



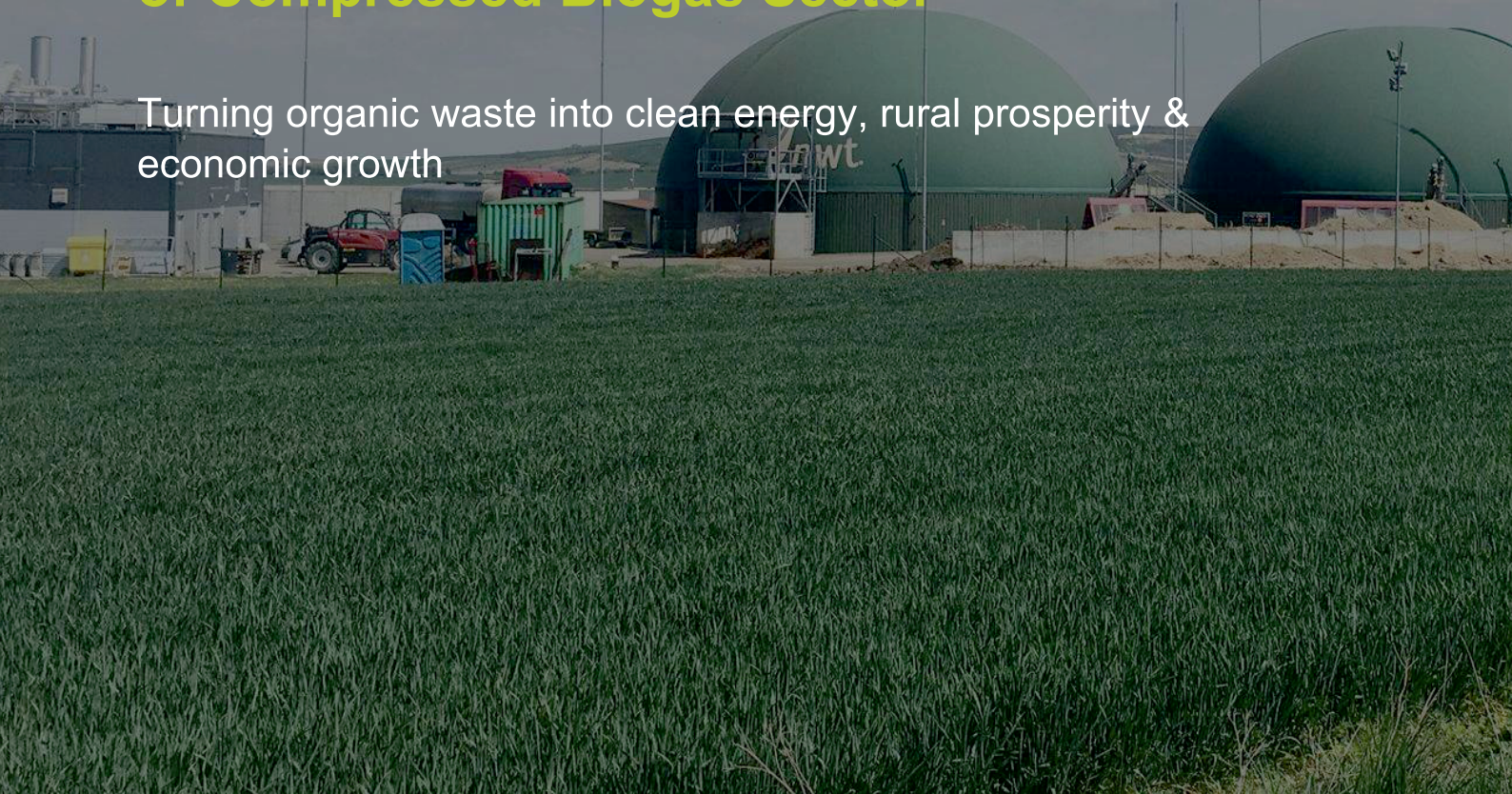
सत्यमेव जयते

पेट्रोलियम एवं
प्राकृतिक गैस मंत्रालय
MINISTRY OF
**PETROLEUM AND
NATURAL GAS**
GOVERNMENT OF INDIA



