GOBARdhan: Central Sector Scheme for the Compressed Biogas (CBG) Sector

Study/source context: Cabinet approval: 6 August 2026; formal launch/PIB release: 1 October 2026
Actual publication date: 20 October 2026
Economy/Energy: biogas, waste-to-wealth, rural economy

News Context

According to the Ministry of Petroleum and Natural Gas's release of 1 October 2026, Union Minister Hardeep Singh Puri launched the GOBARdhan central sector scheme for the development of the CBG (compressed biogas) sector. The Union Cabinet had approved this scheme on 6 August 2026 with a cost estimate of ₹23,731 crore; it provides a ten-year framework from FY 2026-27 to FY 2035-36.

According to the release, the scheme's goal is to raise domestic CBG production roughly tenfold to about 5 MMSCMD; by August 2026, more than 217 plants were operational, with an installed capacity of over 1,700 TPD.

GOBARdhan scheme at a glance
Framework: central sector scheme; ₹23,731 crore; FY 2026-27 to FY 2035-36 (10 years)

Target: domestic CBG production up roughly tenfold - to about 5 MMSCMD

Six components: offtake assurance, price framework, capital support, pipelines, loan guarantee, Ecosystem Challenge Fund

GOBARdhan Handbook and the Unified GOBARdhan Portal also launched on 1 October 2026

The Six Main Components

According to PIB, GOBARdhan has six main interventions: CBG offtake assurance, CBG price framework, capital support for CBG projects, pipeline infrastructure development, loan-guarantee support and the CBG Ecosystem Challenge Fund. The ministry is the single nodal ministry for the CBG sector.

Under the CBG Obligation (CBO), city gas distribution (CGD) entities in the CNG (transport) and PNG (domestic) segments have a CBG purchase obligation: 3% in FY 2026-27, 4% in FY 2027-28 and 5% from FY 2028-29. The scheme sets an administered CBG price of ₹2,110 per MMBtu; eligible new (greenfield) projects can get capital support of up to ₹2 crore per TPD of installed CBG capacity.

For gas-evacuation bottlenecks, there is support of up to 80% of eligible capital expenditure on pipelines connecting CBG clusters to the main pipeline network, and up to 50% for standalone plants connecting to the CGD network. For MSME-based CBG projects,

the loan guarantee is up to 85% of the outstanding amount in a default situation - with a limit of ₹20 crore per project for general MSMEs and ₹25 crore per project for women-led MSME projects.

Expected Benefits and Launch Announcements

According to PIB, the scheme is expected to save more than ₹40,000 crore in foreign exchange, add more than ₹75,000 crore to GDP and create more than 1.5 lakh jobs; it also estimates substitution of 10 million tonnes of fossil fuel, abatement of more than 40 million tonnes of CO2 emissions and production of 250 million tonnes of organic manure.

Along with the launch, the GOBARdhan Handbook (a guiding reference book) and the Unified GOBARdhan Portal (a centralised digital platform simplifying the application process) were also launched. According to the ministry, CBG converts crop residue, cattle dung and other organic resources into clean domestic energy and creates opportunities in the rural economy along with organic manure.

Prelims: Practice Questions

Question 1. Which statement about the framework of the GOBARdhan scheme is correct?

(a) It is a State scheme of only five States

(b) It is only a two-year pilot project started in 2018

(c) It is a loan scheme only for pipeline construction

(d) It is a ₹23,731-crore central sector scheme approved by the Cabinet on 6 August 2026, which provides a ten-year framework for the CBG sector from FY 2026-27 to FY 2035-36

View answer and explanation
Answer: (d). According to PIB (1 October 2026), the scheme was Cabinet-approved on 6 August 2026; a framework from FY 2026-27 to FY 2035-36 with a cost of ₹23,731 crore.

Question 2. Under the CBG Obligation (CBO), on whom and how much is the purchase obligation?

(a) A 50% obligation on farmers to sell crop residue

(b) 10% mandatory purchase on State governments

(c) A 1% obligation only on private refineries

(d) On CGD entities - 3% in FY 2026-27, 4% in FY 2027-28 and 5% from FY 2028-29 (in the CNG-transport and PNG-domestic segments)

View answer and explanation
Answer: (d). According to PIB (1 October 2026), under the CBO the CBG purchase obligation on CGD entities is 3% (FY27), 4% (FY28) and 5% (from FY29).

Question 3. Which two supporting tools were launched along with GOBARdhan on 1 October 2026?

(a) National Biogas Register and Carbon Credit Exchange

(b) Only a mobile app

(c) State-wise CBG policy documents

(d) GOBARdhan Handbook and the Unified GOBARdhan Portal

View answer and explanation
Answer: (d). According to PIB (1 October 2026), the GOBARdhan Handbook and the Unified GOBARdhan Portal were launched along with the launch.

Sources

PIB/Ministry of Petroleum: launch of the GOBARdhan scheme; Handbook and Unified Portal, 1 October 2026

Down To Earth: GOBARdhan scheme and Unified Portal - new hope for the CBG sector, 5 October 2026