

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

LOK SABHA
UNSTARRED QUESTION No. 75

TO BE ANSWERED ON MONDAY, JULY 20, 2026/ASHADHA 29, 1948(SAKA)

ALLOCATION OF FUNDS TO PUNJAB UNDER SASCI SCHEME

75. Shri Sukhjinder Singh Randhawa:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the funds that has been provided to the State of Punjab under the Special Assistance Scheme for Capital Investment (SASCI) Scheme during the last three years, year-wise;
- (b) whether the said amount is interest-free or has been provided with terms and conditions and if so, the details thereof; and
- (c) whether the Government obtain data from the States containing details regarding the expenditure of the said funds, if so, the details of the work on which the Punjab Government spent the funds allocated by the Union Government?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c): The details of the funds that has been provided to the State of Punjab under the Special Assistance to States for Capital Investment (SASCI) Scheme during the last three years, year-wise; the expenditure/utilization of the funds by Government of Punjab; and the details of work/projects is given below:

In Rs crores					
S.No.	FY	Amount Approved	Amount released	No of Projects	Amount Utilized by Government of Punjab*
1	2023-24	385.2	NIL [#]	12	25
2	2024-25	2585.5	2269.3	155	2179
3	2025-26	4107.5	3891.1	571	4107.5
Total		7078.2	6160.4	738	6286.5

*As per the Utilization Certificate Provided by the State Government.

The unutilized balance of SASCI 2022-23 was reallocated for projects sanctioned in 2023-24.

The amount provided under Special Assistance to States for Capital Investment (SASCI) is an interest free, 50-year loan. The terms and conditions of the loan are mentioned in scheme guidelines for the respective year. The guidelines for SASCI 2026-27 are enclosed.

**Government of India
Ministry of Finance
Department of Expenditure
Public Finance-States Division**

Kartavya Bhawan 1, New Delhi

Dated: the 27th March, 2026

To
The Chief Secretary,
All State Governments / UT Administrations,
(As per list attached)

Subject: Guidelines for Special Assistance to States for Capital Investment (SASCI), 2026-27.

Madam/Sir,

1. In view of the significant benefits of capital expenditure, including its high multiplier effect, enhancement of the future productive capacity of the economy, and promotion of higher economic growth, the Ministry of Finance, Government of India has been providing Special Assistance to States for Capital Expenditure/Investment (SASCI) since 2020–21. Under the scheme, financial assistance is extended to State Governments in the form of 50-year interest-free loans.

2. In light of the overwhelmingly positive response from State Governments, their requests for continuation of the scheme in 2026–27, and with a view to facilitating higher capital investment, the Government of India has decided to launch a redesigned SASCI initiative for the financial year 2026–27. An amount of Rs. 2,00,000 crore has been allocated for this purpose in 2026-27.

3. Under SASCI 2026–27, financial assistance will be provided to State Governments and Union Territories with Legislatures in the form of 50-year interest-free loans for capital investment projects. The assistance under the scheme will be over and above the normal Net Borrowing Ceiling (NBC) permitted to the States/UTs for the year 2026–27. The funds shall be utilized within the financial year 2026–27, unless otherwise specified in the relevant provisions of these guidelines.

4. All certificates/declarations required for availing benefits under any component of SASCI, as well as details of capital works/projects proposed for 2026–27, shall be submitted by the concerned State Government/UT Administration through the online module available on the PFMS portal of the Department of Expenditure. No manual submissions shall be accepted.

5. All certificates/declarations required under any component of SASCI shall be duly signed by the senior-most officer (Additional Chief Secretary/Principal Secretary/Secretary) in the Finance Department of the State Government/UT Administration.

6. In respect of ongoing projects proposed for funding under SASCI 2026–27, States/UTs shall accord priority to projects that are likely to be completed within the financial year 2026–

27. States/UTs shall also upload photographs of completed projects and ensure that such projects are duly inaugurated.

7. For improved focus and adoption of a saturation approach, States/UTs shall prioritize a maximum of five sectors for availing assistance under SASCI and submit project proposals accordingly.

8. Mandatory Conditions: In order to avail benefits under any component of SASCI 2026–27, a State Government/UT Administration shall comply with the following mandatory conditions:

(i) Full compliance with the official nomenclature of all Centrally Sponsored Schemes (CSSs) [correct translation in the local language is permissible], as well as adherence to all guidelines/instructions issued by the Government of India regarding branding of CSSs, across schemes of all Ministries/Departments. For this purpose, a certificate submitted through PFMS and signed by the senior-most officer (Additional Chief Secretary/Principal Secretary/Secretary) in the Finance Department of the State Government/UT Administration will be treated as sufficient, unless any violation is reported by the concerned Ministry/Department of the Government of India.

(ii) Submission of a consolidated Utilization Certificate (UC) online through PFMS, indicating part-wise utilization of funds utilized up to 31st March 2026, in Form 12-B prescribed under the General Financial Rules (GFRs), 2017, in respect of funds released during 2025–26 or earlier. This requirement will not apply to funds released under the components ‘Construction of Unity Malls’, ‘Development of Iconic Tourist Centres to Global Scale’, ‘Working Women Hostel’, Police Housing, Children and Adolescent Libraries and Digital Infrastructure, and additional allocation to States in 2025–26 for natural disasters of severe nature.

9. SASCI 2026–27 comprises of multiple parts. Guidelines for the following parts are being issued at present. Guidelines for the remaining parts will be issued separately in due course.

10. Part–I (Untied Funds)

i. Allocation of Funds

An amount of Rs. 75,000 crore has been earmarked under Part–I. Of this, Rs. 67,000 crore is allocated to States, in proportion to their share in central taxes and duties, as per the award of the 16th Finance Commission. An amount of Rs. 3,000 crore has been earmarked for Union Territories with Legislature. The State/UT-wise allocation is provided in **Annexure–I**. The remaining Rs. 5,000 crore is earmarked for the release of balance funds for approved projects under the following categories:

- Construction of Unity Malls
- Police Housing
- Children and Adolescent Libraries and Digital Infrastructure
- Development of Iconic Tourist Centres to Global Scale
- Construction of Working Women Hostels

ii. Release of Funds

Funds under this Part shall be released in two instalments. The first installment, amounting to 66% of the approved allocation, will be released upon fulfillment of the mandatory conditions prescribed in these guidelines. The second installment, amounting to 34% of the approved allocation, will be released subject to compliance with the following conditions:

a. At least 75% of the funds released in the first installment must be utilized. The State/UT shall submit a Utilization Certificate (UC) in Form 12-B of the GFRs, 2017, through the PFMS portal.

b. All Single Nodal Agency (SNA) bank accounts of all the Centrally Sponsored Schemes shall be closed. The unutilized Central share, along with the interest accrued thereon up to the date of closure, shall be deposited in the Consolidated Fund of India. A certificate to this effect shall be submitted by the State/UT through PFMS.

c. Details of projects approved under SASCI during the period 2020–21 to 2024–25 are uploaded on PFMS in the prescribed format.

iii. Any amount released under SASCI 2025–26 that remains unutilized, as reflected in the Utilization Certificate, shall be adjusted against the first installment. However, this provision will not apply to funds released for Construction of Unity Malls, Development of Iconic Tourist Centres to Global Scale, Working Women Hostels, Police Housing, Children and Adolescent Libraries and Digital Infrastructure, and Additional allocations made to States in 2025–26 for severe natural disasters. In respect of funds released during 2025–26 for reconstruction of infrastructure damaged due to natural disasters in the same year, States/UTs may submit the Utilization Certificates latest by 31.12.2026.

iv. The balance funds for projects of Unity Malls, Development of Iconic Tourist Centres to Global Scale, Working Women Hostels, Police Housing, and Children and Adolescent Libraries and Digital Infrastructure will be released in a single installment, subject to utilization of at least 75% of the funds previously released for these projects. For this purpose, the State/UT shall submit a Utilization Certificate in Form 12-B of the GFRs, 2017, through PFMS. Further, States/UTs shall deposit the entire interest accrued in the SNA accounts up to 31.03.2026 in the Consolidated Fund of India. In case of UTs with Legislature, where funds have not been released so far, the funds will be released in two equal installments.

