F. No. ES-02/3/2026-ES
Government of India
Ministry of Mines
(ES Wing)
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GPOA-3, Netaji Nagar
New Delhi, 17th April, 2026

To

1. Secretary in-charge, Finance Department of States (as per list)
2. Secretary in-charge, Mines Department of States (as per list)

Subject: Operational Guidelines for Part-V (Mining Sector Reforms) of the Scheme for Special Assistance to States for Capital Investment 2026-27–regarding.

Sir/ Ma'am,

Kindly refer to the subject mentioned above. In pursuance to para 6 of Part-V (Mining Sector Reforms) of the guidelines for 'Special Assistance to States for Capital Investment 2026-27' (SASCI 2026-27) issued by the Department of Expenditure, Ministry of Finance, Govt. of India vide its letter no. 44(1)/PF-S/2026-27 (CAPEX) dated 27.03.2026, and amendments thereof issued by Department of Expenditure vide its O.M. of same no. dated 17.04.2026, the operational guidelines for submission of application(s) to avail incentive money under Part-V (Mining Sector Reforms) of SASCI 2026-27 are enclosed.

2. All the States are requested to refer to these guidelines while submitting their proposals.

3. This issues with the approval of the Competent Authority.

Encl: As above

(Sukhdeep Singh)
Director (ES)
E-mail: sukhdeep.singh1@gov.in
Ph: 91-11-26773613

Copy to:

Additional Secretary, Public Finance-States Division, Department of Expenditure, Ministry of Finance

F. No. ES-02/3/2026-ES
Government of India
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(ES Wing)

Operational guidelines for Part-V (Mining Sector Reforms) of the 'Scheme for Special Assistance to States for Capital Investment 2026-27' (SASCI 2026-27)

1. Objective of Part-V (Mining Sector Reforms) of SASCI 2026-27: The objective of this Part is to facilitate and expedite mine operationalization, increase mineral production, enhance revenue collection by States from the mining sector, and improve overall governance of the mining sector.

2. Components: This part of the scheme will have the following components of mining sector reforms:

i. Component I: Implementation of Mining Reforms
ii. Component II: Mine Operationalization
iii. Component III: State Mining Readiness Index (SMRI)–Based Reforms

3. Allocation of budget across the three components of Part-V (Mining Sector Reforms): The funds are divided across the three components of mining sector reforms as under:

Component I: Implementation of Mining Reforms – ₹2,000 crore
Component II: Mine Operationalization – ₹2,500 crore
Component III: State Mining Readiness Index-based Reforms– ₹675 crore

4. Eligibility for incentive:

4.1 Completion of the specified reform actions for components I and II. For component III, the top three ranking States/ UTs (with legislature) in each of the three categories viz. A, B and C as per the SMRI 2026-27 are eligible.

4.2 Submission of completed applications in the prescribed formats before the stipulated deadline.

4.3 For Component I (Implementation of Mining Reforms):

4.3.1 **Criteria:** The State/ UT (with legislature) must complete all the following reform actions as per details given below:

#	Reform parameter	Brief description of reform
1	Integration of the State with the mining portal of the Ministry of Mines for mine operationalization.	State has been integrated on a state-of-the-art Unified Mining Portal (UMP) of Ministry of Mines. The portal shall cover all mining related approvals, statutory clearances, end to end monitoring with clearly defined accountability for delays. Various processes & compliances under the Auction Rules shall be carried out by the Central Government/ State Government only through this portal. The integration on mining portal will enhance transparency, accountability by integrating approvals, clearances, payments & monitoring mechanisms on a unified interface and expedite mine operationalization.
2	Constitution of a Pre-Auction Committee to actively resolve land scheduling issues.	State has constituted a Pre-Auction Committee with representatives from the Mining, Forest, and Revenue Departments to actively address land scheduling issues before auction. This will ensure inter-departmental coordination for faster identification, preparation, and readiness of mineral blocks for auction, leading to improved efficiency and transparency in the auction process.
3.	Constitution of a State-level Coordination Committee under the Chief Secretary for regular monitoring of operationalization of mines, and holding of at least one meeting during 2026–27.	State has constituted a State-level Coordination Committee, chaired by Chief Secretary, with Secretaries of Mining, Forest, and Environment Departments and Joint Secretary (Ministry of Mines, Government of India) as members. The Committee will regularly monitor operationalization of mines and holds meetings for timely review of pending clearances. The objective of the Committee is to fast-track the operationalisation of auctioned mineral blocks by improving inter-departmental coordination and closely monitoring key statutory clearances, including Environment Clearance, Forest Clearance, and land acquisition.
4.	Publication of an annual auction calendar for major minerals and adherence to the same to the extent possible.	State has published annual auction calendar for major minerals and broadly follows it. This will ensure greater predictability and transparency in the auction of mineral blocks by the States. The calendar will also provide greater visibility to the industry, enable advance planning by prospective bidders, & facilitate more active participation in the auction process.

5.	Adoption of technology-based measures to prevent or detect grade misclassification of mineral ore.	State has adopted technology measures to check/ prevent grade misclassification of mineral ore. This will ensure correctness of mineral grade and help State Governments in getting their due share of revenue from mining.