India's Unified Scheme for Development of Compressed Biogas Sector

Turning organic waste into clean energy, rural prosperity &
economic growth



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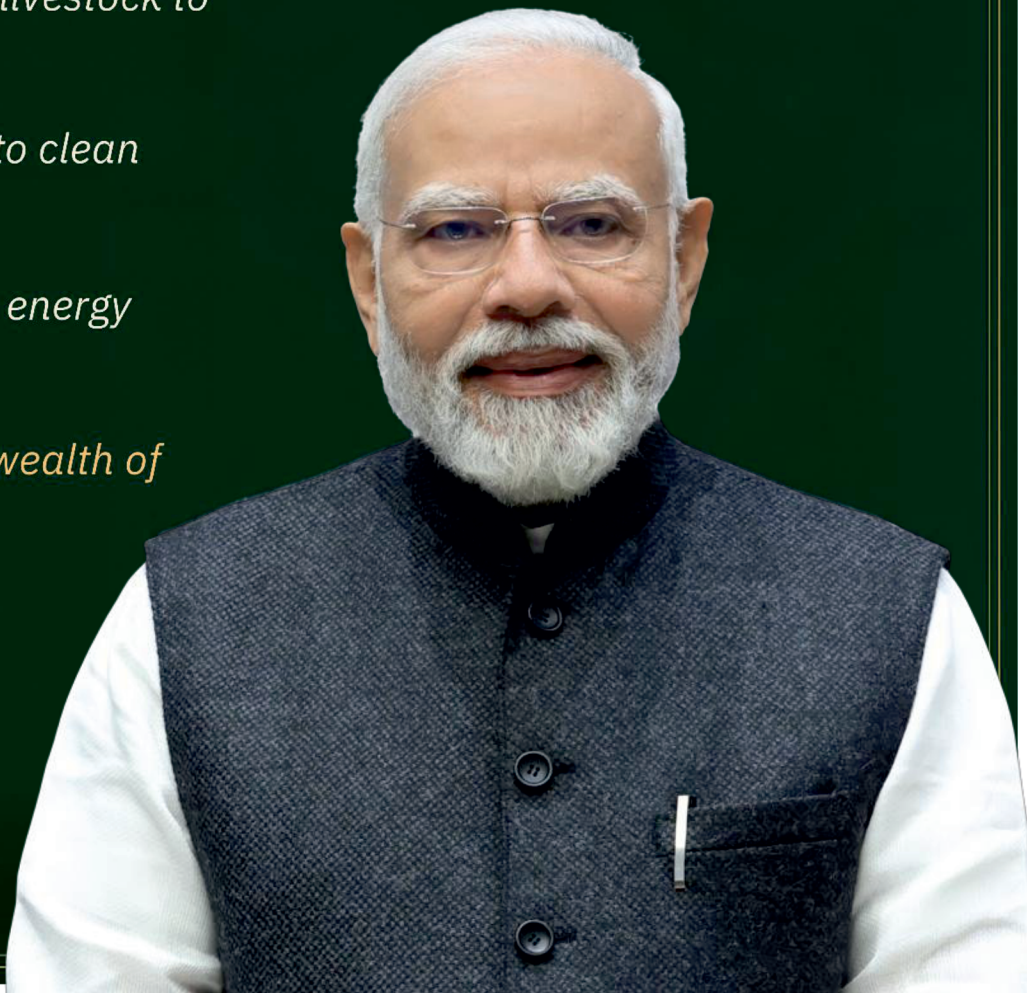
Whether it's wet waste coming out of homes in the city, or waste mixed with animals and fields in the village, all of it is, in a way, GobarDhan.

From urban waste and livestock to GobarDhan,

Then from GobarDhan to clean fuel,

Then from clean fuel to energy wealth,

This chain creates the wealth of life.”



हरदीप एस पुरी
HARDEEP S PURI



सत्यमेव जयते

मंत्री
पेट्रोलियम एवं प्राकृतिक गैस
भारत सरकार
Minister
Petroleum and Natural Gas
Government of India

FOREWORD

For generations, India's villages have produced enormous quantities of gobar, agricultural residue, press mud and other organic waste.

