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The reality behind falling net FDI

India's net FDI has declined sharply despite strong gross inflows, underlining the impact of disinvestment, capital repatriation, investor classes, modes of entry, and exit strategies can have important implications for technology transfer, industrial development, and external sustainability

ECONOMIC NOTES

K.S. Chalapati Rao
Biswajit Dhar
K.V.K. Ranganathan

India's net foreign direct investment (FDI) has declined drastically in recent years. Critics see the weak net flows as a sign of weakness, while the Chief Economic Adviser points to the large inflows and rising manufacturing FDI as evidence of strength. He links weak net flows to profit repatriation and outward investment by Indian companies.

However, this debate overlooks a major issue. By focusing on overall numbers, both sides ignore the changing composition of international capital and the Balance of Payments (BoP) mechanisms that govern inflows and outflows.

For BoP purposes, net FDI is calculated as the difference between inflows and outflows after adjusting for the repatriation of capital. From the peak of $44.0 billion in 2020-21, net FDI fell to less than $1 billion in 2024-25. It recovered to $7.6 billion in 2025-26. The corresponding gross inflow was $94.6 billion.

It is necessary to note that India's liberal FDI policy, introduced in 1991, initially emphasised technology acquisition, export promotion, and foreign exchange conservation. Over time, policy increasingly prioritised attracting larger inflows, while concerns regarding future external payment obligations and investment quality receded.

GETTY IMAGES

Three types of FDI

FDI is often viewed as a uniform, long-term commitment that brings technology and management skills to the host country. FDI can fall into three different investor classes, each with distinct capabilities, strategies, and exit timelines.

The first category is real FDI (RFDI), consisting of traditional multinational enterprises with the technology, brands, and capabilities to establish production and services. These generally represent long-term commitments.

The second category comprises financial investors, including private equity funds, venture capital firms, sovereign wealth funds, and asset managers. Their main goal is capital growth and planned exits.

The third category includes diaspora investments and special purpose vehicles (SPVs). These involve capital raised abroad and funneled through offshore financial centres, sometimes including the round-tripping of Indian funds.

Data on remittance-level FDI from the past four years, from 2022-23 to 2025-26 up to December, show that RFDI made up 41.3% of "effective inflows." Financial investors followed closely with a 40.5% share, while the remaining 17.6% came from the diaspora and SPVs linked to India.

The business model of financial investors suggests future exits that result in large-scale capital repatriations. A notable example occurred in 2025 when Singapore's Temasek exited Schneider Electric India Ltd., earning $6.4 billion on an investment of $637 million made in 2020. Total recorded divestment in CY 2025 was $52 billion, with 45 major foreign private equity and venture capital exits accounting for $29 billion in outflows.

Based on an analysis of effective inflows, FDI in India's manufacturing sector has declined across three consecutive four-year periods. Most notably, RFDI into manufacturing accounted for only 10.6% of total effective inflows during the most recent four-year period.

Not fresh capital

A major blind spot in gross FDI figures is the mixing of new capital injections with corporate accounting changes, such as intra-group ownership reorganisations, mergers, share swaps, and the conversion of earlier non-equity instruments such as external commercial borrowings (ECBs) and convertible debentures.

While capital structures change, no new capital flows into the country. Approximately $40 billion of the $560 billion in equity inflows to India from 2014-15 to 2025-26 (up to December) fall into this category. Large transactions, such as Bosch and Meesho Technologies, can skew annual inflow and sectoral trends.

Disinvestment drives decline

Before looking at why net FDI is low or even negative in certain months, it is worth mentioning that the official narrative that profit repatriation depresses net FDI is misleading.

Under BoP conventions, profits sent as dividends are recorded as investment income in the current account. They increase the current account deficit (CAD) but do not change the reported net FDI flows. Instead, the primary reason for weak net FDI is disinvestment and capital repatriation, which appear in the financial account.

Likewise, the increase in Outward Foreign Direct Investment (OFDI) warrants closer examination rather than being attributed solely to corporate maturity. From 2023-24 to 2025-26, 45% of India's total outbound investment of $65 billion went into the "financial, insurance, and business services" (FIB) sector. Singapore and the UAE accounted for 27% and 18% of the total, respectively. These funds mostly go to holding companies and SPVs rather than directly to operational entities. For instance, TML Commercial Vehicles, a subsidiary of Tata Motors, invested $405 million in a Singaporean FIB entity to acquire the IVECO Group in Italy.

Capital movements through the GIFT City further complicate this issue. OFDI to the City increased from $246 million in 2023-24 to $1.18 billion in 2025-26. Total OFDI and inward FDI through it until 2025-26 reached $2.35 billion and $1.40 billion, respectively, highlighting the growing two-way flows.

These cross-flow of investments by Indian entities, also from other locations, indicates that OFDI can represent both genuine corporate expansion and the return of capital that fled. Therefore, increasing OFDI may not necessarily indicate maturity, as Indian companies might seek resources and technology, while a few might recycle capital through different jurisdictions.

Understanding the outflow channels

From 2022-23 to 2025-26, total FDI inflows and related current and capital account outflows reached significant levels. While gross inward equity FDI totalled $317.80 billion ($230.60 billion excluding reinvested earnings), the outflows present a more complex scenario.

