F. No. 44(1)/PF-S/2025-26 (CAPEX)
Government of India
Ministry of Finance
Department of Expenditure
Public Finance-States Division
******

North Block, New Delhi
Dated: the 7th April, 2025

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

Subject: Scheme Guidelines on the 'Scheme for Special Assistance to States for Capital Investment 2025-26'.

Madam/Sir,

In view of numerous beneficial impacts of capital expenditure including a high multiplier effect, enhancement in the future productive capacity of the economy, and promotion of a higher rate of growth of economy, the Ministry of Finance, Government of India is implementing Schemes for Special Assistance to States for Capital Expenditure/ Investment since 2020-21. Under these Schemes, financial assistance has been provided to State Governments in form of 50-year interest free loan.

2. After taking into consideration an extremely positive response of the State Governments to these schemes and their requests for having a similar scheme in 2025-26 as well, the Government of India has decided to launch a redesigned Scheme for the year 2025-26 in order to facilitate a higher capital investment in the States. The scheme has been named as the **"Scheme for Special Assistance to States for Capital Investment 2025-26"**. An amount of Rs.1,50,000 Crore has been allocated for the scheme in the financial year 2025-26.

3. Under the scheme, financial assistance will be provided to the state governments and UTs with Legislative Assembly in the form of 50-year interest free loan for capital investment projects. Loan provided under the scheme will be over and above the normal borrowing ceiling allowed to the States/UTs for the financial year 2025-26. The loan amount is to be spent within the financial year 2025-26, unless specifically indicated otherwise in any of the parts of the scheme.

4. In order to avail benefits of any Part of the Scheme, in addition to the conditions prescribed under various Parts of the Scheme, a state government/ UT Administration is required to meet the following mandatory conditions:

(i) Full compliance with the official name of all Centrally Sponsored Schemes (CSSs) [correct translation to local language is permissible] and any guidelines/instructions issued by the Government of India regarding branding of CSSs, in all schemes of all ministries.

(ii) Deposit of central share of interest earned in SNA accounts of CSS and SASCI till 31st March, 2025 in the Consolidated Fund of India and submission of a certificate to this effect in the format enclosed at **Annexure-I**, signed by the Finance Secretary of the State Government / UT Administration. This condition will be applicable only for release of the 2nd installment under Part-I of the Scheme for 2025-26.

5. States/ UT with Legislative Assemblies are required to submit capital works/ projects proposed to be taken up by them in 2025-26 in the format given in **Annexure-II** online. No manual submission will be accepted.

6. In case of mandatory condition detailed in Para 1 (i) above, a certificate confirming compliance of mandatory condition detailed in Para 1 (i) above duly signed by the Additional Chief Secretary/Principal Secretary/Secretary, Finance Department of the State Government / UT Administration will be sufficient unless, a violation is reported by the Ministry/Department concerned of the Government of India. Similarly, in case of mandatory condition detailed in Para 1 (ii) above, a certificate (as per format enclosed at Annexure-I) confirming compliance of mandatory condition detailed in Para 1 (ii) above duly signed by the Additional Chief Secretary/Principal Secretary/Secretary, Finance Department of the State Government/ UT Administration will be sufficient unless, a violation is reported by the Public Financial Management System (PFMS) Division / Office of the Controller General of Accounts, Government of India.

7. The Scheme for Special Assistance to States for Capital Investment 2025-26 will have multiple Parts. The Scheme guidelines for the parts mentioned below are being issues now. For the remaining parts, the guidelines will be issued in due course.

(i) <u>Part-I (Untied):</u>

1. An amount of **Rs. 57,000 Crore** is earmarked for Part-I of the Scheme. Out of this, **Rs. 55,000 Crore** is earmarked for the states. This amount has been allocated amongst States in proportion to their share of central taxes & duties as per the award of the 15th Finance Commission. State-wise allocation of funds under this Part is given in **Annexure-III**. The remaining amount of **Rs. 2,000 Crore** is earmarked for the Union Territories with Legislature. Out of this, an amount of Rs. 1200 Crore is earmarked for Jammu & Kashmir, Rs. 600 Crore for Delhi and Rs. 200 Crore for Puducherry.

2. Funds under this Part will be released in two installments. The 1st installment of 66 percent of the approved amount will be released on meeting the mandatory conditions of these guidelines and on approval of the list of capital projects submitted by the State/ UT. Any amount released to the State under the 'Scheme for Special Assistance to States for Capital Investment 2024-25' except amounts released under Part-III (Development of Iconic Tourist Centres to Global Scale, Part X (Construction of Working Women Hostel) and for reconstruction and mitigation works for natural disaster under Part-I of the Scheme for 2024-25, which is not utilized by the state government till 31st March, 2025 will be deducted from the 1st installment. The 2nd installment of 34 percent of the approved amount will be released on utilization of at least 75 percent of the amount released in the 1st installment and refund of the Central Share in SNA Account of all CSS migrated to SNA SPARSH on or before 31.03.2025.

(ii) <u>Part-II (Release of Balance Approved Amounts under continued parts of the Scheme for 2023-24 and 2024-25):</u>

1. An amount of **Rs. 5,000 Crore** is earmarked for this Part. Under this Part of the scheme, balance funds for capital projects approved under Housing for Police Personnel Above or As Part of Police Stations in Urban Areas, Construction of Unity Malls and Children and Adolescents' Libraries and Digital Infrastructure of the Scheme for 2023-24; and balance funds of projects approved in 2024-25 for Development of Iconic Tourist Centres to Global Scale and Working Women Hostel under the Scheme for 2024-25 will be released. However, **no new capital projects will be approved under this Part**. Balance funds under this Part will be released in a single installment for each Part on utilization of 75 percent of the funds provided earlier under the respective Parts and on deposit of the interest earned in the SNA account of the concerned Part in the Consolidated Fund of India, wherever applicable.

(iii) <u>Part-III (State/UT Share of Centrally Sponsored Schemes Including Urban and Rural Infrastructure Projects):</u>

1. An amount of **Rs. 10,000 Crore** is earmarked for Part-III of the scheme for 2025-26 to fund State / UT share for completion of major urban and rural infrastructure projects under various schemes / programmes like railway projects, metro rail projects, highway projects, power projects, airports and State/ UT share of infrastructure oriented Centrally Sponsored Schemes like Jal Jeevan Mission, AMRUT, PMGSY.

2. The State Government/ UT Administration are required to submit a list of projects/schemes for which funds under this Part of the Scheme are proposed to be applied, to the DoE, MoF latest by 15.10.2025.

3. The amount approved by the Government of India will be released in two instalments. The 1st instalment constituting 66 percent of the approved amount will be released upon submission of details by the state government/ UT Administration. The 2nd instalment constituting 34 percent of the approved amount will be released after the transfer of the 1st instalment to the bank account of SNA concerned and achieving utilization of 75 percent of the Central share of the 1st instalment released by the Ministry concerned and the commensurate State/ UT share.

(iv) Part-IV (Incentives for Achieving Target Fixed for Capital Expenditure for 2025-26):

1. An amount of **Rs. 15,000 Crore** is earmarked for this part of the scheme. This amount will be available to the eligible States in proportion to their allocation under Part-I. The amount will be provided to the state governments and UT Administrations who achieve a growth rate of over 10 percent in capital expenditure in 2024-25 over 2023-24 and also achieve a growth rate of over 10 percent in first nine months of 2025-26 over the growth rate in the corresponding period of 2024-25.

2. Capital expenditure of a State/ UT will be taken from Statement No. (5) of State Finance Accounts, wherever available, after excluding the funds provided by the Government of India under the Scheme for Special Assistance to States for Capital Expenditure/Investment. The growth rate of capital expenditure of the State/ UT in 2025-26 will be estimated from the 'Monthly Key Indicators' provided on CAG's website. Capital expenditure by the State/ UT in 2023-24, 2024-25 and 2025-26 would exclude 100 percent of the amount released to the State under the Scheme for Special Assistance to States for Capital Investment during those years, and only the amount spent by the state government concerned from its own resources as capital expenditure shall be considered for calculating the year-on-year growth in capital expenditure

3. The state government/ UT Administration will submit documentary evidence in support of their claim of surpassing the targeted capital expenditure.

4. The incentive amounts approved under this Part of the scheme may be used by the state government/ UT Administration for infrastructure projects in any sector. The state government/ UT Administration is required to provide a list of capital projects for which it intends to utilize eligible incentive amount provided under this part of the scheme in the format prescribed in Annexure-II of these guidelines.

Other conditions:

1. State/ UT should submit the projects for Special Assistance (Loan) under the Scheme for Special Assistance to States for Capital Investment 2025-26 through the online facility provided for SASCI in the PFMS Portal by Department of Expenditure. Manual submission will not be accepted.

2. Funds provided to the states governments/ UT Administration under the scheme by the Government of India may be used by the state governments for both new and ongoing capital projects, for long term benefit to the State. The funds may also be used for settling pending bills in ongoing capital projects.

3. Special Assistance (Loan) sought under the scheme for a project should not be less than Rs. 5 Crore (Rs. 2 Crore for North Eastern States and Hill States / UT of Jammu & Kashmir). Further, routine repair and maintenance projects irrespective of capital outlay will not be considered under the scheme.

4. It is not mandatory for the States/ UTs to submit proposals under all parts of the scheme together. States/ UTs may submit proposals separately for each part of the scheme.

5. States/ UTs (if they wish) may submit projects of a higher value than the funds allocated, indicating their preference/priority.

6. The Government of India reserves the right to reject any project.

7. Funds not used by a state government/ UT Administration within a reasonable time may be reallocated to other States/ UTs by the government of India.

8. In case of unavoidable changes in specific projects for which capital expenditure is approved under the Scheme for 2025-26, the state government and UT Administrations shall seek the approval of the Government of India for the change. Funds will not be released against un-approved changes and may be deducted from subsequent installments / tax devolution, if already released.

9. Expenditure by the states/ UTs of the funds provided under the scheme for purposes other than for which the funds were sanctioned, will result in the deduction of the amounts by the Government of India from the devolution of taxes/duties due to the State in subsequent periods. Application of the State for funds under the Scheme will constitute its consent for such deduction in respect of ineligible expenditure.

10. The projects posed may either be executed by Departments of the States/ UTs or by PSUs or other agencies/ local bodies of the state governments/ UT Administrations which are fully under their administrative control.

11. The amount released by the government of India shall be released by the state government / UT Administration to the Implementing Agencies/Single Nodal Agencies within 10 working days. Delay beyond this period will make the State/ UT liable to pay interest to the Government of India on the amount released as per the weighted rate of interest on Open Market Borrowings (i.e. 10-year G-Sec.) for the previous year.

12. The state government/ UT administration shall ensure that there is no duplication in funding of the projects approved under the scheme either with the funds provided by the government of India or the state government/ UT Administration. Further, the state government/ UT Administration shall ensure that there is no duplication in the projects submitted for approval under different parts of the Scheme for Special Assistance to States for Capital Investment 2025-26.

13. The consolidated Utilization Certificate for the amount utilized up to 31st March, 2025 in the Form 12-B of the GFRs, 2017 against the amount released in 2024-25 under the scheme for 2024-25 (except amounts released under Housing for Police personnel above or as part of Police Stations in Urban Areas, Construction of Unity Malls and Children and Adolescents' Libraries and Digital Infrastructure of the Scheme for 2023-24; and for Natural Disaster related projects under Part-I, Development of Iconic Tourist Centres to Global Scale and Working Women Hostel in 2024-25) duly signed by the Finance Secretary of the state government will be provided failing which

equivalent amount will be deducted from the 1st installment of funds released to the State under Part-I of the 'Scheme for Special Assistance to States for Capital Investment 2025-26'.

14. The consolidated Utilization Certificate for the amount utilized up to 31st March, 2025 in the Form 12-B of the GFRs, 2017 against the amount released under Housing for Police personnel above or as part of Police Stations in Urban Areas, Construction of Unity Malls ; and Children and Adolescents' Libraries and Digital Infrastructure of the Scheme for 2023-24 as well as for Natural Disaster related projects under Part-I, Development of Iconic Tourist Centres to Global Scale and Working Women Hostel in 2024-25 duly signed by the Finance Secretary of the State Government and the details of deposit of the interest earned in the respective SNA account will be provided by the State Government at the time of availing balance funds under Part-II of the Scheme for 2025-26.

15. It is a condition of the Scheme that all amounts allocated under all Parts of the Scheme shall be spent on eligible expenditure before 31st March, 2026. For this purpose, release of funds to intermediate agencies without actual payments to the final recipient (parking of funds) will not be treated as expenditure.

16. Decision of the Department of Expenditure, Ministry of Finance regarding eligibility for any component shall be final.

17. States/ UT Administration shall extend necessary support to the NITI Aayog or any other agency entrusted by the Government of India with monitoring and evaluation of projects funded under the scheme as needed.

18. These guidelines will come into effect immediately on their notification.

This issues with the approval of the Finance Minister.

Yours faithfully,

चिन्मय. 07/04/2025

(Chinmay Pundlikrao Gotmare)
Director, (PF-States)
Phone: 011 - 2309 5647

Annexure -I

Government of____________________________

No._________________ Dated:

CERTIFICATE REGARDING DEPOSIT OF CENTRAL SHARE OF INTEREST ACCRUED IN SNA ACCOUNTS TILL 31ST MARCH, 2025 IN THE CONSOLIDATED FUND OF INDIA

It is hereby certified that the entire amount of Central share of interest accrued in the SNA accounts pertaining to all Centrally Sponsored Schemes (CSSs) in the State/UT has been deposited in the Consolidated Fund of India (CFI) in compliance of DoE's guidelines dated 23rd March, 2021 and instructions dated 30th June, 2021.