11. Part–II (State/UT Share of Centrally Sponsored Schemes and Central Projects)

i. Allocation and Release of Funds

An amount of Rs. 10,000 crore is earmarked under this Part for funding the State/UT share of Central infrastructure projects, including railway projects, metro rail projects, highway projects, power projects, and airports, as well as infrastructure-oriented Centrally Sponsored Schemes (CSS) such as AMRUT, PMGSY, Jal Jeevan Mission, etc.

This amount will be allocated among States/UTs in proportion to their allocation under Part–I. Funds under this Part will be released in two installments:

- The first installment, amounting to 66% of the approved allocation, will be released upon submission of details of the schemes and projects by the State Government/UT Administration.
- The second installment, amounting to 34% of the approved allocation, will be released upon utilization of at least 75% of the funds released in the first installment. For this

purpose, the State/UT concerned shall submit a Utilization Certificate (UC) in Form 12-B of the GFRs, 2017, through PFMS.

In addition to the above, States/UTs may, if required, utilize funds under Part–I to meet their share of infrastructure projects of Central Ministries/Departments/PSUs.

12. Part–III (Incentives for Achieving Targets for Capital Expenditure)

i. Allocation and Eligibility Criteria

An amount of Rs. 25,000 crore is earmarked under this Part. This amount shall be available to eligible States/UTs in proportion to their allocation under Part–I.

- 50% of the earmarked amount will be provided to States/UTs that achieve a growth rate of more than 10% in capital expenditure during 2025–26 over 2024–25.
- The remaining 50% will be provided to States/UTs that achieve a growth rate of more than 10% in capital expenditure during the first six months of 2026–27 over the corresponding period of 2025–26.

For the purpose of calculating growth in capital expenditure, 100% of the amount released to the State/UT under the Scheme for Special Assistance to States for Capital Investment (SASCI) during the relevant period shall be excluded. Only the expenditure incurred by the State/UT from its own resources shall be considered.

The capital expenditure of a State/UT will be determined based on Statement No. 5 of the State Finance Accounts, wherever available. In cases where the State Finance Accounts are not available, the data shall be sourced from the ‘Monthly Key Indicators’ published on the website of the Comptroller and Auditor General (CAG).

The incentive amounts approved under this Part may be utilized by the State Government/UT Administration for infrastructure projects in any sector.

13. Part–IV (Strengthening Public Finance IT Infrastructure in States)

i.Objective

The objective of this Part is to incentivize States/UTs to strengthen Public Finance IT infrastructure through end-to-end digitization of financial processes and integration of finance, works, and procurement systems, thereby enhancing transparency, efficiency, and accountability.

ii.Outlay

An amount of Rs. 4,000 crore is earmarked under this Part. The incentive will be available for reforms undertaken by States/UTs during 2026–27 only.

The incentive amounts released under this Part may be utilized by the State Governments/UT Administrations for capital projects in any sector.

iii. Components

Component I – IFMIS Modules

Each State/UT will be eligible for an incentive of Rs. 50 crore upon implementation of at least six out of the following seven modules within their Integrated Financial Management System (IFMIS):

- a. **e-Sanction Module** – for online generation, approval, and tracking of financial and administrative sanctions, ensuring traceability and adherence to delegated financial powers.

- b. **e-Budget Module** – for digital preparation, approval, distribution, and monitoring of budgets, enabling real-time tracking of allocations and expenditure.
- c. **e-Payment Module** – for electronic processing and disbursement of payments through integration with banking systems, including the Reserve Bank of India's e-Kuber platform, ensuring secure, timely, and auditable transactions.
- d. **e-Receipt Module** – for electronic capture and accounting of government receipts, improving transparency and reconciliation of revenue flows.
- e. **e-Voucher Module** – for digitally generated, authenticated, and stored vouchers, enabling real-time availability of voucher-level data for accounting and oversight.
- f. **e-HRMS** – for management of employee records, payroll, leave, service matters, and performance-related information, integrated with financial systems for salary, pension, and related payments.
- g. **100% Aadhaar-based DBT** for beneficiary-oriented schemes, including State schemes.

Component II – Works and Procurement Systems

Each State/UT will be eligible for an incentive of Rs. 50 crore upon implementation of both of the following systems:

- a. **Works Management System (WAMIS/WAM) or equivalent system under IFMIS** – covering the full lifecycle of works, including sanctions, e-MB, billing, payment, validation, and monitoring across departments such as Public Works, Forest, Roads and Bridges, etc.
- b. **e-Procurement System** – for electronic procurement of goods and services, including bid submission, validation, technical and financial evaluation, and award of contracts through the system.

Component III – System Integration and Interoperability

Each State/UT will be eligible for an incentive of **Rs. 50 crore** upon implementation of both of the following integrations:

- a. Live integration of IFMIS with WAMIS (or equivalent system)
- b. Live integration of IFMIS with the e-Procurement system, ensuring end-to-end traceability from sanction to accounting

Component IV – Digitization Coverage and Accounting Outcomes

Each State/UT shall be eligible for an incentive of Rs. 50 crore upon achieving 100% digitization of:

- Drawing and Disbursing Officers (DDOs)
- Treasuries
- Works/Forest Divisions

iv. Submission and Verification

States/UTs shall, upon completion of reforms under each component, submit a report to the Office of the Comptroller and Auditor General of India (C&AG) by 15.12.2026.

The Office of the C&AG will examine the submissions and make recommendations to the Department of Expenditure (DoE) for release of the incentive amount by 31.12.2026.

v. Operational Guidelines

The Office of the C&AG may, if required, issue detailed operational guidelines for this Part by 30.04.2026.

14. Part–V (Mining Sector Reforms)

i. Objective

The objective of this Part is to facilitate and expedite mine operationalization, increase mineral production, enhance revenue collection by States from the mining sector, and improve overall governance of the mining sector.

ii. Outlay

An amount of Rs. 5,000 crore is earmarked under this Part, which will be available to States on a first-come-first-served basis.

The incentive amounts released under this Part may be utilized by the State Governments/UT Administrations for capital projects in any sector.

This Part comprises the following components:

iii. Component–I: Implementation of Mining Reforms

An amount of Rs. 2,000 crore is earmarked under this component for undertaking reform actions in the areas of mining administration and regulation, as detailed below.