Disinvestment and capital repatriation (capital account) totalled $178.9 billion, primarily driven by financial investors through secondary and strategic sales, IPO exits, and share buybacks. This also includes "offers for sale" by foreign promoters such as Hyundai and LG. The other type involves sell-offs by RFDI investors, such as Wistron which sold off to the Tatas.

Dividend remittances (current account) amounted to $118.9 billion in profits paid out by MNE subsidiaries and affiliates, excluding reinvested earnings.

Attributable IPR payments (current account) totalled $46.6 billion. These payments, made by MNE subsidiaries and affiliates for intellectual property (assuming they account for 75% of total IPR payments), can substitute dividends.

Additionally, $250.0 billion was transferred by all entities for technical/service/consultancy payments. However, it is difficult to divide this amount between RFDI and domestic companies.

Even when excluding OFDI and technical service payments, outflows due to disinvestment, dividends, and IPR payments (royalties) totalled $344.4 billion. Therefore, for every dollar of fresh inflow (excluding reinvested earnings), approximately $1.50 flowed out. This situation has worsened over the past 12 years. The corresponding outflow per dollar emerged was 56 cents from 2014-15 to 2017-18, rising to 70 cents from 2018-19 to 2021-22, before reaching the current high.

Need for informed debate

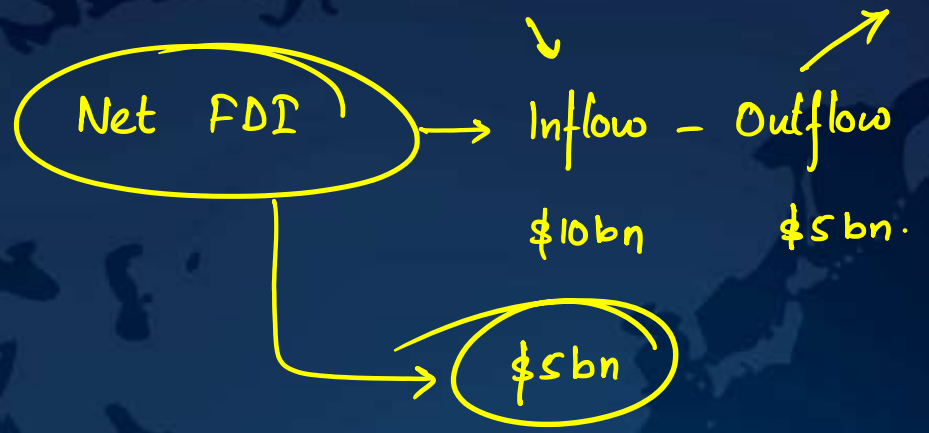
The above narrative shows how an incomplete view of FDI prevails in the public discourse. Different types of investors, entry methods, and exit strategies impact technology transfer, industrial growth, and external sustainability. The reporting of global FDI flows adds an additional layer of problems. Understanding these nuances is crucial for evaluating FDI beyond headline numbers.

(K.S. Chalapati Rao is Senior Research Fellow at the Academy of Business Studies, Biswajit Dhar is former Professor, Jawaharlal Nehru University, and K.V.K. Ranganathan is an independent researcher)

THE GIST

- Real FDI accounted for 41.3% of effective inflows between 2022-23 and 2025-26, while financial investors contributed 40.5%, reflecting the growing role of private equity, venture capital, and sovereign wealth funds.
- Real FDI into manufacturing has declined across three consecutive four-year periods, with manufacturing receiving only 10.6% of total effective inflows in the latest period.
- Gross FDI figures include transactions such as intra-group ownership reorganisations, mergers, share swaps, and conversion of external commercial borrowings, even when no fresh capital enters the country.

→ GS III



Context

- India's **net Foreign Direct Investment (FDI)** has fallen sharply in recent years despite strong gross inflows.
- For Balance of Payments (BoP) accounting, **net FDI = inflows – outflows** after adjustments.
  - Net FDI peaked at **$44 billion in 2020-21**.
  - It declined to **less than $11 billion in 2024-25**.
  - During the same period, gross FDI inflows remained substantial and recovered to **$94.6 billion in 2025-26**.

Net inflow of FDI
→ Chasing of numbers

Types of FDI

Real FDI (RFDI)
- → Tech.
- → Capital infusion.

Pvt. equities, venture capitalists etc.

Investment

Purpose - Profit booking

Diaspora & SPVs

Reasons for decline

Inflow has declined

- Emerging Markets
  - → Korea
  - → Brazil
  - → Argentina
  - → Taiwan.
  - India
- U.S Market
  - A.I race
- Bilateral Investment Agreements
  - → Cancellation

Changing pattern

- During **2022-23 to 2025-26**, real FDI accounted for only **41.9%** of effective inflows.
- Financial investors contributed **40.5%**.
- Diaspora-linked inflows and SPVs accounted for the remaining **17.6%**.

