



सौरभ कुमार शाह, भा.पु.से.  
कार्यपालक निदेशक (आई.पी.सी.एस.)  
Saurav Kumar Shah, IPS  
Executive Director (IPDS)



सत्यमेव जयते

पावर फाइनेंस कारपोरेशन लिमिटेड  
POWER FINANCE CORPORATION LTD  
(भारत सरकार का उपक्रम) (A Govt. of India Undertaking)

02:10: RDSS: 2021: I: TCED/076651

25.04.2022

The Principal Secretary  
Govt of Kerala  
Room No. 403, 4<sup>th</sup> Floor,  
Annex-1 Secretariat  
Thiruvananthapuram

Sub: Financial assistance to TCED for implementation of Projects under Revamped Distribution Sector Scheme (RDSS) of Govt. of India in the State of Kerala  
Grant No. 33581001 (RDSS Metering Works)  
Grant No. 33582001 (RDSS Loss Reduction Works) and  
Grant No. 33584S01 (RDSS PMA Metering Works)  
Grant No. 33584L01 (RDSS PMA Loss Reduction Works)

Sir,

1. With reference to Thrissur Corporation Electricity Department TCED letter no. Nil dated 2.03.2022 regarding financial assistance under RDSS Scheme, we are pleased to convey that Monitoring Committee for RDSS constituted under Chairmanship of Secretary (Power), Govt. of India, in its 7<sup>th</sup> meeting held on 15.03.2022, has approved the Action plan and DPRs for Loss Reduction works and Prepaid Smart Consumer Metering including Communicable/Smart System Metering works of TCED under Revamped Distribution Sector Scheme (RDSS) as per below mentioned details:

- Results Evaluation Matrix for TCED as enclosed at Annexure A along with pre-qualifying criteria.
- DPR for Prepaid Smart Consumer metering, including Communicable/Smart System Metering works with total Project Cost of Rs.25.38 Cr & GBS of Rs.5.63 Cr including incentive for Phase-I Consumer metering as per details in Annexure B.
- DPR for Infrastructure- Loss reduction works with total Project Cost of Rs.76.35 Cr & GBS of Rs.45.81 Cr as per details in Annexure C.
- PMA charges of 0.10 Cr for Prepaid Smart Metering works and Rs. 1.15 Cr for Infrastructure- Loss reduction works with GBS of Rs. 0.06 Cr and Rs. 0.69 Cr respectively as per details in Annexure D.

Summary of approved projects cost and GBS for Projects and PMA is attached at Appendix-I.

2. **Funding Pattern:**

- The funding Pattern for the TCED in the State of Kerala is given below:

Item Description	GBS % (Max)
Prepaid Smart consumer metering solution including Communicable/Smart System Metering at DT, feeder and boundary level including integration of existing infrastructure	15% of the approved cost of metering including the operational cost, provided that it is not more than Rs. 900 per meter for consumer metering only
Distribution Infrastructure works	60% of the approved cost of Distribution infrastructure works

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PMA Charges for Metering and Infrastructure works	60% of the approved cost of PMA
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- b. The project cost approved by the Monitoring Committee or actual cost incurred whichever is less, shall be the eligible cost for determining the grant under the scheme for Infrastructure works and PMA Components. Any cost overrun after approval of the project (by Monitoring Committee) due to any reason whatsoever shall not be eligible for any grant and shall be borne by the TCED/respective State Government.
- c. The release of GBS by Government of India will be subject to prescribed scheme guidelines and would be contingent to award of prepaid smart metering works & its satisfactory progress.
3. The terms and conditions of the sanction are as given below:

- a) TCED to ensure implementation of the scheme in accordance with all the prescribed scheme guidelines including SBDs.

**b) Prepaid Smart Metering works:**

- Funding under Metering component will be available only to Prepaid smart meters operating in prepayment mode for consumers, and in accordance with the uniform approach indicated by the Central Government, with implementation in TOTEX mode.
- A feeder and DT level automated online energy accounting system shall be put in place.
- All feeders are to be metered with communicable & AMI/AMR meters by 31st December 2022, and shall be integrated with the National Feeder Monitoring System (NFMS) proposed to be put in place shortly.
- TCED to complete 100% DT metering with communicable & AMI/AMR meters in Phase-I areas in Phase-I areas by March 2023 and in remaining areas by December 2023 to facilitate energy accounting.
- TCED while implementing the prepaid smart metering projects, shall ensure that the remotely readable metering at DT level; Consumer indexing; integration of feeder level data; and the consumer billing database under the AMI contracts are prioritised to be completed latest by March 2023.
- Prepaid Smart Meters may be installed outside the consumer premises, may be pole mounted, ground mounted panels, incoming service cables that may be armoured etc.

**c) Infrastructure works & PMA Charges:**

- PMA charges over and above the permitted amount shall be borne by TCED/ State government.
- Services of PMA shall be retained up to completion of the project without any financial implications beyond that already provided.

The detailed terms & conditions of sanction is enclosed as Annexure E.

**4. Result Evaluation Matrix and pre-qualifying criteria:**

- a) The AT&C losses and ACS-ARR Gap trajectories approved by Monitoring Committee are as given below:

Parameter	Units	Max marks	Base Year	Baseline values	Targets			
					FY 2022	FY 2023	FY 2024	FY 2025
ACS-ARR Gap (accrued basis)-on subsidy received basis excluding regulatory incomes and UDAY Grants	Rs./ kWh	25	FY-21	-0.12	<0	<0	<0	<0
AT&C loss	%	25	FY-21	9.95	8.54	8.35	8.14	8.00

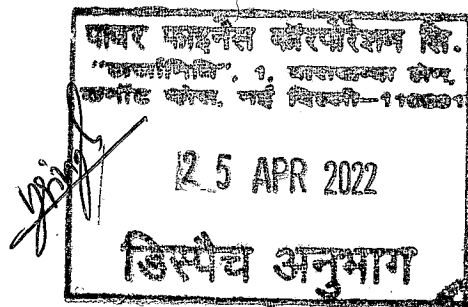
- b) TCED to mandatorily meet the pre-qualifying criteria and achieve the specified marks in the Result Evaluation Matrix based on which grant for other than the advance for DPR will be released as per scheme guidelines.
- c) TCED to ensure timely adoption of all suitable measures to meet the prequalifying criteria and to score at least 60% marks on the agreed Result Evaluation Matrix.

- d) If by the end of year 2025-26, the DISCOM is not eligible for release of any grant, the initial advance of 10% of the grant component of the cost of DPR for Loss Reduction will have to be refunded by the TCED.