4.3.2 **Incentive:** ₹100 crore per State/ UT (with legislature) on 'first-come-first-served' basis

4.3.3 **Format for submission of application**: As at Annex-1.

4.3.4 **Documentary evidence**: As per the indicative list in respect of each parameter at Annex-2.

4.4 For Component II (Mine Operationalization):

4.4.1 **Criteria:** The State/ UT (with legislature) must complete action as per the following reform parameters to claim the corresponding incentive.

#	Reform Parameter	Incentive
1.	No. of major mineral blocks with pre-embedded clearances (such as forest, environment, land, etc.) successfully auctioned in FY 2026-27 (up to 31.12.2026)	₹20 crore per block successfully auctioned, with an incentive cap of ₹200 crore per State on 'first-come-first-served' basis
2.	State has operationalized (i.e. commencement of production and dispatch) during FY 2026-27 (up to 31.12.2026) at least 10% of the major mineral blocks successfully auctioned till 31.03.2026*.	₹250 crore per State on 'first-come-first-served' basis

*The State-wise target of number of major mineral blocks to be operationalized to be eligible for incentives is given at Annex-3.

4.4.2 **Format for submission of application for reform parameters 1 & 2**: As at Annex-4 & Annex-5.

4.4.3 **Verification of reform actions:** The data pertaining to States for fulfilment of these reform parameters will be verified through Ministry of Mines' Project Management Unit on mine operationalization via its portal.

4.5. For Component III (SMRI-based Reforms):

4.5.1 **Criteria:** Top three ranked States/ UTs (with legislature) in each of the three categories (Group A, B and C) under SMRI 2026-27, which will be released by the Ministry of Mines.

4.5.2 **Incentive:** States/ UTs (with legislature) securing the 1st, 2nd and 3rd position under each category shall be eligible for an incentive of ₹100 crore, ₹75 crore and ₹50 crore respectively.

4.5.3 **Categorization of States/ UTs:** For the purpose of providing incentives under this Component of Part-V of SASCI 2026-27, the States/ UTs are grouped into three categories as follows:

Category A	Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan and Goa
Category B	Assam, Bihar, Telangana, Kerala, Arunachal Pradesh, Jammu & Kashmir, Uttar Pradesh, and Tamil Nadu
Category C	West Bengal, Himachal Pradesh, Haryana, Uttarakhand, Punjab, Meghalaya, Sikkim, Manipur, Tripura, Nagaland, Mizoram, Puducherry and NCT of Delhi

4.5.4 **Format for submission of application**: As at Annex-6.

5. Submission of the applications:

5.1 A State/ UT (with legislature) shall apply for incentive money in the prescribed formats for the respective components, as per eligibility, at any time after issuance of these guidelines but not later than the deadlines indicated in para 5.3 below. It shall submit for each component separately.

5.2 All completed applications along with documentary evidence (in soft copy) as applicable must be sent to Director (ES), Ministry of Mines, New Delhi, via email to: **ecos-mines@gov.in**.

5.3 **Deadlines for application submission:** The last date for the State government/ Administration of UT (with legislature) for submission of application with supporting documents to the Ministry of Mines is as indicated below, beyond which no application will be processed:

Component - I (Implementation of Mining Reforms)	15.12.2026
Component- II (Mine Operationalization)	31.12.2026
Component- III (State Mining Readiness Index-based Reforms)	15.12.2026

6. Review of applications by the Ministry of Mines: The Ministry of Mines will review all the applications submitted by the States/ UTs (with legislature) through an internal Committee, to be constituted for this purpose. This Committee will examine all applications as per criteria, and its recommendations after obtaining approval of the Competent Authority, will be sent to the Department of Expenditure, Ministry of Finance, for release of funds.

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<u>Annex-1</u>

Format for applying for incentive under Component I (Implementation of Mining Reforms) of Part-V (Mining Sector Reforms) of SASCI 2026-27

Name of the State/ UT (with legislature):

#	Parameter of reform	(Yes/ No)	Documentary Evidence enclosed (Yes/ No)	Details of documentary evidence enclosed
1.	Integration of the State with the mining portal of the Ministry of Mines for mine operationalization.			
2.	Constitution of a Pre-Auction Committee to actively resolve land scheduling issues.			
3.	Constitution of a State-level Coordination Committee under the Chief Secretary for regular monitoring of operationalization of mines, and holding of at least one meeting during 2026–27.			
4.	Publication of an annual auction calendar for major minerals and adherence to the same to the extent possible.			
5.	Adoption of technology-based measures to prevent or detect grade misclassification of mineral ore.			

Note: Documentary Evidence to be attached.