Name:

Designation:

(To be signed by the concerned Finance Secretary of the State/UT)

Annexure-II

Application Format for Providing Requisite Details of the Projects (Summarized)

Letter No: .... **Date: .../.... /**

To,
The Secretary, Expenditure,
Ministry of Finance,
Government of India.

Subject: Approval of projects under the Scheme for Special Assistance to States for Capital Investment, 2025-26.

Sir,

With reference to your letter F. No. 44(1)/PF-S/2025-26 (CAPEX) dated 07.04.2025 we would like to submit the following projects under the aforesaid scheme.

(Rs. in Crore)

Sl. No.	Name of the Project	Sector	Location	Whether New or Ongoing	In case of ongoing		Total Project Cost	Project Capital Outlay for 2025-26	Special Assistance (Loan) sought under the Scheme for 2025-26	Completion Period	Implementing Agency	Economic Justification (in brief)	Other Details (if any)
					Percentage completion as on 01.04.2025	Unpaid bill (if any) as on 01.04.2025							
1.													
2.													
Total													

Note: Detailed Project Report (DPR) in respect of each project has been obtained by the State Government/ UT Administration and kept in the records by State/ UT Finance Department.

Yours sincerely,

Additional Chief Secretary/Principal Secretary/Secretary,
Finance Department, Government of ______

Annexure-III

Allocation to States of Rs. 55,000 Crore under Part-I of the Scheme for Special Assistance to States for Capital Investment 2025-26

(Rs. in Crore)

S. No.	State	Inter-se Share of State in Central Taxes & Duties (in Percent)	Allocation under Part-I
1	Andhra Pradesh	4.047	2226
2	Arunachal Pradesh	1.757	966
3	Assam	3.128	1720
4	Bihar	10.058	5532
5	Chhattisgarh	3.407	1874
6	Goa	0.386	213
7	Gujarat	3.478	1913
8	Haryana	1.093	601
9	Himachal Pradesh	0.83	457
10	Jharkhand	3.307	1819
11	Karnataka	3.647	2006
12	Kerala	1.925	1059
13	Madhya Pradesh	7.85	4318
14	Maharashtra	6.317	3474
15	Manipur	0.716	394
16	Meghalaya	0.767	422
17	Mizoram	0.5	275
18	Nagaland	0.569	313
19	Odisha	4.528	2490
20	Punjab	1.807	994
21	Rajasthan	6.026	3314
22	Sikkim	0.388	213
23	Tamil Nadu	4.079	2243
24	Telangana	2.102	1156
25	Tripura	0.708	389
26	Uttar Pradesh	17.939	9866
27	Uttarakhand	1.118	615
28	West Bengal	7.523	4138
Total		**100.00**	**55000**

F. No. 44(1)/PF-S/2025-26 (CAPEX)
Government of India
Ministry of Finance
Department of Expenditure
Public Finance-States Division
******

North Block, New Delhi
Dated the 22nd May, 2025

To

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

Subject: Scheme Guidelines for reform-based parts of the 'Scheme for Special Assistance to States for Capital Investment 2025-26'

Madam/Sir,

In continuation with the guidelines for the Scheme for Special Assistance to States for Capital Investment 2025-26 issued vide letter of even number dated 7th April, 2025, the following guidelines are issued for various reform-based parts of the scheme:

Part-V (Mining Sector Reforms):

1. **Objective:** State governments have an important role to play in the development of the country's mining sector. Objective of this part of the Scheme is to facilitate increase in mineral production, increase in revenue collection by states from mining and incentivize reforms.

2. **Outlay**: An amount of **Rs. 5,000 Crore**, is earmarked for this part of the scheme to provide incentive to the States for carrying out the following mining sector reforms.

i. Minor Mineral Reforms

ii. Major Mineral Reforms

iii. State Mining Readiness Index-based Reforms

2.1 **Component- 1 (Minor Mineral Reforms)**: An amount of Rs. 2,000 crore is earmarked for this component for carrying out reform actions in the domain of minor minerals as per details given in Table-1 below:

Table - 1: Reform Parameters for Minor Mineral Reforms

S. N.	Reform Parameter	Eligibility	Incentive
(a)	State has a minor mineral policy	At least four reform actions completed	Rs. 100 Crore on 'First Come-First Served' basis
(b)	State has established State Mineral Exploration Trust (SMET) for funding exploration activity for minor minerals		
(c)	State has adopted auction mode of allocation of minor mineral blocks		

(d)	State has implemented star rating system for minor minerals		
(e)	State has mine closure provisions and monitoring mechanism for minor minerals		
(f)	State has undertaken survey, mapping and exploration of at least 3 minor minerals in the entire State		
(g)	State has issued State DMF Rules based on the revised PMKKKY guidelines		

2.2 Component- 2 (Major Mineral Reforms): An amount of Rs. 2,100 crore is earmarked for this component. The state governments will be eligible to receive an amount of Rs 300 Crore as incentive if the State has operationalized at least 10% of the major mineral blocks which were successfully auctioned till 31.03.2025.

2.3 Component- 3 (State Mining Readiness Index-based Reforms): An amount of Rs. 900 crore is earmarked for this component for allocation to those States which secure the top three ranks in each of the three categories of States (Group A, B and C) in the State Mining Readiness Index. Each of such States will be eligible to receive an amount of Rs. 100 Crore.

3. The Ministry of Mines is the nodal ministry for this part of the scheme and will examine and verify the claimed reforms and determine eligibility of a state to receive incentive under this part. Thereafter, it will recommend release of funds to the Department of Expenditure, Union Ministry of Finance. The last date for the State government for submission of application with supporting documents to the Ministry of Mines is as indicated below, beyond which no application will be processed:

Component- 1 (Minor Mineral Reforms)	31.10.2025
Component- 2 (Major Mineral Reforms)	31.12.2025
Component- 3 (State Mining Readiness Index-based Reforms)	31.10.2025

4. Funds under each component of this Part of the Scheme will be released on receipt of completed application, and fulfilment of eligible reform actions. However, the incentive money will be available to only those States, which have not imposed any State level taxes on mining sector.

5. The Union Ministry of Mines may issue detailed operational guidelines for this part of the Scheme.

6. Funds released under this part of the Scheme should be spent on capital investment projects for building infrastructure especially in mining districts of the State. State should submit list of projects online through PFMS in the format prescribed in Annexure-2 of the guidelines of SASCI 2025-26 issued on 7th April, 2025. The funds released can be spent only till 31.03.2026.

Part-VI: (Scrapping of Old Vehicles and Electronic Enforcement of Road Safety)

This part of the scheme has two sub-parts:

Part VI A (Scrapping of Old Vehicles):

1. Objectives:

The Ministry of Road Transport & Highways (MoRTH) has launched the Voluntary Vehicle-Fleet Modernization Program (V-VMP), also known as 'Vehicle Scrapping Policy'. This policy aims to reduce vehicular pollution by phasing out old, unfit, and polluting vehicles. The objective of this Part of the Scheme is to promote voluntary scrapping of unfit and polluting commercial and passenger vehicles based on their fitness and to incentivize better roads, passenger, and vehicular safety and reduction in pollution.

2. Financial Allocation:

An amount of **Rs. 2,000 Crore** is earmarked for this Part of the Scheme which will be available to State Governments on 'First-Come-First-Served' basis.

3. Key Actions required from State Governments:

1. To promote the 'Vehicle Scrapping Policy', States are required to scrap Government-owned vehicles older than 15 years and set up a network of Registered Vehicle Scrapping Facilities (RVSFs) and Automated Testing Stations (ATSs).

2. MoRTH may issue detailed procedural/operational guidelines, if needed. States must achieve the following milestones to be eligible for incentives under this Part of the Scheme:

4.1. Initiative-A: Facilitate Vehicle Scrapping at Registered Vehicle Scrapping Facilities (RVSFs):

4.1.1. Milestone 1:

1. States will be eligible to receive incentive, as per details given in Table 2, for notification and implementation of additional Motor Vehicle (MV) tax concession on Vahan in-line with MoRTH notification vide GSR 200 (E) dt. 26.03.2025.

Table 2: Admissible Amount of Incentive under Initiative A, Milestone 1, Part VI

Category	1	2	3	4
Admissible Amount (Rs. in crore)	**200**	**100**	**50**	**10**
List of states	1. Karnataka 2. Uttar Pradesh 3. Madhya Pradesh 4. Kerala 5. Tamil Nadu 6. Punjab 7. Andhra Pradesh	1. West Bengal 2. Haryana 3. Odisha 4. Gujarat 5. Maharashtra 6. Rajasthan 7. Telangana	1. Jharkhand 2. Uttarakhand 3. Himachal Pradesh 4. Chhattisgarh 5. Assam 6. Bihar 7. Goa 8. Delhi 9. Puducherry	1. Arunachal Pradesh 2. Manipur 3. Meghalaya 4. Mizoram 5. Nagaland 6. Sikkim 7. Tripura 8. Jammu & Kashmir

2. States/UTs will be eligible to receive a percentage of the admissible amount of incentive, as shown in Table 2, as per the percentages of MV Tax concession provided by the States for transport vehicles and non-transport vehicles as mentioned in Table 3 below.

Table 3: Percentages of Incentive amount under Initiative A, Milestone 1, Part VI					
MV tax concession for Transport Vehicles	**% for notification**	**% for implementation**	**MV tax concession for Non-Transport Vehicles**	**% for notification**	**% for implementation**
50%	20%	30%	50%	20%	30%
> 15% and < 50%	10%	15%	> 25% and < 50%	10%	15%
15%	0%	0%	25%	0%	0%

4.1.2. Milestone 2:

1. All Government owned vehicles older than 15 years must be scrapped at RVSFs, and States will be eligible for an incentive amount as per slabs mentioned in Table 4 for scrapping Government owned vehicles in FY2025-26 in the RVSFs established in the respective states. For this purpose, vehicles registered outside a State but scrapped in a RVSF facility in the State would be counted towards the State in which the vehicle is actually scrapped. Vehicles scrapped before 01.04.2025 will not be eligible for incentive. The proof of scrapping in the form of auction data from MSTC / GeM / CoD generated through vscrap portal shall be used to calculate the eligible incentive amount.

Table 4: Incentive amount for scrapping Government owned vehicles in 2025-26 Under Initiative A, Milestone 2, Part VI	
Slabs for number of Government vehicles scrapped at RVSFs of the State	**Incentive amount per Government vehicle as per slab (in Rupees)**
Up to 500	50,000
501 – 1,000	60,000
1,001 – 2,000	75,000
2,001 – 4,000	90,000
4,001 – 6,000	120,000
Above 6,000 vehicles	150,000

Illustrative example: If a state scraps 3,000 Government vehicles in the RVSFs established in the State, then the eligible incentive is Rs. 50,000 per vehicle for first 500 vehicles, Rs. 60,000 per vehicle for the next 500 vehicles, Rs. 75,000 per vehicle for the next 1000 vehicles, and Rs. 90,000 per vehicle for the next 1000, which amounts to a total incentive of Rs. 22 Crores.

2. States will be further eligible for an incentive amount as per slabs mentioned in Table 5 for scrapping non-Government owned vehicles in FY 2025-26 in the RVSFs established in the respective states. The proof of scrapping in the form of CD generated through vscrap portal shall be used to calculate the eligible incentive amount.

Table 5: Incentive amount for scrapping non-Government owned vehicles in 2025-26 Under Initiative A, Milestone 2, Part VI	
Slabs for number of non-Government vehicles scrapped at RVSFs of the State	**Incentive amount per non-Government vehicle as per slab**
Up to 1000 vehicles	5,000
1001 – 2001 vehicles	7,500
2001 – 3001 vehicles	10,000
3001 – 4000 vehicles	12,500
4001 – 5000 vehicles	15,000
Above 5000 vehicles	20,000

Illustrative example: If a state scraps 2200 non-Government vehicles in the RVSFs established in the State, then the eligible incentive is Rs. 5000 per vehicle for first 1000 vehicles, Rs. 7,500 per vehicle for the next 1000 vehicles, Rs. 10,000 per vehicle for the next 200 vehicles, which amounts to a total incentive of Rs. 1.45 Crore.

4.2 Initiative-B: Award of Work and Operationalization of Automated Testing Stations (ATSs):

States will be incentivized for award of work and operationalization of ATSs in FY 2025-26 under Initiative-B. A total of 250 districts have been identified as high priority due to their higher testing loads. Establishment of ATSs in these high priority districts in FY 2025-26 will attract higher incentives as provided in Table 6. State-wise details of the 250 high-priority districts will be issued to States by the MoRTH separately.

4.2.1. Milestone-1:

States will be eligible to receive 25 percent of the admissible amount per ATS awarded in FY 2025-26 as per Table 6 in accordance with ATS rules notified by MoRTH vide GSR 652 (E) dated 23.09.2022, amended vide GSR 797 (E) dated 31.10.2022 and GSR 195 (E) dated 14.03.2024, for recognition, regulation, and control of ATSs based on the following criteria:

(i) States must approve on NSWS (in the case of direct investment mode) / award (in the case of PPP mode) / initiate construction (in the case of State-owned) of ATSs by 31.12.2025.

