

To

The Principal Secretaries / Secretaries of all States/ Union Territories,
All states/Union Territory Administrations

Subject: Revision of cost/rate norms (VGF) for Bio-methanation plants (CBG) under SBM (U) 2.0 - Modification in the operational Guidelines of SBM-U 2.0 – regarding.

Sir/Madam,

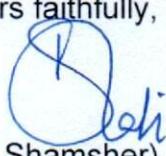
I am directed to refer to the subject mentioned above and to say that after having multiple rounds of discussions with stake holders, market feedback and also discussions with various OGMCs, this Ministry has taken a decision that VGF for the bio gas plants be enhanced from the existing rate of ₹18.00 Cr/ 100 TPD to ₹32.00 Cr/100TPD for upcoming projects.

2. Further it is informed that Hon'ble Minister for Housing & Urban Affairs released the "CBG Guidelines" on 17.07.2025 during the UD Minister Conference. These guidelines stipulate and provide a normative cost framework for 100 TPD MSW-based CBG plants, with detailed breakup across land development (₹1 Cr), civil works (₹15.40 Cr), equipment and processing systems (₹13.60 Cr), and soft costs such as insurance and design (₹2.40 Cr) which works out to ₹32.40 Cr per 100 TPD. Accordingly, the cost has been decided at ₹32.00 Cr per 100 TPD as the CAPEX expenditure for establishment of Bio - Methanation Plants. The revised cost is made effective immediately and will be applicable to projects where the tendering for the project has not been done/finalised so far.

3. Accordingly, page-2 of Annexure - 10-I. MSW Treatment Plants b. Bio-Methanation plants - ₹18.00 Cr / 100 TPD as referred in Chapter-4 of the operational Guidelines of SBM-U 2.0, stands modified as Bio-Methanation plants with rate of ₹32.00 Cr / 100 TPD.

This issues with the approval of the competent authority.

Yours faithfully,


(Shakti Shamsher)
Deputy Secretary (SBM)
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Copy to:

- (i) Chief Secretaries of all States/UTs.
- (ii) Mission Directors of all States/UTs.

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Copy for information to:

- (i) PPS to Secretary (HUA).
- (ii) PPS to JS&FA, M/o HUA.
- (iii) PPS to JS(SBM), M/o HUA
- (iv) Joint Adviser (CPHEEO-VKC)
- (v) Shri V.S. Rana, Director
- (vi) Director (SWM Cell)
- (vii) Shri Manish Joon, Deputy Secretary
- (viii) Asst. Adviser's, CPHEEO
- (ix) SWM Cell,