Sl No	Reform Parameter	Eligibility	Incentive
1.	Integration of the State with the mining portal of the Ministry of Mines for mine operationalization.	All reform actions completed	₹100 crore per State on ‘first-come-first-served’ basis
2.	Constitution of a Pre-Auction Committee to actively resolve land and scheduling issues.		
3.	Constitution of a State-level Coordination Committee under the Chief Secretary for regular monitoring of operationalization of mines, and holding of at least one meeting during 2026–27.		
4.	Publication of an annual auction calendar for major minerals and adherence to the same to the extent possible.		
5.	Adoption of technology-based measures to prevent or detect grade misclassification of mineral ore.		

iv. **Component-II (Mine Operationalization):** An amount of Rs. 2,500 crore is earmarked under this component for the following reform actions:

Sl No	Reform Parameter	Incentive
1	No. of major mineral blocks with pre-embedded clearances (such as forest, environment, land, etc.) successfully auctioned in FY 2026-27 (up to 31.12.2027)	₹20 crore per block successfully auctioned, with an incentive cap of ₹200 crore per State on 'first-come-first-served' basis
2	State has operationalized (i.e. commencement of production and dispatch) during FY 2026-27 (up to 31.12.2026) at least 10% of the major mineral blocks successfully auctioned till 31.09.2026.	₹250 crore per State on 'first-come-first-served' basis

Component–III: State Mining Readiness Index (SMRI)–Based Reforms

An amount of Rs. 675 crore is earmarked under this component for allocation to States securing the top three ranks in each of the three categories (Group A, B, and C) under SMRI 2026.

Eligible States shall receive the following incentives:

- **Rs. 100 crore** for 1st position
- **Rs. 75 crore** for 2nd position
- **Rs. 50 crore** for 3rd position

The Ministry of Mines is the nodal Ministry for this Part and will examine and verify the reforms claimed by the States/UTs and determine their eligibility for incentives. Thereafter, it shall recommend eligible proposals to the Department of Expenditure, Ministry of Finance, for release of funds.

The timelines for submission of proposals and recommendations shall be as follows:

Component	Deadline for States/UTs to submit proposal to M/o Mines	Deadline for M/o Mines to submit recommendations to DoE
Component-I	15.12.2026	31.12.2026
Component-II	31.12.2026	15.01.2027
Component-III	15.12.2026	31.12.2026

Applications/recommendations received after the above deadlines shall not be processed.

vii. Operational Guidelines

The Ministry of Mines may, if required, issue detailed operational guidelines for this Part by 30.04.2026.

15. Part–VI (Implementation of the Right of Way Rules, 2024 under the Telecommunications Act, 2023)

i. Objective

Right of Way (RoW) is a critical enabler for the expansion of telecommunications networks across the country. State Governments/UT Administrations, along with Urban and Rural Local Bodies, play a pivotal role in ensuring expeditious and hassle-free approvals for RoW.

The objective of this Part is to incentivize States/UTs for the timely and effective implementation of the Right of Way (RoW) Rules, 2024, notified under the Telecommunications Act, 2023 by the Department of Telecommunications (DoT), Government of India.

ii. Outlay

An amount of Rs. 4,000 crore is earmarked under this Part. The incentive amounts may be utilized by the State Governments/UT Administrations for capital projects in any sector. Only the reforms undertaken during 2026–27 shall be considered for incentives under this Part.

iii. Grouping of States

For the purpose of providing incentives under this Part, the States/UTs are grouped as follows:

Category	A	B	C	D
Amount earmarked (Rs in Crores)	250	150	75	25
States/UTs	1. Karnataka 2. Uttar Pradesh 3. Madhya Pradesh 4. Maharashtra 5. West Bengal 6. Kerala 7. Tamil Nadu 8. Andhra Pradesh	1. Haryana 2. Odisha 3. Gujarat 4. Rajasthan 5. Telangana 6. Bihar 7. Punjab	1. Jharkhand 2. Uttarakhand 3. Himachal Pradesh 4. Chhattisgarh 5. Assam 6. Goa 7. Delhi 8. Jammu & Kashmir	1. Arunachal Pradesh 2. Manipur 3. Meghalaya 4. Mizoram 5. Nagaland 6. Sikkim 7. Tripura 8. Puducherry

iv. Reforms and Incentive Amount:

The reforms to be carried out by States/UTs and mode of calculations of eligible incentives is as under:

Reforms/Criteria	Incentive (% of amount earmarked)
Implementation of DoT's RoW Rules 2024 [from 01.04/2026 onwards]	
Issuance of orders regarding implementation of the provisions of the Telecommunications Act 2023 and DoT's RoW Rules 2024 – - by the State Government/UT Administration. - By all the SPSUs/Corporations etc concerned.	30%
1. Creation of an online State/UT RoW Portal, integrated with state entities, for submission and processing of RoW and Bharatnet applications 2. Integrating the State RoW Portal with the DoT's 'Telecom eServices Portal' for MIS and central monitoring.	15%
Disposal of all backlog applications submitted till 31.03.2026 by 30.09.2026.	15% (on 100% disposal) 10% (upto 85% disposal)

	NIL (<85% Disposal)
Reducing average disposal time of RoW applications for all applications submitted from 01.07.2026 to 15.11.2026 to 45 days or less	5%
Special Project (BharatNet) Permissions	
1. Signing of Addendum to State Support Agreement for implementation of Amended BharatNet Program 2. Since Bharatnet has been notified as a Special Project under the RoW Rules 2024, the following should be complied with: a. There should be no charges for RoW permissions. b. Make provision of deemed permission within 7 days of application as per the aforesaid notification through an online portal to process the BharatNet applications.	25%
Compliance of the directions of Ministry of Power	
1. Implementation of the directions of Ministry of Power to state government(s) vide letter no 12/01/2018-NEF(U)-Part1 (E: 246321) dated 13.01.2026 to treat Electricity connections at Gram Panchayats for Amended BharatNet Program as government connections. 2. All DISCOMs to implement Common Application Form (CAF) and consolidation of all bills of an applicant (telecom company, infrastructure providers, etc.) w.r.t. Min. of Power letter No. 23/1/2023-R&R dated 24th May 2023.	10%

v. State Governments after completing the reforms shall submit a report to DoT (Nodal Department/Ministry) by 15.12.2026. DoT will examine the submissions by a State and thereafter make recommendations to the DoE for release of incentive amount by 31.12.2026.

vi. DoT may, if needed, issue operational guidelines for this part by 30.04.2026.

16. Part–VII (Digital Public Infrastructure for Agriculture – AgriStack)

i. Objective

This Part aims to accelerate the development of Digital Public Infrastructure (DPI) for Agriculture (AgriStack) by incentivizing States/UTs for the operational use of the Farmer Registry and Digital Crop Survey (DCS). The initiative seeks to ensure that AgriStack contributes to improved scheme efficiency, better targeting of benefits, reduction in leakages, and enhanced farmer-centric service delivery.

ii. Outlay

An amount of Rs. 13,000 crore is earmarked under this Part. The incentive amounts may be utilized by the State Governments/UT Administrations for capital projects in any sector. Only the reforms undertaken during 2026–27 shall be considered for incentives under this Part.

iii. Components

This Part comprises of the following components:

- a. **Component A:** Implementation of AgriStack-enabled priority use cases
- b. **Component B:** Creation of State Farmers Registry covering all farmers, and conduct of Digital Crop Survey (DCS) for Kharif 2026 and Rabi 2026–27 in North-Eastern States (except Assam), Hilly States, Goa, and UTs
- c. **Component C:** Creation of Geo-referenced Village Maps Registry
- d. **Component D:** Mapping of satellite plot segments to owner plots

iv. Component A: Implementation of AgriStack-enabled Use Cases

An amount of Rs. 10,000 crore is earmarked under this component, distributed across the following four priority use cases:

- a. Rs. 5,000 crore for AgriStack-enabled fertilizer distribution
- b. Rs. 4,000 crore for AgriStack-based procurement under Minimum Support Price (MSP)
- c. Rs. 500 crore for production estimation using AgriStack
- d. Rs. 500 crore for use of Farmer ID for enrollment and claim settlement, and use of Digital Crop Survey (DCS) for crop validation under PMFBY

v. Categorization of States/UTs

Given that the number of farmers directly impacts the scale and scope of implementation, States/UTs are categorized based on the number of Farmer IDs (FIDs) created, as follows:

- a. Category I: More than 1 crore Farmer IDs
- b. Category II: 50 lakh to 1 crore Farmer IDs
- c. Category III: 10 lakh to 50 lakh Farmer IDs
- d. Category IV: Less than 10 lakh but more than 1 lakh Farmer IDs

vi. Fund Allocation

Fund allocation under this component has been determined based on the above categorization for achieving various milestones.