**5. Fund Management:**

- a. TCED shall ensure that funds released under the scheme are utilized for the purpose for which it is released and will not be diverted for any other purposes whatsoever. The grant released from Nodal Agency to the TCED shall be done through PFMS and the TCED shall use PFMS for fund flows to the lowest level as specified by the Government of India's instructions on the subject under the scheme.
  - b. TCED shall submit utilization certificates (UC) for the funds released during the financial year in prescribed format latest by 30th April of succeeding year in addition to the UC along with every claim.
  - c. For release of funds under the Scheme, TCED has to ensure updation of baseline data, physical & financial progress, Quality Monitoring, Fund Management, Asset identification through Geo-tagging, outcomes and achievements for evaluation under Result Evaluation Framework, closure, etc. on the digital platform to be developed by the Nodal Agencies.
  - d. For works other than metering works under Part A, counterpart funding will be provided by the TCED/ State Government. If TCED takes loan for counterpart funding, such loan will be taken from REC and PFC only. Further, counterpart funding from bilateral/multilateral funding agencies can also be leveraged for which the Government of India would extend benefits of reduced Government Guarantee fee.
  - e. In case loan component of the project cost is funded by the NBFCs under MoP, then in order to secure the loan, the existing TPA (Tri-partite Agreement) arrangement among Government of India, the State Government and the RBI shall be suitably amended to provide that the loan servicing payments in case of default can be recovered through RBI.
6. A Scheme Implementation Agreement will be signed between the Government of Kerala, TCED and Nodal Agency on behalf of MoP within 30 days of issuance of sanction letter. Copy of approved agreement is attached at **Appendix-II**.
  7. The Monitoring Committee is empowered to recall the grant released to the DISCOMs at any stage of the scheme, in case the sanctioned works are left incomplete, or the assets could not be put to use, or funds are utilized for purposes other than those prescribed in the scheme/ as approved by the Monitoring Committee in accordance with the prescribed guidelines.
  8. TCED undertakes to seek full authorization by way of Resolution passed in subsequent meeting of its Board / State Govt. to implement the RDSS Scheme on the said terms and conditions to the satisfaction of the Government of India / Nodal Agency.
  9. Any unrecovered/ outstanding dues amounts of earlier Schemes of Ministry of Power, GOI shall also be allowed to be adjusted against releases in the current scheme.
  10. State Govt is requested to kindly acknowledge and accept the sanction letter within 15 days from the date of issue of this sanction letter as per the acceptance letter enclosed as **Annexure- F**.

Encl: As Above



Yours sincerely,

*Saurav*

**Saurav Kumar Shah**  
Executive Director  
for Power Finance Corporation

Copy to:

Corporation Secretary,  
Thrissur Corporation Electricity Department,  
Thrissur, Kerala-680001

## Annexure – A

## Results Evaluation Matrix for TCED, Kerala

Performance Matrix for TSED, Kerala								
S. No	Result Parameter	Units	Maximum Marks	Base Year and Baseline values (FY2021)	Targets			
					FY2022	FY2023	FY2024	FY2025
A	Financial Sustainability (60% weightage) - 70% WEIGHTAGE FOR FY22							
1	ACS-ARR Gap	Rs./ kWh	25	-0.12	<0	<0	<0	<0
2	AT&C loss - Increase in Billing Efficiency and Collection Efficiency - Reduction in theft and line losses	%	25	9.95	8.54	8.35	8.14	8.00
3	Outstanding/ Overdue Subsidy Payment by State Government	Rs. Crore	15	1.69	0.84	0.84	0	0
4	Outstanding/ Overdue Government Dues	Rs. Crore	10	0.43	0.21	0.21	0	0
5	Progress in putting Govt. Offices on prepaid meters	%	10 (For FY 22 consider 5 marks for AT&C loss and 5 marks for ACS-ARR)	0	-	-	100	-
6	No. of creditor days (for Gencos and Transcos)	Days Payable	10	30	<45	<45	<45	<45
7	No. of debtor days	Days Receivable	5	35	<45	<45	<45	<45
			100					

S. No	Result Parameter	Units	Maximum Marks	Base Year and Baseline values (FY2021)	Targets			
					FY2022	FY2023	FY2024	FY2025
B	Outcomes of Infra works (20% weightage)							
1	Hours of supply (Rural)	Avg. Hours/ Day	0	NA	NA	NA	NA	NA
2	Hours of supply (Urban)	Avg. Hours/ Day	30	23:46	23:49	23:51	23:53	23:55
3	Accurate Energy Accounts	%	20	0	50	100	100	100
4	Reliability of power supply - SAIFI (System Average Interruption Frequency Index)	Nos/ Year	30	62	46.5	35	26	20
5	Data availability in the National Feeder Monitoring System / NPP	%	20 (For FY 22 consider 10 marks for Hours of supply Urban and 10 marks for Reliability)	0	0	100	100	100
			100					
C	Infrastructure Works (10% weightage) - NIL weightage for FY22							
1	Metering							
a	Consumer Metering	%	25	0	0	35.73	100	100
b	DT Metering	%	20	0	0	89.49	100	100
c	Feeder Metering	%	20	0	0	100	100	100

S. No	Result Parameter	Units	Maximum Marks	Base Year and Baseline values (FY2021)	Targets			
					FY2022	FY2023	FY2024	FY2025
2	Replacement of existing LT overhead bare conductor lines with AB/UG cable	Ckm	10	58.72	0	41.199	40	40
3	Availability of Feeders in NFMS	%	15	0	0	100	100	100
4	SCADA	No. of Towns	10 (For FY 23 consider 5 marks each for Feeder metering and DT metering)	0	0	0	1	1
			100					
D	Policy and Structural Reforms (10% weightage)							
1	ERP Implementation	No of Modules (10 nos)	20 (For FY 22 consider 10 marks each for Tariff reforms and Training of Discom officials)	0	0	5	10	10
2	Training of Discom Officials	Mandays	20	10	450	900	900	900
3	Tariff Reforms (MYT)	Yes/No	20	Yes	Yes	Yes	Yes	Yes

S. No	Result Parameter	Units	Maximum Marks	Base Year and Baseline values (FY2021)	Targets			
					FY2022	FY2023	FY2024	FY2025
4	Strengthening of online consumer services	%	20 (For FY 22 consider 10 marks each for Tariff reforms and Training of Discom officials)	0	0	100	100	100
5	24x7 Customer care centre	%	20 (For FY 22 consider 10 marks each for Tariff reforms and Training of Discom officials)	0	0	100	100	100
			100					

**Note:** For the parameters for which target is NIL or target is same as in baseline or previous year, the corresponding marks shall be proportionately redistributed amongst other parameters in the same category for evaluation purpose.

## Annexure-B

## Smart Metering works for TCED under RDSS

Sl No.	Major Component	Item Particulars	Expected Life cycle unit cost (Rs. per meter)	Quantity (Phase I)	Quantity (Phase II)	Total Quantity	Estimated cost in Rs. Crores
(1)	(2)	(3)	(4)	No.	No	Nos.	
1	Consumer Metering			(5)	(6)	(7) = (5)+(6)	(8) = (4)x(7)
1.1		1 Phase Whole Current Smart Consumer Meter	6,000	24614		24,614	14.77
1.2		3 Phase Whole Current Smart Consumer Meter	6,000	15180		15,180	9.11
1.3		3 Phase LT-CT Operated Smart Consumer Meter	6,000	516		516	0.31
1.4		3 Phase HT-CT Operated Smart Consumer Meter	6,000	128		128	0.08
	Sub-Total			40,438	0	40,438	24.26
2	DT Metering	3 Ph LT-CT Operated DT Meter	23,000	447		447	1.03
3	Feeder Metering	3 Ph CT/PT Operated Feeder Meter	42,000	16		16	0.07
4	Boundary Metering	3- phase CT/PT operated Boundary meter	42,000	6		6	0.03
	Total			40,907	0	40,907	25.38
	Total GBS excluding incentive for Phase - I						3.81
	Incentive for Phase - I						1.82
	Total GBS including Incentive of Phase - I						5.63