India has an estimated 472 MMT of annual biomass feedstock potential, translating into around 62 MMT of CBG potential. Today, around 217 CBG plants are functional, with an aggregate capacity of approximately 1,773 tonnes per day.

GOBARDhan scheme will enable these resources to be put to productive use, creating new avenues for rural livelihoods and economic growth while strengthening India's energy security.

With an outlay of ₹23,731 crore for 2026-27 to 2035-36, GOBARDhan provides the framework to take India's CBG sector to the next level, backed by assured demand, stable pricing, capital support, pipeline connectivity, credit support and technology development.

The scheme is envisaged to increase CBG production ten-fold, save over ₹40,000 crore in foreign exchange, displace 10 MMT of fossil-fuel use, add more than ₹75,000 crore to GDP and create over 1.5 lakh jobs.

These gains extend well beyond the energy sector. GOBARDhan will strengthen waste management, reduce stubble burning, improve soil health and create opportunities across the feedstock, CBG and organic-manure value chains.

The real strength of GOBARDhan lies in bringing together farmers, entrepreneurs, technology providers and energy companies around a common opportunity. With the right ecosystem now in place, India can build a strong circular bioeconomy that contributes to rural prosperity, energy security and the larger vision of an Atmanirbhar and Viksit Bharat.


(Hardeep S. Puri)

New Delhi
25 September 2026

Building an Ecosystem That Works

India's CBG opportunity is significant. Realizing it depends on the entire value chain working together: a producer should not have to invest in a plant first and search for a buyer afterward. Projects also need predictable pricing, support for high upfront investment, access to finance and reliable gas evacuation.

GOBARdhan addresses these needs through one integrated framework. Offtake assurance gives producers market visibility before they invest. Predictable, remunerative pricing, backed by the Government, gives long-term revenue visibility, grounded in the underlying economics of CBG production.

Capital assistance reduces the burden of investing in plants, feedstock collection and associated infrastructure. Credit guarantees improve access to finance; pipeline support enables efficient gas evacuation. The Scheme also targets emerging technology and ecosystem constraints as they arise.

A strong digital backbone will enable ease of doing business through a transparent registration, contracting, production monitoring and payment settlement process. The progress will be visible in real time through plants commissioned, CBG produced and evacuated, and payments made.

A robust framework is ready, that will ensure coordinated action by producers, CGD entities, financial institutions, State Governments, District Administrations and technology providers. This will propel India into a league of nations that convert waste to wealth and simultaneously strengthen its energy resilience.



Dr. Neeraj Mittal, Secretary,
Ministry of Petroleum & Natural Gas
Government of India

India's energy needs are growing. A stronger domestic gas economy can help secure them.

India is the **world's third-largest energy consumer**. As the economy grows, India will need more energy to power its homes, transport, farms and industries. Ensuring that this energy is reliable, cleaner and secure will be essential to sustaining India's growth.

Natural gas has an important role in this journey. It is used across industries, fertilizers, transport, households and businesses. Today, **natural gas** accounts for around **6% of India's energy mix**. The Government aims to increase this share significantly.

India consumed **68.5 BCM** of natural gas in FY 2025-26, while domestic production was only **34.3 BCM**. Put simply, for every

two units of gas used in India, nearly one comes from overseas.

This dependence links India's growing gas economy to global prices and international supply routes. Recent disruptions around the Strait of Hormuz have shown how an event thousands of kilometers away can affect energy availability, industrial costs and household budgets in India.

As India expands the role of gas, it must also produce more clean gas at home.

India already has a renewable source of gas that can be produced from resources available across its farms, villages and cities: Compressed Biogas.





CBG: A HOME-GROWN OPPORTUNITY

India's waste can power its vehicles, strengthen its farms and reduce its dependence on imported gas.

Across India, farms, villages, sugar mills, markets and cities generate organic waste daily. What if this waste was not a burden, but a source of clean energy and economic value?

Waste That Can Become Energy

India generates large quantities of cattle dung, agricultural residue, press mud, municipal solid waste and other biodegradable material.