Categories and Component-wise allocation (in Rs Cr)					
Component A (Use Cases)		Categories of States (As per Farmer IDs in the State)			
		Category I	Category II	Category III	Category IV
AgriStack-enabled Fertiliser Distribution	Milestone 1: Pilot (covering least 2 districts)	200	175	150	100
	Milestone 2: Beyond pilot, covering (i) up to 50% of districts in states having ≥ 8 districts or (ii) all districts in state having < 8 districts	200	165	125	100
	Milestone 3: Covering all districts in state having ≥ 8 districts	400	325	275	200

AgriStack-enabled procurement under MSP	Milestone 1: Pilot (covering least 2 districts)	100	75	50	40
	Milestone 2: Beyond pilot, covering (i) up to 50% of districts in states having ≥ 8 districts or (ii) all districts in state having < 8 districts	200	150	100	80
	Milestone 3: Covering all districts in state having ≥ 8 districts	400	300	200	160
Production Estimates using AgriStack	Milestone 1: Pilot (covering least 2 districts)	5	3	1.5	1
	Milestone 2: Beyond pilot, covering all districts in state	45	27	13.5	9
Use of Farmer ID for enrollment and claim release and DCS for crop validation under PMFBY	Milestone 1: Pilot (covering atleast 2 districts)	5	3	1.5	1
	Milestone 2: Beyond pilot, covering all districts in state	45	27	13.5	9

v. Component B: Farmer ID Generation and Conduct of Digital Crop Survey

This component is applicable only to North-Eastern States (except Assam), Hilly States, the State of Goa, and Union Territories with Legislature.

An amount of Rs. 1,000 crore is earmarked under this component, of which 70% is allocated for generation of Farmer IDs and 30% for conduct of the Digital Crop Survey (DCS).

a. Milestones for Farmers Registry

Milestones and Norms for Assistance for Creation of Farmers Registry			
Milestone#	Description	Incentive per Farmer (in INR)	Total Incentive (in INR)
Milestone - 1	25 percent of farmers in the State have Farmer IDs	1750	Number of Farmer IDs X 1750
Milestone - 2	50 percent of farmers in the State have Farmer IDs	1250	Number of Farmer IDs X 1250
Milestone - 3	75 percent of farmers in the State have Farmer IDs	750	Number of Farmer IDs X 750
Milestone - 4	100 percent of farmers in the State have Farmer IDs	500	Number of Farmer IDs X 500

States and UTs under this category will be eligible for an additional incentive at each milestone completion:

- Milestone-1: 20 Crores
- Milestone-2: 30 Crores
- Milestone-3: 40 Crores
- Milestone-4: 50 Crores

b. Milestones for Digital Crop Survey (DCS)

Sequential Milestones for Assistance for DCS of Newly Onboarded North-eastern and Hilly States		
Milestone#	Description	Incentive for State
1	Proof-of-Concept of DCS carried out in at least 1 village each in each District in the State*	30 Crores
2	At least 25% of villages (covering all the districts) surveyed across the State in Kharif and Rabi (2026-2027)	40 Crores
3	At least 50% of villages (covering all the districts) surveyed across the State in Kharif and Rabi (2026-2027)	60 Crores

*States which have already claimed PoC milestone in previous Special Central Assistance shall not be eligible for Milestone 1 under this component.

vi. Component C: Geo-referenced Village Maps Registry

An amount of Rs. 1,000 crore is earmarked under this component for improving the completeness, accuracy, validation, and approval of geo-referenced village maps across States/UTs.

Financial assistance under this component will be limited to the first 3 lakh villages taken up across States/UTs and will be released progressively on a per-village basis, upon achievement of defined implementation milestones. The milestone-wise incentives for each State/UT shall be as follows:

Milestone (cumulative village coverage)	Per-village incentive (Rs)	Total Allocation (Rs crore)
Milestone I: Coverage up to 25% villages	20,000	150
Milestone II: Coverage >25% and up to 50% villages	30,000	225
Milestone III: Coverage >50% and up to 75% villages	40,000	300
Milestone IV: Coverage >75% and up to 100% villages	43,333	325
Total	—	1,000

vii. Component D: Mapping of Satellite Plot Segments to Owner Plots

An amount of Rs. 1,000 crore is earmarked under this component for mapping satellite image-derived land segments to their corresponding owner plots, enabling accurate identification of farmer-level land parcels.

Only those villages with geo-referenced maps that are complete, accurate, and duly validated, as stipulated under Component C, shall be eligible for consideration under this component.

Incentives under this component shall be provided for land segment mapping through milestone-linked payments for the first 3 lakh villages covered.

Out of the total allocation, Rs. 50 crore is earmarked for a pilot programme to be undertaken by the first ten States, with enhanced per-village support for pilot villages. The remaining allocation shall be released progressively based on the achievement of defined coverage milestones.

The milestone-wise incentives for each State/UT shall be as follows:

Milestone / Category	Coverage description	Per-village incentive (Rs)	Allocation (Rs crore)
Milestone I	Coverage up to 25% villages	20,000	150
Milestone II	Coverage >25% and up to 50% villages	30,000	225
Milestone III	Coverage >50% and up to 75% villages	37,333	280
Milestone IV	Coverage >75% and up to 100% villages	39,333	295
Pilot programme	Pilot segment mapping by first 10 States (minimum 50 villages per State; up to 2,500 villages overall)	2,00,000	50
Total		—	1,000

vi. Submission and Verification

State Governments/UT Administrations, upon completion of the reforms shall submit a report to the Department of Agriculture and Farmers' Welfare, government of India by 15.12.2026. The Department of Agriculture and Farmers' Welfare shall examine the submissions and, thereafter, make recommendations to the Department of Expenditure (DoE) for release of the incentive amount by 31.12.2026.

vii. Operational Guidelines

The Department of Agriculture and Farmers' Welfare may, if required, issue detailed operational guidelines for this Part by 30.04.2026.

