

F. No. 44/44/2014-RE
Ministry of Power
Govt. of India

Shram Shakti Bhawan, Rafi Marg,
New Delhi dated 3rd December, 2014

OFFICE MEMORANDUM

Subject: "Deendayal Upadhyaya Gram Jyoti Yojana" (DDUGJY)

Sanction of the President is conveyed for launch/implementation of "Deendayal Upadhyaya Gram Jyoti Yojana" (DDUGJY) with the following components :

- (i) Separation of agriculture and non-agriculture feeders facilitating judicious rostering of supply to agricultural & non- agricultural consumers in the rural areas; and
- (ii) Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/feeders/consumers
- (iii) Rural electrification, as per CCEA approval dated 01.08.2013 for completion of the targets laid down under RGGVY for 12th and 13th Plans by carrying forward the approved outlay for RGGVY to DDUGJY.

2. The components at (i) and (ii) of the above scheme will have an estimated outlay of Rs. 43033 crore including a budgetary support of Rs. 33453 crore from Government of India during the entire implementation period. Details are given in **Annexure-I**.

3. The scheme of RGGVY as approved by CCEA for continuation in 12th and 13th Plans will get subsumed in this scheme as a separate rural electrification component [component (iii) above] for which CCEA has already approved the scheme cost of Rs. 39275 crore including a budgetary support of Rs. 35447 crore. This outlay will be carried forward to the new scheme of DDUGJY in addition to the outlay indicated in para 2 above.

4. Scope of works

The scheme will cover works relating to feeder separation, strengthening of sub-transmission & distribution systems including metering of distribution transformers/feeders/consumers and rural electrification. The details are given at **Annexure-II**.

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5. Eligible Utilities

All Discoms including private sector Discoms and State Power Departments will be eligible for financial assistance under the scheme. In case of private sector Discoms where the distribution of power supply in rural areas is with them, projects under the scheme will be implemented through a State Government Agency and the assets to be created under the scheme will be owned by the State Government / State owned companies. These assets will be handed over to the concerned Discom for their use during the license period on mutually agreed terms & conditions. The responsibility of operation and maintenance of these assets would be of the concerned Discom.

6. Formulation of DPR and Project Appraisal Mechanism

The Discoms will prioritize strengthening of rural infrastructural works considering specific network requirement and will formulate bankable Detailed Project Reports (DPRs) of the projects for coverage under the scheme. The DPRs will be recommended by existing State Level Standing Committee (SLSC) constituted for RGGVY programme under the chairmanship of Chief Secretary (scope of Committee shall be extended to cover Deendayal Upadhyaya Gram Jyoti Yojana) before submission to the Nodal Agency. The SLSC will ensure that there is no duplication of works while recommending the projects to the Nodal Agency. **Rural Electrification Corporation Limited (REC) shall be the Nodal Agency for operationalization of the scheme.** The Nodal Agency will be paid 0.5% of the total project cost as their fee. The projects shall be appraised and duly recommended by the Nodal Agency for approval of the Monitoring Committee chaired by Secretary (Power), Ministry of Power, Govt of India.

7. Monitoring Committee

The projects will be placed for approval by the Monitoring Committee under the chairmanship of Secretary (Power). The Committee will consist of representatives from Ministry of Power, Ministry of Finance, Ministry of Rural Development, Ministry of Agriculture, Ministry of New & Renewable Energy, Central Electricity Authority (CEA) and Planning Commission. Chairman & Managing Director, REC will be the Member Secretary & Convener of the Committee. The Committee will be empowered to approve operational guidelines to be prepared by the Nodal Agency for implementation of the scheme and amend these guidelines (including the scope of work in **Annexure-II**) from time to time within the overall approval granted by CCEA. The Committee will also monitor implementation of the scheme.

8. Tripartite/ Bipartite agreement

Suitable Tripartite agreement will be executed between REC as the Nodal Agency on behalf of Ministry of Power, the State Government and the Discom to ensure implementation of the scheme in accordance with the

guidelines prescribed under the scheme. Bipartite agreement will be executed in case of State Power departments.

9. Project Management Agency (PMA)

An appropriate Project Management Agency (PMA) will be appointed by the utility for monitoring and ensuring timely implementation of the project. 100% grant will be provided by GoI towards expenditure incurred on Project Management Agency (PMA) as per provision in the scheme (0.5% of cost of works).

10. Execution Period

Projects under the scheme will be completed within a period of 24 months from the date of issue of Letter of Award (LoA) by the utility. In case the Discoms / Power Departments are not able to complete the projects within stipulated time period due to circumstances beyond their control, the Monitoring Committee will be authorized to grant time extension based on merits in exceptional cases on a case to case basis.

11. Supporting/ Enabling activities of Ministry of Power

A provision of 0.5% of the total project cost has been kept for the supporting/ enabling activities of Ministry of Power relating to implementation of the scheme, such as capacity building, creating awareness, monitoring, field inspections, evaluation studies, training etc.

12. Funding Mechanism

The funding mechanism will be as under:

Agency	Nature of support	Quantum of support (Percentage of project cost)	
		Other than Special Category States	Special Category States #
Govt of India	Grant	60	85
Discom Contribution*	Own Fund	10	5
Lender (FIs/ Banks)	Loan	30	10
Additional Grant from GOI on achievement of prescribed milestones	Grant	50% of total loan component (30%) i.e. 15%	50% of total loan component (10%) i.e. 5%
Maximum Grant by GOI (including additional grant on achievement of prescribed milestones)	Grant	75%	90%

Special Category States (All North Eastern States including Sikkim, J&K, Himachal Pradesh, Uttarakhand)

* Minimum contribution by Discom(s) is 10% (5% in case of Special Category States). However, Discom(s) contribution can go up to 40% (15% in case of Special Category States), if they do not intend to avail loan. In case, the Discom(s) do not avail loan, the maximum eligible additional

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