When burnt, dumped or left unmanaged, this waste creates pollution and emissions. But inside it lies a valuable source of energy.

In a CBG plant, organic material is broken down in a controlled environment to produce biogas. The gas is then purified and compressed to produce Compressed Biogas, or CBG.

ORGANIC WASTE → BIOGAS → PURIFICATION → COMPRESSED BIOGAS



QUICK FACT

How much methane does CBG contain?

More than 95% (as per applicable IS:16087 standards)

This makes CBG comparable to conventional natural gas

Clean Gas. Made in India.

CBG can fuel vehicles, serve industries and businesses, and be supplied through the existing gas network.

Unlike many emerging clean fuels, CBG can use much of the gas infrastructure India has already built. The same pipelines, City Gas Distribution networks and end-use applications can support its growth.

Every tonne of CBG produced domestically can replace imported fossil gas, retain economic value within India and strengthen the country's energy security.



QUICK FACT

How much CBG can India realistically produce in the near term?

4-6 million tonnes (~10% of India's current gas demand)

Estimated near-term realizable potential, according to NITI Aayog

One Plant. Many Benefits.

A CBG plant creates value across the entire local economy.

For farmers and cattle owners

A new source of value from crop residue and cattle dung.

For rural communities

Jobs in collection, transport, processing, operations and maintenance.

For cities

A productive use for biodegradable and municipal waste.

For agriculture

Organic manure that returns nutrients and organic matter to the soil.

For India

More clean energy produced at home and lower dependence on imported gas.



QUICK FACT

What remains after the gas is produced?

The process also produces organic manure that can be supplied back to agriculture for soil quality enhancement

THE SAME PARALI: TWO VERY DIFFERENT FUTURES

BURN IT: SMOKE IN OUR SKIES



USE IT: CLEAN CBG FOR INDIA



QUICK FACT

Around 10 kg of parali can produce 1 kg of CBG.

Using parali as CBG feedstock can reduce open-field burning and air pollution, while converting crop residue into economic value.

From Waste to Wealth. And Back to the Soil.

Organic waste from farms, villages and cities is collected and converted into clean gas. The gas provides energy for transport, industries and businesses. The organic manure produced during the process returns to agriculture.

**WASTE BECOMES ENERGY.
ENERGY CREATES VALUE.
NUTRIENTS RETURN TO THE SOIL.**



This is the circular bioeconomy in action.

India's large agricultural economy, cattle population, sugar industry and growing cities give it an advantage few countries possess. The resources exist across the country, close to the communities that can benefit from them.

For India, CBG is more than a renewable fuel. It can turn waste into wealth, Annadatas into Urjadatas, and local resources into national energy security.



QUICK FACT

What remains after the gas is produced?

The process also produces organic manure that can be supplied back to agriculture for soil quality enhancement

Organic Manure: Myths vs Reality

MYTH

REALITY



Organic manure is not useful for soil

- Organic manure provides more than just nitrogen, phosphorus and potassium.
- Its **organic carbon helps replenish soil organic matter**, supporting better soil structure, moisture retention and nutrient use over time.
- It does not only feed the crop. It helps **strengthen the soil**.



Organic manure cannot reduce chemical fertilizer use

- Organic manure **can be used alongside chemical fertilizers** and can also be **enriched with specific nutrients and cultures**.
- It can also be enriched with nutrients. For example, it can be upgraded into **Phosphate Rich Organic Manure (PROM)** to complement phosphatic fertilizers such as DAP.
- It can also be enriched with nitrogen → **complement or substitute usage of Urea**



Organic manure cannot be customized for different crops

- Organic manure can be **dried, granulated, enriched and blended for different agricultural needs**.
- Fermented Organic Manure can be converted into phosphate-rich or other customized nutrient products

India has spent the last several years building the foundations of a CBG ecosystem

India's CBG journey did not begin with GOBARdhan. It has been built step by step over several years.

Building the Ecosystem, One Step at a Time

Since 2018, the Government of India has progressively addressed different requirements of the CBG value chain.

SATAT Initiative

- Created an early market pathway for producers to sell CBG.