## Annexure – C

## Infrastructure works (Loss Reduction) for TCED under RDSS

Sl No.	Major Component	Item Particulars	Unit of Measurement	Unit cost (Rs. lakh)	Quantity	Estimated cost in Rs. Crores
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (5) x (6)
<b>1</b>	<b>Cabling related works</b>					
1.1		i) 300 Sqmm UG Cable	Ckt.Km	18.79	12.613	2.37
1.2		ii) 150 Sqmm UG Cable	Ckt.Km	12.85	4	0.51
<b>2</b>	<b>HVDS</b>					
		i) New DTR - 25 KVA-3-ph	Nos	1.50	7	0.11
		ii) New DTR - 63 KVA-3-ph	Nos	2.00	27	0.54
		iii) 11 KV, 300 Sqmm XLPE cable	Ckt.Km	18.79	0.05	0.01
		iv) 11 KV, 3CX120 Sqmm ABC cable	Ckt.Km	11.98	4.27	0.51
		v) Lattice Pole	Nos	1.25	2	0.03
		vi) A Pole	Nos	0.50	34	0.17
<b>3</b>	<b>Feeder Bifurcation</b>					
		i) 11 KV, 300 Sqmm XLPE cable	Ckt.Km	18.79	19.352	3.64
		ii) 11 KV Line with AB cable 3Cx120	Ckt.Km	11.98	7.495	0.90
		iii) 3x95 + 1x70 + 1x16 LT ABC	Ckt.Km	8.83	107.199	9.47
		iv) 2Cx25/10 sqmm LT XLPE UG Cable	Ckt.Km	2.90	6	0.17
		v) 4Cx95 sq mm XLPE UG Cable	Ckt.Km	13.50	1.5	0.20
		vi) 4Cx300 sq mm XLPE UG Cable	Ckt.Km	31.00	2.5	0.78
		vii) 4Cx150 sq mm XLPE UG Cable	Ckt.Km	23.00	1.5	0.35
		viii) 4Cx25 sq mm XLPE UGC	Ckt.Km	6.00	2.5	0.15
<b>4</b>	<b>IT / OT initiatives (excluding SCADA &amp; DMS)</b>					
		i) LT & HT Billing and Customer Care	Ls	50.00	1	0.50

SI No.	Major Component	Item Particulars	Unit of Measurement	Unit cost (Rs. lakh)	Quantity	Estimated cost in Rs. Crores
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (5) x (6)
		ii) Materials Management (MM),	Ls	187.50	1	1.88
		Financial Accounting and Management (FICO), e-Bidding (SRM), Human Resource & Management Pay-Roll (HR/PY)				
		iii) Enterprise Asset management (EAM or PM), Document Management System (DMS), Customer Relationship Management (CRM), Asset & Maintenance Management (AM)	Ls	90.00	1	0.90
		iv) BW/MIS	Ls	25.00	1	0.25
		v) GIS and Network Analysis	Ls	182.06	1	1.82
		vi) Centralised Customer Care Centre (CC), Web Self Service	Ls	50.00	1	0.50
		vii) Replacement of servers in system and upgradation of storage	Ls	60.00	2	1.20
		viii) Creating LAN/WAN as per requirement and implementing network security and cyber security requirements	Ls	25.00	1	0.25
		ix) Implementation of ISMS	Ls	10.00	1	0.10
5	Other works					
		i) APFC at DT Locations 60KVAR	Nos	1.50	5	0.08
		ii) APFC at DT Locations 120KVAR	Nos	2.00	15	0.30
6	New 110/11 KV Substation					

Sl No.	Major Component	Item Particulars	Unit of Measurement	Unit cost (Rs. lakh)	Quantity	Estimated cost in Rs. Crores
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (5) x (6)
	Construction of 110 KV DC line to new Thrissur corporation sub station	Supply and laying of 110 kV, 1core x 630 sq.mm Aluminium Corrugated Sheathed , XLPE Insulated, Aluminium Power cable as per Indian Standard / Technical Specification from the DC tower to the upcoming bays in the new 110 kV substation Thrissur corporation including construction of cable trench, termination of the cable on the Cable Support Structure both end and testing and commissioning of the cable under Thrissur corporation ( 6 Km)	Ls	650.25	1	6.50
		Construction of new 110KV substation at Thrissur corporation, Thrissur with 2*20 MVA 110/11KV Transformers, constructing LILO Arrangement	Ls	1699.00	1	16.99
		Construction of (7.5X2 km) 110 kV DC to 110kV Substation	Ls	1425.00	1	14.25
7	Augmentation of 33/11 KV S/S					
		i) INSTALLATION OF ADDITIONAL 8.0 MVA X'MER WITH ADDITIONAL BAY at existing 33/11KV Ikkandavaryar Substation	Ls	217.00	1	2.17
		ii) Replacement of old 11KV Feeder panel (10 Panel Set)	Ls	63.00	1	0.63
8	New 11 KV line					
		i) 300sqmm HT UG cable	Ckm	18.79	25.691	4.83

Sl No.	Major Component	Item Particulars	Unit of Measurement	Unit cost (Rs. lakh)	Quantity	Estimated cost in Rs. Crores
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (5) x (6)
9	Replacement of old DT					
		i) 100 KVA (3 Ph.)	Nos	2.50	1	0.03
		ii) 160 KVA (3 Ph.)	Nos	3.50	2	0.07
		iii) 200 KVA (3 Ph.)	Nos	4.80	1	0.05
		iv) 250 KVA (3 Ph.)	Nos	4.80	15	0.72
10	New LT Distribution Board		Nos	0.75	250	1.88
	Feeder pillar					
		Installation of Main Feeder Pillar	Nos	1.50	20	0.30
		Installation of Mini Feeder Pillar	Nos	0.90	30	0.27
	Total Project Cost					76.35
	Total GBS					45.81

## Annexure- D

## PMA Charges for TCED, Kerala under RDSS

Sl. No.	Particulars	Total Project Cost	GBS*	PMA Charges**	GBS for PMA Charges***
1	Smart Metering Works	25.38	3.81	0.10	0.06
2	Infrastructure Works – Loss Reduction	76.35	45.81	1.15	0.69
	Total	101.73	49.61	1.24	0.74

\*Excluding incentives in case of Smart Metering works of Phase-I.

\*\* 2.5% of GBS for Smart Metering (excluding incentive) and 1.5% of total project cost for Infrastructure works

\*\*\* 60% of PMA Charges

# Appendix-I

## Approved DPR Cost and Government of India (GoI) Grant

Rs. Cr.

Sl. No.	Grant No.	Name of the Project	Approved Project Cost	GoI Grant Sanctioned	Additional Incentive (GoI Grant)
1	33581001	RDSS Smart Metering Works	25.38	3.81	1.82
2	33584S01	RDSS PMA Grant for Smart Metering Works	0.10	0.06	NA
		<b>Total</b>	25.48	3.87	1.82
1	33582001	RDSS Loss Reduction Works	76.35	45.81	NA
2	33584L01	RDSS PMA Grant for Loss Reduction Works	1.15	0.69	NA
		<b>Total</b>	77.50	46.50	NA
<b>Grand Total</b>			102.98	50.37	1.82

## General Terms and Conditions Applicable for Availing Financial Assistance under Revamped Distribution Sector Scheme

The terms and conditions of financial assistance as set out here under shall be binding on the DISCOM and State Government in accordance with the Scheme Implementation Agreement to be executed amongst PFC (on behalf of MoP), State Government & State Discom.