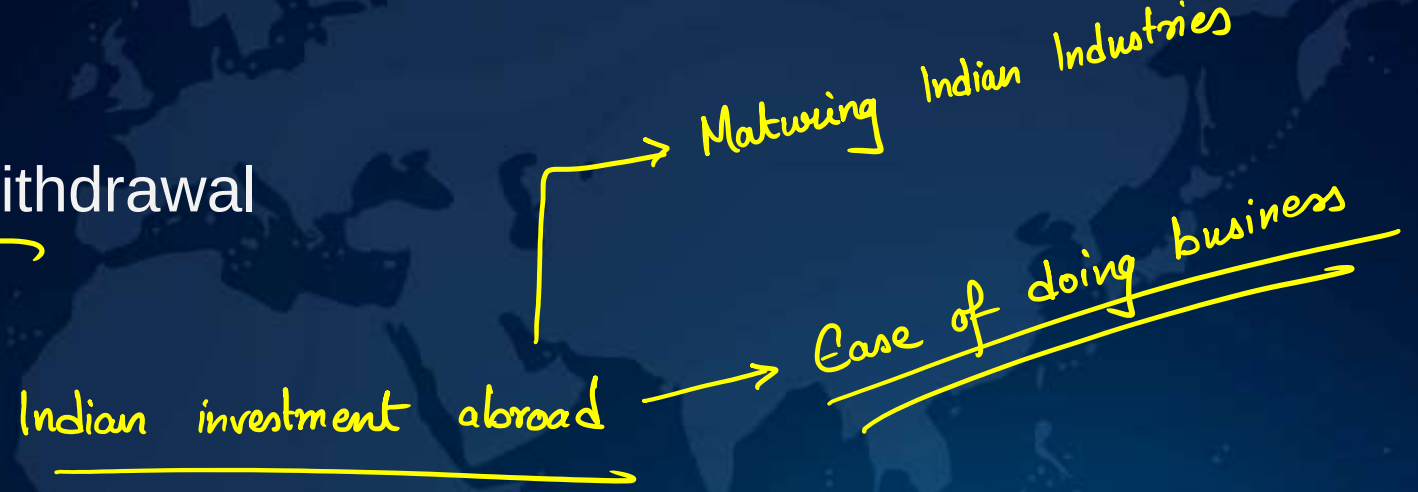
- Over the most recent four-year period:
  - Manufacturing's share of total effective FDI was only **10.6%**.
  - Manufacturing FDI has declined across three consecutive four-year periods.

Role of Financial investors

- Around **$40 billion** of inflows between 2014-15 and 2025-26 came from financial investors.
- Examples include investments in:
  - Logistics firms,
  - Technology companies,
  - Infrastructure projects.
- These investments often involve acquiring stakes rather than creating new productive assets.

Increase in outflows

- Dividend Repatriation
- Disinvestment and Capital Withdrawal
- Rising Outward FDI



Net retention of Capital

- Between 2014-15 and 2017-18, India retained about **56 cents** for every dollar of fresh inflow.
- Between 2018-19 and 2021-22, retention improved to **70 cents**.
- Currently, retention has fallen significantly due to rising outflows.
- For every dollar entering India, a larger share is now leaving through dividends, royalties, and exits.

Practice Question (10 marks)

80:20 rule

- Discuss the reasons for a change in net FDI numbers in Indian Economy.

Intro → Relevance of FDI

Body → Reasons for change
→ Chasing numbers
→ Increased outflows
→ Decreased inflows