(ii) There is no limit on number of ATSs for which this incentive shall be granted.

(iii) States must issue a notification to stop manual fitness testing at Regional Transport Office(s) in districts where ATS are operational by 31.12.2025 to be eligible for incentive amount under Milestone 1 of Initiative B.

4.2.2. Milestone-2:

I. States will be eligible to receive the remaining 75 percent of the admissible amount per ATS operationalized in 2025-26as per details provided in Table 6 by 31.12.2025 based on the following criteria:

(i) Testing should have commenced at the operational ATSs in 2025-26 through Automatic Fitness Management Station (AFMS).

(ii) There is no limit on number of ATSs for which this incentive will be granted.

II. Additionally, States will be eligible for a 1.5 times multiplier on the admissible amount per ATS under Milestone-2 of Initiative-B, if in 2025-26, the Registration Certificate for operationalization of the ATS is issued by State within 6 months of the issuance of Preliminary Registration Certificate.

(Rs. in crore)

Table 6: Admissible amount of incentive under Initiative B		
District	**Admissible amount per ATS**	
	North-Eastern States (except Assam)	**Other States**
High Priority	9.0	6.0
Others	7.5	5.0

5. Funds will be released in two equal instalments.

6. State Governments after achieving milestones under Initiative A and/or Initiative B of this part shall submit a report to MoRTH by 31.12.2025. MoRTH will examine the submissions by a State and thereafter make recommendations to the DoE for the release of incentive amount by 15.01.2026.

7. The states will be free to propose any capital investment project from the incentive amount, including replacement of old scrapped vehicles with less polluting vehicles, preferable, Electric Vehicles (EVs). The State government shall provide online in PFMS portal, a list of capital projects for which it intends to utilize eligible incentive amount provided under this part of the Scheme in the format prescribed in Annexure-2 of No. 44(1)/PF-S/2025-26 (CAPEX) dated 07.04.2025.

8. Incentive recommended by MoRTH under Part-IV of SASCI 2024-25 on or before 31.03.2025 but could not be released in 2024-25 may also be released in 2025-26 provided that the State government had submitted the list of projects to be taken up from the incentive amount so recommended, before 31.03.2025.

Part VI B (Implementation of Electronic Enforcement of Road Safety):

1. **Objectives:**

It has been reported that traffic violations account for more than 80% of the fatalities caused due to road accidents. Currently, the traffic enforcement has limitations in terms of both human dependency & manpower strength, and there is a need for technology driven traffic enforcement solutions. To address this, Ministry of Road Transport and Highways (MoRTH) has notified the rules for electronic monitoring and enforcement of road safety under the provisions of Motor Vehicles Amendment Act (2019). Electronic monitoring and enforcement provide real-time data and evidence, facilitating the swift imposition of penalties for violations. The implementation requires identification of high-risk and high-density corridors for placement of electronic enforcement devices as per provisions of Section 136A of the Motor Vehicles Act, 1988 in line with Rule 167A of the Central Motor Vehicles Rules, 1989. The objective of this part of the scheme is to promote the electronic enforcement ecosystem in the country and promote road safety towards achievement of the national goal of reducing fatalities by at least 50% by 2030.

2. **Financial Allocation:**

An amount of **Rs. 3,000 crore** is allocated for this part of the scheme available to State Governments on 'First-Come-First-Served' basis.

3. **Grouping of States:**

A multi-factor analysis is conducted to categorize the States that have higher road traffic fatalities on State Highways, higher registered vehicle population, and road length of State Highway network. Based on this, the States are grouped in three categories and their corresponding maximum admissible amount of inventive are shown in Table 7.

Table 7: Admissible amount of incentive under this part of the scheme

Category	A	B	C
Maximum Admissible Amount	Rs.350 crore	Rs.150 crore	Rs.50 crore
List of States	1. Maharashtra 2. Tamil Nadu 3. Uttar Pradesh 4. Karnataka 5. Gujarat 6. Madhya Pradesh 7. Rajasthan 8. Andhra Pradesh	9. Bihar 10. Kerala 11. Odisha 12. West Bengal 13. Punjab 14. Chhattisgarh 15. Telangana 16. Arunachal Pradesh 17. Haryana 18. Jharkhand 19. Assam 20. Uttarakhand 21. Delhi	22. Himachal Pradesh 23. Jammu & Kashmir 24. Tripura 25. Goa 26. Meghalaya 27. Manipur 28. Nagaland 29. Sikkim 30. Puducherry 31. Mizoram

4. **Key Actions Required from State Governments:**

i. To promote implementation of electronic enforcement of road safety, States are required to:

a. Install electronic enforcement devices on the identified high-risk and high-density corridors on State Highways and on critical junctions in towns/ cities with population of more than five lakh (as per data available based on census of India 2011) including the 132 cities as listed under Rule 167A of the Central Motor Vehicles Rules, 1989.

b. Capture traffic violations from the installed electronic enforcement devices utilizing the Traffic Control Rooms and collect fines from the traffic violators in line with the Motor Vehicles Amendment Act (2019).

ii. States will refer to the 'Standard Operating Procedure for Implementation of Section 136A of the Motor Vehicles Act, 1988' to be published by MoRTH for the identification of high-risk and high-density corridors and for the identification of critical junctions.

iii. To qualify under this part of the scheme, the State Government shall specify to MoRTH regarding the details of high-risk and high-density corridors on State Highways and critical junctions in towns/ cities with population of more than five lakhs (as per data available based on census of India 2011) including the 132 cities as listed under Rule 167A of the Central Motor Vehicles Rules, 1989. The details should include particulars such as the road name/ name of critical junction, start and end coordinates of the corridor (coordinate in case of critical junction), length of corridor, number of accidents and fatalities on the corridor/ critical junction for the previous two calendar years (2023 and 2024) as per eDAR in synchronization with SCRB/CCTNS database. The details should also include the location of existing facilities related to electronic enforcement devices in the State as on 01.05.2025 in an official letter issued by a competent authority of the State no later than 15.06.2025. Corridors and junctions with existing facilities related to electronic enforcement devices would not be considered.

iv. The target number of devices to be installed in the identified list of high-risk and high-density corridors on State Highways and critical junctions in towns/ cities shall be specified by the State Government to MoRTH in an official letter issued by a competent authority of the State no later than 15.06.2025.

5. States must achieve the following milestones to be eligible for incentives under this part of the scheme:

5.1 Milestone-1: Installation of electronic enforcement devices on the identified locations:

i. States will be eligible to receive 40 percent of the admissible amount of incentive, as shown in Table 7, upon installation of electronic enforcement devices on the identified high-risk and high-density corridors on State Highways and on the identified critical junctions in towns/cities with population of more than five lakhs (as per data available based on census of India 2011) including the 132 cities as listed under Rule 167A of the Central Motor Vehicles Rules, 1989.

ii. To qualify for this milestone, the State Government shall specify to MoRTH the number and location of installed electronic enforcement devices in an official letter issued by a competent authority of the State no later than 30.09.2025. Further, the official letter shall also provide a confirmation of the installation of electronic enforcement devices.

iii. For the purpose of disbursing the admissible amount of incentive under this milestone, the total number of devices installed for electronic monitoring and enforcement will be prorated against the target number of devices specified by the State Government to MoRTH in an official letter issued by a competent authority of the State.

iv. States will adhere to the installation requirements of electronic enforcement devices on the identified high-risk and high-density corridors and critical junctions as per the 'Standard Operating Procedure for Implementation of Section 136A of the Motor Vehicles Act, 1988' to be published by MoRTH.

5.2 Milestone-2: Integration of installed electronic enforcement devices with Traffic Control Rooms (TCRs):

i. States will be eligible to receive 20 percent of the admissible amount of incentive, as shown in Table 1, for the integration of electronic enforcement devices installed under milestone-1 with the appropriate Traffic Control Rooms (TCRs) (at either City, District, or State level including the operational Advanced Traffic Management Systems (ATMS) Command and Control Centres on National Highways and operational Integrated Command and Control Centres (ICCCs) in the respective State).

ii. For the purpose of disbursing the admissible amount of incentive under this milestone, the number of electronic enforcement devices integrated with TCRs will be prorated against the target number of devices specified by the State Government to MoRTH in an official letter issued by a competent authority of the State to MoRTH.

iii. The confirmation of the integration of electronic enforcement devices with TCRs shall be specified by the State Government to MoRTH in an official letter issued by a competent authority of the State no later than 30.11.2025.

5.3 <u>Milestone-3</u>: Generation of e-challans through electronic enforcement devices:

i. States will be eligible to receive 10 percent of the admissible amount of incentive, as shown in Table 7, for successful operations of the integrated system and generation of e-challans through the electronic enforcement devices installed under milestone-1.

ii. The proof of operations of the e-enforcement devices, the number of e-enforcement devices (as installed under milestone-1) utilized for the generation of e-challans, and the number of e-challans issued through such devices shall be verified by MoRTH through the central e-challan system.

5.4 <u>Milestone-4</u>: Efficiency of disposal of e-challans:

i. States will be eligible to receive 10 percent of the admissible amount of incentive, as shown in Table 7, for achieving a minimum of 90 percent efficiency in disposal of e-challans generated under milestone-3.

ii. For the purpose of disbursing the admissible amount of incentive under this milestone, MoRTH will examine the number of e-challans disposed against the number of e-challans generated as on 01.12.2025. States achieving below 90 percent efficiency in disposal of e-challans will not be eligible for the admissible amount under this milestone.

5.5 <u>Milestone-5</u>: Reduction in fatalities on State Highways and Major District Roads:

i. States will be eligible to receive the remaining 20 percent of the admissible amount of incentive, as shown in Table 1, for achieving a minimum of 50 percent reduction in fatalities on State Highways and Major District Roads over a period of three months after the completion of installation of electronic enforcement devices under milestone-1.

ii. To qualify for this milestone, the State Government shall specify to MoRTH the total number of fatalities on State Highways and Major District Roads over a period of three months after the completion of installation of electronic enforcement devices under milestone-1 in an official letter issued by a competent authority of the State no later than 01.12.2025. Further, the official letter shall also specify the total number of fatalities on State Highways and Major District Roads over the corresponding period of three months in the previous year.

iv. States will be eligible for an incentive amount per each slab as mentioned in Table 8 for achieving reduction in fatalities on State Highways and Major District Roads. For the purpose of disbursing the admissible amount of incentive under this milestone, the total number of fatalities on State Highways and Major District Roads over a period of three months after the installation of electronic enforcement devices as specified by the State will be evaluated against the total number of fatalities on State Highways and Major District Roads over the corresponding period of three months in the previous year.

v.

Table 8: Percentage eligible admissible amount of incentive under milestone-5, Part VI	
Percentage reduction in fatalities on State Highways and Major District Roads	**Percent eligible admissible amount of incentive under milestone-5 (as in Table-7)**
Up to 20 percent	5 percent
21 percent to 30 percent	10 percent
31 percent to 49 percent	15 percent
50 percent or greater	20 percent

6. State Governments after achieving milestones under this part of the scheme shall submit a report to MoRTH by 15.12.2025. MoRTH will examine the submissions by the State and thereafter make recommendations to the DoE for the release of incentive amount by 15.01.2026.

7. Utilization of Funds by States/ UTs: States may utilize the funds disbursed for infrastructure projects in any sector.

8. The e-enforcement devices installed prior to 1st April, 2025 shall not be eligible for funding under the scheme.

9. Incentives will be provided on 'First Come-First Served' basis.

Part-VII (Land-related Reforms by State Governments in Rural Areas):

1. In the Budget Speech 2024-25, the Union Finance Minister announced that the State Governments will be incentivized for land-related reforms and actions, in both rural and urban areas through appropriate fiscal support. This will cover (1) land administration, planning and management, and (2) urban planning, usage and building bylaws.

2. Rural land related actions will include (1) assignment of Unique Land Parcel Identification Number (ULPIN) or Bhu-Aadhaar for all lands, (2) digitization of cadastral maps, (3) survey of map sub-divisions as per current ownership, (4) establishment of a land registry, and (5) linking to the farmers' registry. These actions will also facilitate credit flow and other agricultural services.

3. Further, in the Budget Speech of the interim budget for 2024-25 presented in February 2025, it was reiterated that "We will start a National Geospatial Mission to develop foundational geospatial infrastructure and data. Using PM Gati Shakti, this Mission will facilitate modernization of land records, urban planning and design of infrastructure projects":

4. This Part of the Scheme is further divided into two Sub-Parts as per details provided in succeeding paragraphs.

Part- VII A (Modernization & Digitization of Rural Land Records):

1. **Objective**:

The objective of this Part of the Scheme is to accelerate and complete the modernization and digitization of land records, ensuring that rural land records are accurate, up-to-date, and seamlessly integrated with various Government schemes and banking sector. This will empower farmers and foster rural development by facilitating improved credit flow and enhance access to various agricultural services.

2. Categorization of States:

States have been categorized into three groups A, B & C as indicated in Table-9 based on their area, population, current status of land records and existing gaps in implementation of the five milestones. Therefore, milestone-based incentive amount has been fixed accordingly.