Central Financial Assistance for CBG plants

- Reduced the upfront cost of setting up CBG plants



Biomass Aggregation Machinery Support

- Helped collect, transport and process agricultural residue.



Pipeline Infrastructure Support

- Connected CBG plants with nearby gas networks.



Market Development Assistance

- Supported the use of organic manure produced by CBG plants.



CBG-CGD Synchronization Scheme

- Enabled CBG to become part of the wider natural gas system.



“

Each measure solved an important part of the challenge. Together, they created the foundations of India's CBG ecosystem.

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QUICK FACT

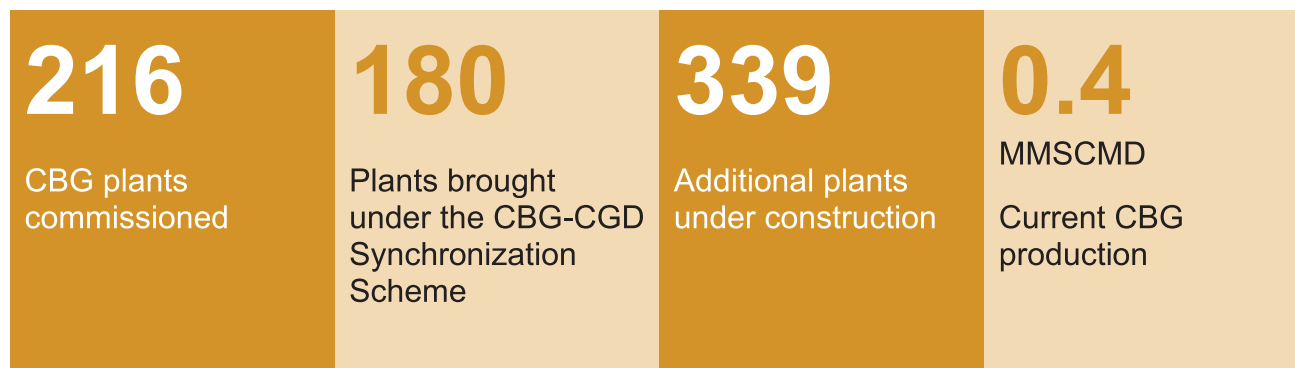
When was the SATAT initiative launched?

2018

It provided the first major national push to CBG production and market development.

The Foundations Are Now Visible

The results of these efforts can be seen across the country.



Entrepreneurs, energy companies and investors are entering the sector. Different feedstocks and technologies are being tested across regions. A national CBG industry has begun to take shape.



QUICK FACT

India now has more CBG plants under construction than the total number already commissioned.

The Next Leap: >10X Growth

From 0.4 MMSCMD today to more than 5 MMSCMD by FY 2035-36

India now aims to increase CBG production more than tenfold over the coming decade.

At this scale, CBG can move from being an emerging renewable fuel to becoming a meaningful part of India's gas economy. It can substitute imported gas, create rural value chains and support cleaner growth across the country.

From individual interventions to one integrated national framework

India has already demonstrated that CBG can be produced successfully. The next challenge is to make it viable at scale.

A CBG plant succeeds only when the entire project journey works. An assured buyer without a viable price is not enough. Capital support has limited value if the project cannot access finance or move its gas to consumers. Every part of the ecosystem must reinforce the others.

The Cabinet-approved GOBARdhan Scheme has been designed around this reality. With an outlay of **₹23,731 crore over ten years**, it brings six major interventions together under one coordinated framework led by the Ministry of Petroleum and Natural Gas:



OFFTAKE ASSURANCE



STABLE CBG PRICING



CAPITAL ASSISTANCE



PIPELINE INFRASTRUCTURE



CREDIT GUARANTEE



ECOSYSTEM ENABLEMENT

Earlier initiatives helped the sector take its first steps. GOBARdhan is designed to help it move from individual projects to national scale.

ONE MINISTRY. ONE SCHEME. ONE PORTAL.