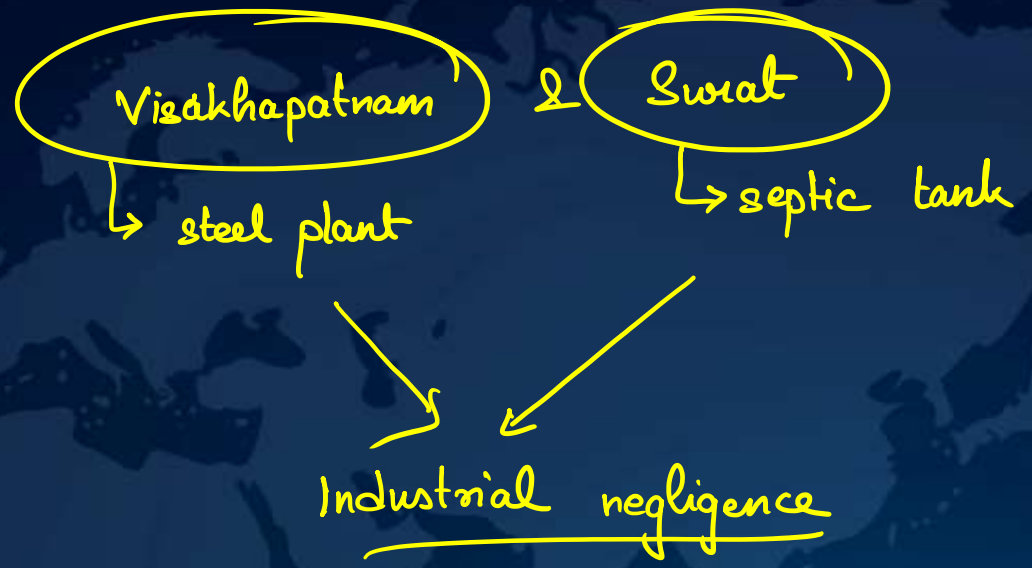
Way forward

Foreseeable accidents

Industrial mishaps are due to accumulated organisational weaknesses

Despite there having been a streak of industrial accidents in India of late, the notion that they are isolated and incidental persists. Within days of each other, four workers were killed in a 'mishap' in a septic tank in Surat while nine workers were killed by an explosion at a steel plant in Visakhapatnam. They appear to be different circumstances: one involved workers entering a confined space and succumbing to toxic gases; the other involved 150 tonnes of molten steel and a violent blast. Yet, industry has known of these risks and had developed preventive measures decades ago. In the Surat incident, four workers entered the tank and were overcome by toxic fumes. The circumstances resemble a well-known pattern in fatalities in confined spaces, where the first victims are often followed by would-be rescuers who enter without protection. There have been deaths in similar circumstances in Surat's industrial sector in recent years. The working area must be mechanically ventilated and have rescue personnel on standby while the workers must have breathing apparatuses, harnesses and retrieval lines, and clear lines of communication. Unprotected entry must be strictly prohibited. Septic tank deaths and deaths due to manual scavenging are in fact rarely accidents in the sense of unforeseeable events, but failures of basic safety management, and the recurrence of such incidents speaks to the persistence of that failure. Likewise, while steelmaking is intrinsically more dangerous because it combines extreme temperatures, pressurised gases, heavy equipment, and enormous stores of heat energy, industry still knows the hazards it poses, and further that even relatively small process failures can result in multiple casualties.

Both incidents, and the patterns they extend, are reminders of persistent safety failures in many parts of Indian industry. In Visakhapatnam, trade unions and former employees have alleged that the plant had reduced staffing, heavier workloads, ageing equipment, deferred maintenance, and an increasing dependence on contractual labour. Some also linked these trends to the difficulties the plant faced following the Centre's divestment plans and the resulting constraints on investments. However true any of these factors are, they confirm that a major industrial accident is almost always due to the accumulation of organisational weaknesses. In fact, contract labour is central to understanding both incidents. Occupational safety research has consistently found that contracted workers face higher risks because they may receive less training and operate within systems with fragmented accountability. The incidents have also occurred during the gradual and uneven implementation of India's new occupational safety framework – and highlight the invisible fact that the country's industries remain anchored by old problems of manpower shortage, caste- and class-based exposure to hazardous labour, and a 'cost over safety' mindset in financially stressed units.



→ Lack of training
→ Lack of safety gear
→ Regulated inspections

Contractual workers

↳ Skill level is less → Lack of training.

→ Do not know safety protocols.

→ Multiple authorities & no accountability.

For Prelims

- **ILO Convention No. 155 (1981) & 187(2006)**
  - **International Labour Organization Occupational Safety and Health Convention**
  - Establishes a national policy on occupational safety and health (OSH).
  - Requires employers to ensure safe workplaces.
  - Calls for prevention of workplace accidents and occupational diseases.
  - Forms the foundation of modern workplace safety regulation.
- **India:** Not ratified.

- **ILO Convention No. 174 (1993)**
- **Prevention of Major Industrial Accidents Convention**
- Most directly related to industrial disasters.
- Covers hazardous installations such as:
  - Chemical plants
  - Petrochemical industries
  - Refineries
  - Explosive industries
- Requires:
  - Hazard identification
  - Risk assessment
  - Emergency preparedness
  - Worker participation
  - Reporting and investigation of accidents
- **India:** Not ratified.

ILO Convention No. 170 (1990)

- **Chemicals Convention**
- Governs safe handling of chemicals at workplaces.
- Mandates:
  - Labelling
  - Safety Data Sheets (SDS)
  - Worker training
  - Chemical risk management
- **India:** Not ratified.

ILO Convention No. 176 (1995)

- **Safety and Health in Mines Convention**
- Addresses mining accidents and disasters.
- Requires:
  - Mine safety systems
  - Emergency response plans
  - Worker rights to refuse unsafe work
- **India:** Not ratified.

Basel Convention
Rotterdam "
Stockholm "
} India is a party

- **UNECE Convention on the Transboundary Effects of Industrial Accidents (1992)**
- **United Nations Economic Commission for Europe Convention**
- Adopted after industrial disasters such as:
  - Bhopal Gas Tragedy
  - Chernobyl Disaster
- Aims to prevent accidents with cross-border impacts.
- Requires:
  - Early warning systems
  - International cooperation
  - Emergency response planning
- **India:** Not a party.

Negotiating federalism in higher education

Eldho Mathews

is with the Kerala State Higher Education Council. Views expressed are personal

Higher education in India has emerged as an important site through which the changing dynamics of Indian federalism are being expressed. Issues relating to regulatory authority, curriculum, language policy, public funding, and digital governance have transformed the sector into a critical site where competing visions of the Union and State governments intersect. These developments not only shape the direction of higher education but also illuminate broader questions concerning the distribution of power within the Indian Union. As a result, governance of higher education can no longer be viewed merely as a sectoral policy concern; rather, it has become an integral component of India's evolving federal architecture.

