

**F. No. 20/16/2016-IPDS  
Government of India  
Ministry of Power**

Shram Shakti Bhawan, Rafi Marg  
New Delhi, Date: 5<sup>th</sup> September, 2017

To,


Chairman & Managing Director  
Power Finance Corporation Ltd  
Urjanidhi, 1, Barakhambha Road  
New Delhi

**Subject: Underground Cabling proposals from State Utilities -  
regarding**

This has reference to your letter no: 02:10:IPDS:XIX:2017:MOP/50255 dated 4<sup>th</sup> August 2017 regarding consolidated proposals for UG cabling received by PFC so far from the state utilities.

2. In the 10<sup>th</sup> meeting of the Monitoring Committee held on 13.06.2017, the roadmap for likely balance outlay of IPDS was discussed and it was decided that Rs 1843 crore outlay (corresponding to the GoI grant of Rs 1402 crore) are to be used for underground cabling.
3. In order to cover the demand by states, as well as to ensure viability and efficiency in UG cabling projects, it is proposed that DPRs be called from states / DISCOMs on the basis of the enclosed Annexure to this letter.
4. PFC may like to indicate a reasonable cut-off date for submission of the DPRs so that the cases can be techno-economically examined by PFC and put up in the next meeting of the IPDS Monitoring Committee.

Yours faithfully,

  
(G. Swan Za Lian)

Under Secretary to the Government of India  
Tel Fax: 011-23708051

**Annexure****Underground Cabling projects under IPDS against earmarked funds**

(a) Eligible entities and Criteria for sanction of projects:

I. All Govt. owned Discoms and State Power Departments (referred to as Utilities) will be eligible for financial assistance provided:

- States have signed UDAY agreement.
- States where 85% or more House Holds are electrified.
- Baseline SAIDI/SAIFI of the town established through IT system.
- AT&C loss levels of towns are 15% or less
- All Statutory Towns (as per census 2011) may be considered

II. Area of religious & tourist importance and densely populated areas of the town may be taken on priority. The selection of towns shall be finalised by the Monitoring Committee.

(b) Proposed Scope:

- The BOQ shall be based on actual survey in the Project Area by the utility and the same to be mapped to the single line diagram / Network diagram of the project area.
- The scope may include cost of UG cables (HT/LT), non-motorised RMUs and non-communicable FPIs and smart meters along with installation. Motorised RMU and communicable FPI can be included in SCADA towns only.
- Utility may include provision of underground cabling for alternate source of power supply to meet the reliability in the area.
- The Appraisal of DPRs shall be based on approved schedule of rate (SoR) of Discom and should be bankable.
- Funding under IPDS would not be available for items that are in the negative list under IPDS guidelines.

(c) Projects under the scheme shall be completed within a period of 36 months from date of communication of the approval of the Monitoring committee. 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 is authorized to grant time extension based on merits in exceptional cases on a case to case basis.

(d) Funding Mechanism:

- Fresh Underground Cabling Projects may be undertaken by part funding to the extent of 20% of the Project cost under IPDS. The balance 80% of the funding would be sought by the States through lending institutions under Bankable DPRs with CBA. The proposal sent to the Nodal Agency/ Ministry of Power would indicate specifically the financial tie-up with the lending institution.
- Within the extent of 20%, the Centre and the State would fund as per the existing IPDS guidelines. However, the States are encouraged to provide equity support instead of funding through Banks/ FIs, as the Bank/FI funding would be done to the extent of 80% anyways.
- All projects to be bankable. The financial support from GoI shall be as under:

Agency	Nature of Fund	Quantum of Support (% of Project Cost)
Funding through IPDS guide lines	Grant as per IPDS guidelines. No Additional grant for UG cabling work.	Maximum 20%, subject to GBS implication as per IPDS Scheme
Discoms Contribution	Own fund	Subject to provisions of IPDS scheme entitled to 20% of project cost
Lender (FIs/ Banks)/ Discom's own fund)	Loan	80%