17. Part–VIII (Livestock Sector Reforms)

i. Objective

The objective of this Part is to facilitate the development of a robust ecosystem for the livestock sector and to promote the creation of quality infrastructure in the livestock, dairy, and veterinary sectors.

ii. Outlay

An amount of Rs. 3,000 crore is earmarked under this Part. The incentive amounts may be utilized by the State Governments/UT Administrations for capital projects in any sector. Only the reforms undertaken during 2026–27 shall be considered for incentives under this Part.

iii. Grouping of States

For the purpose of providing incentives under this Part, the States/UTs are grouped as follows:

Category	A	B	C	D
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Amount earmarked (Rs in Crores)	300	250	200	100
States/UTs	1. Uttar Pradesh 2. Madhya Pradesh 3. Rajasthan 4. Bihar 5. West Bengal 6. Gujarat 7. Maharashtra	1. Jharkhand 2. Assam 3. Karnataka 4. Andhra Pradesh 5. Tamil Nadu 6. Chhattisgarh 7. Telangana	1. Odisha 2. Haryana 3. Punjab 4. Himachal Pradesh 5. Jammu & Kashmir 6. Kerala 7. Uttarakhand 8. Meghalaya	1. Arunachal Pradesh 2. Delhi 3. Goa 4. Manipur 5. Mizoram 6. Nagaland 7. Puducherry 8. Sikkim 9. Tripura

iv. Reforms and Incentive Structure

Release of incentives under this Part shall be subject to the fulfillment of the qualifying criteria and the score obtained under the performance criteria, as specified below.

v. Qualifying Criteria

To be eligible for incentives under this Part, States/UTs shall fulfil at least five out of the following six criteria:

a. Appointment of Nodal Officers

Nodal Officers for the National Digital Livestock Mission (NDLM) shall be appointed at all levels, from Gram Panchayat/Ward level to the State Headquarters, in accordance with the DAHD Order No. NDLM No. 1/2025-26 dated 12 November 2025.

b. Constitution of NDLM Committees

NDLM Committees, namely State Level Steering Committee (SLSC), State Level Implementation Committee (SLIC), District Level Implementation Committee (DLIC), and Block Level Implementation Committee (BLIC), shall be constituted at appropriate administrative levels in accordance with DAHD OM No. T-20011/11/2025-AHS_DADF (E-38162) dated 12 November 2025.

c. Creation of ISS Posts

The State/UT shall have issued orders for the creation of posts against those allotted by the Department of Animal Husbandry and Dairying (DAHD) under the Integrated Sample Survey (ISS).

d. Dairy Data Upload

The State/UT shall have uploaded complete data on dairy institutions on the NDLM – Dairy Vikas Portal.

e. Mapping of Veterinary Institutions

The State/UT shall have mapped all veterinary institutions—including hospitals, dispensaries, sub-health centres, laboratories, diagnostic centres, ABC centres, recovery areas, dog kennels, dog vans, and dog shelters—on the NDLM – Bharat Pashudhan Portal.

f. Fodder Resources Plan

The State/UT shall have prepared and notified a Fodder Resources Plan, as advised in DAHD OM No. R-24018/29/2022-Cattle_Div (E-23126) dated 24 November 2025.

vi. Performance Criteria

#	Performance Criteria	Max Score
1	Updation of Aadhar and Mobile number of Livestock owners on NDLM- Bharat Pashudhan portal <u>Scoring metric:</u> a. Upto 50%: 0 marks b. >50% but <=75%: 10 marks c. >75% but <= 90%: 15 marks d. > 90%: 20 marks	20
2	Adoption of Guidelines for Minimum Standards of Veterinary Institutions (GMSVI) of India in accordance with the DAHD's guidelines.	20
3	FMD Vaccination following prescribed Standard Operating Procedure (SoP) in the round for which the end date of the round falls between 1st of April to 30th Sept 2026. <u>Scoring metric:</u> a. <80% vaccination coverage – 0 b. 80-90% vaccination coverage – 10 c. >90% vaccination coverage - 20 (Based on NDLM – Bharat Pashudhan portal data)	20
4	Percentage of provision for Fodder Development/ Veterinary Infrastructure Development/ Livestock Breeding Infrastructure Development/ Animal Husbandry Infrastructure Development in the Viksit Bharat - Guarantee for Rozgar and Aajeevika Mission Gramin (VB - GRAMG): <u>Scoring metric:</u> Budgetary Provision (BP) as % of total VB - GRAMG Budget a. BP less than or equal to 2%: 0 marks b. BP >2% but <=4%: 4 marks c. BP>4% but <=6%: 8 marks d. BP>6% but <=8%: 12 marks e. BP>8% but <=10%: 16 marks f. BP>10%: 20 marks	20
5	Filling up the vacant Vet/ Para-vet Posts a. Publication of advertisements for filling up of veterinary posts against the vacancy as on 31st March 2026.	10

	b. Publication of advertisements for filling up of para-veterinary posts against the vacancy as on 31 st March 2026.	10
6	Artificial Insemination (AI) coverage as per prescribed Standard Operating Procedures (SOP) and targets Scoring metric: a. No increase over targets – 0 marks b. Up to 5% above targets – 3 marks c. 5-10 % above targets - 5 marks d. Over 10 % above targets - 10 marks (Based on NDLM–Bharat Pashudhan portal data)	10
7	Conception rate (based on NDLM – Bharat Pashudhan data) Scoring metric: a. < 33% Conception rate – 0 marks b. 33% - 40% Conception rate – 5 marks c. > 40% Conception rate -10 marks	10
8	Growth rate in milk procurement by Cooperative/ Milk Procurement Centre (MPC) Scoring metric: Incremental Improvement in growth rate a. Growth < 6 % over September 2025 Milk procurement: 0 marks b. Growth $\geq$ 6 % to < 9% over Sep 2025 Milk Procurement: 5 marks c. Growth $\geq$ 9% Sep 2025 Milk Procurement: 10 marks (State averages shall be calculated using weighted district averages, proportionate to milk procurement volume)	10
9	Establishment & Functioning of New Dairy Cooperative Societies (DCS) as compared to target prescribed by DAHD Scoring metric: a. No increase over targets – 0 b. Increase < 50% above targets (for Underserved Areas 25% above targets) – 3 marks c. Increase is 50-75 % above targets (for Underserved Areas 50% above targets) – 5 marks d. Increase > 75% above targets (for Underserved Areas 60% above targets) -10 marks	10
10	Filling up the vacant post as on 31.03.2026 under Integrated Sample Survey (ISS) (a) Publication of advertisements for filling up of direct recruitment posts vacant as on 31 st March 2026 (b) At least $\geq$ 50% of the posts vacant as on 31 st March, 2026 for ISS filled.	5 5
11	Livestock Insurance of targeted population that is to be insured during FY 2026-27. a. Selection of Insurance Company - 5 marks	5

	b. Achieving Insurance target for 2026-27.	5
	< 25% of target: 0 marks 25%-50% of target: 3 marks >50% of target: 5 marks	
12	Sterilization and vaccination of targeted dog population from 1 st April, 2026 (uploaded on NDLM portal) Scoring metric: < 70% of target - 0 marks 70% to 80% of target - 5 marks > 90% of target - 10 marks	10
Total		170

vii. Calculation of Incentive

States/UTs that fulfil the qualifying criteria shall be eligible for incentives based on the percentage of scores obtained under the performance criteria, as detailed below:

Sl No	Score obtained in Performance Criteria	Incentive as % of amount earmarked
1	Less than 50 %	0
2	50% to 75 %	50%
3	More than 75 %	100 %

viii. Submission and Verification

State Governments/UT Administrations, upon completion of the reforms, shall submit a report to the Department of Animal Husbandry and Dairying (DAHD), Government of India, by 30.11.2026.

The DAHD shall examine the submissions and, thereafter, make recommendations to the Department of Expenditure (DoE) for release of the incentive amount by 31.12.2026.

ix. Operational Guidelines

The DAHD may, if required, issue detailed operational guidelines for this Part by 30.04.2026.

18. Part–IX (Incentives to States for Efficiency in Financial Management)

i. Objective

SNA SPARSH is a system for ‘Just-in-Time’ release of funds under Centrally Sponsored Schemes (CSS), aimed at enhancing transparency and eliminating the float of both Central and State shares of CSS funds. The objective of this Part is to incentivize States/UTs for the full implementation of SNA SPARSH for release of CSS funds.

ii. Outlay

An amount of Rs. 5,000 crore is earmarked under this Part. Each State/UT shall be eligible for an incentive of up to Rs. 450 crore, subject to fulfillment of the qualifying criteria and

milestones specified below, and provided that the State/UT is not disqualified under the disqualification criteria prescribed herein.