Table-9: Categorization of States for Incentive for Modernization and Digitization of Rural Land Records	
Category	**States**
A	Andhra Pradesh, Bihar, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh, west Bengal (**11** States)
B	Assam, Chhattisgarh, Haryana, Jharkhand, Kerala, Pun jab, Telangana (**7** States)
C	Arunachal Pradesh, Goa, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Uttarakhand (**10** States)

3. **Milestones to be achieved to receive incentive:**

Milestone-1 (Sub-Division/Survey-Re-survey):

i. Sub-Division of all Land Parcels as per Current Ownership: This involves sub-dividing land parcels to reflect current spatial ownership, past mutations and ensuring that land records accurately represent actual possession, ownership and use, and simultaneous updating of the Record of Rights (RoRs)

ii. Re-Survey and Upgradation of RoRs and Cadastral Maps: Re-surveying using various technologies and updating existing cadastral maps & land parcels and RoRs to ensure that these are accurate, up-to-date, and geospatially enabled, reflecting the current state of land possession, ownership and use.

iii. Survey of Non-Cadastral Areas: Conducting surveys in areas not previously mapped or where cadastral maps are destroyed, to ensure comprehensive land documentation.

iv. Incentive Payment: Full incentive amount be payable to a State upon making the entire State's land records as reflected in Cadastral maps and RoRs up to date using either of the methods mentioned in the milestone. For partial achievement, a proportionate incentive amount will be provided.

Milestone-2 (Unique Land Parcel Identification Number (Bhu-Aadhar) Assignment and Geo-referencing of All Land Parcels):

i. ULPIN (Bhu-Aadhar) Assignment for All Land Parcels: Assigning a geo-referenced Unique Land Parcel Identification Number (ULPIN), also known as Bhu-Aadhar, to each land parcel, creating a standardized and unique precise identifier for land records, which would be extremely helpful in ensuring inter-operability between various GIS/MIS systems.

ii. Consent based Aadhar seeding and authentication in the RoRs: Aadhar seeding and authentication of all the owners/shareholders in the RoRs is important whether carried out independently as under DILRMP or under Agristack programme of Govt of India or under any scheme of the State Govt.

iii. Mobile and Address seeding in RoRs: Mobile numbers and residential address are required to be seeded in all the RoRs. This would ensure timely and effective dissemination of all the land related notices to the concerned land owners during Registration and Land record mutation etc. based on the concerned RoR or to the complete village.

iv. Standardization of RoR and Cadastral maps: The RoRs and Cadastral maps are currently maintained on variable formats with numerous fields. There is also extreme variation in the usage of terms, their meanings as also the units of measurement of land. Standardization & integration of RoR & Cadastral maps with metric system of measurement is required with transliteration/translation tools.

Milestone-3 (Land Registry and Inter-linkage with Other Systems):

i. Registry Process Completely Online and Paperless: Transforming the land registry process into a fully digital and paperless system, making it more efficient and accessible. Integrating the land registration system with the broader land records system and revenue court case system to ensure seamless updating and synchronization of data across platforms including auto-mutation triggers.

ii. All Legacy Registries Online and Searchable by Citizens: Digitizing all legacy land registries and making them available online with metadata, allowing officials and citizens to easily search and access historical land records.

Milestone-4 (Modernization of Revenue Court Case Management Systems):

i. Completely Online & Paperless: Implementing online and paperless Revenue court case management system for improving efficiency and making the process paperless. Such a system must be completely integrated with Land Records and Registration systems.

ii. Simplification of Revenue court case processes: Implementing process re-engineering in the Revenue court case system for majority of the cases that includes mutation by way of sale and inheritance and boundary disputes. Department of Land Resources, Govt of India would issue detailed guidelines on this issue. This would include the following measures: -

a. Making it a fact-based inquiry and decision-making system by simplifying the procedure and making necessary changes in the law/rules/regulations/guidelines accordingly.

b. Case disposal should be timely & time bound with regular supervisory monitoring.

c. Appointment of officers exclusively dealing with revenue cases and Reduction in appeals, reviews and revisions.

4. Milestone-wise and State-wise Maximum Incentive Admissible:

The maximum incentive available to States under this Part of the Scheme for the achievements in 2025-26, i.e. form 01.05.2025 is provided in **Table-10.**

Table 10: Maximum incentive available to States under Part VII A						
Category	**Milestone-1**	**Milestone-2**	**Milestone-3 (i)**	**Milestone-3 (ii)**	**Milestone-4 (i)**	**Milestone-4 (ii)**
A	500	200	200	100	100	200
B	300	140	150	75	75	150
C	150	100	100	50	50	100

5. Guiding principle:

i. Only the achievement made by states in FY 2025-26 under various milestones in this part shall be considered for determining incentives. Achievement of the previous financial years shall not be counted. States shall be eligible for incentive amount proportionate to the percentage of incremental progress made in various milestones in FY 2025-26.

ii. States can achieve and claim incentives for progress made in 2025-26 for each individual milestone separately. Progress or completion of one milestone may not depend on the progress of others, allowing States to prioritize actions based on their specific needs and capabilities.

iii. The Department of Land Resources (DoLR), Government of India will issue detailed operational guidelines, as needed, for this Part of the Scheme.

6. Submission of Proposals:

The State Government after achieving the milestone(s) will submit the compliance report to the DoLR, Government of India by 31.12.2025. Incentive will only be released after a thorough evaluation of the milestone(s) achieved by the DoLR. Additionally, the DoLR will conduct due verification to confirm accuracy and completeness of the reported achievement(s) before recommending any incentive to DOE. The DoLR should submit its recommendations to the DoE latest by 15.01.2026.

7. Fund Allocation:

An amount of **Rs. 5,000 crore** is earmarked for this Part of the Scheme, which is available to participating States as an incentive on 'First-Come-First-Served basis and subject to progress in achieving the specified milestone(s) only during 2025-26. Achievement of previous years shall not be taken into account.

8. Application of Incentive Amount:

The incentive amounts approved under this Part of the Scheme may be used by the State Government for infrastructure projects in any sector including that of Land Records and Settlement & Survey Department. The State Government must provide a list of capital projects online in PFMS portal, for which it intends to utilize the eligible incentive in the format prescribed in Annexure-2 of DoE's letter No. 44(1)/PF-S/2025-26 (CAPEX) dated 07.04.2025.

9. Release of Funds:

The amount approved by the Government of India will be released in a single instalment.

Part-VII B (Incentives Digital Public Infrastructure for Agriculture)

1. Objective

This part of the scheme aims to accelerate the development of the Digital Public Infrastructure (DPI) for the Indian agriculture sector to empower farmers and foster the development of the agricultural ecosystem. This will be achieved by incentivizing States to (1) adopt digital systems for development and maintenance of the State's Farmers Registry linked to the State's land records system and (2) to digitize and standardize the process of crop enumeration using the Digital Crop Survey programme.

2. Fund Allocation

An amount of **Rs 6,000 Crore** is allocated for this part of the scheme. Within this part of the scheme, the funds have been earmarked as Rs. 4,000 Crores for Component 1 (i.e. Farmer's Registry) and Rs. 2,000 Crores for Component 2 (i.e. Digital Crop Survey).

Funds for Component-1 (Farmers Registry) will be available to the States on a "First-Come-First-Served" basis, depending on their progress on creating the State Farmer Registry. The States will be incentivized as they progress, linked to achieving the Milestones, until the amount under this part of the Scheme is exhausted. Rs. 500 Crores in Component 1 have been earmarked for only North-Eastern States. However, if the amount blocked against the NER States remains unutilised till 30th November 2025, the same will be available for all the States under Component-1. Eligible States for Component-1 will be eligible to receive an incentive after creating at least 25% of targeted Farmer IDs in the States.

Funds for Component-2 (Digital Crop Survey) are allocated to all the states based on their eligibility. If any fund remains unutilised for a particular State in Component-2 by 30th November 2025, the same will be available as additional funding for Component-1 for all the States.

It may be noted that each milestone related to the progress mentioned in the sections below is sequential, and the States may claim the incentive upon completion of each of the milestones. The incentive will be available for progress made in FY 2025-26 only. Achievement of previous financial years shall not be counted. The incentive will be released to the State after (1) verifying the State's compliance to the pre-requisites as detailed in the below section, (2) ratification of the progress achieved, and (3) adherence to principles as set for the Farmer Registry and Digital Crop Survey by the Government of India.

3. Pre-requisites for Creation of State Farmer Registry and Implementation of Digital Crop Survey

3.1 Pre-requisites for Creation of the State Farmers Registry

The pre-requisites for creating a usable, active Farmer Registry that can facilitate farmer-centric services, solutions and benefits are as follows:

i. States must sign an MoU with the Government of India, committing to developing and implementing the Digital Public Infrastructure for Agriculture.

ii. The State Government must submit a written commitment ensuring that all land-owning farmers (per the State's Land Record Systems) will be included in the registry.

iii. The registry must comply with the data format and structural standards prescribed by the Department of Agriculture & Farmers Welfare (DAFW), GOI.

iv. The State's Record of Rights (RoR) system must be updated regularly to ensure that land ownership details are current (updated mutation).

v. The State's Farmers Registry should have a link to the RoRs, reflecting updates as changes occur in the RoR.

vi. The State should have a dedicated Project Management Unit responsible for the implementation of the Farmer Registry.

vii. As per the Memorandum of Understanding (MoU) with the Central Government, states will share Farmer Registry data via Application Programming Interfaces (APIs) to support scheme implementation, policy decisions, and research initiatives.

viii. The State must notify through an order a Department in the State as the Data fiduciary for the State Agri Stack, and the Nodal Department will be responsible for overseeing the creation and maintenance of the Agri Stack in the State. Additionally, the Nodal Department will govern the data sharing and consumption of Agri Stack.

3.2 Pre-requisites for Implementation of the Digital Crop Survey

The pre-requisites for implementation of the Digital Crop Survey are as follows:

i. States must sign an MoU with the Government of India, committing to developing and implementing the Digital Public Infrastructure for Agriculture.

ii. States participating in the scheme must submit a written commitment that the State Government, wherever it carries out the manual Girdawari system, will transition to the Digital Crop Survey to replace the manual Girdawari system for enhanced accuracy and transparency.

iii. States must ensure the completion of georeferencing for all agricultural plots as a prerequisite for the Digital Crop Survey.

iv. The Digital Crop Survey must be conducted with a precision level of 0 to 20 meters from the plot's boundary to ensure accurate and reliable data collection. Additionally, a crop photo should be captured along with geo-tags to enable auditing of the crop information.

v. As per the Memorandum of Understanding (MoU) with the Central Government, states share Farmer Registry data via Application Programming Interfaces (APIs) to support scheme implementation, policy decisions, and research initiatives.

vi. The State should have a dedicated Project Management Unit to implement the Digital Crop Survey.

vii. The State must notify through an order a Department in the State as the Data fiduciary for the State Agri Stack, and the Nodal Department will be responsible for overseeing the creation and maintenance of the Agri Stack in the State. Additionally, the Nodal Department will govern the data sharing and consumption of Agri Stack.

4. Milestone to be achieved to receive incentive

4.1 Component-1: Creating the State Farmers Registry in the State, dynamically linked to the State's Land Records

For the purposes of this component, the states have been divided into two groups: Group-A: North-Eastern and Hilly States (apart from Assam) and Group-B: Other States.

For every milestone as defined below, the State will receive the incentive based on Farmer IDs created in GY 2025-26 within that milestone, e.g., in case a State of Group-A has 1000 Farmers, they will receive 17,50,000 for Milestone-1, 12,50,000 for Milestone-2, 7,50,000 for Milestone-3 and 5,00,000 for Milestone-4.

Table - 11: Milestones and Norms for Assistance on Creation of Farmer Registry for Group-A States/UTs

Milestones	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

Table -12: Milestones and Norms for Assistance Creation of Farmer Registry for Group-B States/UTs

Milestones	Description	Incentive per Farmer (in INR)	Total Incentive (in INR)
Milestone - 1	25 percent of farmers in the State have Farmer IDs	500	Number of Farmer IDs X 500
Milestone - 2	50 percent of farmers in the State have Farmer IDs	750	Number of Farmer IDs X 750
Milestone – 3	75 percent of farmers in the State have Farmer IDs	1250	Number of Farmer IDs X 1250
Milestone - 4	100 percent of farmers in the State have Farmer IDs	1750	Number of Farmer IDs X 1750

Note:

1. In case a State has already received an incentive for achieving Milestones in SCA 2024-25, it will not be eligible for the incentive for the same Milestone. Further, to avail themselves of the SCA after reaching the next milestone, such states must comply with all the commitments made when availing the SCA against the earlier milestones.

2. Each State will receive an additional incentive of 2 Crores on reaching their first milestone in SCA 2025-26 for Farmer registry.

4.2 Component-2: Implementation of Digital Crop Survey in the State

The milestones to be achieved in implementing the Digital Crop Survey (DCS) in the State are based on progress in surveying plots across the State. The amount is only available for Kharif Season of 2025-26. For the incentive calculation, the village survey will be marked as completed only if at least 90% of the plots in the village are surveyed and approved by the supervisor. Additionally, where DCS captures more than 50% of the harvested plots in a village, it will not be considered for the incentive payment.

A. States eligible for Table-A: List of States that conducted DCS in 2024-25: (1) Uttar Pradesh, (2) Gujarat, (3) Bihar, (4) Tamil Nadu, (5) Odisha, (6) Telangana, (7) Assam, (8) Maharashtra, (9) Madhya Pradesh, (10) Andhra Pradesh, (11) Rajasthan, (12) Kerala, (13) Chhattisgarh, (14) Punjab and (15) Karnataka.

Note – States that have conducted DCS in 2024-25 will be eligible for either Sl. No. 1 or Sl. No. 2 under Milestone-1 based on its performance.