A Producer Should Know the Buyer Before Building the Plant

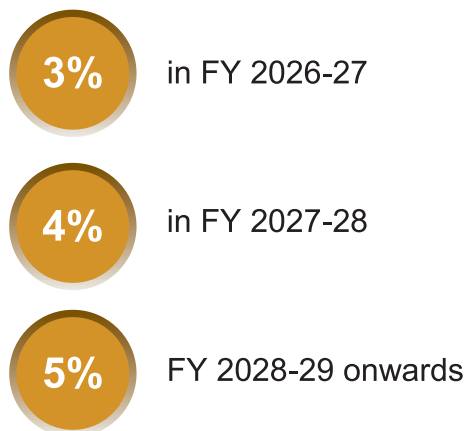
A CBG plant requires significant investment and years of effort. The producer should not have to build the plant first and search for a buyer later.

Under GOBARdhan, eligible producers can enter into firm offtake agreements with identified buyers. Up to 100% of the CBG available for sale can be contracted, subject to CGD market conditions, technical and operational feasibility.

City Gas Distribution companies will provide the principal demand anchor, supported by other market pathways such as connectivity to trunk natural gas pipelines.

Demand grows with the CBG obligation

CGD companies must meet a rising share of their CNG for transport and domestic piped-natural-gas sales through CBG:



This creates a growing and predictable market for CBG across the country.

“ **UP TO 100%**
of eligible CBG
available for sale
can be covered by
firm offtake
arrangements. ”



WHAT CHANGED?

What is the difference between reasonable endeavor and firm offtake?

Earlier: Reasonable Endeavour

The buyer made best effort to purchase the CBG offered but had no firm commitment to buy the contracted quantity.

Now GOBARDhan: Firm commitment

The buyer and producer can enter into a binding agreement with adequate penalty provisions in case of non-compliance.



GOBARdhan COMPONENTS: CBG PRICING FRAMEWORK

A Price Based on the Cost of Producing CBG in India

CBG is produced from domestic resources. Its cost is driven mainly by feedstock, electricity, labour, plant operations and financing. These costs do not move in line with short-term changes in global gas prices.

GOBARdhan introduces a stable **Administered CBG Price of ₹2,110 per MMBTU**, linked to the energy content of the gas. Since methane drives the energy value of CBG, **better-quality gas with higher methane content earns a higher realization per kg.**

This will provide producers with greater revenue certainty and give investors and lenders a clearer basis for evaluating projects.

₹2,110/MMBTU

Administered CBG Price

Approximately ₹98/kg at 95% methane



10+ YEARS

Minimum pricing visibility



UP TO ₹10/KG

CBG Affordability Support

To bridge the affordability gap



The price will be reviewed annually to reflect current CBG economics, providing long-term protection to project revenues.

The Government will also provide CBG Affordability Support of up to ₹10 per kg. This helps producers receive a viable price without passing the entire price on to consumers.



WHAT CHANGED?

How was CBG priced earlier?

The procurement price was linked to 85% of the six-month rolling average CNG retail price. When CNG prices changed, the producer's revenue also changed, even though the cost of producing CBG may not have.

GOBARdhan delinks CBG revenues from short-term CNG price movements and provides a stable price built around CBG economics.



GOBARdhan COMPONENTS: CAPITAL ASSISTANCE

Reducing the Cost Before the First Unit of Gas Is Produced

A CBG project requires significant investment before production begins. The plant must be built, feedstock must be collected and processed, and organic manure must be handled and prepared for sale.

GOBARdhan provides capital assistance across both the main plant and its supporting machinery, reducing the initial investment burden and improving project viability.

Support across the project, not only the plant

The assistance covers two important parts of a CBG project:

₹1.25 crore per TPD

for plant machinery



Up to ₹0.75 crore per TPD

for feedstock aggregation & manure processing equipment

Total Capital Assistance: ₹30 crore per CBG plant



WHAT CHANGED?

Earlier support was available through separate schemes: (i) **₹0.83 crore per TPD** for plant machinery under Central Financial Assistance; and (ii) **₹0.45 crore per TPD** under Biomass Aggregation Machinery support

GOBARdhan enhances this support, brings it together under one Scheme, and expands the scope to include organic manure processing and value-addition machinery



GOBARdhan COMPONENTS: DEVELOPMENT OF PIPELINE INFRASTRUCTURE

From the CBG Plant to the Consumer

Producing CBG is only part of the journey. The gas must also reach the market.