The incentive amount may be utilized by the State Governments/UT Administrations for capital projects in any sector.

iii. Qualifying Criteria

States/UTs shall be required to meet the following qualifying criteria to be eligible for incentives:

a. Onboarding of CSS on SNA SPARSH

All Centrally Sponsored Schemes (CSS) implemented in the State/UT shall be onboarded on the SNA SPARSH platform. Onboarding shall imply that at least one payment has been made under each State Linked Scheme (SLS) of the respective CSS.

b. Aadhaar-based DBT Implementation

The State/UT shall have operationalized Aadhaar-based Direct Benefit Transfer (DBT) with RBI and NPCI under all schemes having a DBT component and implemented through the SPARSH platform, with at least one payment made under each SLS through Aadhaar-based DBT.

c. State Cyber Treasury and e-Claim/e-Voucher System

In compliance with para 3(xi) of DoE's guidelines dated 13.07.2023, the State/UT shall have developed a State Cyber Treasury and e-claim/e-voucher module within its IFMIS to enable implementing agencies to generate electronic claims. The Cyber Treasury must have a functionality for auto-consolidation of bills SLS-wise for CSS-related payments.

d. Refund of Unspent Balances

The State/UT shall have deposited the Central share of unspent balances lying in Single Nodal Agency (SNA) accounts of all CSSs into the Consolidated Fund of India (CFI).

e. Elimination of Treasury Float

The State/UT shall have ensured that the treasury float for all CSSs is reduced to zero, i.e., the entire Central share of CSS lying in the State treasury is either transferred to the SNA account or refunded to the CFI.

f. Deposit of Interest from SNA Accounts

The State/UT shall have deposited the Central share of interest accrued in SNA accounts into the CFI.

g. Interest on Delayed Transfers

The State/UT shall have deposited the entire interest amount attributable to delays in transfer of Central share of from the State treasury to SNA accounts as per DoE's instructions in the matter.

h. e-Bill facilitation

The State/UT shall have amended relevant rules/regulations, wherever required, to dispense with the requirement of submission of ink-signed bills to the treasury.

iv. Disqualification Criteria

A State/UT shall not be eligible for incentives under this Part, even if it meets the qualifying and performance criteria, in the following cases:

- a. If the average time taken for forwarding of bills by the Drawing and Disbursing Officer (DDO) to their receipt in PFMS exceeds 7 days. For this purpose, the State/UT shall ensure proper integration of the State treasury with PFMS and regularly exchange data with PFMS to assess the performance. Performance from 1st April 2026 to 15th December 2026 will be considered for this purpose.
- b. If the State/UT is not regularly sharing data from the State treasury to PFMS for all components of Finance Commission Grants released to the State/UT.

v. Submission and Verification

States/UTs, upon completion of the reforms, shall submit a report to the PFMS Division of the Controller General of Accounts (CGA) latest by 31.12.2026. The PFMS Division shall examine the submissions and thereafter make recommendations to the Department of Expenditure (DoE) for release of the incentive amount latest by 15.01.2027.

vi. Operational Guidelines

The Office of the Controller General of Accounts (CGA) may, if required, issue detailed operational guidelines for this Part by 30.04.2026.

19. Part–X (Pride of Hills: Special Development Assistance for the Hill States under SASCI)

i. Objective

The Hill States of India face unique financial and developmental challenges arising from difficult terrain, inaccessibility, low population density, and limited revenue-generating capacity. Consequently, these States are more dependent on financial assistance from the Government of India.

Hill States typically exhibit weaker fiscal indicators, including high Debt-to-GSDP ratios, relatively low Own Tax Revenue (OTR) base, and a higher dependence on Central transfers. In order to accelerate the development of Hill States, there is a need for enhanced investment in capital expenditure, along with financial support to address committed liabilities. Accordingly, an additional outlay is being provided to the Hill States under this Part, over and above their allocation under other parts of SASCI 2026-27.

ii. Outlay

An amount of Rs. 25,000 crore is earmarked under this Part. The State-wise distribution of the outlay is as follows:

(Rs. in Crore)		
S.No	State	Allocation
1	Arunachal Pradesh	4900
2	Himachal Pradesh	3920
3	Manipur	2400
4	Meghalaya	2070
5	Mizoram	100
6	Nagaland	3880
7	Sikkim	820
8	Tripura	3450
9	Uttarakhand	3460
TOTAL		25000

iii. Permissible Utilization of Funds

The funds allocated under this Part may be utilized by the States for the following purposes:

a. Repayment of Loans

Repayment of the principal amount of loans availed from the Government of India, banks, and other agencies, including loans for Externally Aided Projects (EAPs). Funds released under this part will not impact the Gross Borrowing Ceiling of the State as determined under the Borrowing Guidelines for 2026–27 issued by the Department of Expenditure, Government of India.

b. State Share of Projects and Schemes

Meeting the State share of Centrally Sponsored Schemes (CSS) and the State share of infrastructure projects of Central agencies such as Railways, highways, etc.

c. Counterpart funding for Externally Aided Projects (EAPs).

d. Meeting essential revenue expenditure, after fulfilling the requirements specified at (a) to (c) above.

iv. Release of Funds

Funds under this Part shall be released in **two installments**.

- The first installment, amounting to 66% of the approved allocation, will be released upon fulfillment of the mandatory conditions prescribed in these guidelines and submission of a proposal by the State Government.
- The second installment, amounting to 34% of the approved allocation, will be released upon utilization of at least 75% of the funds released in the first installment. For this purpose, the State/UT concerned shall submit a Utilization Certificate (UC) in Form 12-B of the GFRs, 2017, through PFMS. The UC shall be digitally signed or duly signed and scanned for online submission, by the senior-most Secretary (Additional Chief Secretary/Principal Secretary/Secretary) in the Finance Department of the State Government/UT Administration.

20. Part–XI (Fiscal Discipline and Fiscal Consolidation)

i. Objective

The objective of this Part is to encourage States to maintain fiscal discipline, promote sound debt management, adopt prudent borrowing practices, strengthen fiscal risk management, and enhance transparency in fiscal reporting.

ii. Outlay

An amount of Rs. 3,000 crore is earmarked under this Part, to be made available to States on a first-come-first-served basis. The incentive amount may be utilized by the State Governments for capital projects in any sector. Only the reforms undertaken during 2026–27 shall be considered for grant of incentives.

iii. Grouping of States

For the purpose of providing incentives under this Part, States have been grouped into following categories:

Category	A	B	C	D
Amount earmarked (Rs in Crore)	250	200	150	100
States	1. Maharashtra 2. Gujarat 3. Tamil Nadu 4. Karnataka 5. Uttar Pradesh 6. West Bengal 7. Rajasthan	1.Andhra Pradesh 2.Telangana 3.Madhya Pradesh 4.Kerala 5.Haryana 6.Odisha 7.Punjab 8.Bihar	1. Assam 2.Chhattisgarh 3. Jharkhand 4.Uttrakhand 5.Himachal Pradesh 6. Goa 7.Tripura	1. Meghalaya 2. Sikkim 3. Manipur 4. Mizoram 5. Nagaland 6. Arunachal Pradesh

iv. Assessment criteria

Fiscal & Debt Consolidation Reforms to be undertaken and assessment criteria for earning incentives are as under:

ReformArea	Indicators	Marks	Scoring Methodology
Debt Management	Adoption of benchmark issuance strategy for State Government Securities (SGS)	25	Full marks for $\geq 70\%$ borrowing through benchmark maturity buckets Proportionate marks for 50% to 70% No marks for less than 50%
	Conduct of switch/buyback operations	15	Full marks for $\geq 5\%$ of debt maturing within next 3 years switched/bought back
	Preparation of Medium-Term Debt Strategy (MTDS)	10	MTDS document prepared in consultation with the RBI and published by 15/12/2026.