Some recent examples include the contestations surrounding the implementation of the National Education Policy (NEP), 2020 across different States. Recent regulatory reforms facilitating the establishment of foreign university campuses in India have also generated varied responses from State governments, reflecting differing perspectives. This fragmented political landscape has important implications for higher education governance in the country. However, they have received only relatively limited attention.

Growing influence of Centre

Several developments have illustrated these tensions. In Tamil Nadu, the State government repeatedly opposed various aspects of the NEP 2020, particularly the three-language formula as well as the University Grants Commission's (UGC) circular on the third language this year. Centre-State tensions in higher education were also evident in the disputes over the appointment of Vice-Chancellors and the powers of Governors in States such as Tamil Nadu, Kerala, Karnataka, and West Bengal.

Although education remains constitutionally within the Concurrent List, the prevailing governance dynamic increasingly favours the Union

Although education remains constitutionally within the Concurrent List, which gives both the Union and the States legislative authority, the prevailing governance dynamic increasingly favours the Union. Through the Ministry of Education, the UGC, and various regulatory and accreditation bodies, the Union government possesses substantial leverage over universities and colleges across the country.

The introduction of the NEP, 2020 is an important restructuring attempt to redesign the architecture of higher education in India. The policy has proposed sweeping reforms, including four-year undergraduate programmes, an Academic Bank of Credits, institutional restructuring, multidisciplinary universities, and internationalisation initiatives. These reforms also represent an expansion of the influence of the Centre into domains that have historically been the preserve of State governments.

Moreover, access to central funding now is increasingly dependent on compliance with nationally designed reform agendas. Programmes such as the Institutions of Eminence initiative and competitive research mechanisms under the Anusandhan National Research Foundation have contributed to the influence of the Union government over States' authority.

The role of national regulatory agencies has also become another important site of conflict. The structures proposed by the Viksit Bharat Shiksha Adhishthan Bill, 2025, which are intended to replace existing higher education regulatory bodies including the UGC, have generated apprehensions regarding the gradual erosion of the authority of State governments. Another important dimension to centralisation is digital governance. Mechanisms such as the Academic Bank of Credits have expanded the capacity of the Union government to standardise and monitor higher education governance across States.

In States with strong regional political identities, these reforms are viewed not just as administrative issues but as constitutional questions concerning the balance of power within the Indian Union.

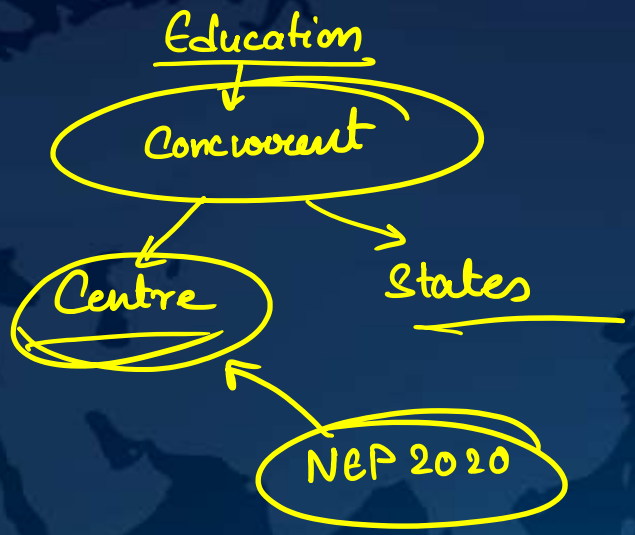
Strategic adaptation

Interestingly, the implementation of the NEP, 2020 has also revealed that Centre-State relations in higher education are not purely adversarial. Rather than adopting positions of complete acceptance or outright rejection, many States, including Opposition-ruled States, have selectively adapted aspects of reforms in accordance with local political contexts. This reflects the emergence of a more negotiated form of federalism characterised by strategic adaptation.

For instance, with respect to internationalisation, several States are seeking to position themselves as regional education hubs by facilitating partnerships with overseas institutions. These developments underscore the growing recognition of higher education as a strategic instrument for global visibility and knowledge-driven development. The debate surrounding the establishment of international branch campuses further illustrates this change. While the regulatory framework and policy direction are largely determined by the Union government, the actual implementation of such initiatives depends substantially on State governments through local administrative clearances, infrastructure support, and investment facilitation.

As India's regional political landscape continues to evolve, the trajectory of higher education governance will depend not only on constitutional provisions or national-level policy frameworks, but also on the capacity of the Centre and the States to negotiate competing political and developmental priorities within the federal structure.

→ GS II / GS III



Centre state tussle

- Recent debates surrounding the implementation of the **National Education Policy (NEP) 2020** highlight differing perspectives among States.
- Reforms allowing foreign universities to establish campuses in India have also received varied responses from State governments.
- These developments indicate that higher education governance has become a politically significant federal issue.

State Resistance

- **Tamil Nadu** has consistently opposed several provisions of NEP 2020, especially the **three-language formula**.
- The State has also objected to certain directives of the **University Grants Commission (UGC)**.
- Disputes regarding the appointment of Vice-Chancellors and the role of Governors have surfaced in States such as **Tamil Nadu, Kerala, Karnataka, and West Bengal**, reflecting tensions over institutional autonomy and State authority.