### **A. Project Financing & Fund Management:**

1. The funding pattern under the scheme is as given below:

Part	Item Description	GBS % (Max)
Part A	Component I: Prepaid Smart consumer metering solution including Communicable/Smart System Metering at DT, feeder and boundary level including integration of existing infrastructure.	15% / 22.5% of meter lifecycle cost as the case may be (limited up to Rs.900 or Rs.1350 respectively per meter for Consumer metering only)
	Component II: Distribution Infrastructure works including SCADA, DMS, AB cables, feeder segregation etc.	60% or 90% of project cost as the case may be

2. The project cost approved by the Monitoring Committee or actual cost incurred whichever is less, shall be the eligible cost for determining the grant under the scheme for Component II and III of Part A. Any cost overrun after approval of the project (by Monitoring Committee) due to any reason whatsoever shall not be eligible for any grant and shall be borne by the DISCOM/respective State Government.
3. **Part A: Component I- Metering:**
- 3.1. The operation and maintenance cost of the meter over the life of the meter as per the SBD shall be included in the project cost.
- 3.2. Prepaid Smart metering for consumers, and System metering at Feeder and Distribution Transformer level with communicating feature along with associated Advanced Metering Infrastructure (AMI) will be done in TOTEX mode through PPP, to facilitate reduction of Distribution losses and enable automatic measurement of energy flows and energy accounting as well as auditing in line with the BEE regulations which will help in identifying high loss packets.
- 3.3. Funding under Metering component of Part A will be available only if the DISCOM agrees to the operation of smart meters in prepayment mode for consumers, and in accordance with the uniform approach indicated by the Central Government, with implementation in TOTEX mode. Pre-paid smart metering works carried out after 1st January, 2020 will be eligible for funding, if they were carried out in TOTEX mode, after obtaining approval from Monitoring Committee in this regard
- 3.4. In areas which do not have communication network, installation of prepayment meters, may be taken up.
- 3.5. The financial support for Metering Component under Part A of the scheme shall be as under:

## General Terms and Conditions Applicable for Availing Financial Assistance under Revamped Distribution Sector Scheme

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3.5.1. Other than Special Category States: 15% of the project cost of the metering works including the operational cost, limited upto Rs. 900 per meter for consumer metering only would be provided as grant by Government of India. Further, an incentive @ 7.5% of the cost per consumer meter worked out for the whole project or Rs. 450 per consumer meter, whichever is lower, would be for prepaid Smart meters installed within the targeted timeline of first phase mission i.e. by December, 2023.

3.5.2. Special Category States (All North Eastern States including Sikkim, Himachal Pradesh & Uttarakhand and union Territories of Jammu & Kashmir, Ladakh, Andaman & Nicobar Islands & Lakshadweep): 22.5% of the project cost of the metering works including the operational cost, limited upto Rs. 1350 per meter for consumer metering only would be provided as grant by Government of India. Further, an incentive @ 11.25% of the cost per consumer meter worked out for the whole project or Rs. 675 per consumer meter, whichever is lower, would be for prepaid Smart meters installed within the targeted timeline of first phase mission i.e. by December, 2023.

#### 4. Part A: Component II- Distribution Infrastructure works:

4.1. The eligible project cost shall include Central taxes and all fees like forest clearance, highway and railway crossing fee etc. The project cost shall however not include the cost of land, cost of buildings other than sub stations and anti-theft police stations, service lines to new consumers, compensation towards ROW (except forest clearance, highway and railway crossing fee), office equipment & fixtures, spares (other than mandatory spares prescribed by manufacturer), T&P, road cutting charges, vehicles and salaries and establishment expenditure. Further, the project cost shall be reduced to the extent of any Liquidated Damages actually levied, but the encashment of performance security or bid security (EMD) shall not reduce the project cost.

4.2. Feeders having significant agricultural load (30% or more) may be considered for separation under the loss reduction part of DPR and the same should also be proposed for solarization under the PM- KUSUM scheme of MNRE or any other scheme of Government.

4.3. Discom to submit feeder wise analysis of high loss feeders being taken up on priority under loss reduction works, within the 3 months of sanction to Nodal Agency.

4.4. The financial support for Part A: Component II under the scheme shall be as under:

##### 4.4.1. Other than Special Category States:

- a) 60% of project cost of works other than metering works under Part A and approved cost of PMA would be provided as grant by Government of India.
- b) 40% of project cost of works and approved cost of PMA shall be arranged through own sources of State Government/ Utility or may avail loan from PFC & REC. Funding from bilateral/multilateral funding agencies can also be leveraged for which the Government of India would extend benefits of reduced Government Guarantee fee.

4.4.2. Special Category States (All North Eastern States including Sikkim, Himachal Pradesh & Uttarakhand and union Territories of Jammu & Kashmir, Ladakh, Andaman & Nicobar Islands & Lakshadweep)



## **General Terms and Conditions Applicable for Availing Financial Assistance under Revamped Distribution Sector Scheme**

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- a) 90% of project cost of works and approved cost of PMA would be provided as grant by Government of India.
- b) 10% of project cost of works and PMA works shall be arranged through own sources of State Government/ Utility or may avail loan from PFC & REC. Funding from bilateral/multilateral funding agencies can also be leveraged for which the Government of India would extend benefits of reduced Government Guarantee fee.

5. Part A: Component III- Project Management:

- 5.1. 2.5% of the GBS of metering component and 1.5% of project cost of Distribution infrastructure works component, shall be allowed as PMA charges under the Scheme. PMA charges, over and above the permitted amount shall be borne by the respective DISCOM / State government.
- 5.2. 60% of the PMA charges allowed under the scheme for metering and Distribution infrastructure work components would be provided as grant by Government of India for other than Special Category States. For Special Category States, Government of India grant would be 90% of the allowed PMA charges.
- 5.3. Services of PMA shall be retained up to physical completion of the project, without any financial implications beyond that already provided

6. Release of grant to Discom by PFC:

6.1. Release of grant for Metering:

- a) Grant for metering works, will be due when a meter is successfully installed and commissioned, and essential services and data related to it are provided for a period of one month to the DISCOM. It will be essential that a consumer meter is recharged at least once, for the release of grant pertaining to it to become due.
- b) The DISCOM may submit claim for release of grant in a phased manner when grant becomes due against 5% of the total meters planned to be installed, or such number of meters or such period that the Nodal Agencies deem practical and convenient. After the first release, subsequent releases shall be subject to submission of utilization certificate of the previous releases.

6.2. Release of grant for Distribution Infrastructure works:

6.2.1. **Phase I- 10% of the grant for Loss reduction part of Project (5% on sanction and further 5% on award of works)**

- a) Approval of the project by the Monitoring Committee
- b) Execution of Scheme Implementation agreement

6.2.2. **Phase II**

**30% of the grant for Loss reduction part of project in FY 2022-23 (including the advance 10%):**

- a) Qualification as per the Results Evaluation Framework of the Action Plan for FY 2021-22.
- b) Submission of a certificate regarding utilization of grant already released in the Format prescribed by Ministry of Finance;

## **General Terms and Conditions Applicable for Availing Financial Assistance under Revamped Distribution Sector Scheme**

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- c) Submission of a certificate regarding receipts and expenditure on the project certified by a Chartered Accountant ;
- d) Submission of physical and financial (grant and counterpart funding) progress report;
- e) Sanction letter for counter-part funding / DISCOM's own resources / State Government funding for Distribution Infrastructure Works.
- f) Award of prepaid Smart Metering works to be covered in the first phase to be completed by December 2023, as per the clause 3.2.2.2 of scheme guidelines.

**30% of the grant for Modernization & System Augmentation part of project in FY 2022-23 (10 % on sanction and 20% on award of works.)**

- a) Approval of the project by the Monitoring Committee
- b) Execution of Scheme Implementation agreement
- c) Award of prepaid Smart Metering works to be covered in the first phase to be completed by December 2023, as per the clause 3.2.2.2 of scheme guidelines.

