F.No. 44/2/2016-RE
Government of India
Ministry of Power
Shram Shakti Bhawan,Rafi Marg, New Delhi – 110 001

Dated, 11th October, 2017

OFFICE MEMORANDUM

Subject: Pradhan Mantri Sahaj Bijli Har Ghar Yojana - Saubhagya (सौभाग्य).

Keeping in view the role of electricity in human and socio-economic development, Government of India has formulated a scheme to ensure last mile connectivity and electricity connections to all remaining un-electrified households in the country.

2. Sanction of the President is conveyed for the launch of **Pradhan Mantri Sahaj Bijli Har Ghar Yojana - Saubhagya (सौभाग्य)** to achieve universal household electrification in the country at a total cost of Rs. 16,320 crore including a Gross Budgetary Support (GBS) of Rs. 12,320.00 crore from Government of India during the entire implementation period. The details of cost estimate are enclosed at **Annexure-I (Page 6-7).**

3. The objective of the scheme is to achieve universal household electrification by providing last mile connectivity and electricity connections to all households in rural and urban areas.

4 All DISCOMs including Private Sector DISCOMs, State Power Departments and Rural Electric Cooperative Societies shall be eligible for financial assistance under the scheme. States which have already taken up household electrification program on their own will also be eligible under the scheme from the date it comes into vogue, provided the scheme of State is aligned with Saubhagya and follows all guidelines of the scheme.

5. Funding Pattern:

(a) The states have been categorized in two groups (i) Special Category States (All North Eastern States including Sikkim, J&K, Himachal Pradesh, Uttarakhand); and (ii) Other than Special Category States (all other States). The Union Territories (UTs) of Andaman & Nicobar Islands and

Lakshadweep have been also included in Special category for the purpose of funding pattern under this scheme only.

The financial support under the scheme shall be as under:

Sr. No.	Agency	Nature of support	Quantum of support (percentage of project cost)	
			Other than Special Category States	Special Category States
(i)	Govt. of India	Grant	60	85
(ii)	Utility/ State Contribution	Own Fund	10	5
(iii)	Loan (FIs/Banks)	Loan	30	10
(iv)	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%
(v)	Maximum Grant by GoI (including additional grant on achievement of prescribed milestones	Grant	75%	90%

(b) Minimum contribution by Utility(s) as indicated in Table above at Sr. No. (ii) shall be 10% (5% in case of Special Category States). However, Utility(s) contribution can go up to 40% (15% in case of Special Category States), if they do not intend to avail of the loan. In case the Utility(s) do not avail loan, the maximum eligible additional grant would still be 15% (5% in case of Special Category States) on achievement of prescribed milestones. The loan component can be availed from Rural Electrification Corporation Limited (REC) / Power Finance Corporation Limited (PFC) or from other Financial Institutions (FIs)/Banks as they desire, based on Detailed Project Report (DPR).

(c) States/UTs are required to complete the works of household electrification by 31st March 2019. However, additional grant as indicated above at Sr. No. (iv) (50% of loan component i.e. 5% for special category states and 15% for other states) under the scheme will be released subject to achievement of 100% household electrification of all willing households by 31st December 2018.

6. It is estimated that there would be about 300 Lakh un-electrified households to be sanctioned as detailed at **Annexure-II (Page 8).** Non-poor urban households are excluded of this scheme.

7. The prospective beneficiary households under the scheme would be identified using SECC 2011 data with un-electrified households having at least one deprivation. The households not found eligible as per SECC data would also be provided electricity connection on payment of Rs. 500 per household which shall be recovered by the respective DISCOM/Power Department in ten (10) installments along with electricity bills. An amount equivalent to such recovery of applicable charges from the households shall be deducted from the eligible grant from GOI payable to the DISCOM/Power Departments as per this scheme. Such savings under the scheme, if required, would be utilized for expenditure within the scheme with the approval of the Monitoring Committee.

8. For the un-electrified households located in remote and in-accessible areas, Solar Photo Voltaic (SPV) based standalone systems with power packs of 200 to 300 Watt with battery back, maximum of 5 LED light, 1 DC Fan, 1 DC power plug along with repair and maintenance for 5 years would be provided.