Funding as a tool

Initiatives such as:

- **Institutions of Eminence (IoE)**,
- Competitive research grants,
- **Anusandhan National Research Foundation (ANRF)**,

strengthen the Centre's influence over higher education priorities.

→ Cooperation over Confrontation] → Implementation of NEP.

→ Creation of own brand name

Prelims

74 new land ports proposed along International Border

Vijaita Singh
NEW DELHI

India proposes to build 74 additional land ports along the International Border in the coming years, which include three land ports along the China border and six along the Pakistan border, according to Land Ports Authority of India (LPAI) Chairperson Jayant Singh.

The new land ports are expected to strengthen trade and seamless movement of people with the neighbouring countries.

The land ports along the China border are proposed at Namgia in Himachal Pradesh, Gunji in Uttarakhand, and Nathu La in Sikkim. India does not have any other land port operational along the China border.

According to the External Affairs Ministry, three points are designated for conducting border trade between India and China – Lipulekh Pass in Uttarakhand (since 1992), Shipki La Pass in Himachal Pradesh (since 1995), and Nathu La Pass in Sikkim (since July 2006) but post-COVID pandemic in 2020, all trade is suspended. Trade points and land borders are different as the latter integrates immigration, customs and movement of large goods vehicles too.

Amit Shah during the inauguration of the Land Port Management System. ANI

The land ports planned along the Pakistan border are at Teetwal, Adusa, and Chakan Da Bagh in Jammu and Kashmir, Attari railway station and Hussainiwala in Punjab, and Munabao railway station in Rajasthan. At present, there is just one operational land port at Attari in Punjab and trade from the two Facilitation Centres located at Salamabad, Uri, Baramulla district and Chakkan-da-Bagh, Poonch district along Line of Control in Jammu and Kashmir remained suspended since the Pulwama attack.

Under Phase II, 13 land ports are proposed along the Nepal border, 12 along the Bangladesh border, four along Bhutan and two along the Myanmar border, the presentation said.

Land ports

Indian reservoirs can host 102 GW floating solar capacity, shows report

Jacob Koshy
NEW DELHI

India's reservoirs can host about 102 gigawatt (GW) of floating solar capacity, as per the first comprehensive national assessment of the technology's potential by the National Institute of Solar Energy, an autonomous institute of the Ministry of New and Renewable Energy. The report titled "Solar PV Potential of India (Floating Solar)" frames panels on water as a way around one of the most intractable obstacles in the solar sector – land.

The assessment, however, has no calculation of what it would cost to realise this potential. Its only cost reference is a 2021 benchmark from U.S. National Renewable Energy Laboratory, which the report cites to note floating units cost about 25% more upfront than ground-mounted ones.

"We are in discussions with the Finance Ministry to promote floating solar and agri-photovoltaics," Santosh Kumar Sarangi, Secretary, MNRE said.

Agri-photovoltaics refer to farm beds that are sheltered by structures on which solar panels are mounted.

Power on water: An aerial view of the floating solar panels on the Mudasarlova reservoir in Visakhapatnam.

Acquiring land

Ground-mounted solar systems, which dominate India's about 100 GW of installed solar capacity, need 3-4 times more area/MW than the panels themselves occupy. Land acquisition, which is costly, slow and prone to conflict with agriculture and habitation, continues to be a chokepoint as India pursues 500 GW non-fossil capacity by 2030.

NISE arrived at its estimate by passing India's inland water bodies via six geospatial filters: lakes and reservoirs larger than 10 hectare, water present for at least 11 months/year, depths of 3-30 metre, solar irradiance above 4.5 kWh/m^2/day and proximity within 10 km of roads and substations.

Demonstrated at Odisha's Hirakud reservoir, the filters whittled 499 sq. km. of water down to 99.5 sq. km. of usable surface. Applied nationwide, they yielded 1,946 sq. km. of feasible area with a self-imposed cap of 20% of any reservoir's surface, translating to 102.18 GW. Maharashtra (16.28 GW), Madhya Pradesh (14.89 GW), Karnataka (13.69 GW), Odisha (12.81 GW) and Telangana (10.72 GW) account for the bulk.

Flagship solar park

India's flagship is the Omkareshwar floating solar park on River Narmada in Madhya Pradesh's Khandwa district – at 278 MW, the country's largest with plans to scale to 600 MW. Yet NISE's field observations there recorded loosening float joints, misaligned platforms and uneven buoyancy alongside reports from developers of electric cables breaking.

Globally, floating solar reached about 9.6 GW by 2024, almost 90% of it in Asia. China leads with installations such as a 120 MW plant on fish farm in Poyang Lake; Singapore's 1 MW Tengeh reservoir test bed supplied much of the field's performance data and Netherlands accounts for about 3/4th of Europe's capacity built largely on quarry lakes.

Largest floating solar power plant.

→ Omkareshwar.