**6.2.3. Phase III: Cumulative release of 60% of grant component of the project cost of DPRs in FY 2023-24:**

- a) Qualification as per the Results Evaluation Framework of the Action Plan for FY 2022-23.
- b) Submission of a certificate regarding utilization of grant already released in the Format prescribed by Ministry of Finance;
- c) Submission of a certificate regarding receipts and expenditure on the project certified by a Chartered Accountant;
- d) Submission of physical and financial (grant and counterpart funding) progress report;
- e) Sanction letter for counter-part funding / DISCOM's own resources / State Government funding for Distribution Infrastructure Works.

**6.2.4. Phase IV: Cumulative release of 95% of grant component of the project cost of DPRs in FY 2024-25:**

- a) Qualification as per the Results Evaluation Framework of the Action Plan for FY 2023-24.
- b) Submission of a certificate regarding utilization of grant already released;
- c) Submission of a certificate regarding receipts and expenditure on the project certified by a Chartered Accountant;
- d) Submission of physical and financial (grant and counterpart funding) progress report;
- e) Sanction letter for counter-part funding / DISCOM's own resources / State Government funding for Distribution Infrastructure Works.

**6.2.5. Cumulative release of 100% of grant component of the project cost of DPRs in FY 2024-25:**

- a) Submission of project completion report as per clause 4.9.1 of scheme guidelines.

**6.2.6. Release of grant for PMA**

Grant for PMA component shall be released, subject to the following conditions:

- (i) Grant shall be released on the basis of the sanctioned cost or award cost, whichever is lower;

## **General Terms and Conditions Applicable for Availing Financial Assistance under Revamped Distribution Sector Scheme**

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- (ii) Grant will be released in the month of March, every year;
- (iii) 10% shall be released as advance in the year of sanction;
- (iv) 30% shall be released each year subsequent to the sanction year;
- (v) Subsequent releases shall be subject to submission of utilization certificate of the previous releases and achievement against deliverables as specified in the SBD referred to in Clause

Discoms shall comply the amendments/supplemental to conditionalities prescribed for release of particular installment, if any, issued by MoP/PFC in future.

7. If DISCOM achieves the targets as per Action Plan of any previous FY in a subsequent year, then it shall be eligible for release of grant pertaining to that FY.
8. DISCOM shall open a dedicated Scheme account in nationalized bank having E-banking facility for RDSS Scheme in accordance with RDSS Guidelines or as per the latest policies/ guidelines/ directives issued by Ministry of Power from time to time. DISCOM shall also adopt CINB. All project related payments to the contractors (and others) by DISCOM shall be done directly from the dedicated bank account through e-banking only. DISCOM shall not open any other bank account(s) under the scheme. The nature of the account shall be savings bank account without CLTD (Corporate Liquid Term Deposit) facility or as per GoI's direction from time to time in this regard.
9. MoP/Nodal Agency shall have the view right of the Discom account
10. Any interest earned on grant shall be remitted to Ministry of Power's bank account on regular basis and at least once in a quarter.
11. Since grant under the scheme is Central Government money and DISCOMs are only the custodian of this money, income tax is not payable on interest earned on this money. DISCOMs shall take necessary steps to seek exemption from Income Tax Department regarding deduction of Tax at Source by the bank on interest accrued on un-utilized fund under the scheme. However, in case of deduction of TDS by bank, the Utilities shall claim refund of the deducted amount from Income Tax Department directly while filing annual tax return and remit it to Ministry of Power's account.
12. The Discom shall ensure that funds released under the scheme are utilized for the purpose for which it is released and will not be diverted for any other purposes whatsoever. In case of any breach or deviation further release of funds shall be stopped.
13. The grant release from Nodal Agencies to the DISCOMs shall be done through PFMS and the DISCOMs shall use PFMS for fund flows under the scheme. DISCOMs receiving funds under the scheme are to be registered / mapped in PFMS. The DISCOMs shall mandatorily enter details like receipts, expenditures, etc in Public Fund Management System (PFMS) portal. In case of non-entering desired details in PFMS portal, banks may not consider release of funds to Contractors.
14. DISCOM shall submit utilization certificates (UC) for the funds released during the financial year in prescribed format latest by 30th April of succeeding year in addition to the UC along with every claim.
15. DISCOMs shall maintain books of accounts both for receipt of funds from Nodal Agency and release to contractors for each of the project. The DISCOM shall ensure that fund shall not be

## **General Terms and Conditions Applicable for Availing Financial Assistance under Revamped Distribution Sector Scheme**

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invested in any other bank/branch, whether for short term or medium term, including fixed deposits.

16. The DISCOM will ensure audit of the scheme accounts relating to receipts of funds from GoI / Nodal agency and expenditure incurred by the DISCOM against such receipts during the financial year by an independent Chartered Accountant and furnish a report to the Nodal agency latest by 30th June of the succeeding year.

17. The works and finances would be open to audit by the office of the Comptroller & Auditor General of India (C&AG) as well as Internal Audit Wing, Office of Controller of Accounts, MoP

**18. Recall of Grant:**

18.1. If by the end of year 2025-26, a DISCOM is not eligible for release of any grant, the initial advance of 10% of the grant component of the cost of DPR for Loss Reduction will have to be refunded by the DISCOM.

18.2. The Monitoring Committee is empowered to recall the grant released to the DISCOMs at any stage of the scheme, in case the sanctioned works are left incomplete, or the assets could not be put to use, or funds are utilized for purposes other than those prescribed in the scheme/ as approved by the Monitoring Committee in accordance with the prescribed guidelines.

18.3. Any unrecovered/ outstanding dues amount from earlier Schemes of Ministry of Power, GoI shall also be allowed to be adjusted against releases in the current Scheme.

19. In case loan component of the project cost is funded by the NBFCs under MoP, then in order to secure the loan, the existing TPA (Tri-partite Agreement) arrangement among Government of India, the State Government and the RBI shall be suitably amended to provide that the loan servicing payments in case of default can be recovered through RBI.

**B. Project Implementation by Discom:**

20. Mode of Implementation:

20.1. **Metering:** These projects shall be implemented in TOTEX mode (Total expenditure includes both capital and operational expenditure) with the following options:

- a) Installation and commissioning of meters and cost recoveries in equated monthly instalments by PPP or implementation partner (or service provider) with no upfront payment by DISCOM
- b) Some initial payment shall be made to the service provider upon installation and commissioning of the meters, with the rest of the payments made on equated monthly / quarterly instalments over the operational period.

20.2. **Distribution infrastructure works:** The projects shall be implemented normally on turnkey basis. However, certain works may be taken up on partial turnkey basis or departmentally with the approval of DRC and consent of Nodal Agency, subject to, overall guidance of the Monitoring Committee.

21. The scheme shall be implemented in accordance with the Ministry of Power's Office Memorandum No. 20/9/2019-IPDS dated 20<sup>th</sup> July, 2021, Scheme Implementation Agreement and operational guidelines issued including amendments/supplemental if any.