Table - 12 A: Milestones for Assistance for DCS of States that conducted DCS in 2024-25

Sl. No.	Milestones	Description	Incentive for State (Rs. in Crore)
1	Milestone-1	At least 90% of villages surveyed across state in Kharif (2025-2026)	100
2		At least 80% of villages surveyed across state in Kharif (2025-2026)	50
3	Milestone-2	Utilization of Kharif 2025-26 DCS data for production estimates by the SASA	30

B. States eligible for Table-B: List of States that will conduct DCS across the State for the first time in 2025-26: (1) Goa, (2) Haryana, (3) Jharkhand, (4) West Bengal, (5) Andaman & Nicobar Islands, (6) Chandigarh, (7) Dadra and Nagar Haveli and Daman and Diu, (8) Lakshadweep, (9) Delhi and (10) Puducherry

Table - 12 B: Milestones for SCA for States that will conduct DCS for the first time (This includes States that may have conducted Proof of Concept (PoC) earlier but have not rolled out DCS)

Sl. No.	Description	Incentive for State (Rs. in Crore)
1	At least 90% of villages surveyed across state in Kharif (2025-2026)	70
2	At least 75% of villages surveyed across state in Kharif (2025-2026)	40
3	At least 50% of villages surveyed across state in Kharif (2025-2026)	20

C. States eligible for Table-C - List of North-eastern and Hilly States that will conduct DCS for the first time in 2025-26: (1) Arunachal Pradesh, (2) Himachal Pradesh, (3) Manipur, (4) Meghalaya, (5) Mizoram, (6) Nagaland, (7) Sikkim, (8) Tripura, (9) Uttarakhand, (10) Jammu & Kashmir, and (11) Ladakh.

Note – Newly onboarded North-Eastern and Hilly States will get an additional Rs 10 Crores over and above the incentive amount when they claim their first Milestone.

Table – 12 C: Sequential Milestones for Assistance for DCS of Newly Onboarded North-eastern and Hilly States

Sl No.	Description	Incentive for State (Rs in Crore)
1	Proof-of-Concept of DCS carried out in at least 1 village each in each District in the State	50
2	At least 25% of villages surveyed across the State in Kharif (2025-2026)	30
3	At least 50% of villages surveyed across the State in Kharif (2025-2026)	15

5. Common Guiding Principles for Digital Crop Survey and Farmer Registry

i. The Government of India will assess States' readiness and support the States in the creation of the Farmer Registry and the implementation of the Digital Crop Survey. The standards and compliance requirements will be ratified on a continuous basis. The detailed guidelines for the same will be released by DoA&FW.

ii. The Government of India will establish detailed guidelines for validating preconditions, and funds will be released to the States meeting the pre-requisites and complying with the applications and guidelines given by the Government of India.

iii. For the Farmers Registry – As the exact number of Farmers varies in different records of the States, the PM Kisan Database will be used as a reference to calculate whether a State has achieved the claimed milestone.

iv. For Digital Crop Survey – The performance will be assessed based on the number of villages surveyed. The number of villages has been taken from the LGD Directory as a reference to calculate whether a State has achieved the claimed Milestone.

v. While claiming the incentive, the State must also comply with all the pre-requisite conditions as above.

vi. As incentive amounts will be provided to states on a "First-Come-First-Served" basis, the states achieving the milestones will be incentivized as they progress until the allocated amount under this part of the scheme is exhausted.

vii. Periodic data audits of a 2% sample dataset may be carried out on the Digital Crop Survey data by the Centre to ensure the accuracy of crops being recorded. In case a State fails to pass 95% plus accuracy in the sample data, the State will not be eligible for the incentive.

viii. The data integrity and compliance with GOI-prescribed standards will be verified before releasing funds.

6. The incentive will be available for progress made in FY 2025-26 only. Achievement of previous financial years shall not be counted.

7. **Submission of Claims**

After achieving the milestone(s), the State will inform the Department of Agriculture & Farmers' Welfare, Government of India, along with proof of achievement(s) by 31.12.2025. The Department will examine the state's claim and, if found eligible, will recommend the release of an admissible incentive amount to the DoE, Government of India, latest by 31.01.2026.

8. **Release of Funds**

Based on the recommendations of DA&FW, MoAFW, Government of India and upon receipt of the list of projects in the prescribed format from the States, DoE will release the admissible incentive amount to the State Government in a single installment.

9. **Application of Incentive Amount**

The incentive amounts approved under this part of the scheme may be used by the State Government for infrastructure projects in any sector. The State Government shall provide to DoE, a list of capital projects online in PFMS portal, for which intends to utilize eligible incentive amounts provided under this part of the scheme, in the format prescribed by DoE.

10. Incentive recommended by DoLR or DoA&FW under Part-VII of SASCI 2024-25 on or before 31.03.2025 but could not be released in 2024-25 may also be released in 2025-26 under Part VII of SASCI 2025-26, provided that the State government had submitted the list of projects to be taken up from the incentive amount so recommended, before 31.03.2025.

Part-VIII (Incentives for Land-related Reforms by State Governments in Urban Areas)

1. **Objective:**

The objective of this Part of the Scheme is to incentivize States to achieve critical milestone(s) in urban land records creation. This would ensure that urban land records are accurate, up-to-date and seamlessly integrated with property tax records of ULBs thereby empowering urban citizens, improving ease of living and making property tax assessment efficient and effective. Increased efficiency and transparency in urban planning can also be achieved, if urban land records are created in rapidly growing peri-urban areas. Creation of **Ortho Rectified Images (ORI)** would lead to the following

a) **Creation of Urban Land Records:** Land Revenue Department in States in association with Urban/TCP Departments would use the ORI for the preparation of detailed cadastral maps along with the names of the land owner. This will be achieved after establishing ground control points, feature extraction, ground truthing, attribute collection, followed by claims settlement and dispute resolution. Final maps and the property cards should then be published.

b) Basis for Assessment of Property Tax: The same ORI based land parcel maps and the 3D cadastre should be utilized by the ULBs to extract the built-up area of the constructions using various GIS software tools. Ground truthing and attribute collection will also provide an opportunity to assess the horizontal & vertical dimensions and type of usage. This should form the basis for a fresh realistic assessment of property tax for all the urban buildings.

c) Master Plan Preparation: Subsequently or simultaneously, the same ORI should be used by the development authorities/TCP Departments/ULBs to prepare master plans, transportation plans, drainage plans etc. as part of comprehensive urban planning especially in the peri-urban areas

Fund Allocation:

2. An amount of **Rs. 5,000 crore** is earmarked for this Part of the Scheme, which will be made available to participating States as an incentive, based on their progress in achieving the specified milestones on a 'First-Come-First-Served basis. The funds will be disbursed in a sequential milestone-based manner to ULB as per the prescribed unit rates.

3. Milestones to be achieved by States to become eligible for incentives:

Milestone-1 (Aerial Survey & Mapping Including Feature Extraction (MAP-1)):

a. Fixing of ground control points and city boundary by CORS network.

b. High resolution digital aerial photography by using survey grade equipments.

c. Data processing and 3 D feature extraction, including DEM & DTM.

d. Quality control and production of ORI with land parcel boundaries.

e. MAP-1 publication in 1:500 scale.

Milestone-2 (Field Survey & Ground Truthing by Rovers & DGPS (MAP-2)):

a. Land parcel boundary & area ascertaining by CORS based GNSS rovers & controllers.

b. Integration of property holding details of ULBs & ground validation.

c Integration of other documents like authority approvals, land records etc.

d. Standardized data collection and GIS platform.

e. MAP-2 publication with GIS-ready land parcel maps & its dissemination

Milestone-3 (Claims & Dispute Resolution and Finalization of Maps (MAP-3)):

a. IEC, awareness, community engagement & sensitization.

b. Issuance of notices, notifications

c. Claim finalization & dispute resolution of ownership, area, boundary and shape of land parcels.

d. Preparation of updated land and property records.

e. Final MAP-3 publication with land property card & register.

4. Norms for Incentive:

The norms for eligibility of incentive are given in Table-13 below. These have been determined based on the population of Cities and the ULBs have been categorized into four different classes accordingly. The population for calculating unit rate would include peri-urban areas population, if that area is also included in the urban land survey.

Table-13: Norms for Incentive Under Part VIII				
Milestone	**Unit Rate per ULB (Rs. In crore)**			
	Population (Less than 50,000) **D**	Population (From 50,000 to Less than 1 lakh) **C**	Population (From 1 lakh to less than 2 lakh) **B**	Population (2 lakh & above) **A**
Milestone-1 (Aerial Survey): Ortho Rectified image generation, quality check and preparation of **MAP-1**	5	10	15	20
Milestone-2 (Field Survey): Ground truthing by rovers & DGPS and integration with property tax holding & other documents and publication of **MAP-2**	10	20	25	30
Milestone-3 (Post Publication): Claim & dispute resolution, notices, Community engagement & map-RoRs corrections and publication of final **MAP-3**	10	20	25	30

5. It is envisaged to take up about **150 cities** of various population sizes in the 28 States as per their identification and willingness, completing Milestone-1 and Milestone-2 in the current financial year. However, a few cities in States could also complete and finalize Milestone-3. Incentivizing these pilots in 150 cities may lead many of the 4912 ULBs in 28 States to accomplish finalization of urban land records in a time bound phased manner.

6. Each milestone is considered a sequential step leading to the finalization of Urban Land and Property Ownership Records (ULPOR; MAP-3). However, States can achieve and claim incentive(s) for individual milestones separately as per their progress in a logical sequence.

7. States are expected to promptly begin and culminate the work on eligible milestones to maximize the benefits of the incentive structure.

8. After achieving the milestone(s), the State Government will send the report to the DoLR, by 31.12.2025. Incentive will only be released after due verification by the DoLR to ensure that the milestone(s) claimed as completed are indeed achieved as per the guidelines to be issued by the DoLR, as required. Additionally, the DoLR shall conduct due verification to confirm the accuracy and completeness of the reported achievements before recommending release of incentive to DoE. DoLR should submit its recommendations to DoE latest by 31.01.2026.

9. Cities where the ORI was created before the current financial year, under any other programme of Government of India like AMRUT, MOHUA, NMCG, NHP and ICZM will not be provided incentive for the MAP-1 stage, if the ORI are of appropriate quality required for land parcel identification. However, they will be incentivized for Milestone-2 & Milestone-3 achievement, building upon already available ORI.

10. The incentive will be available for progress made in FY 2025-26 only. Achievement of previous financial years shall not be counted.

Application of Incentive Amount:

11. The incentive amounts approved under this Part of the Scheme may be used by the State Government for infrastructure projects in any sector. The State Government will provide to DoE, a list of capital projects for which it intends to utilize eligible incentive amount in the format prescribed in Annexure-2 of DoE's letter No. 44(1)/PF-S/2025-26 (CAPEX) dated 07.04.2025.

12. Incentive recommended by DoLR under Part-VIII of SASCI 2024-25 on or before 31.03.2025 but could not be released in 2024-25 may also be released in 2025-26 under Part VIII of SASCI 2025-26, provided that the State government had submitted the list of projects to be taken up from the incentive amount so recommended, before 31.03.2025.

Part-IX (Incentives to States for Efficiency in Financial Management):

SNA SPARSH is a system of 'Just-in-Time' Release of funds under Centrally Sponsored Schemes (CSS). So far, 29 CSS have been notified for implementation under SNA SPARSH. More CSS will be notified in 2025-26.

An amount of **Rs. 6,000 Crore** is earmarked for this part of the Scheme for 2025-26, which will be available to States on 'First-Come-First-Served' basis.

1. Under this Part, a State will be eligible for an incentive amount of Rs. 350 Crore, subject to fulfilment of following criteria:

i. The State should have onboarded all Centrally Sponsored Schemes (CSSs) notified by 30.06.2025 to be implemented through SPARSH platform. Onboarding of a CSS in a State on SNA SPARSH implies that the State should have made at least one payment each under all State Linked Schemes (SLS) of the CSS.

ii. The State should have operationalized Aadhar based Direct Benefit Transfer (DBT) payment mechanism with RBI and NPCI under all schemes having DBT component and notified to be implemented through SPARSH platform and made at least one payment each under all SLSs having Aadhar based DBT of the CSS.

iii. In compliance of para 3(xi) of DoE's guidelines dated 13.07.2023, the State should have developed a State Cyber Treasury and an e-claim/e-voucher module in their State IFMIS to enable implementing agencies at all levels to generate e-claims in the State IFMIS.

The objective is to put in place an end-to-end digital processing of claims from the generation and submission of claims by Implementing agencies/Departments to credit of the funds into the bank account of the payees.

2. The incentive amount will be released to the State Government in a single installment. The incentive amount approved under this Part of the Scheme may be used by the State Government for infrastructure projects in any sector. The State Government must submit on the portal a list of capital projects for which it intends to utilize eligible incentive amount provided under this Part of the Scheme in the format prescribed in Annexure-II of guidelines dated 7/04/2025.

3. State Governments should submit their claims for under this part of the Scheme to the Office of Controller General of Accounts, Ministry of Finance by 31.12.2025. The Office of Controller General of Accounts shall submit its observations on the claims made by the State Governments latest by 15.02.2026.

4. Incentive earned by States under Part-XI of SASCI 2024-25 on or before 31.03.2025 but could not be released in 2024-25 may also be released in 2025-26 under this part SASCI 2025-26, provided that the State government had submitted the list of projects to be taken up from the incentive amount so recommended, before 31.03.2025.