9. The existing Monitoring Committee constituted for DDUGJY under the chairmanship of Secretary (Power) will be empowered to approve operational guidelines for the implementation of Saubhagya, release of funds and amend these guidelines including quantity and cost of various works from time to time within the overall approval granted by CCEA to facilitate faster and timely implementation. The Committee will also monitor implementation of the scheme.

10. The defaulters whose connections have been disconnected would not be given benefit of the scheme. Necessary safeguards would be made under the guidelines of the scheme.

11. Rural Electrification Corporation Limited (REC) would be the nodal agency for operationalization of the scheme. Additional expenditure on account of implementation of scheme would be reimbursed on actual basis to the Nodal Agency i.e. REC and that would be charged to contingencies provided in the scheme. Modalities will be finalized in the guidelines for implementation.

12. Monitoring mechanism as followed in DDUGJY shall be followed, including the institutional mechanism of DISHA. The District Administration would be closely involved in the implementation & regular monitoring of scheme. The existing web

based monitoring mechanism of DDUGJY will be extended to include this scheme too. The Gram Panchayat / public institutions in rural areas may be authorized to collect application form, complete documentation and also for distribution of bills, collection of revenue and other activities, as applicable, if required. The Implementation process and monitoring mechanisms would be detailed in the guidelines.

13. The details of consumers viz, Name and Aadhaar number/ Mobile number/ Bank account/ Driving License/Voter ID etc., as available, would be collected by the DISCOMs. However, release of connection would not be contingent on possession of any specific document.

14. Duration of the Scheme: From FY 2017-18 to 2018-19. However as DDUGJY is available till 2021-22, hence any spillover of Saubhagya will also continue till then.

15. The Nodal Agency will furnish monthly progress reports on the implementation of the scheme indicating both financial and physical progress to Ministry of Power and CEA.

16. The expenditure under the scheme would be debitable to the budget grant No. 74 of Ministry of Power.

17. This issues with the concurrence of Finance Wing vide their diary No. 207/Fin/2017 dated 11.10.2017.

(Dr. Arun Kumar Verma)
Joint Secretary to the Government of India
Tele: 011 – 2371 4367

To

1. Chief Secretaries of all States/UTs.
2. Secretary (Power/Energy) of all States / UTs.
3. CMDs of all State Power Utilities.
4. Chairman & Managing Director, REC Ltd, SCOPE Complex, New Delhi.
5. Chairman & Managing Director, PFC Limited, Urja Nidhi, Barakhamba Road, New Delhi.

6. Cabinet Secretariat (Shri S.G.P. Verghese, Director) with reference to his Memo. No. CCEA/24/2017 dated 26.9.2017.
7. Prime Minister's Office (Shri Ajit Kumar, Deputy Secretary).
8. Controller of Accounts, Ministry of Power.
9. Controller of Accounts, Pay & Accounts Office, Ministry of Power.
10. Principal Directorate of Audit, Economic & Service Ministries, I.P. Estate, New Delhi.
11. Secretary, Niti Aayog, New Delhi.
12. Secretary, Department of Expenditure, Ministry of Finance, New Delhi.
13. Chairman, Central Electricity Authority, Sewa Bhawan, R.K.Puram, New Delhi.

Copy to:

PS to Hon'ble MoSP(IC)/PPS to Secretary/PPS to AS(SP)/PPS to JS(Dist)/ PPS to JS&FA/PS to Director (RE)/ PS to Dir (IPDS), Ministry of Power.

Cost Estimate - Summary

Sr. No.	Particulars	Cost (Rs. Crore)	Gross Budgetary Support – GOI Share (Rs. Crore)
A	**For Rural Un-electrified Households**	14025.00	10587.50
B	**For Urban Un-electrified Households**	2295.00	1732.50
	Total	**16320.00**	**12320.00**

Out of the total GBS of Rs.12,320 crore, it has been allowed to use GBS of Rs.1732.50 Crore from savings of Integrated Power Development Scheme (IPDS) towards electrification of households living in urban areas. The savings of IPDS will be in the form of Grant component.