## General Terms and Conditions Applicable for Availing Financial Assistance under Revamped Distribution Sector Scheme

22. Discom to follow Standard bidding Document (SBD) as issued by Nodal Agencies for selection of AMI service provider, for Distribution infrastructure works, SCADA and PMA.
23. The DISCOMs may make minor changes in the SBD, while retaining its basic structure and essence, provided that the approval of the Nodal Agency is taken for the changes, subject to, overall guidance the Monitoring Committee
24. Prepaid smart Metering projects taken up by DISCOMs through MOU route with CPSUs or their JVs and Subsidiaries shall also be permitted subject to their being implemented in TOTEX mode as per proposed model circulated by Ministry of Power vide letter No. 14/07/2021- UR&S-II-(E-260509) dated 19.01.2022.
25. Keeping in view the aims and objectives of Atma Nirbhar Bharat Abhiyan, Ministry of Power has issued Public Procurement (Preference to Make in India) for Purchase Preference (linked with local content) Order in respect of Power Sector on 28.7.2020. This order is in line with the DPIIT Notification No. P-45021/2/2017-PP(BE-II) dated 4th June, 2020. This order along-with amendments, if any, from time to time, shall be followed by the DISCOMs in the implementation of the scheme. However, in case a DISCOM is availing funds through multi-lateral financial institutions, applicable DEA directives may be followed.
26. Discom may appoint one or more PMA for project management. Existing PMA of DDUGJY or Saubhagya or IPDS or PMDP or any other Central/State Govt scheme of power sector may be used for preparation of DPR and Action Plan, and the expenses incurred will be eligible under the scheme. For all other works including bid process, monitoring of implementation, project completion, result evaluation and related works, a new PMA will have to be appointed as per the SBD as circulated by the Nodal agency. DISCOMs desirous of appointing CPSUs or their JVs and subsidiaries as PMA on nomination shall be required to obtain a specific approval from the Ministry of Power through concerned Nodal Agency. Any such proposal would be sent by the DISCOM along with the imperative need along with a detailed justification.
27. The sunset date for the scheme will be 31.03.2026, the works executed beyond which will not be eligible for release of Central Government grant.
28. Discom to ensure updation of MIS web portal to be developed by the Nodal Agencies for submission of Action Plan & DPRs, capturing baseline data, physical & financial progress, quality reports, outcomes and achievements for evaluation under Result Evaluation Framework, closure, etc.

### **C. Result Evaluation Framework:**

29. Discom to meet the pre-qualifying criteria and achieve the specified marks in the Evaluation Matrix based on which DPR for Modernisation & System Augmentation shall be sanctioned and grant for both loss reduction works (other than the advance for DPR for Loss Reduction) and for the Modernisation & System Augmentation works will be released.
30. For qualifying in the Evaluation Matrix, a DISCOM needs to score a minimum of 60 marks.

### **D. Monitoring & Evaluation**

31. This scheme would be reviewed by the District Electricity Committees, to be notified by the State Government in compliance to the notification of Government of India dated 16th Sept, 2021.
32. The DISCOM shall be responsible & accountable for assuring quality in the scheme works. Accordingly, DISCOM shall formulate a comprehensive Quality Assurance (QA) and Inspection Plan with an objective to build quality infrastructure under the project. The QA and Inspection Plan shall be an integral Part of the contract agreement with turnkey contractor or equipment supplier/vendor and erection agency as the case may be in case of partial turnkey and departmental execution of works. Documentation with regard to Quality Assurance & Inspection

**General Terms and Conditions Applicable for Availing Financial Assistance under Revamped Distribution Sector Scheme**

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Plan shall be maintained by DISCOM and kept in proper order for scrutiny during the course of project execution and for future reference. The DISCOM has to ensure that the quality of material/equipment supplied at site and field execution of works under the project is in accordance with Quality Assurance & Inspection Plan. DISCOM may use the MQP (Manufacturing Quality Plan) and FQP (Field Quality Plan) used in DDUGJY and IPDS schemes by suitably modifying as per requirement of this scheme.

33. In addition to the in-house quality checks and processes followed by the DISCOM, the nodal agency (PFC/ REC) shall carry out concurrent inspection of works through Third Party Quality Monitoring Agency (TPQMA).

**E. Interpretation**

Any dispute arising out of this Agreement/ interpretation of any clause may be referred to Secretary (Power), Govt. of India whose decision shall be final and binding on all parties. In case of any inconsistency between the Terms and Conditions of this sanction letter and the provisions of RDSS Guidelines, the latter shall prevail.

*[This MoA is to be executed on Non-Judicial Stamp Paper of Rs 200/-]*

**IMPLEMENTATION AGREEMENT AMONGST**

\_\_\_\_\_ Limited, the Nodal Agency on behalf of Ministry of Power,  
Government of India

**AND**

State Government,

**AND**

Power Utility

**For Implementation of Revamped Distribution Sector Scheme**

This **TRIPARTITE MEMORANDUM OF AGREEMENT** (hereinafter referred to as the "Implementation Agreement") is made this ..... day of .....20....

**BY AND AMONGST**

\_\_\_\_\_ Limited, A Government of India Undertaking, having its Registered Office at \_\_\_\_\_ (hereinafter referred to as "**Nodal Agency**" or "\_\_\_\_\_") part on behalf of Ministry of Power, Government of India, which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns, of the **FIRST PART**;

**AND**

State Government of ..... (hereinafter referred to as "**State Government**") which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns, of the **SECOND PART**

**AND**

..... [*Distribution Company*] having its Head/Registered Office at ..... (hereinafter referred to as "**DISCOM**" which expression shall unless repugnant to the context or meaning thereof includes its successors and assigns) of the **THIRD PART**.

The Nodal Agency, the State Government, and the Utility are hereinafter also referred to collectively as the "**Parties**" and individually as the "**Party**".

WHEREAS the Government of India has launched **Revamped Distribution Sector Scheme** (hereinafter referred to as "**RDSS**") as a Central Sector Scheme to improve the operational efficiencies and financial sustainability, by providing financial assistance to DISCOMs for strengthening of supply infrastructure. The DISCOM can take up projects relating to installation of prepaid smart meters for all consumers along with associated AMI, communicable meters for DTs & Feeders to enable automated Energy Audit and Accounting, SCADA, DMS & RT-DAS, Enterprise Resource planning (ERP) and other ICT initiatives, and Distribution infrastructure works as required

for strengthening and modernizing the system as well as measures for loss reduction with the end objective of reducing losses and ensuring 24 x 7 power supply , Public Charging Infrastructure for Electric Vehicles (EVs), Disaster Resilient Infrastructure works (hereinafter referred to as the "Project") on the terms & conditions contained in the **Order No. F. No. 20/9/2019-IPDS dated 20.07.2021 issued by Ministry of Power and RDSS guidelines and any amendments thereto issued by the nodal agency.**

NOW IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO as follows:

1. This Agreement signed between (a) \_\_\_\_\_ Limited, the Nodal Agency on behalf of Ministry of Power, Government of India; (b) State Government and (c) Discom for implementation of Revamped Distribution Sector Scheme shall be implemented by the Discom in letter and spirit. Government of India will monitor implementation of the precedent conditions agreed to upon in this Agreement before releasing funds through Nodal Agency.
2. This Agreement shall be read in accordance with the provisions of **Order No. F. No. 20/9/2019-IPDS dated 20.07.2021 issued by Ministry of Power and RDSS guidelines and any amendments thereto issued by the nodal agency.** The said RDSS Guidelines shall form an integral part of this agreement as Annexure – 'A' as if fully set forth hereunder and all the terms and conditions set out in the said Revamped Distribution Sector Scheme Guidelines shall be binding on the Parties hereto.
3. The parties have agreed that the individual project(s), as proposed by DISCOM and sanctioned by the Monitoring Committee (MC) /nodal agency, under Revamped Distribution Sector Scheme (RDSS), commencing from the financial year 2021-22 shall be deemed to have been covered under this agreement. The terms and conditions of sanction by the MC/nodal agency for a particular project, as contained in the sanction letter (including the supplementals, modifications if any) issued by the nodal agency, shall also form part and parcel of this agreement.
4. DISCOM has to formulate, plan, design, develop and implement the projects in accordance with the Standard Bidding Documents for various components as circulated by Nodal agencies and in line with the Central Vigilance Commission (CVC) guidelines. Also, guidelines, SBDs, specifications and construction standards shall be adopted wherever applicable.
5. State Government and DISCOM agree that in the event the projects are not implemented satisfactorily in line with the sanction terms and conditions, left incomplete or the assets could not be put to use, or funds are utilized for purposes other than those prescribed in the scheme/ as approved by the Monitoring Committee in accordance with the prescribed guidelines then Monitoring Committee is empowered to recall the grant released to the DISCOMs at any stage of the scheme.
6. State Government and DISCOM agree that performance in the Reforms Based Results Linked Revamped Distribution scheme would also form integral part of the financing norms of PFC, REC, Banks/FIs and MDBs for any project in the Distribution Sector even beyond those related to funding under this scheme.