Part X – Urban Planning Reform

Allocation: This part of the scheme has two sub-parts. Under Part-A, **₹ 13,000 Cr.** is earmarked for reforms related to Governance, Finance & Urban Land & Planning Reforms. Under Part-B, **₹5,000 Cr.** is earmarked for Ease of Doing Business (EoDB). This amount will be available to States as per these guidelines, as incentive for capital investment on the recommendations of Ministry of Housing and Urban Affairs (MoHUA).

Objective: Catalyze urban planning as a major driver of development and foster sustainable urbanization through all reform measures stated hereunder.

1.1 Reform Roadmap and Timelines:

i. Reforms undertaken between 16th January 2025 and 15th December 2025 will be considered for incentives under Part A of the scheme, while reforms undertaken between 1st April 2025 and 15th December 2025 will be considered for incentives under Part B of the scheme. State should submit the claim with evidence to MoHUA latest by 20th December, 2025.

ii. MoHUA reserves the right to issue clarifications to the guidelines and amend submission timelines in consultation with stakeholders/partnering states with approval of DoE.

1.1.1 Release of incentives:

The incentives will be released in a single installment. The claims will be evaluated and recommended by MoHUA to DoE.

1.1.2 Grouping of States: (PART A & PART B)

States, including UTs with legislative assemblies have been divided into 3 groups as follows:

Other than NE/Hill States		NE/ Hilly States
(Group A)	**(Group B)**	**(Group C)**
Maharashtra	Telangana	Uttarakhand
Uttar Pradesh	Bihar	Tripura
Tamil Nadu	Haryana	Nagaland
West Bengal	Punjab	Manipur
Gujarat	Jharkhand	Himachal Pradesh
Karnataka	Odisha	Meghalaya
Kerala	Chhattisgarh	Mizoram
Madhya Pradesh	Assam	Arunachal Pradesh
Rajasthan	Goa	Sikkim
NCT of Delhi	Puducherry	Jammu & Kashmir
Andhra Pradesh		

1.2 Conditions

i. The state shall submit the list of capital projects to be undertaken from the incentive amount to Dept. of Expenditure in the prescribed format.

ii. Recommendations to DoE shall be made within the overall outlay under the scheme.

<u>REFORM COMPONENTS</u>

<u>PART A</u>: The scheme comprises of governance reforms, finance reforms and urban planning reforms and **₹ 13 ,000 Cr.** is earmarked for following reforms, under this part.

I. **Governance Reforms-** Building **Municipal Cadres**, & **Digital Interventions** for improved Governance

II. **Finance Reforms-** Integrated **Property Tax Portal** with Unique ID & Diversifying **Revenue Sources**

III. **Urban Land and Planning Reforms-** Implementation of Town Planning Scheme **(TPS)**/ Land Pooling Scheme (**LPS**), Revitalizing the Central Business Districts/ **Historic Core** of the State Capitals / Major Cities, Theme Based **Greenfield Cities**, **Neighbourhood Improvement Plans**, **Transit-Oriented Development** (TOD), Creation of **Sponge Cities**, **City Greens** & Urban Forest Pathways, **Rejuvenation** of Existing **Wells**, Conservation & Rejuvenation of **Urban Waterbodies**, Inclusion of **Green Building Initiatives** in Building Byelaws,

PART - X A: Details of Reform Components:

I. <u>**Governance Reforms:**</u>

A. Building the Municipal Cadres

A study across 470 city governments in 13 States by Janaagraha 2023 shows an average vacancy of 36%. This gap worsens from municipal corporations (33%) to town panchayats (58%), severely impacting service delivery. Therefore, there is an urgent need to strengthen municipal governance by filling up of sanctioned posts and creating new posts wherever needed.

The States were incentivized for hiring Urban Planners under SASCI 2023-24. Therefore, in order to maintain continuity and build on the capacity created, a minimum threshold of urban planners should be maintained. State should also factor in the **retirements due in the next 5 years** and undertake to fill them in a time bound manner.

Filling and creation of posts

A.1 Completion of the recruitment for at least 50% of already sanctioned vacant posts of engineers of Public Health, Mechanical, Civil, Electrical in ULBs (more than One lac Population)

The state will be incentivized to fill at least 50% sanctioned vacant posts in order to strengthen the capacity of the ULBs and improve governance. States are expected to submit appointment letters for recruitment as evidence. The States would share their baseline data as on 1st April 2025 for these posts in the prescribed format. The hiring should have taken place during the reform period. The incentive will be provided on pro-rata basis.

Maximum allocation:

1. Incentive amount for Group A States - **50 Crore**
2. Incentive amount for Group B States - **30 Crore**
3. Incentive amount for Group C States - **20 Crore**

A.2 Hiring for Contractual post:

In States where regular appointment may not be possible during the reform period, vacant posts may be filled on contractual basis. The state will be incentivized to fill vacant posts on a contractual basis for a minimum of five years. The state would be eligible for an incentive for strengthening the technical municipal cadres. The hiring should include engineers from disciplines of Public Health, Mechanical, Civil, Electrical and finance specialists. States are expected to submit appointment letters for recruitments as evidence. Incentives will be approved on a pro-rata basis.

Maximum allocation:

1. Incentive amount for Group A States - **25 crores** (50 posts)
2. Incentive amount for Group B States - **15 crores** (30 posts)
3. Incentive amount for Group C States - **5 crores** (10 posts)

A.3 Creating a Municipal Staff Framework for Small Towns (up to population 1 lakh)

States will be incentivized to create cadres of Municipal Administrative Service, Municipal Finance Service and Municipal Technical Service. The state shall be hiring executive officers-managerial level, accountants and the engineers like public health, civil, mechanical, electrical, etc., at the ULB level. The States would share their baseline data as on 1st April 2025 for these posts.

The ULBs with a population less than 1 lakh would be organized into Clusters based on geographical distances and will be incentivized for hiring Municipal Officials with a maximum of 10 ULBs in a cluster. A cluster should have a minimum of 10 officials comprising:

- **Municipal Administrative Service:** One Executive Officer,
- **Municipal Finance Service:** One Financial Officer, One Accountant
- **Municipal Technical Service:** Engineers: 3 Civil, 2 Mechanical, 1 Electrical, 1 Public Health.
- **A Minimum 50 per cent of officials** as prescribed in a cluster should be filled.

For example, if there are 600 ULBs in a State, 60 clusters would be formed and, in every cluster, a minimum of 10 officials per cluster are need to be filled. If a minimum of 5 posts is filled in a cluster, the state will be incentivized. However, different categories of officers should be hired on regular basis in a proportionate manner. States are expected to submit appointment letters for recruitments as evidence.

a. States with ULBs up to 200 would be incentivized with 100 crores.

b. States with ULBs more than 200 would be incentivized with 150 crores.

c. Group C- North Eastern/Hilly States would be incentivized with 50 crores.

A.4 Sanction of posts of Environmental Engineers and Hydrologists.

In the cities, the specialist posts like Environmental engineers and hydrologists are either non-existent or are not filled. **Environmental engineers** are needed to protect the environment, improve public health and sustainable practices. Their work involves waste management / wastewater management, air & water quality control and site remediation, etc. **Hydrologists** are required in the cities for efficient water management through shallow aquifers management, monitoring water tables/ quality and can provide technical inputs for urban flood mitigation.

The states shall be incentivized for sanctioning these posts and completing the recruitment process of 50 percent of the sanctioned posts to facilitate sustainable development in the ULBs. The States would share their baseline data as on 1st April 2025 for these posts. The advisory on qualifications for these posts would be issued separately. States should submit G.O. for new sanctioned posts and appointment letters for recruitments as evidence.

Group A & B States will be incentivized with Rs. 75 Crore, while Group C states will receive an incentive of Rs. 50 Crore. The hiring should be done within the reform period.

Desirable number of posts in each statutory town as per the population:

1. For a city with a Million-Plus population - 03 posts
2. For a 1 lakh to 1 million Population - 02 posts

3. Under 1 lakh - Minimum 3 Engineers / Environmental Scientists / Environmental Experts / Hydrologists in a cluster level of 10 ULBs. (No. of clusters would depend upon number of ULB's in the state. The ULBs with a population less than 1 lakh would be organized into Clusters based on geographical distances and shall be incentivized for hiring Municipal Officials with a maximum of 10 ULBs in a cluster).

- *In each of the category as stated above, deputation from any other department shall not be considered for filling up of posts.*
- *The incentives received under components 1.1to 1.4 should preferably be used for the development or augmentation of infrastructure in the cities.*
- *The incentives received under components 1.1 to 1.4 to the states are being provided as one-time incentives for creation of cadres & filling up of existing vacant posts in order to strengthen the municipal governance. The regular payments / salaries of these employees shall be the responsibility of the State/ ULBs. The Government of India shall have no legal liability towards payment of salaries / emoluments to the employees & the sole responsibility would lie with the states / ULBs.*

B. Digital Interventions for improved Governance

B.1 GIS-based Utility Mapping (Water, Sewerage and Storm Drainage Network)

Rationale of the Reform: Under AMRUT, GIS-based maps at 1: 4000 scale have been created using high-resolution satellite data. Some states may have also created their geo-database using State resources. Mapping of water/sewerage/stormwater drainage networks would enhance resource management, improve public health, mitigate environmental impacts, and enable cities to respond effectively to both present needs and future challenges.

- Only AMRUT Cities shall be eligible under this reform
- States are expected to map/digitize the existing water network, stormwater drainage, and sewerage network layers on the final GIS-based base layers created under the AMRUT GIS Sub-Scheme or any other government scheme or initiative.
- All networks should be created on the GIS platform. The GIS data structure and content may be in adherence to the Design & Standards published by MoHUA in May 2016.
- States shall mandatorily publish all GIS utility maps on PM Gati Shakti Portal. Further, States shall provide an undertaking to regularly update the PM Gati Shakti Portal to capture changes in the network length of water/sewage/storm water/drainage etc. through any projects undertaken by municipal/state/central funding agency.

Milestones and incentive allocated:

1. Eligible Incentive of ₹ 3 Cr. per City (Rs.1 Cr. per utility)
2. Funds will be approved as per details below:

Milestones and incentives allocated:

Sl.	Reform Component	% of incentive	Amount (in Cr.)	Remarks
1	Initiation of mapping (evidence to be submitted)	25%	₹0.75 Cr./ city	One Utility = 33%
2	Minimum 50 per cent utility network digitized on GIS and reflected on PM Gati Shakti Portal	50%	₹1.5 Cr./ city	Two Utilities = 66%
3	Full utility network digitized on GIS and reflected on PM Gati Shakti Portal	100%	₹3 Cr./ city	All Utilities: 100%

Note: The total length of the network (water/ sewerage/ storm water) in the AMRUT city should be submitted along with the claim.

B.2 Mapping of Municipal Assets and Digital Inventory of all Government Lands

Online database of municipal assets and government lands is needed to leverage land as a resource. It is expected that all assets are mapped on a geo-spatial database with full attributes and ground truthing of these assets is carried out to find out the actual status on ground. This mapping can further help in aggregation of government offices and adaptive use of underutilized government assets.

Under the reform, the state will be incentivized for mapping all the Municipal Assists/Properties on a geo-spatial platform.

Reform Eligibility

- **Group A & B** - Cities with more than 1 million would be eligible for claiming incentives under this component.
- **Group C** - For Hilly/NE states, the capital and one large city would be eligible.

Reform Component	Amount
Mapping Municipal Assets/properties on the GIS platform along with ground truthing details available online	5 Cr per city

B.3 Digital Twin Modelling

These models are powered by real-time data and can be used to monitor, analyze, and predict the behaviour of the physical counterpart. The digital twins of urban areas will help in master planning, policy planning and disaster management as it will provide details on vulnerability aspects of properties and infrastructure through digital terrain/surface models. They can also facilitate better decision-making support including traffic management, urban development, revenue management and ecological planning.

5 cities in maximum 5 States would be selected on a challenge mode on a pilot basis under this component.

- **Group A & B** (3 States): Cities with a population of more than 1 million
- **Group C** (2 States): Any one capital or a large city in NE/Hilly.

Milestones and incentives allocated:

Sl.	Reform Component	Amount (in Cr.)
1	Evidence of Work Order for two cities in states other than NE/Hilly. Evidence of Work order for one capital city or large city in the Northeast/Hilly States	₹ 1 Cr per city
2	Final Completion of Work with scenario analysis and Optimization.	₹ 4 Cr per city
	Total Amount (Group A, B & C)	**₹ 5 Crore/city**
	Maximum Allocation	Group A & B - **₹15 Cr.** Group C - **₹10 Cr.**

II. Financial Reforms

These reforms aim at enhancing the revenue stream of the ULBs through improved collection of taxes/municipal dues.

A. Integrated Property Tax Portal with Unique ID

Aims at creating a unified ID through integration of property tax portal, building permission portal and revenue/registration portal. Reform components would include:

1. Preparation of dynamic digitized property tax register with unique IDs of each property.

2. Linking of registration portal with the property tax portal and building plan approval. 3. Improved collection of property tax.

Outcomes:

- Property IDs will be generated for left out urban properties.
- Increase in collection of property tax and stamp duty.
- Recovery of property tax dues before sale of property
- Transition to market valuation-based property tax assessment.
- Real time land use information to revenue department.

