INVESTMENT & APPLICATION BRIEF | October 2026

Concise scheme analysis | Eligibility • Financial assistance • Exclusions • Geography • Application checklist • Timelines

Source basis: Ministry of Petroleum & Natural Gas (MoPNG) scheme notification (August 2026; effective 1 September 2026) and component-wise operational guidelines dated 15 September 2026. All amounts are in INR. This note prioritises a private CBG plant developer; pipeline and credit support are separately identified.

1 | Scheme overview and incentives

Central Sector scheme administered by MoPNG; overall outlay ₹23,731 crore. Implementation FY 2026–27 to FY 2035–36. Budgetary support for capital assistance, pipelines, credit guarantee and challenge fund is indicated for the first five years, up to FY 2030–31 (subject to allocations).

Component	Principal provision
I. Offtake assurance	Firm / reasonable-endeavours CBG offtake through CGD entities; CBG obligation: 3% FY27, 4% FY28, 5% FY29 onward.
II. Pricing	Initial administered CBG price ₹2,110/MMBtu (approx. ₹98/kg at 95% methane), excluding taxes/compression; subject to revision.
III. Capital assistance	CBG plant ₹1.25 crore per tonne/day (TPD) eligible capacity; feedstock / manure machinery up to ₹0.75 crore/TPD; aggregate ceiling ₹30 crore per project.
IV. Pipeline	Eligible CGD network connectivity: 50% eligible project cost, capped by pipeline type and length; cluster trunk pipeline support separately structured.
V. Credit guarantee	For eligible MSME projects: up to 85% of amount outstanding at default; cap ₹20 crore general MSME / ₹25 crore women-led MSME.
VI. Ecosystem fund	₹500 crore challenge fund for ecosystem/sector development; not a routine per-plant capital subsidy.

2 | Eligibility and key conditions

• New greenfield CBG projects commissioned after notification; brownfield expansions only for additional CBG capacity commissioned after notification. CBG plant must register on GOBARdhan portal; first commercial sale establishes commissioning for this purpose.

• Feedstock can include eligible biomass / organic inputs; plant capacity is measured in TPD of CBG. Projects must demonstrate viable feedstock, technology, land, project financing, statutory permissions and offtake.

• CBG quality must meet relevant PNGRB and IS 16087:2025 specifications. SCADA-based quantity monitoring, online gas chromatograph or mass spectrometer, automatic interlock/shutoff and geo-tagged equipment photographs are mandatory for capital-assistance applicants.

• Applicants with earlier MNRE Waste-to-Energy or MoPNG BAM support must disclose it; capital assistance is adjusted for previously sanctioned/released overlapping support. Capital assistance cannot be duplicated for the same eligible cost.

• Pipeline CGD-network assistance: registered plant, minimum installed capacity 2 TPD (preference above 5 TPD), commissioned or at least 25% construction progress, and active firm offtake

agreement. Cluster trunk route: at least two plants, aggregate 20 TPD, individual plants at least 2 TPD, with prescribed progress/offtake conditions.

3 | Negative list / non-eligible cases

• Projects predominantly based on Municipal Solid Waste (MSW) are excluded from capital assistance and credit guarantee support; operational guidelines use a 50% or more MSW feedstock threshold. Other components should not automatically be assumed excluded.

• Projects predominantly based on liquid or gaseous feedstock or procuring raw biogas from third parties for only purification, upgrading, compression, bottling or dispensing, are not eligible for CBG plant capital assistance. A specific exception permits an existing biogas plant owner/operator to add the upgrading/purification/compression/bottling/dispensing chain (subject to guideline conditions).

• Brownfield expansion: no assistance on existing capacity. Equipment not installed or outside eligible categories, unsupported costs, double-funded costs and non-compliant/false claims are not admissible; recovery and debarment may apply.

4 | Zone-wise / geographical benefits

Location category	Capital assistance
General category (including Maharashtra)	₹1.25 crore/TPD plant assistance + up to ₹0.75 crore/TPD eligible feedstock/manure machinery; overall ₹30 crore/project.
Special Category: Northeastern States, Sikkim, Uttarakhand, Himachal Pradesh; UTs Jammu & Kashmir, Ladakh, Lakshadweep, Andaman & Nicobar Islands	Additional 20% over applicable plant-machinery assistance under Sub-component I; not stated as a blanket 20% on every component.

No district-wise / MIDC industrial zone classification or differentiated Maharashtra A/B/C/D/D+ subsidy rate is specified in these central guidelines. Maharashtra state incentives, if any, require a separate policy review.

5 | Application process and document checklist

Step 1 — Register the plant on the GOBARdhan portal; prepare DPR and establish feedstock procurement, land, project finance, technology, statutory approval plan and CBG evacuation/offtake arrangement.

Step 2 — After Consent to Establish (SPCB/PCC) or relevant PESO permission, submit capital-assistance in-principle application online; last date stated in the operational guidelines: 31 December 2030.

Step 3 — PMA scrutiny → Project Appraisal Committee (PAC) appraisal → Project Approval Board (PAB) approval → in-principle approval letter specifying eligible capacity and amount.

Step 4 — Claim milestone 1 on applicable bank guarantee; achieve first CBG sale and claim milestone 2 with evidence; establish 24-hour operating performance and meet cumulative 24-month plant load factor (PLF) requirement for milestone 3.

Core document checklist (plant capital assistance):

- GOBARdhan registration / plant ID; applicant KYC, incorporation and authorised signatory documents (practical preparation items).