			MTDS must be approved by State Cabinet.
Borrowing Discipline	Adherence to Indicative borrowing calendar	20	Upper side deviation $\leq 10\%$ from quarterly borrowing calendar submitted along with the request for consent for borrowing during first nine months of 2026-27. OMB raised in Q1, Q2 and Q3, will be compared with indicative borrowing calendar
	Reduction of Q4 borrowing concentration	10	Q4 borrowing $\leq 30\%$ of annual borrowing Undertaking will be submitted by State for Q4 in the beginning of Jan 2027
Transparency in Fiscal Reporting	Monthly disclosure of following Key Indicators and publication on CAG website: • Total liabilities • Total borrowing raised • Borrowing from Public Account • Details of Guarantees • Details of Off-Budget Borrowing raised • Sector-wise subsidy payment	20	Full marks for publication of all indicators in all monthly report. Proportionate marks for each indicator for each month Monthly Key Indicators published on CAG website will be considered for assessment

v. Eligibility Threshold

To qualify for incentives under this Part, a State Government shall obtain a minimum of 60% of the prescribed marks under the evaluation framework. Amount of incentive will be proportionate to the marks scored.

vi. Submission and Verification

State Governments, upon completion of the reforms, shall submit a report to the Internal Debt Management Department (IDMD) of the Reserve Bank of India (RBI) and the Public Finance (States) Division of the Department of Expenditure by 15.01.2027.

The IDMD, RBI shall examine the submissions and provide its comments on the eligibility of States for incentives to the Department of Expenditure (DoE) by 31.01.2027.

21. Part–XII [Compressed Bio Gas (CBG) Sector Reforms]

Objective

The objective of this Part is to incentivize States/UTs to undertake time-bound reforms and enabling actions for the accelerated development of the Compressed Bio Gas (CBG) ecosystem.

The focus areas include faster project commissioning and improved utilization of CBG plants; strengthening feedstock systems and waste-to-energy convergence; enhancing market access, evacuation readiness, and offtake support; and creating an investor-ready, execution-oriented ecosystem at the State level.

Outlay

An amount of Rs. 3,000 crore is earmarked under this Part. The incentive amount may be utilized by the State Governments/UT Administrations for capital projects in any sector and shall be provided on a first-come-first-served basis.

The outlay is distributed across three components as follows:

- **Component I:** State CBG Policy Alignment – Rs. 1,300 crore
- **Component II:** State CBG Readiness Index (SCRI) – Rs. 500 crore
- **Component III:** State CBG Fiscal Co-financing Scheme – Rs. 1,200 crore
-

Grouping of States/UTs

For the purpose of incentives under Components I and II, States/UTs are classified into the following categories:

Category A: Uttar Pradesh, Maharashtra, Madhya Pradesh, Karnataka, Rajasthan, West Bengal, Gujarat, Bihar, Tamil Nadu, Andhra Pradesh, Punjab, Telangana, Haryana

Category B: Assam, Chhattisgarh, Jharkhand, Odisha, Kerala, Jammu & Kashmir, Uttarakhand, Himachal Pradesh, Delhi

Category C: Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh, Goa, Sikkim, Puducherry, Mizoram

Component I: State CBG Policy Alignment

This component is intended to incentivize States/UTs to adopt and operationalize a State CBG Policy aligned with the framework issued by the Central Government, and to undertake key reform measures for strengthening the State CBG ecosystem.

The incentive admissible under this component to a State/UT shall be subject to the following ceilings:

- **Category A States/UTs:** Up to Rs. 100 crore
- **Category B States/UTs:** Up to Rs. 50 crore
- **Category C States/UTs:** Up to Rs. 30 crore

To be eligible for incentives under Component I, the State/UT shall implement:

- All the Foundational Governance Reforms
- At least 3 out of 8 Fiscal Support Measures
- At least 1 out of 4 Ecosystem Enabler Reforms

Foundational Governance Reforms

The State shall implement a State CBG Policy which shall include key sections on:

i. Governance Mechanism

- **State Nodal Agency:** The State Government shall designate a State Nodal Agency as the principal authority for promotion, facilitation, monitoring, and coordination of CBG projects.
- **District-Level Committees (DLCs):** Each district shall constitute a DLC under the Chairmanship of the District Magistrate/Collector.

ii. Single Window Portal (SWP)

CBG projects shall be integrated into an operational Single Window Portal providing:

- Online submission and tracking of applications
- Defined timelines for approvals
- Auto-escalation mechanism for delays
- Provision for deemed approval beyond notified timelines (except for statutory clearances)

iii. Time-Bound Approval Framework

The policy shall prescribe defined timelines for :

- **Land allotment:** Within 6 months of submission of a complete application
- **Utility approvals (power/water):** Decision within 30 days, with deemed approval after 60 days

iv. Integrated Feed-stock Planning Framework

To ensure feed-stock security and prevent excessive capacity allocation relative to biomass availability:

- District-wise biomass assessment shall be conducted and periodically updated
- Each CBG plant shall be assigned a defined catchment area based on biomass availability
- Registration of new projects shall be aligned with assessed surplus biomass
- Long-term feedstock linkages shall be facilitated with ULBs, mandis, gaushalas, sugar mills, and FPOs

v. Structured FOM/LFOM Market Development

To promote utilization of bio-manure:

- FOM/LFOM shall be integrated into fertilizer distribution channels
- The Agriculture Department shall promote its usage through extension programmes
- Institutional demand shall be encouraged through public procurement and soil health initiatives

vi. Monitoring and Grievance Redressal

- Projects shall report periodic production and feedstock data
- A two-tier grievance redressal mechanism (District and State level) shall be established

Fiscal Support Measures

#	Reform Parameter	Brief description of Reform
1	Land Lease Support	Provision of land at concessional rate, exemption of stamp duty, registration charges, land conversion fee and other applicable charges.
2	Feedstock Aggregation Support	Financial assistance or subsidy for biomass aggregation machinery for Agri-Residue based CBG projects.
3	Plant CAPEX Support	Provision of capital subsidy for plant and machinery
4	Bio – Manure Utilization Support	Provision of Direct Benefit Transfer (DBT) support to farmers for utilization of by-product produced by CBG plants
5	Power Tariff Support	Electricity duty exemption or tariff reimbursement for CBG plants.
6	Tax and Interest Support	SGST reimbursement and interest subvention on term loans extended to CBG projects.
7	Manpower Support	Wage subsidy, EPF reimbursement or skill development support for personnel employed in CBG plant operations.
8	Supporting Infrastructure Development Support	Financial assistance for development of supporting infrastructure such as approach roads, power / water supply systems, gas pipelines, drainage / sewage and waste management systems.

Ecosystem Enablers

#	Reform Parameter	Brief description of Reform
1	Research & Innovation Promotion	Creation of institutional linkage with State universities, technical institutions and research bodies to promote CBG process optimization, and value-added FOM/LFOM/PROM product development.
2	Technical Capacity Strengthening	Issuance of SOPs / Field trainings led by State Nodal Agency for district officers, ULBs and FPOs/aggregators on feedstock systems, segregation/collection protocols and implementation procedures.
3	Demand Creation in the Transport Sector	Institutionalization of CBG demand through procurement by State Transport Undertakings and promotion of CNG vehicle adoption via facilitative regulatory and fiscal interventions.
4	CGD-Based Offtake Integration	Integration of CBG evacuation provisions within the State's CGD framework, including facilitation of pipeline connectivity, time-bound approvals, and standardized Right of Use (RoU) mechanisms to enable assured offtake of CBG.

