs 12,000 crore across all projects. Spending before the scheme was approved doesn't count toward the cost of plant and machinery.

A public sector undertaking, a private company, or a joint venture or consortium of up to three companies can apply. The project must be new, with a capacity of at least 0.5 million tonnes per annum (MTPA) of clean syngas, worked out on 330 days a year at 1.1 kg/Nm3. The applicant's net worth must be more than 20% of the project cost, and net worth committed to an earlier selected project is deducted for each later application. A company incorporated outside India may apply. In a consortium, the lead member must hold at least 51%. Annexure I gives an indicative list of 22 eligible products, among them urea, ammonia, methanol, DME, hydrogen, synthetic natural gas, DRI and aviation fuel, and the ministry may add others on request.

Applications are scored out of 100: viability amount (the incentive asked for as a share of plant and machinery cost, against the lowest asked) 30, plant capacity 20, project cost per million tonne of coal used 20, technology tie-up 10, and financial strength 20. A project needs at least 40 to qualify, and incentives are earmarked in rank order until the outlay runs out. Ties go first to a firm tie-up with indigenous technology or acquisition of international technology, then to urea or synthetic natural gas projects. Each round opens only for the outlay left after the previous round.

The incentive is paid in four equal instalments: after land, environment clearance, coal tie-up, technology licensor, EPC contractor and financial closure; after a bank loan, 30% equity infusion and spending of half the incentive on plant and machinery; on commissioning; and once the plant reaches 50% of peak annual capacity over 365 days. If commissioning takes more than five years from the project agreement, leaving out force majeure time, the rest of the incentive falls to 50% (five to six years), 25% (six to seven years) or nothing (beyond seven years). An application carries a Rs 50 lakh bank guarantee as application security, and a selected applicant

gives a performance security of 3% of the cost of plant and machinery. Applications go in on the e-portal, and the listed originals go in a sealed envelope to the Under Secretary (CCT), Ministry of Coal, GPOA-3, New Delhi, by the due date.

Issued by	Ministry of Coal, Government of India
Document	Request for Proposal (RFP), Round 3, No. CCT-17012/4/2026-Part(1)
Dated	November 10, 2026
Last date for applications	January 11, 2027
Scheme outlay	Rs 37,500 crore
Incentive	Up to 20% of the cost of plant and machinery, in four equal instalments
Caps	Rs 5,000 crore a project; Rs 9,000 crore a product (not urea or SNG); Rs 12,000 crore an applicant with its group companies
Who can apply	A PSU, a private company, or a JV or consortium of up to three companies
Minimum capacity	0.5 MTPA of clean syngas
Net worth	More than 20% of the project cost
Qualifying score	40 out of 100
Application security	Rs 50 lakh bank guarantee, valid at least 9 months from the due date
Performance security	3% of the cost of plant and machinery
Queries	By email to soccnt-moc@gov.in, in the Annexure IX format

Round 3 schedule (notice of November 10, 2026, tentative)

Event	Date
RFP issued	November 10, 2026
Pre-application conference	November 20, 2026
Last date for queries	November 25, 2026
Ministry's response to queries	December 4, 2026
Application due date (Round 3 closes)	January 11, 2027
Opening of applications	January 12, 2027
Declaration of selected applicants	February 23, 2027

Letter of award	March 9, 2027
Signing of project agreement	May 7, 2027

The request for proposal (PDF, 1.3 MB)

Source: Ministry of Coal's own copy.

Checked against the official copy on November 12, 2026.

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