Narmada system

278 MW → 600 MW

Govt. okays 22 more applicants under PLI scheme for textiles

The Union government has approved 22 new applicants that are expected to bring in total investment of ₹2,339.14 crore in the latest round of approvals under the Production Linked Incentive (PLI) Scheme for textiles. According to an official press release these companies will generate a projected turnover of ₹15,561.34 crore in notified products, and create 36,217 employment opportunities across the textile value chain.

Ministry of Textiles

Azadi Ka Amrit Mahotsav

Government approves 96 Companies under round-III of Textile PLI Scheme; ₹12,822 crore investment to boost manufacturing and employment

Posted On: 10 JUN 2026 3:16PM by PIB Delhi

The Government has approved 22 new applicants under the Round-3 of the Production Linked Incentive (PLI) Scheme for Textiles. The newly approved companies are expected to bring in a total investment of ₹2,339.14 crore, generate a projected turnover of ₹15,561.34 crore in notified products, and create 36,217 employment opportunities across the textile value chain. A total of 96 companies have been selected under Round-3 of the scheme with a total committed investment of ₹12,822.67 crore and a projected turnover of ₹58,294.18 crore.

The approved applicants span key focus segments of the PLI Scheme, including Man-Made Fibre (MMF) Apparel, MMF Fabrics and Technical Textiles, thereby further strengthening India's position as a global hub for value-added textile manufacturing.

The addition of these companies under the PLI Scheme reflects the continued industry response to the Government's efforts to promote investments in sunrise segments of the textile sector. The proposed investments and production capacities are expected to support the development of a robust and globally competitive textile ecosystem aligned with the vision of Aatmanirbhar Bharat.

***

Category	Minimum Investment	Minimum Turnover Target	Incentive Rate
Part 1	₹300 Crore	₹600 Crore	Starts at 11% (gradually scaling down over the 5-year period)
Part 2	₹100 Crore	₹200 Crore	Starts at 15% (gradually scaling down over the 5-year period)


PIB

Ministry of Coal to Organize Roadshow on Coal and Lignite Gasification Projects in Hyderabad Tomorrow

Posted On: 10 JUN 2026 10:37AM by PIB Delhi

Building on the strong momentum generated by the successful Roadshow on Coal and Lignite Gasification Projects held in New Delhi, the Ministry of Coal is set to organize its next roadshow in Hyderabad on June 11, 2026. The overwhelming response and active participation witnessed during the earlier event underscored the growing confidence of industry stakeholders in India's coal gasification ecosystem and highlighted the significant opportunities emerging in this strategic sector.

The Hyderabad roadshow will be graced by **Shri G. Kishan Reddy, Union Minister of Coal and Mines,** as the Chief Guest, while **Shri Satish Chandra Dubey, Minister of State for Coal and Mines,** will attend as the Guest of Honour. The event will also witness the presence of **Shri Vikram Dev Dutt, Secretary, Ministry of Coal, Shri Sanoj Kumar Jha, Additional Secretary, Ministry of Coal,** senior officials of the Ministry, representatives from Central and State Governments, coal and lignite companies, technology providers, industry associations, investors, and other key stakeholders.

Coal gasification is a transformative technology that converts coal into synthesis gas (syngas), which can be further utilized for the production of value-added products such as methanol, ammonium nitrate, synthetic natural gas, and a range of industrial chemicals. Recognizing its strategic importance, the Government of India has undertaken several policy initiatives and incentive measures to promote coal gasification as a means to enhance energy security, reduce import dependence, and diversify the utilization of domestic coal resources.

The roadshow will serve as a key platform for discussions on policy support, technological innovations, investment opportunities, and project implementation strategies. It will bring together policymakers, industry leaders, technology providers, and investors to explore collaborative pathways for accelerating the development of coal and lignite gasification projects across the country.

The event is expected to further strengthen stakeholder engagement, facilitate strategic partnerships, and support the creation of a robust ecosystem for coal gasification in India. Through such initiatives, the Ministry of Coal remains committed to promoting innovation, encouraging industry participation, and advancing the Government's vision of an **Aatmanirbhar Bharat** through enhanced energy security, sustainable resource utilization, and industrial growth.

