

Galvanizing Organic Bio-Agro Resources Dhan (GOBARdhan) Scheme

Ministry of Petroleum and Natural Gas, Government of India has announced this scheme to scale-up of the Compressed Biogas (CBG) sector with a total outlay of 323,731 crore.

Validity of the Scheme - The scheme is valid for the period from FY 2026-27 to FY 2035-36.

The Scheme comprises six components, namely: (i) CBG Offtake Assurance Mechanism; (ii) CBG Pricing Framework; (iii) Capital Assistance; (iv) Development of Pipeline Infrastructure; (v) Credit Guarantee Support; and (vi) CBG Ecosystem Challenge Fund.

Capital Assistance (CA) for Compressed Biogas (CBG) Projects under GOBARdhan

Financial support will be provided under two categories:-

Sub-Component I: CA for establishment of CBG plant;

Sub-Component II: CA for Feedstock Aggregation and Organic Manure Value Addition Machinery.

The maximum aggregate Capital Assistance admissible across both sub-components shall be Rs. 30 crore per CBG project.

Eligible Enterprises:

The Capital Assistance will cover both Establishment of **New greenfield** CBG projects commissioned after the date of notification of the Scheme and **Brownfield CBG** projects which intend to add CBG production capacity, by way of installation of new plant and machinery.

Subsidy under Sub-Component I:

- ✓ CA under Sub-component I shall be provided as capacity-linked support for establishment of CBG plant based on the eligible installed capacity of CBG plant at the rate of 1.25 crore per TPD.
- ✓ In the case of brownfield CBG projects, CA will be admissible at 50% of the applicable rate (i.e. 50% of Rs. 1.25 Crore per TPD)
- ✓ CA under this sub-component will be disbursed in three tranches.

Subsidy under Sub-Component II

- ✓ Capital Assistance shall be provided as reimbursement of actual expenditure incurred towards procurement of eligible feedstock aggregation machinery, organic manure value addition machinery and such other eligible equipment
- ✓ Assistance under this sub-component shall be limited to 50% of the actual eligible procurement cost, subject to a maximum of Rs. 0.75 crore per TPD.
- ✓ In the case of brownfield CBG projects, Capital Assistance under this sub-component shall not be admissible.
- ✓ The CBG producer will be able to apply for In-Principle Approval of CA.
- ✓ The CBG Producer shall submit the application for release of Capital Assistance within twenty-four (24) months from the date of issue of the approval.

Benefits under GOBARdhan Scheme:

- ✓ Guaranteed buyer: City gas companies must buy your gas, through a contract with GAIL.
- ✓ Fixed price: ₹2,110/MMBtu (about ₹98/kg) for at least 10 years.
- ✓ Pipeline support: 50% of the cost of a pipeline to the gas network (up to 75 km).
- ✓ Loan guarantee: 85% of the bank loan (MSMEs only).

For further query, please contact us.

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