Without a pipeline connection, CBG must be compressed into cascades, loaded onto vehicles and transported by road. Pipeline connectivity provides a more continuous and efficient route from the plant to the consumer.

GOBARdhan supports pipelines connecting CBG plants to City Gas Distribution networks and trunk gas pipelines, allowing domestically produced renewable gas to become part of India's wider gas system.

Two Pathways to Connectivity

STANDALONE PLANT	Connection to the nearest City Gas Distribution network Up to 50% of eligible capital cost, within a distance of 75 km
CBG CLUSTER	Common pipeline connecting one or more plants to a trunk gas pipeline Up to 80% of eligible capital cost, within a weighted distance of 75 km per plant



QUICK FACT

Can CBG flow through existing natural gas pipelines?

YES

Once purified to the prescribed quality and properly measured, CBG can be injected into the natural gas network → This allows India to scale renewable gas by using much of the pipeline and distribution infrastructure it has already built

Enabling access to affordable finance for MSME CBG projects

CBG projects require significant upfront investment and often depend on bank finance.

However, for smaller developers, access to affordable debt can be challenging. Lenders may view CBG projects as relatively higher-risk due to factors such as **feedstock variability, operating performance and the sector's limited track record**.

GOBARdhan addresses this through a **Government-backed Credit Guarantee** for eligible MSME CBG projects, covering up to **85% of the outstanding loan amount in case of default**.

By reducing lender risk, the guarantee can give banks greater confidence to finance CBG projects and improve access to affordable credit for MSME developers.



QUICK FACT

Women-led MSME projects get higher credit support

Eligible women-led MSME projects can receive credit guarantee support of up to **₹25 crore** compared with **₹20 crore** for other eligible MSME projects.

GOBARdhan supports more women entrepreneurs to participate in India's clean energy growth.



GOBARdhan COMPONENTS: CBG ECOSYSTEM CHALLENGE FUND

Solving New Gaps as the CBG Sector Grows

The first five components of GOBARdhan address the major commercial and infrastructure needs of a CBG project. But as the sector grows, new challenges will emerge that a standard support framework may not anticipate.

The CBG Ecosystem Challenge Fund provides targeted support to solve such technology, feedstock and implementation gaps.

Technology and Sectoral Innovation

The Fund can support selected initiatives relating to:

- Domestic equipment development and validation
- Process improvement, gas yield and plant reliability
- Feedstock assessment, aggregation and storage
- Value addition and market development for organic manure
- Standards, testing, capacity building and awareness

Selected projects can receive grant support of **up to 50% of eligible cost**, with higher support possible in exceptional cases based on merit.

District CBG Challenge

The Fund will also encourage District Administrations to improve the local conditions needed for CBG projects to succeed.

GOBARdhan in Ten Numbers

Ten numbers that capture the scale of the Scheme, the support available to CBG projects, and India's ambition for the sector.

₹23,731 crore

Total budgetary outlay under GOBARdhan



10 Years

Long-term policy support from FY 2026-27 to FY 2035-36.



3% → 4% → 5%

Mandatory CBG Obligation in CNG(T) and PNG (D) segments.



₹2,110/ MMBTU

Administered CBG Price, payable to the CBG producer



Up to ₹10/ Kg

Government Affordability Support to keep CBG competitive



Up to ₹2 crore/ TPD

Capital support for CBG plants.



>50%

Capital support for pipeline infrastructure.



85%

Credit Guarantee cover for MSME CBG projects.



₹500 crore

Dedicated CBG Ecosystem Challenge Fund.



5+ MMSCMD

Target CBG production by FY 2035-36.





THE CONSOLIDATED IMPACT

From a Promising Idea to a More Bankable Project

For the CBG project to attract investment, it must generate a reasonable return while managing the risks involved in building and operating the plant.

GOBARdhan strengthens this equation from both sides.

More predictable revenues:

Assured offtake provides a committed market, while stable and remunerative pricing increases revenue visibility.