Reform Eligibility

States to link the property tax portal with the online building plan approval portal of all cities more than 1 lac population for

- **Group A & B** - Cities with more than 1 lakh plus population would be eligible for claiming incentives under this component for states other than Hilly/NE states.
- **Group C** - For Hilly/NE states, the capital and one large city would be eligible.

Milestones and incentives allocated:

Sl.	Reform Component	Amount
1	Linking Property Tax Portal with Online Building plan Portal for all cities **more** than 1 lac. population for Group A & B state Capital &1 Large city for Group C states	₹2 Cr./ City
2.	Linking Property Tax Portal with Registration/Revenue portal- Unified IDs. 10 cities with population more than 1 lac or capital city would be incentivized in Group A & B State and Capital and Large city in Group C State.	
2.1	Linking of up to 25% of properties	₹ 1 Cr. / City
2.2	Linking of up to 50% of properties	₹ 2.5 Cr./City
2.3	Linking of more than 50% of properties	₹ 5 Cr./City

B. Diversifying Revenue Sources

Usually, property tax contributes to maximum share in the tax revenues of a city. Therefore, there is a need to **diversify the municipal revenue** through innovative use of urban planning tools like **transferrable development rights**, **land value capture**, selling of **premium FSIs** and **revenues from commercial advertisements**, **parking, renting** of municipal properties such as vacant land, Community halls etc. If a ULB is able to increase the municipal revenues from all these sources in the reform period vis a vis 2024-25, it would be incentivized. (Audit report of 2024-25 of municipal revenues should be used as baseline).

The incentive is applicable for **million plus cities** for **Group A & B States** and **Capital city in Group C States.**

Milestones and incentives allocated:

Reform Component	Amount
Performance based incentive to State - 10% increase in revenue from other sources.	₹ 10 Cr./City

III. Urban Land and Planning Reform

A. Urban Planning Reforms

A.1 Implementation of Town Planning Scheme (TPS)/ Land Pooling Scheme

Overview of the Reform: States shall take up development in greenfield/ semi-greenfield areas for planned urban expansion through TPS/LPS/any other mode of planning for urban expansion.

Milestones and incentives allocated: In order to achieve this reform, States are required to make progress with reference to their baseline and increase TPS/LPS/etc. across cities/no. of schemes for cities. Incentives shall be as per the following

Sl. / Requirement	Category A: States without legal framework	Category B: States with legal framework in place and no TPS implemented	Category C: States with legal framework in place and have implemented ≤5TPS	Category D: States that already have legal framework and have sufficient experience of implementing TPS, i.e., >5TPS
Objective	Initiate the reform	Deepen the reform	Deepen and widen the reform	
Interpretation	States that do not have any legal provisions in place for TPS/ Land Pooling Scheme up till 15 January, 2025	States where legal provisions are in place on 15 January 2025 and no TPS/ Land Pooling Scheme has been implemented	States to increase TPS/ Land Pooling Schemes across cities/ number of schemes within each city	States to increase TPS/ Land Pooling Schemes across cities/ number of schemes within each city.
Milestones and incentive allocated	₹100 Cr. to each State will be granted for formulating legal provisions (i.e., formulation of act, rules and implementing authority with clear roles & responsibilities) The State can also implement TPS, advancing to Category B.	For States incentivized under **Category A** during SASCI 2022-25, ○ ₹75 Cr. for each scheme for draft plan (published after due consultation) in place. ○ ₹100 Cr. (cumulative) for each scheme for draft approved and taking possession of land for at least one road. **For remaining States** ○ ₹40 Cr. for draft plan ○ ₹50 Cr. (cumulative) for each scheme for draft approved and taking possession of land for at least one	For schemes incentivized under **Category B** during SASCI 2022-25, ₹50 Cr. for each scheme for draft approved and taking possession of land for at least one road. (Maximum 4 schemes will be considered) ₹25 Cr. for new schemes.	For schemes incentivized under **Category C** during SASCI 2022-25, ₹25 Cr. for each TPS for reconstitution and taking possession of land for at least one road. (Maximum 8 schemes will be considered). ₹12.5 Cr. for new schemes.

		road. (Maximum 2 schemes will be considered)		
Total Maximum Allocation: ₹ 200 Cr for Schemes that were admitted during 2022-25 **₹ 100 Cr** for new schemes.				

Note:

1. *TPS/LPS/other such schemes that were admitted during 2022-2023/2023-2024/2024-2025 till Draft stage will be considered for incentives if the 'Draft scheme' is approved by the State Govt. during this scheme period @₹ 25 Cr./TPS (max. admissible will be 8 TPS).*
2. *For ongoing schemes during 2023-2024/2024-25/2025-26, incentive will be considered for those schemes that reach the 'Draft stage' during this scheme period, @25 Cr./TPS (max. admissible will be 4 TPS).*
3. *States that already have notified policy/Act for implementation of TPS/LPS/other such schemes.*
4. *Cities with 10 TPS already implemented, either draft stage approved, or final stage approved and implemented, shall not be considered for the incentive. TPS in other cities will be considered.*
5. *For steps and documentary evidence to be submitted for TPS/LPS/etc. refer* Annexure I.
6. *The maximum admissible incentive under this reform component is Rs 200 Cr/100 Cr as described above.*
7. *The incentives given for this component should preferably be used for the development of master plan roads in the cities or creation/ augmentation of infrastructure in the town planning/local area plan scheme area/ Land pooling scheme area.*

A.2 Revitalizing the Central Business Districts/ Historic Core of the State Capitals / Major Cities

Overview of the reform components: Aims at revitalizing, restoring, and retrofitting city cores and marketplaces of historical importance to turn them into vibrant economic and cultural spaces. The focus should be on improving the legacy infrastructure (*older physical and technological systems in urban environments that were built to support the functions of the city but are now outdated or unable to meet modern demand*) and adaptive use of underutilized government assets/infrastructure. Through creatively reorganizing the city spaces, city can increase land under public realm, promote pedestrianization, and create blue-green public spaces, wherever possible.

Reform shall be applicable for

- **Group A & B** - The State can submit 2 cities, including the state capital
- **Group C** - Capital City and one large city

Milestones and incentives allocated:

Sl.	Reform Component	Amount (in Cr.)
1.	Concept plan (Stakeholder mapping and consultation) 1. Area Identification & Delineation 2. One nodal officer/team establishment 3. Formulation of differential building bye-laws. 4. Transportation plan of the delineated area and provide off-street parking facilities. 5. space should be for trade 6. Planning for retrofitting legacy infrastructure 7. Drainage plan and basic infrastructure planning 8. Increasing public realm places, including blue-green infrastructure 9. Pedestrianization initiatives	50 Crore / City • Each state can submit 2 cities, including the state capital. • NE/Hilly States – Capital City and Large City in the state
2	Initiation of the minimum one project in within the delineated area (Public/private)	90 Crore / City
	Total maximum incentive allocation	**Incentive per city -** 150 Cr. **Total incentive per State:** 300 Cr

A.3 Theme Based Greenfield Cities

Overview of the reform components: Aims at developing new urban centers with strong identifiable economic anchors to drive growth and employment. These greenfield cities should be planned based on thematic concepts such as Tourism (including spiritual/religious/wellness), Knowledge & Skill, Logistics & Manufacturing, MICE, Research & Innovation, IT/IT-ES City, Aero-city, Medi-city, Heritage etc. The focus should be on designing inclusive spaces that cater to diverse income groups, ensuring equitable access to housing, amenities, and opportunities. These cities should be planned with a minimum size of over 25 hectares for Hilly/NE states & 50 hectares for other states to accommodate comprehensive development and phased growth. Key features should include modern civic amenities, essential social infrastructure like education and healthcare facilities, integrated blue-green infrastructure, renewable energy infrastructure, and promotion of Non-Motorized Transport (NMT) solutions to create sustainable and resilient urban environments. Additionally, effective governance mechanisms & disaster readiness strategies should be integrated to enhance resilience and liveability, thereby establishing a thriving urban ecosystem that balances economic vitality with ecological responsibility.

Reform shall be applicable for

- **Group A & B** - Other states (1 City Proposal/State)
- **Group C** - NE/Hilly states (1 City Proposal/State)

Note: Maximum of 12 projects in the country would be selected on challenge mode under this component. MoHUA shall constitute a committee to select 12 best projects among the applicant

States. Incentives shall preferably be utilized for development of trunk infrastructure of the identified city.

Milestones and incentives allocated:

Sl.	Reform Component	Amount (in Cr.)
1.	**Concept plan** (Stakeholder mapping and consultation) - Theme-based i. Land Availability- Partial land availability (25-30%) must be contiguous, encumbrance-free, accessible & strategically located ii. Preparedness for Master plan with defined land use and layout plan iii. Identification and on boarding of implementing agency iv. Connectivity with major transit hubs (ports, railways, bus terminal, sea port, highways) v. Environmental Clearance Initiated vi. City planning ensuring building bye-laws, master plan, local area planning, computerized land records, State RERA applicability, development architecture aligned with constitutional provisions, and statutory compliance. vii. Adequate Social Infrastructure as per standard viii. Financial sustainability plan ix. Technology and Data led Governance x. Environmental sustainability prioritizes non-motorized transport, EV infrastructure, improved air and water quality, wetland protection, resource recycling, resilience strategies, climate-proof buildings, green-blue infrastructure, energy-efficient designs, and net-zero emissions.	₹ 200 Cr (Other states), ₹100 Cr (NE/Hilly States) 1. Each state can submit 1 city proposal. 2. Minimum size of 50 hectares for other states & over 25 hectares for Hilly/NE states
2	Initiation of minimum one project in within the delineated area	₹ 50 Cr
	Total maximum incentive allocation	**Group A & B - ₹** 250 Cr **Group C** - ₹ 150 Cr

A.4 Neighbourhood Improvement Plans

The city should select wards that require urban form and planning improvement. The improvement plans should provide for seamless transit/infrastructure and services in the area; a proper service level benchmarking of the area of the services should be part of the plan.

Reform shall be applicable for 1 million-plus cities:

- **Group A & B States** - Two (2) Cities with a population of **more than 1 million**
- **Group C States** - Any one capital or a large city in NE/Hilly.

Milestones and Incentives Allocated

Sl.	Reform Component	Amount (in Cr.)
1	Two cities from states other than NE/Hilly, 1 city for NE/Hilly States **Development of Safe City Street for women, children and specially-abled plan including:**	**₹25 Cr.** (Group A & B states)

	1. Identification of high-risk zones/ accident-prone/black spots, congested streets etc. 2. All schools should be mapped as part of the action plan, and the safe city street plan should include a strategy to increase accessibility. 3. Improve urban safety and security, particularly for women, children, and disabled individuals. It involves states improving pedestrian infrastructure, installing CCTV surveillance, energy-efficient street lighting, security apps, alarm systems, and real-time monitoring. 4. A detailed action plan endorsed jointly by law enforcement agencies and the urban department of urban local government/authority. 5. Utilities and infrastructure of the delineated area of the plan should be digitally mapped. 6. The plan involves the mitigation strategies of urban flooding/stormwater management. 7. Create business spaces in the delineated area of the neighbourhood plan.	**₹15 Cr.** (Group C States)
2	Maximum **2 projects** in Group A & B State's Maximum **1 project** in NE/Hilly states	₹25 Cr per project
	Total maximum incentive allocation	**Group A & B- ₹75 Cr** **Group C - ₹40 Cr**

A.5 Transit-Oriented Development (TOD):

Aspect of the reform: Densification and ease of Transit. The focus should be on providing seamless multi modal integration and reduced block size for pedestrian friendliness.

Reform shall be admissible as per the following:

- Applicable for cities with population of **3 million plus**
- Ring-fencing of resources so that funds generated through urban planning tools like enhanced FSI, TDRs, etc. are used for strengthening of infrastructure in the TOD corridor.
- Creation of the Urban Infrastructure Development Fund (UIDF) with dedicated escrow account and provisions for betterment levies and cess charges

Milestones and incentive allocated

Sl.	**Reform Component**	**Amount (in Cr.)**
1	Notification of TOD Corridors (Maximum 5 corridors)	₹10 Cr./ corridor
2	Draft: Local Area Plan (LAP) for densification of corridors (Maximum 2 corridors)	₹10 Cr./ corridor
3	Final: Local Area Plan (LAP) for densification of corridors (Maximum 2 corridors)	₹10 Cr./ corridor
4	Taking up public/ private projects in TOD corridors (at least 2 projects)	₹50 Cr.
5	Creation of the Urban Infrastructure Development Fund (UIDF) with a dedicated escrow account and provisions for betterment levies and cess charges	₹10 Cr./ State

6	Differential building byelaws including land value capture	₹10 Cr./ State
	Total	**₹100 Cr./ State**

B. Environment and Sustainability Reform (Climate Change Resilient Strategies)

B.1 Creation of Sponge Cities: take a water-logging area and plan to hold green spaces *(Other than NE/Hilly States)*

Creation of Sponge Cities

The Sponge City concept is an urban water management approach designed to enhance a city's ability to absorb, store, and reuse rainwater while reducing urban flooding.

Key Principles of Sponge Cities

1. **Natural Water Retention:** Utilizing green spaces, wetlands, and permeable surfaces to absorb rainwater. The cities may identify flood-prone areas and create sunken spaces to increase the water-holding/ retention capacity and channelize the flow of access water during the rain.
2. **Flood Risk Mitigation:** River Channelization and Storm Water Management
3. **Groundwater Recharge:** Enhancing natural infiltration through various strategies.
4. **Heat Island Mitigation**: Green blue spaces act as carbon sinks thereby reducing urban heat island effect & enhancing climate resilience of the city

Reform shall be applicable for **1 million plus cities**

Milestones and Incentives Allocated.