- Detailed Project Report in prescribed Appendix II format: capacity, feedstock and supply contracts, technology, equipment, land/layout, capex, finance, implementation schedule, approvals and feasibility.
- Consent to Establish (SPCB/PCC) or relevant PESO approval/licence; Consent to Operate / PESO documents at subsequent claim stage.
- Self-financed project declaration (Appendix III), if applicable; financing/sanction documentation and financial-closure report.
- Self-certification of non-availment of ineligible central assistance (Appendix IV); BAM support disclosure (Appendix VI); credit guarantee declaration/evidence, where relevant.
- Bank guarantee(s) in prescribed amount/validity; project photographs; invoices, first-sale report, CBG quality evidence and SCADA data for tranche claims.

6 | Detailed milestone and processing timeline

Stage	Guideline timeline / condition
Application window	Capital assistance applications until 31 Dec 2030.
PMA scrutiny	Within 30 days from last day of month in which application submitted; incomplete cases: clarification sought and 15 days to respond.
Tranche 1: 25%	On in-principle approval / CTE and equivalent bank guarantee valid 48 months from issue (extendable).
Tranche 2: 25%	First sale report within 18 months of in-principle approval; first-sale invoice and applicable CTO/PESO evidence; bank guarantee for tranche 2 valid 24 months (extendable).
Tranche 3: balance up to 50%	24-hour performance testing; cumulative PLF over 24 months: ≥75% earns 100% of tranche; 50–<75% pro-rata; <50% nil.
Sub-component II machinery	Apply after CTO / relevant licence; release claim within 24 months from issuance of approval, with invoices, proof of payment, purchase orders and installed equipment photos.
CGD pipeline connectivity	Apply by 31 Dec 2030; PMA preliminary scrutiny within 30 days of complete application; commissioning within 18 months of in-principle approval, extendable case by case.
Cluster trunk pipeline	Cluster operator completes construction/commissioning within 2 years of sanction, unless extension approved.

Capital assistance milestone 3 is performance-dependent, not automatically payable. Under Sub-component I, first and second tranches may be backed by encashable bank guarantees; non-achievement can trigger recovery/encashment. Processing and release depend on verification, approvals and funds availability.

7 | Commercial illustration and immediate action

Illustrative 10 TPD eligible greenfield project in Maharashtra: plant assistance = ₹12.50 crore; feedstock/manure machinery ceiling = ₹7.50 crore; potential aggregate up to ₹20 crore, subject to

actual eligible costs, appraisal, scheme ceilings, prior aid offsets and milestone achievement. This is not an entitlement or sanction estimate.

Recommended sequence: finalise feedstock mix (particularly MSW share), validate 10-year financial model and CBG offtake, prepare land/CTE/PESO route, secure financing and DPR, register portal, and apply before the prescribed deadline. Confirm current portal/SOP requirements before filing.

Source references: Notification pp. 1–4; Operational Guidelines Component I pp. 1–13; Component II pp. 1–6; Component III pp. 1–21; Component IV pp. 1–19. Components V–VI are summarised from the notification where detailed application rules have not been independently confirmed in this note.

8 | Investor due-diligence and decision gates

- Gate A — Feedstock: establish type, daily quantity, seasonality, transport radius, long-term contracts and MSW percentage. Projects with ≥50% MSW feedstock should not assume eligibility for plant capital assistance.
- Gate B — Commercial: obtain credible CGD / offtake route, assess pipeline versus cascade transport, and model administered price, transport/compression costs and digestate sales separately.
- Gate C — Technical: verify installed CBG TPD capacity, purification technology, methane specifications, SCADA, gas-quality analyser, interlocks and plant-level traceability.
- Gate D — Financial: identify eligible plant machinery separately from aggregation/manure equipment, prior central assistance, debt/equity closure, bank-guarantee capacity and 24-month performance exposure.
- Gate E — Statutory: validate land-use rights, pollution-control CTE/CTO, PESO applicability, fire and local approvals before locking the commissioning schedule.

9 | Important risks and interpretation notes

- The ₹2 crore/TPD combined figure is a ceiling across two distinct sub-components, not a guaranteed grant; the second component reimburses only eligible, approved machinery expenditure and is subject to its own application and claim conditions.
- For special-category areas, the 20% enhancement applies to eligible plant-machinery assistance, not automatically to every cost head. There is no Maharashtra district-wise differential under the reviewed central guidelines.
- A firm offtake agreement, bank guarantee and first-sale evidence may affect claim timing. Subsidy must not be treated as assured upfront project funding.
- The operational documents reviewed establish component-specific deadlines and appraisal steps; they do not guarantee a fixed overall sanction turnaround or universal commissioning date.
- Credit guarantee terms and ecosystem challenge-fund eligibility are described at notification level in this brief; a project-specific application should verify the detailed operational instruments before reliance.

10 | Suggested application file index

- A. Corporate: incorporation, PAN, authorisation, ownership/shareholding, MSME status if relevant.
- B. Land and statutory: title/lease, layout, CTE/PESO, later CTO and commissioning permits.

- C. Technical DPR: process flow, capacity, technology quotations, capex, feedstock balance, supply contracts and implementation chart.
- D. Commercial and finance: offtake correspondence/agreement, debt sanction or self-financing certificate, financial closure, projections.
- E. Scheme declarations: GOBARdhan ID, prior MNRE/BAM support, self-certifications, credit-guarantee disclosures.
- F. Claims: prescribed BGs, invoices, equipment photographs, first-sale invoice, quality and SCADA reports, PLF evidence.