7. State Government and DISCOM agree that if due to adverse performance in the Reforms Based Results Linked Revamped Distribution scheme, funds does not get released then any advance amount released shall be refunded to the Government of India.

## 8. PROJECT FINANCING

### i) For Smart Metering works:

The financial support under the scheme shall be as under:

- a) 15% of sanction cost limited up to Rs.900 per meter for Consumer metering would be provided as grant by Government of India (22.5% for special category limited to Rs.1350)
- b) The implementation of the metering scheme is proposed through PPP on TOTEX mode. State Government/DISCOM may also provide budgetary support in TOTEX mode.
- c) An incentive of 7.5% (11.25% for special category) of the cost per consumer meter worked out for the whole project or Rs. 450 per consumer meter (Rs.675 for special category), whichever is lower, would be provided for prepaid Smart meters installed within the targeted timeline of first phase mission i.e. by December, 2023. The decision of Monitoring Committee shall be final while calculating Additional grant applicable to any project under the Scheme.
- d) The consumer meters shall mandatorily be prepaid meters to be eligible for availing grant under the scheme.
- e) Discoms shall ensure Feeder/DT metering in accordance with the requirements of the scheme/ directions of MOP

### ii) For Distribution Infrastructure works:

- a) The sanction of DPR for Modernisation & System Augmentation and release of grant for both loss reduction works (other than the advance) and for the Modernisation & System Augmentation works will be based on the DISCOM meeting the pre-qualifying criteria and achieving the specified marks in the Evaluation Matrix. Also, Monitoring Committee will issue sanctions of loss reduction works contingent to sanctions of metering works being already in place; or, Smart metering works being already implemented by the DISCOMs in line with the SBD for Smart prepaid metering in TOTEX mode; or together, as the case may be.
- b) The financial support under the scheme shall be as under:
  - ❖ The grant shall be restricted to 60% (90% for special category) of sanction cost or award cost or executed cost (excluding State & local taxes) whichever is lower (*this lowered cost herein after shall be referred to as 'Sanction cost'*). The state & local taxes are not admissible under RDSS and to be borne by the State Government/Discom
  - ❖ 40% (10% for special category) of sanction cost shall be either loan from Financial Institutions (REC/PFC or MDBs) or own funds of State Government. REC/PFC shall consider offering loans at competitive interest rates for the RDSS scheme.

- iii) Cost overruns beyond sanction cost, if any, and PMA charges beyond allowed GOI grant shall be borne by the State Government/Discom.

- iv) To be eligible for grant, State Government/Discom has to follow the SBD circulated by the nodal agency or obtain specific approval of Nodal agency for deviations.
- v) State Government to arrange for DISCOM contribution in case DISCOM fails to arrange the same;
- vi) State Government to furnish guarantee for the loan component under the scheme in case the DISCOM is not able to provide any other mode of security.
- vii) Directives of Ministry of Power in this regard if any, would be followed.

#### **9. Funds**

- i) The release of the fund shall be as per the clause 5.2 of the operational guidelines of RDSS. The terms & conditions of release of funds for a particular project as contained in operational guidelines issued, shall also form part of the present agreement. The guidelines shall include supplementals and modifications issued, if any. The releases will be subject to the deductions as agreed amongst Nodal Agencies, State Government and Discom, as per RDSS guidelines or statutory requirements.
- ii) State Government/ Discom commits to refund grant component released to Utility in case of non-compliance of RDSS guidelines/ this agreement or poor progress resulting to short-closure/ cancellation.
- iii) MoP/ Monitoring Committee is empowered to recall the grant released to the DISCOMs at any stage of the scheme, in case the sanctioned works are left incomplete or the assets could not be put to use or funds are utilized for purposes other than those prescribed in the scheme/ as approved by the Monitoring Committee in accordance with the prescribed guidelines. Further, if by the end of year 2025-26, a DISCOM is unable to get any fund released due to non-fulfillment of performance criteria of the scheme,, the initial advance of 10% will have to be refunded by the DISCOM. Any unrecovered/due amounts from earlier schemes of Ministry of Power, GOI shall also be allowed to be adjusted against releases in the current scheme till 2025-26.
- iv) In order to secure the loan of NBFCs under MoP, the existing TPA (Tri-partite Agreement) arrangement among Government of India, the State Government and the RBI shall be suitably amended to provide that the loan servicing payments in case of default can be recovered through RBI.
- v) DISCOMs shall maintain books of accounts both for receipt of funds from Nodal Agency and release to contractors for each of the project.
- vi) DISCOM shall ensure that fund shall not be invested in any other bank/branch, whether for short term or medium term, including fixed deposits.

#### **10. Opening of Bank Account**

- i) Discom \_\_\_\_\_ shall open a designated programme account in nationalized bank having E-banking facility for RDSS in accordance with RDSS Guidelines. However, the latest policies/guidelines/directives of Nodal agency/ Ministry of Finance in this regard shall be applicable. All project related payments to the contractors/agencies by Discom shall be done directly from the dedicated bank account and in no case Discom shall open any other bank account under RDSS. MoP/Nodal Agency shall have the view right of the Discom account.
- ii) State Government/Discom shall enter details like receipts, expenditures, etc in Public Fund Management System (PFMS) portal. In case of non-entering desired details in PFMS portal, banks may not consider release of funds to Contractors.

#### **11. Distribution Reforms Committee**

- i) State Government shall setup a Distribution Reforms Committee (DRC), headed by the Chief Secretary, Secretary in charge of the Energy/Power Department of the State as the convener and consisting of Secretary (Finance), Secretary (Land Revenue) and Secretary (Forest and Environment) as its members. The roles and responsibilities of Distribution Reforms Committee (DRC) are mentioned in clause 7.4 of the operational guidelines of RDSS.

#### **12. DISTRICT ELECTRICITY COMMITTEE (DEC):**

- i) State Government shall also setup a District Electricity Committee (DEC) as per the Ministry of Power letter no. 42/17/2011-RE [206787] dated 26.09.2021. The Committee shall meet periodically at District headquarters at least once in 3 months to review and coordinate overall development of power supply infrastructure in the district in accordance with the schemes of Government.
- ii) State Government shall also facilitate participation of Public Representatives in the inauguration events etc.

#### **13. PROJECT MANAGEMENT**

- i) Project Management Agency (PMA) shall be appointed by Discom/Power Department to assist them in project management to ensure timely implementation of the project. PMA charges, restricted to 2.5% of the GBS of component I - metering and 1.5% of project cost of component II - Distribution infrastructure works, shall be sanctioned as a separate component of the scheme. PMA charges, over and above the permitted amount shall be borne by the respective DISCOM/ Government.
- ii) State Government shall ensure Reforms support in the form of consultancy for Discoms and payments thereof.
- iii) State Government/Discom shall ensure establishment of a dedicated project implementation cell at district level and a centralized cell at Head office level.