SI.	Reform Component	Amount (in Cr.)	Maximum Incentive Claim
1	Storm water drainage plan for the city including • A digital elevation model (DEM's for the city) • Identification of urban flooding hotspots • A detailed plan for managing water in waterlogged areas: Improved Drainage Systems, Water-Resilient Landscaping and Ecosystem-Based Solutions. • Maximum 6 cities	₹5 Cr	₹30 Cr
2	Undertaking projects (maximum 5 projects @ 5 Cr for one project; maximum 2 projects in one city in flood prone areas/ zone) such as • Bio-swales, rainwater harvesting structure, retention ponds & Desilting and cleaning of storm water drains/ rainwater harvesting pits • Permeable pavements and rain gardens etc. • Sunken green spaces to hold storm water Storm water drainage or any other related projects Evidence of work order to be submitted	₹5 CR	₹25 Cr
	Total Maximum Incentive Allocation	₹55 Cr	

B.2 City Greens & Urban Forests *(Other than NE/Hilly States)*

States shall be incentivised for creating urban green spaces and urban forests that are interconnected.

Reform shall be applicable only for **0.5 million plus cities**.

Milestones and Incentives Allocated

Sl.	Reform Component	Amount (in Cr.)
1	Development of a total of 50 acres of green space/city-level urban parks, comprising of not more than 5 land parcels (**₹25** Cr per city, maximum 2 cities).	**₹25** Cr. per city
2	i. Integration of parks, urban forests through seamless walking trails. For every additional km 50 lakhs up to the 10 Cr. ii. Operation and maintenance of the corridor should be provided for in the project, preferably through SHGs.	**₹2** Cr. per city (Minimum 5 km) Max 10 cr. per city
	Total Maximum Allocation	**₹ 70 Cr**

B.3 Rejuvenation of Existing Wells *(Other than NE/Hilly States)*

Rejuvenation of Wells refers to the process of restoring or improving the functionality of existing wells to enhance their water storage, quality, and flow. It is essential to ensure a reliable water supply, especially in areas where groundwater is the primary source of drinking water or irrigation.

Reform Components

1. Eligible only for Group A & B states.
2. 100 wells at public places in a city of more than 5 lakh population in the states other than NE/Hilly states.

Milestones and incentives allocated:

Reform Component	Amount
2 cities in one state in states other than NE/Hilly 1. Rejuvenate the Existing Well or construct new well 2. De-silting and Sediment Removal 3. Replace or Repair the Casing 4. Pumping System Maintenance 5. Testing mechanisms for Contamination	Rs. 15 Cr each
Total Maximum Allocation	**Rs. 30 Cr**

B.4 Conservation and Rejuvenation of Urban Waterbodies

For Conservation & Rejuvenation of Urban Waterbodies, Sates have undertaken rejuvenation of water bodies to conserve water, improve sources of water supply, improve water quality, rejuvenation of spaces around water bodies & mitigate **Urban Heat Island effects**.

Under this component, States will be incentivised for demonstrating completion of urban water body rejuvenation projects between 2023 – December 2025 with minimum area of 0.5 acres, demonstrating evidence of improved quality & quantity of water, other than those under AMRUT/ AMRUT 2.0 scheme.

Milestones and incentives allocated:

Reform Component	Amount (in Cr.)
1. Water bodies with minimum area 0.5 acres up to 1 acre	₹ 10 L/water body project completed
2. Water bodies more than area of 1 acre 3. Evidence to be submitted by states shall include before and after photographs, geo tag locations, before and after quality test reports of water, and before and after effect on temperature of surrounding areas.	₹ 25 L / water body completed
Total Maximum Allocation	**₹ 50 crore / state** (for Group A & B states) **₹ 20 crore / state** (for Group C states)

B5. Inclusion of Green Building Initiatives in Building Byelaws

Inclusion of Green Building Codes in building byelaws makes sustainable practices like energy efficiency and water conservation mandatory for new constructions and major renovations. This reform ensures environmentally responsible & sustainable development, helping cities reduce their carbon footprint and promote healthier living environments.

Milestones and incentives allocated:

Reform Component	Amount (in Cr.)
• Inclusion of green building codes such as Energy Conservation & Sustainable Building Code (ECSBC) for Commercial & Office Buildings & Eco Niwas Samhita (ENS) for Residential Buildings • Adoption of green rating systems in building bye-laws to ensure that new constructions meet sustainability and energy efficiency standards by providing green building incentives such as additional FSI / FAR, etc. • Inclusion of cool roofs / green roofs • Promotion of renewable energy initiatives in new development • Any other step deemed progressive by MOHUA.	**₹ 10 Cr/ state** (Group A & B state) **₹ 5 Cr/ state** (Group C state)

Total Maximum Allocation	**₹ 10 crore / state** (for Group A & B states) **₹ 5 crore / state** (for Group C states)

***PART - X B:* Compliance Reduction & Deregulation for Ease of Doing Business (EoDB)**

Allocation: ₹5 ,000 Cr. is earmarked for these reforms related to compliance reduction & deregulation for Ease of Doing Business (EoDB) by States/UTs with legislature for implementing reforms under the priority areas outlined.

Objectives: Promoting Ease of Doing Business through Compliance Reduction and Deregulation needs focus to enable ease of operation of existing / setting up of new Businesses, industries including MSME's for job creation & to promote economic growth.

Modalities:

- The states have been categorised into three different groups (A, B & C): Small, Medium & Big, & the corpus fund has been appointed accordingly
- This incentive shall be allowed on 'first come -first serve' basis,
- An incentive of maximum ₹ 700 Cr. Shall be earmarked for each of the priority areas given below.
- Operational Guidelines would be issued by MoHUA. The recommendation of the designated task force member for the concerned state/UT will be sought by MoHUA before recommending the proposal to DoE.

Reforms implemented in the period commencing from 1st April 2025 to 15th December2026 will be considered for incentives under this component. MoHUA will submit its recommendations to DoE by 20th December, 2026.

A. **Priority area I: Land**

Sl.	Reform Component	Amount (in Cr.)
1	**Adopting flexible zoning framework for mixed-use development activities** • **Inclusive Zoning** which would operate on the basis of negative list of activities that are non-permissible in the zone & allowing all other uses • Regularizing Non-Conforming Legacy Uses • Mixed Land Use, especially for TOD zones • Walk to Work concept in TOD Zones • Enabling provisions to increase more commercial & industrial activities in Urban Development Authority Areas. • Reducing the number of sub-classifications of land use	**₹ 100 crore per state** (for Group A states) **₹ 50 crore per state** (for Group B states) **₹ 25 crore per state** (for Group C states)

	• Flexible GIS based master plans • Industry linked Affordable housing projects with dwelling units < 60 sq mt areas should be encouraged with differential building bye laws • Updated notification / Master plans / Byelaws shall be submitted as evidence	
2	**Simplify and digitize the process for land use change (plan area) in rural/urban areas with clearly defined timelines** • Change of land use (CLU) services available through an online single-window system. Portal should provide clear information on fees, procedures & required documents. • Rationalize the documents and levels of approvals. • No CLUs in Designated Industrial Areas/Estates • Allow industrial worker housing as part of core activity in industrial areas/ estates/ parks. – No CLU should be applicable for such industrial housing • Increase in Validity of CLUs • Relaxed CLU norms for MSME s • Explore the possibility of PM-Gati shakti platform for CLU	**₹ 100 crore per state** (for Group A states) **₹ 50 crore per state** (for Group B states) **₹ 25 crore per state** (for Group C states)
3	**GIS databank for industrial land available in State, integrated with India Industrial Land Bank (IILB)** • Ensure availability of data of all land banks (Vacant plots) in state/UT owned industrial estate (Estate wise) on an online system / portal which is in public domain, such data may also include details of industries or sectors for which the land can be used	**₹ 100 crore per state** (for Group A states) **₹ 50 crore per state** (for Group B states) **₹ 25 crore per state** (for Group C states)
4	**Rationalizing minimum road width requirements for different categories of industries/ commercial use in rural areas.** This may be done based on Risk Based Classifications. The principles of fire safety, disaster proneness of an area and nature of industry should be considered while amending road widths	**₹ 100 crore per state** (for Group A states) **₹ 50 crore per state** (for Group B states) **₹ 25 crore per state** (for Group C states)

B. **Priority area II: Building & Construction**

Sl.	Reform Component	Amount (in Cr.)
1	**Amend building regulations to reduce land loss in industrial plots** • Rationalize Setbacks including side & rear setbacks basis plot size (eg. Plots less than 500 sqm & plots more than 500 sqm)	**₹ 100 crore per state** (for Group A states)

	• Rationalize Parking Norms subject to local site conditions and basis best practices of other state / international practices. • Review and increase FARs, Ground Coverage & Height basis best practices. • Rationalize Minimum plot area for industrial purpose. • The principles of fire safety, disaster proneness of an area and nature of industry should be considered while amending building bye laws	**₹ 50 crore per state** (for Group B states) **₹ 25 crore per state** (for Group C states)
2	**Amend building regulations to reduce land loss in commercial plots** • Rationalize Setbacks including side & rear setbacks • Rationalize Parking Norms subject to local site conditions and basis best practices of other state / international practices. • Review and increase FARs, Ground Coverage & Height basis best practices. • Rationalize Minimum plot area for commercial purpose. • The principles of fire safety, disaster proneness of an area and nature of business should be considered while amending building bye laws	**₹ 100 crore per state** (for Group A states) **₹ 50 crore per state** (for Group B states) **₹ 25 crore per state** (for Group C states)
3	**Increase the role of empaneled third parties in building approvals and joint inspections** • Increase the role of empaneling third parties in building plan approval process • Third party joint inspections for NOCs /Completion /Occupation Certificates. • Self-Certification (by Architects / Developer /Owners) based on a trust and verify model for low-risk buildings • Increasing the validity of NOCs • Online system of assigning Third Parties.	**₹ 100 crore per state** (for Group A states) **₹ 50 crore per state** (for Group B states) **₹ 25 crore per state** (for Group C states)
4	**Simplify the process of issuing Occupation/Completion certification of buildings** • Implementation of an integrated end-to-end digital portal covering all cities for building approvals, from application to issuance of occupancy and completion certificates, involving all relevant internal and external agencies (CLU, NOCs, fire services, utilities, AAI, NMA, Forest, Labour, Factory Directorate). o Online application with integrated payment for all Internal / External agencies for NOCs/ CLU's / Building Approvals o Scheduled timelines, Service level Benchmarking (SLB) with online tracking o Automated review of building plans to ensure compliance with uniform building codes & bye laws, using Auto DCR or similar software	**₹ 100 crore per state** (for Group A states) **₹ 50 crore per state** (for Group B states) **₹ 25 crore per state** (for Group C states)

	- Issuance of digitally signed & approved building plans / Occupancy / Completion certificate - E-intimation on commencement of construction/completion - The portal should display the status of applications submitted/approved. - The incentive would be released upon due verification of MIS. ***Mandatory Reform:*** *The States shall issue a notification stating that offline submissions shall not be accepted post adoption of integrated portal.*	

Payment of Incentives:

1. State Government(s) after achieving prescribed reforms under various components of this Part shall submit a report to MoHUA for further examination and submission of recommendations to the Department of Expenditure.

2. States who have claimed incentives under Part-V (Stimulating Industrial Growth) of SASCI 2024-25, for *Reform-1* (i.e. notifying changes in ground coverage, setbacks, and parking requirement for industrial plots of standalone factories to ensure that, on an average, the unit level land lost on account of prevailing building regulations is less than 30 percent); and *Reform -3* (i.e. notifying changes to building regulations to increase the base FAR for all commercial buildings in municipal and development areas to at least 5 and increase the base FAR for all commercial buildings in Central Business Districts and transit-oriented development corridors to 5+2) shall not be eligible to claim incentives for said amendments under this part.

3. MoHUA will examine the submissions by the State governments and make recommendations to the DoE for release of incentive amount to each State. The incentive received under this part should preferably be used for the augmentation of infrastructure under the concerned components in the cities.

4. Incentive recommended by MoHUA under Part-XIII of SASCI 2024-25 on or before 31.03.2025 but could not be released in 2024-25 may also be released in 2025-26 under this part of SASCI 2025-26, provided that the State government had submitted the list of projects to be taken up from the incentive amount so recommended, before 31.03.2025.

Other provisions:

1. The Union Government may allocate additional funds under Part-1 of the scheme to states which due to any special reason/situation have witnessed contraction in expenditure or revenue collection in last two financial years impacting capital investment in the state. An amount of Rs 2,000 crore has been set aside for this purpose to expedite the pace of capital expenditure and development in such states.

2. The general conditions as enumerated in the Letter *F. No. 44(1)/PF-S/2025-26 (CAPEX)Dated 7th April 2025* shall be applicable for all the above parts.

3. These guidelines will come into effect immediately on their notification.

4. The concerned Nodal Ministries should issue operational guidelines for parts concerning their ministries latest by 15.06.2025. In case of any delay, the funds earmarked for the part concerning them may be assigned to other parts of SASCI 2025-26.

This issues with the approval of Finance Minister.

Yours faithfully,

22/05/2025

(Chinmay Pundlikrao Gotmare)
Director, (PF-States)
Phone : 011-2309 5647