A. Cost Estimate for Rural Un-electrified Households

Sr.	Particulars	Cost (Rs. Crore)	Gross Budgetary Support (GBS) - GOI Share (Rs. Crore)
i.	Cost of service connections to remaining households 250 Lakh HHs @Rs.3000/-	7500.00	5625.00
ii.	Cost towards providing last mile connectivity wherever required 250 lakh households @Rs.1500/-	3750.00	2812.50
iii.	SPV based standalone systems for households located in remote and inaccessible areas 5 Lakh households(@Rs. 50000/-	2500.00	1875.00
iv.	**Total**	**13750.00**	**10312.50**
v.	Contingencies including Publicity etc. @2% of (iv)	275.00	275.00
vi.	**Grand Total (iv + v)**	**14025.00**	**10587.50**

The cost per household includes the cost of supply of materials, meter including pre-paid meter / smart meter, erection as well as poles, conductors etc. required for last mile connectivity. The cost may vary from State to State and location to location depending upon the topography, available facilities, household density, level of existing electrification, local conditions etc.. The cost shall be determined on the basis of Detailed Project Reports (DPRs) to be submitted by the States and sanctioned by the Monitoring Committee.

GOI share has been worked out at an average of 75% of total cost for item no. (i) to (iii) above. Full amount of contingencies (item no. v) has been provided as GOI share meant for publicity, permissible fee of nodal agency, evaluation, monitoring, studies and other enabling activities.

The cost of Solar Photovoltaic Cell (SPV) based standalone systems @ Rs. 50,000 per household has been estimated based on the benchmark cost for "off-grid and decentralized solar PV application programme" for the year 2017-18 of MNRE.

B. Cost Estimate for Urban Un-electrified Households

Sr.	Particulars	Cost (Rs. Crore)	GBS (GOI Share) (Rs. Crore)
i.	Cost of service connections to remaining households 50 Lakh HHs @Rs.3000/-	1500.00	1125.00
ii.	Cost towards providing last mile connectivity wherever required 50 lakh households @Rs.1500/-	750.00	562.50
iii.	**Total**	**2250.00**	**1687.50**
iv.	Contingencies including Publicity etc. @2% of (iv)	45.00	45.00
v.	**Grand Total (iii + iv)**	**2295.00**	**1732.50***

Year-wise phasing details (Both Rural Area and Urban Area)

Year	For rural households		For Urban households	
	Cost (Rs. crore)	GOI Share (Rs. crore)	Cost (Rs. crore)	GOI Share (Rs. crore)
2017-18	4200.00	3100.00	700.00	500.00
2018-19*	9825.00	7487.50	1595.00	1232.50
Total	**14025.00**	**10587.50**	**2295.00**	**1732.50**

*All States/UTs are required to complete the works of household electrification by 31st March 2019.However, spillover works; if any will continue till 2021-22.

Annexure-II

Estimation of number of households to be covered under the scheme

(i)	Total no of rural households	:	1796 Lakh
(ii)	Electrified rural households	:	1336 Lakh
(iii)	Remaining un-electrified rural households (i - ii)	:	460 Lakh
(iv)	BPL households already sanctioned under DDUGJY and yet to be electrified	:	179 Lakh
(v)	Balance rural households yet to be covered (iii - iv)	:	281 Lakh (Say 250 Lakh)
(vi)	Economically poor un-electrified households in Urban areas	:	50 Lakh
(vii)	Total un-electrified household not yet covered (v + vi)	:	331 Lakh
		Say	300 Lakh

The above estimation is based on collation of Census 2011 data, information furnished by States and BPL households already sanctioned under DDUGJY. The States regularly release electricity connections to households under their own schemes or as usual with applicable charges. The number of un-electrified households identified by the respective DISCOMs / Power Deptt. shall be included in DPRs and release of electricity connection would be based on field verification by the DISCOMs/Power Deptt. The beneficiary households under the scheme would be identified using SECC 2011 data.