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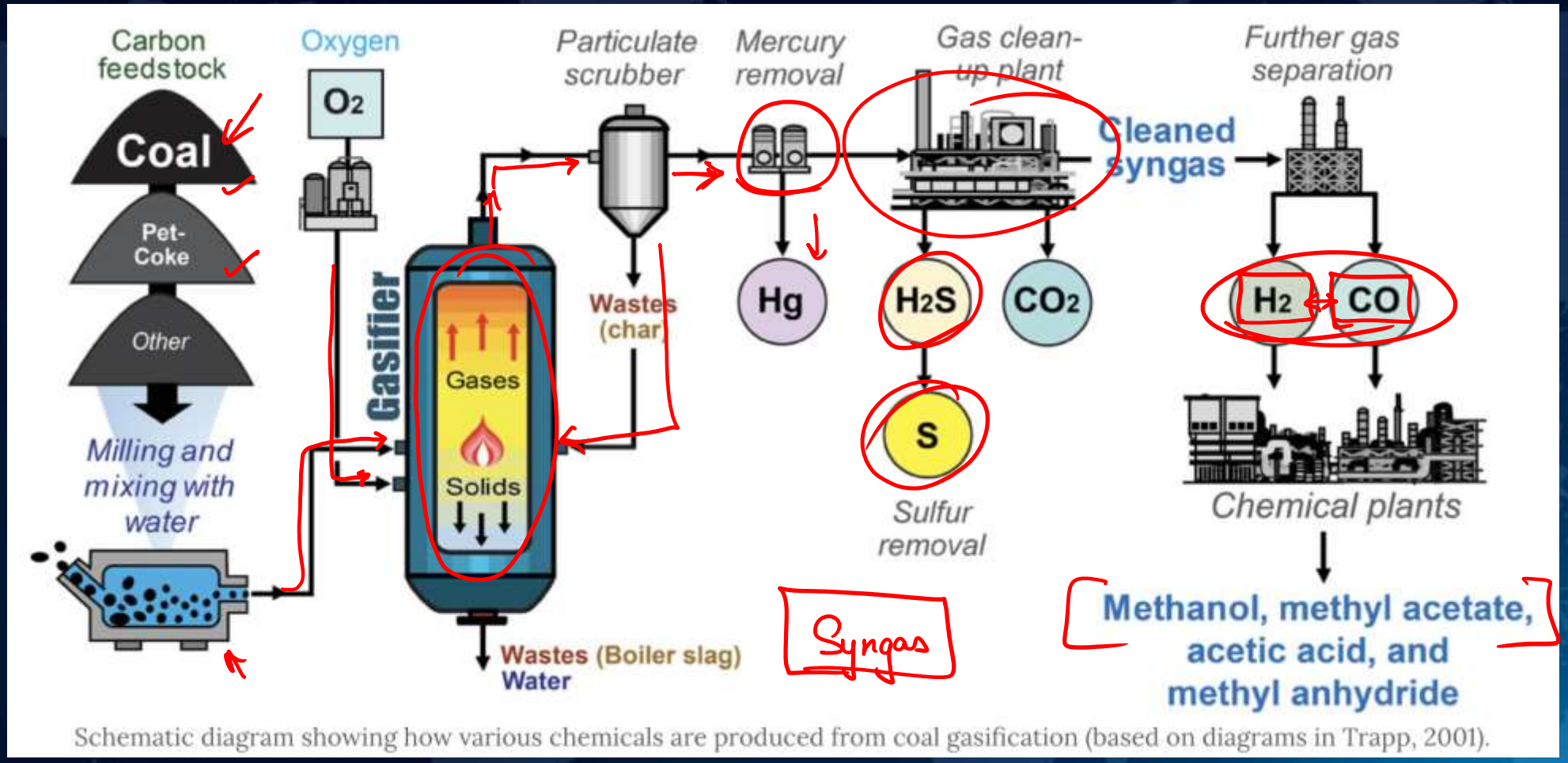

Schematic diagram showing how various chemicals are produced from coal gasification (based on diagrams in Trapp, 2001).

Coal Gasification Products

Source	Compounds		Products
	Precursor	Derivatives	
Bituminous coals (High grade)	Hydrogen		Refinery processes; Ammonia; Ammonium nitrate
	Carbon monoxide		Acetic acid; Chemical feedstock
		Acetic acid	Household cleaners; Waterproof sealants
	Methanol		Dyes, Formaldehyde; Fuels; Plasticizers; Source for methyl acetate
		Formaldehyde	Caulks; Cements and glues; Construction adhesives; Detergents; Fingernail polish; Liquid soaps and shampoos
		Olefins:	Ethylene glycol; Polyester fibers; Engine coolant; Source for ethylene and propylene
		Ethylene	Styrene to make synthetic rubber
		Propylene	Fuel (similar to propane); Refrigerants
		Methyl acetate	Solvent for paints and glues: Source for acetic anhydride
		Acetic anhydride	Cellulosic plastics: Filter products; Photographic film

Ministry of Defence

Aatmanirbhar Bharat: MoD inks Rs 449 crore contract for 20 Enhanced Capability Global Navigation Satellite System Jammers for Indian Navy

Posted On: 10 JUN 2026 3:08PM by PIB Delhi

Ministry of Defence has signed a contract with Accord Software and Systems Private Limited (ASSPL), Bengaluru for the procurement of 20 Enhanced Capability Global Navigation Satellite System (ECGNSS) Jammers for the Indian Navy at a total cost of Rs 449 crore with minimum 75% indigenous content. The contract, under the Buy (Indian-Indigenously Designed, Developed and Manufactured) category, was inked in the presence of Defence Secretary Shri Rajesh Kumar Singh in New Delhi on June 10, 2026.

The system's capabilities include degrading the satellite signal acquisition and tracking performance of the adversary GNSS receiver and signal spoofing or deceptive jamming. The induction would pave the way for safe operations by the ships of the Indian Navy in a multi-threat environment.

The contract reinforces the Government's commitment to *Aatmanirbhar Bharat* and *Make-in-India* while bolstering the maritime security architecture of the country. It marks a critical milestone in the ongoing efforts to bolster defence capabilities and indigenise advanced military technology.