Name:
Signature:
Designation:
Seal:

(Secretary in-charge,
Finance Department)

Name:
Signature:
Designation:
Seal:

(Secretary in-charge,
Mines Department)

State Government/ Administration of _________ [name of State/ UT (with legislature)]

Annex-2

Indicative List of Documentary Evidence for Component I (Implementation of Mining Reforms)

Reform Parameter	Suggested documentary evidence
Integration of the State with the mining portal of the Ministry of Mines for mine operationalization.	• Onboarding certificate generated from the UMP based on relevant checklist e.g. legacy data validation, successful auction of at least one block through the portal, treasury integration, etc. • All processes from pre-auction exclusively through portal only
Constitution of a Pre-Auction Committee to actively resolve land scheduling issues.	• Constitution Order/ Notification for Pre-Auction Committee along with its Terms of Reference • Meeting notices and Minutes of Committee meetings held during 2026-27 • Recommendations made by the Committee and Action Taken Reports thereon
Constitution of a State-level Coordination Committee under the Chief Secretary for regular monitoring of operationalization of mines, and holding of at least one meeting during 2026–27.	• Constitution Order/ Notification for establishing the Coordination Committee along with its Terms of Reference • Meeting notices and minutes of meetings held during 2026-27 • Recommendations made by the committee and Action Taken Reports thereon
Publication of an annual auction calendar for major minerals and adherence to the same to the extent possible.	• Approved copy of annual auction calendar for major minerals • URL of the State's official website where annual auction calendar has been published • Adherence to the approved auction calendar
Adoption of technology-based measures to prevent or detect grade misclassification of mineral ore.	• Notification for adopting technology-based monitoring mechanisms on similar lines as issued by the Govt. of Odisha on 28.11.2025 • Ensure implementation by relevant mine lease holders

Annex-3

State-wise targets for operationalization of major mineral blocks

#	State	Total blocks auctioned by State till 31.03.2026	Critical mineral blocks auctioned by Central Govt. till 31.03.2026	Total blocks auctioned till 31.03.2026	10% of blocks auctioned till 31.03.2026	Minimum no. of blocks to be operationalized to avail incentive
(a)	(b)	(c)	(d)	(e)	(f) = 10% of (e)	(g)
1.	Andhra Pradesh	45	2	47	4.7	5
2.	Arunachal Pradesh	-	5	5	0.5	1
3.	Assam	12	-	12	1.2	2
4.	Bihar	1	3	4	0.4	1
5.	Chhattisgarh	56	5	61	6.1	7
6.	Gujarat	57	-	57	5.7	6
7.	Goa	12	-	12	1.2	2
8.	Jharkhand	10	1	11	1.1	2
9.	Karnataka	59	5	64	6.4	7
10.	Madhya Pradesh	120	4	124	12.4	13
11.	Maharashtra	42	3	45	4.5	5
12.	Odisha	65	7	72	7.2	8
13.	Rajasthan	121	5	126	12.6	13
14.	Tamil Nadu	22	2	24	2.4	3
15.	Telangana	6	-	6	0.6	1
16.	Uttar Pradesh	9	4	13	1.3	2
17.	Uttarakhand	1	-	1	0.1	1
	Total	**638**	**46**	**684**		**79**

Note 1: Operationalization means commencement of production and dispatch.
2. Where round off required, it is always to the next higher positive integer.

Annex-4

Format for applying for incentive for reform parameter 1 on No. of major mineral blocks with pre-embedded clearances (such as forest, environment, land, etc.) successfully auctioned in FY 2026-27 (upto 31.12.2026) of Component-II (Mine Operationalization) of Part-V (Mining Sector Reforms) of SASCI 2026-27

Name of the State:

#	Details of major mineral block	Details of clearances obtained before putting up block for auction	Date of auction of blocks with pre-embedded clearances	Details of documentary evidence enclosed*

*Auction Summary on major mineral blocks successfully auctioned with pre-embedded clearances to be attached as documentary evidence.

Name:
Signature:
Designation:
Seal:

(Secretary in-charge,
Finance Department)

Name:
Signature:
Designation:
Seal:

(Secretary in-charge,
Mines Department)

State Government/ Administration of _________ [name of State/ UT (with legislature)]

Annex-5

Format for applying for incentive for reform parameter 2 on State has operationalized during FY 2026-27 (up to 31.12.2026) at least 10% of the major mineral blocks successfully auctioned till 31.03.2026 of Component-II (Mine Operationalization) of Part-V (Mining Sector Reforms) of SASCI 2026-27

Name of the State:

Sl. No.	Name of mine operationalized$ in FY 2026-27	Date of commencement of production and dispatch

$Operationalized means commencement of production and dispatch

Name:
Signature:
Designation:
Seal:

(Secretary in-charge,
Finance Department)

Name:
Signature:
Designation:
Seal:

(Secretary in-charge,
Mines Department)

State Government/ Administration of _________ [name of State/ UT (with legislature)]

Annex-6

Format for applying for incentive under Component III (SMRI-based Reforms) of Part-V (Mining Sector Reforms) of SASCI 2026-27

Name of the State	
Group in the SMRI	
Rank in the Group	
Willingness to avail of the incentive amount (Yes/ No)	

Name:
Signature:
Designation:
Seal:

(Secretary in-charge,
Finance Department)

Name:
Signature:
Designation:
Seal:

(Secretary in-charge,
Mines Department)

State Government/ Administration of _________ [name of State/ UT (with legislature)]