#### **14. CONSTRUCTION / IMPLEMENTATION**

- i) State Government/Discom shall make all possible efforts to complete the project(s) within the approved time frame starting from the date of award of project. State Government to provide required land for substations and facilitate in obtaining other statutory clearances (ROW, forest etc.);
- ii) State Government/Discom to ensure following Public Procurement (Preference to Make in India) for Purchase Preference (linked with local content) Order in respect of Power Sector dated 28.7.2020 or its latest amendments thereof. DEA directives to be followed in case funds are availed through multi-lateral financial institutions.
- iii) State Government/Discom shall suitably incorporate the provisions towards levy of Liquidated Damages in their agreements with contractors for delay in completion of the project(s) and also other relevant contractual provisions pertaining to the procurement of goods and works. Out of the amount recovered towards Liquidated Damages, if any, by State Government/Discom under this provision, the amount proportionate to subsidy shall be remitted to MoP account.

- iv) During implementation of projects, State Government/Discom shall be solely responsible & accountable for assuring quality in RDSS works. State Government/Discom shall formulate a comprehensive Quality Assurance (QA) and Inspection Plan with an objective to build Quality Infrastructure under RDSS works. The QA and Inspection Plan shall be an integral Part of the contract agreement with turnkey contractor or equipment supplier/vendor and erection agency as the case may be in case of partial turnkey and departmental execution of works.
- v) State Government/Discom shall also ensure that the quality of material/equipment supplied at site and field execution of works under the project is in accordance with Quality Assurance & Inspection Plan.
- vi) State Government/Discom to ensure submission of updated monthly physical and financial progress of the project to the Nodal Agency including its updation on the web portal.
- vii) State Government/Discom shall ensure submission of geotagged photographs of the assets created under the scheme and same shall be uploaded in the portal while submitting the progress and claims. The detailed methodology shall be provided by the Nodal agency.
- viii) State Government/Discom shall ensure that there is no duplication / overlapping of works with any other Government of India and State scheme.
- ix) Appropriate third party/parties will be appointed by MOP / Nodal Agencies to assess / verify the achievements of DISCOMs with respect to the action plan finalized on periodical basis using the Result Evaluation Framework.
- x) The projects shall be awarded and implemented within the time frame as per guidelines on turn-key basis through e-tendering in accordance with the prescribed Procurement Policy, Standard Bidding Document and Technical Specifications / amendments thereof.
- xi) For metering, Standardization Testing and Quality Certification (STQC) & Cyber security aspects have to be mandatorily included in the contract, while following Government of India's stipulations related to source of procurement.

#### **15. UTILISATION CERTIFICATE**

- i) State Government/Discom shall submit Utilization Certificate (UC) for the funds released during the Financial year and utilization thereof in prescribed format, latest by 30th April of succeeding year. The UC shall provide the physical progress/achievements also apart from financial utilization. Utilization Certificate is also mandatory to be submitted for every disbursement. The prescribed format of UC shall be furnished by the Nodal agency.

#### **16. ARBITRATION**

- i) Any differences or dispute among the parties arising out of or in connection with this project shall be discussed and settled amicably amongst the parties. In the event of non-settlement of the difference or dispute within sixty (60) days, the same shall be referred to the Secretary to the Government of India in the Ministry of Power, as the sole arbitrator whose decision shall be final and binding on the parties to this Agreement.

#### **17. FORCE MAJEURE**

- i) The parties shall ensure due compliance with the terms of this Agreement. However, no party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to force majeure events such as fire, rebellion, mutiny, civil commotion, riot, strike, lock-out, forces of nature, accident, act of God and any other reason beyond the control of concerned party. But any party claiming the benefit of this clause shall satisfy the other party of the existence of such an event and give written notice of 30 days to the other party to this effect. The services covered under this Agreement shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

## **18. IMPLEMENTATION OF THE AGREEMENT**

- i) All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the Authorized representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of Authorized representative(s) and/or changes in designation shall be informed likewise in writing to/by State Government/Discom and REC within one month of signing of the Agreement. Any changes in designations/ registered office address shall be intimated in writing to all concerned parties.
- ii) In case of any inconsistency between the Terms and Conditions of this Agreement and the provisions of RDSS Guidelines, the latter shall prevail.
- iii) Any dispute arising out of this Agreement/interpretation of any clause may be referred to Secretary (Power), Govt. of India whose decision shall be final and binding on all parties.

## **19. NOTICE**

- i) All notices required or referred to under this Agreement, shall be in writing and signed by the respective authorized signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered/speed post of Department of Posts to the respective heads on the addresses mentioned in the recital.

## **20. VALIDITY & TERMINATION**

- i) This agreement shall remain valid until all liabilities and obligations of the Discom pertaining to the RDSS scheme implementation are discharged to the satisfaction of the Nodal Agency/Ministry of Power.
- ii) This agreement shall remain valid unless terminated with consent of all the Parties.

## **21. JURISDICTION**

The competent Courts of Delhi shall have exclusive jurisdiction in all matters relating to or arising out under these presents.

IN WITNESS WHEREOF the parties have executed these presents through their Authorized Representatives at \_\_\_\_\_.

<p>SIGNED AND DELIVERED BY (on behalf of <b>STATE GOVT. OF</b> .....)</p> <p>Signature .....</p> <p>Name &amp; Designation .....</p> <p>Address .....</p> <p>.....</p>	<p>in the presence of .....</p> <p>Signature .....</p> <p>Name &amp; Designation .....</p> <p>Address .....</p> <p>.....</p>
<p>SIGNED AND DELIVERED BY (on behalf of <b>UTILITY</b>.....)</p> <p>Signature .....</p> <p>Name &amp; Designation .....</p> <p>Address .....</p> <p>.....</p>	<p>in the presence of .....</p> <p>Signature .....</p> <p>Name &amp; Designation .....</p> <p>Address .....</p> <p>.....</p>
<p>SIGNED AND DELIVERED BY <b>Power Finance Corporation Ltd</b> (on behalf of <b>Ministry of Power, Govt. of India</b>)</p> <p>Signature .....</p> <p>Name &amp; Designation .....</p> <p>Address .....</p> <p>.....</p>	<p>in the presence of .....</p> <p>Signature .....</p> <p>Name &amp; Designation .....</p> <p>Address .....</p> <p>.....</p>

Acceptance Letter

(From Government of .....)

No.

Dated:

.....

The Chairman & Managing Director,  
Power Finance Corporation Limited,  
Urjanidhi, 1 Barakhamba Lane  
Connaught Place,  
New Delhi-110001

**Sub: Acceptance of financial assistance to <DISCOM> for implementation of Projects under RDSS Scheme (Grant Nos. \_\_\_\_\_ and PMA Grant No- \_\_\_\_\_) and terms and conditions for implementation of projects under RDSS**

This is with reference to your sanction letter No..... dated: ..... conveying approval of Action Plan and DPRs for sanction of project cost of Rs.....Cr. for implementation of prepaid Smart metering works & Rs..... for implementation of Infrastructure works under Loss reduction in..... <DISCOM> under RDSS scheme.

The Government accepts the Action Plan and above sanctions on the terms and conditions as set out in the sanction letter under reference above and RDSS guidelines.

District wise and Project area wise bifurcation of work and project cost approved for Infrastructure – Loss reduction works etc. shall be submitted by <Discom> within 3 months of this letter as per the requirement of MOP/Nodal Agency.

Yours faithfully,

(Authorized Officer)  
State Government