Lower investment burden:

Capital assistance reduces the amount that the developer must finance before production begins.

Lower project risk:

Pipeline connectivity, credit guarantees and coordinated implementation make projects easier to finance, build and operate.

Together, these measures can significantly improve project returns.

BEFORE GOBARdhan

Single Digit IRR for CBG Developers

AFTER GOBARdhan

15%+ Project IRR
Attractive Business Case

Technology at the Heart of GOBARdhan

GOBARdhan uses **state-of-the-art digital and monitoring technologies** to make Scheme implementation more transparent, reliable and efficient.

1. Single-window portal - One Stop Solution from Registration to Disbursement

The GOBARdhan Portal will **bring together CBG plant registration, benefit applications, approvals and disbursement tracking**.

2. Real-time production monitoring through flow meters and SCADA

Digital systems will track **how much CBG is produced and supplied**, with data linked to the Portal for continuous monitoring.

3. Continuous CBG quality monitoring through online Gas Chromatographs

CBG quality will be checked online before the gas enters the network, helping ensure that **only gas meeting the required standards is supplied**.

4. Faster verification and settlement through API linkages

Production, quality and supply data available on the Portal will support **faster verification, transparent reconciliation and timely payments**.



FROM POLICY TO THE GROUND

The Centre creates the framework. States and districts bring it to life.

GOBARdhan provides the national framework for CBG growth. But every plant is ultimately built in a State, a district and a local community.

Land must be available. Approvals must come on time. Feedstock must be organised. Roads, power and water must be accessible. Organic manure must find a market.

That is why State Governments are central to the next phase of CBG growth.

A Ready Framework for States

The Model State CBG Policy provides States with a ready framework covering the key enablers required on the ground:

1. LAND

Identify suitable sites and facilitate access through land banks and other mechanisms.

2. APPROVALS

Create single-window systems and reduce clearance timelines.

3. FEEDSTOCK

Map feedstock, balance catchments with

plant capacity, strengthen resource aggregation.

4. INFRASTRUCTURE

Facilitate access to roads, power, water and other utilities.

5. ORGANIC MANURE

Promote utilization through agriculture departments, cooperatives and local institutions.

6. COORDINATION

Bring departments, producers, fssssarmers and aggregators together.



QUICK FACT

Under the dedicated CBG component of the applicable SASCI framework, States that align with the Model State CBG Policy and implement key reforms can become eligible for additional Central support.

BETTER STATE POLICY. FASTER PROJECT DELIVERY.

Districts are where delivery happens

Many of the issues that determine whether a CBG project moves forward or remains on paper are local.

District Administrations can bring together farmers, aggregators, municipalities, producers and Government departments to:

- Resolve local approval bottlenecks
- Facilitate land, utilities and infrastructure
- Support feedstock collection and aggregation

- Promote organic-manure utilisation
- Build awareness among farmers and communities

The call to action is clear

States must enable.

Districts must deliver.

Industry must invest and build.

The next phase of India's CBG growth will be won on the ground.





THE DECADE AHEAD

One fuel. Many benefits for India.

Across India's farms, gaushalas, sugar mills, villages and cities lies an energy resource generated every day.

GOBARdhan creates the framework to convert this organic wealth into clean gas, farmer income, rural enterprise, organic manure and lasting national value.

OVER THE NEXT DECADE*

>10X Growth in CBG Production	₹40,000+ CRORE Foreign Exchange Savings	₹75,000+ CRORE Addition to national GDP
1.5+ LAKH Jobs across the value chain	40+ MILLION TONNES Reduction in Carbon Emissions	250 MILLION TONNES Organic Manure Production

This opportunity will be built by farmers who supply feedstock, entrepreneurs who establish plants, workers who operate them, banks that provide finance, and States and districts that enable delivery on the ground.

*Indicative benefits

Please scan here to access
GOBARdhan Scheme Guidelines



This is the promise of GOBARdhan
and its contribution to an
Aatmanirbhar and Viksit Bharat.

कचरे से कंचन

FROM LOCAL RESOURCES TO
NATIONAL ENERGY SECURITY