Component II: State CBG Readiness Index (SCRI)

a. An amount of Rs. 500 crore is earmarked under this component to promote competitive federalism based on performance under the State CBG Readiness Index (SCRI).

States/UTs shall be ranked within their respective categories for the relevant financial year. The top three ranked States/UTs in each category, based on annual SCRI scores, shall be eligible for incentives, subject to the following ceilings:

- **Category A:** Rs. 75 crore
- **Category B:** Rs. 55 crore
- **Category C:** Rs. 35 crore

Component III: State CBG Fiscal Co-financing Scheme

An amount of Rs. 1,200 crore is earmarked under this component to incentivize States/UTs to extend substantive fiscal support for the development of the CBG sector through co-financing of capital expenditure and ecosystem investments. This is aimed at accelerating the establishment and commissioning of CBG plants.

The eligible incentive under this component shall be determined on a per Ton Per Day (TPD) basis and shall be linked to the Net Present Value (NPV) of fiscal support extended by the State/UT to the CBG producer.

The incentive per TPD shall be determined as follows:

- Where the NPV of State support per TPD is less than Rs. 0.60 crore, no Central incentive shall be admissible.
- Where the NPV of State support per TPD is equal to or greater than Rs. 0.60 crore, the Central incentive shall be 30% of the NPV of State support per TPD.

The incentive shall be subject to a maximum cap of Rs. 0.75 crore per TPD. Accordingly, the maximum admissible Central incentive shall be reached where the NPV of State support equals or exceeds Rs. 2.50 crore per TPD.

Allocation under this component shall be made on a first-come-first-served basis, subject to:

- The State/UT extending the minimum fiscal support per TPD as specified above; and
- The State/UT having a duly notified and operational State CBG Policy meeting the criteria specified under Component I.

Submission and Verification

State Governments/UT Administrations, upon completion of the reforms, shall submit a report and claim for incentives to the Ministry of Petroleum and Natural Gas (MoPNG) latest by 15.12.2026.

The MoPNG shall examine the submissions and thereafter make recommendations to the Department of Expenditure (DoE) for release of the incentive amount latest by 31.12.2026.

Operational Guidelines

The MoPNG may, if required, issue detailed operational guidelines for this Part by **30.04.2026**.

22. Single Nodal Agency (SNA) Framework

Except for Part–X (Pride of Hills), States/UTs shall designate one Single Nodal Agencies (SNAs) for all the parts or one SNA for each part of of SASCI 2026-27. The SNA shall open account in a scheduled commercial bank. Funds released by the Government of India shall be transferred by the State/UT to the SNA preferably within 10 working days and not later than 30 days.

Implementing agencies below the SNA shall either operate through the SNA bank account or open Zero Balance Subsidiary Accounts (ZBSAs) in the same bank, linked to the SNA account. All SNAs and ZBSAs shall be onboarded on PFMS.

Any delay beyond 30 days shall make the State/UT liable to pay interest to the Government of India, calculated at the weighted average rate of interest on Open Market Borrowings (10-year G-Sec.) for the previous year.

Interest accrued in the SNA account shall be remitted to the Government of India.

23. Other Conditions

i. Funds provided under SASCI 2026-27 should be utilized by the State Governments/UT Administrations for both new and ongoing capital projects. The funds may also be used for settlement of pending bills in ongoing capital projects.

ii. Incentives under all Parts of SASCI will be available on a first-come-first-served basis.

iii. The Special Assistance sought under SASCI for a project shall not be less than Rs. 5 crore (Rs. 2 crore for North-Eastern States, Hill States, and UTs of Jammu & Kashmir and Puducherry). Routine repair and maintenance works, irrespective of capital outlay, shall not be eligible.

iv. It is not be mandatory for States/UTs to submit proposals under all Parts together. Proposals may be submitted separately for each Part.

v. States/UTs may, if they so desire, submit projects of a higher value than the allocated funds, clearly indicating their order of priority.

vi. The Government of India reserves the right to accept or reject any project.

vii. Allocations not availed by a State Government/UT Administration within a reasonable period may be reallocated to other States/UTs by the Government of India.

viii. In case of unavoidable changes in approved projects under SASCI 2026–27, the State Government/UT Administration shall seek prior approval of the Government of India. Funds shall not be released for unapproved changes and may be recovered from subsequent instalments or tax devolution, if already released.

ix. Expenditure incurred for purposes other than those for which funds were sanctioned shall result in recovery by the Government of India from the devolution of taxes/duties due to the State in subsequent periods. Submission of proposals under SASCI shall be deemed as consent by the State/UT for such recovery in case of ineligible expenditure.

x. Projects may be executed by Departments of the State/UT Governments, or by PSUs, local bodies, or other agencies under their administrative control.

xi. The State/UT shall ensure that there is no duplication of funding for projects approved under SASCI with funds provided by the Government of India or the State/UT. Further, duplication of projects across different Parts of SASCI 2026–27 shall not be permitted. However, part funding from other Central/State schemes or sources shall not be treated as duplication.

xii. Funds released under SASCI 2026–27 shall be utilized on eligible expenditure by 31 March 2027, unless specified otherwise in the respective Part. For this purpose, parking of funds in intermediate accounts without actual payment to final beneficiaries shall not be treated as expenditure.

xiii. The decision of the Department of Expenditure, Ministry of Finance, regarding eligibility under any component shall be final and binding.

xiv. States/UTs shall extend necessary cooperation to NITI Aayog or any other agency designated by the Government of India for monitoring and evaluation of projects under SASCI.

24, These guidelines shall come into force with immediate effect upon their issue.

This issues with the approval of the Hon'ble Finance Minister.

Yours faithfully

(Prateek Kumar Singh)
Director, (PF-States)
Phone: 011 24012050

Annexure I

Allocation to States/UTs under Part I of Special Assistance to States for Capital Investment 2026-27

Sl No	State	Inter-se Share of State in Central Taxes & Duties as per recommendations of 16th FC (in %)	Allocation under Part I (in Rs Crores)
1	Andhra Pradesh	4.217	2825
2	Arunachal Pradesh	1.354	907
3	Assam	3.258	2183
4	Bihar	9.948	6665
5	Chhattisgarh	3.304	2214
6	Goa	0.365	245
7	Gujarat	3.755	2516
8	Haryana	1.361	912
9	Himachal Pradesh	0.914	612
10	Jharkhand	3.357	2249
11	Karnataka	4.131	2768
12	Kerala	2.382	1596
13	Madhya Pradesh	7.347	4922
14	Maharashtra	6.441	4315
15	Manipur	0.626	419
16	Meghalaya	0.631	423
17	Mizoram	0.564	378
18	Nagaland	0.481	322
19	Odisha	4.42	2961
20	Punjab	1.996	1337
21	Rajasthan	5.926	3970
22	Sikkim	0.335	225
23	Tamil Nadu	4.097	2745
24	Telangana	2.174	1457
25	Tripura	0.641	430
26	Uttar Pradesh	17.619	11805
27	Uttarakhand	1.141	765
28	West Bengal	7.215	4834
29	Delhi	NA	1647
30	Jammu & Kashmir	NA	1231
31	Puducherry	NA	122
TOTAL			70000