

**No.106/134/2009-NT**  
**Government of India**  
**Ministry of New and Renewable Energy**  
**New Technology Group**  
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**Block No.14 CGO Complex,**  
**Lodi Road, New Delhi - 110003**  
**Dated: 18.6.2009**

To

The State Nodal Agencies/  
Chief Secretaries in the States and Union Territories

**Subject: Sanction for Continuation of the Programme of Alternate Fuels for  
Surface Transportation in New Technology Group for the year 2009-2010  
– reg.**

Sir,

I am directed to convey the sanction of the President of India for continuation of the scheme/programme of Alternate Fuels for Surface Transportation in New Technology Group of the Ministry of New and Renewable Energy during the year 2009-2010 as per details given in Annexure-I.

2. The programme will be implemented during 2009-2010 on the same terms and conditions as applicable during 2008-2009 and as announced vide sanction order No.106/82/2007-NT dated 29<sup>th</sup> September, 2008.

3. Each project proposal will be examined in the Divn. and processed as per the Administrative Approval/Guidelines of the Ministry. The funds will be released to the grantee organization as per the terms and conditions laid down by this Ministry in Annex.II subject to availability of funds. The projects sanctioned by this Ministry will be periodically monitored/reviewed in order to assess the progress of ongoing as well as new projects/initiatives to keep the expenditure within the budget allocation.

4. The Expenditure on the programme/scheme will be met out from the budget provision given below:

Demand No.67-Ministry of New and Renewable Energy  
2810-New and Renewable Energy  
00-Sub Head  
Minor Head  
105-Supporting Programmes  
02-Extention of Renewable Energy Application  
31-Grants-in-aid - Rs.50 lakhs  
33-Subsidy -Rs.148 lakhs  
20-Other Administrative Expenses - Rs.2 lakhs

5. This issues in exercise of the delegated powers of the Ministry and with the concurrence of IFD vide their Diary No. IFD/SAN/ 417/2009-2010 dated 15<sup>th</sup> June, 2009.

Yours faithfully,

(Sohail Akhtar)  
Director

To

1. The Principal Director of Audit, Scientific Departments, DGACR Building, IP Estate, New Delhi.
2. All States/UTs/Nodal Agencies/Departments/MNRE Regional Offices
3. PS to Minister (NRE)/Sr.PPS to Secretary, MNRE
4. AS&FA/DS(F)/US(F)
5. Adviser(New Technology)/JS(GS)/JS(HK)/All Advisers, MNRE
6. Chairman & Managing Director, IREDA, New Delhi.
7. Director (RNS)/Director (JK)/ Director (MRN)/PSO (MCS)/US(NT)
8. IFD/Cash Section, MNRE
9. Sanction Folder

(Sohail Akhtar)  
Director

## Annexure-I

### **Scheme/Programme : Alternative Fuel for Surface Transportation**

As part of this programme, the Ministry of New and Renewable Energy is implementing research and development projects on development of advanced batteries, super capacitors and components of electric vehicles (EVs). EVs are environmentally benign and reduce the consumption of oil. The Ministry is supporting projects at different institutions and industries for the development of EVs and related aspects including improvement of operations range performance and durability. R&D and demonstration activities aimed at developing technologies for Battery Operated Vehicles (BOVs) are proposed to be supported during 2008-2009.

#### **Objectives**

- Support for Research & Development projects on advanced high energy density batteries, ultra capacitors, control systems and other components for battery operated electric and hybrid electric vehicles for surface transportation.
- Support for pilot project for battery operated and hybrid electric vehicles for field performance evaluation
- Support for projects and activities related to awareness promotion through education, training and for organization of business meet, seminars/conferences/symposia in the area of electric vehicles and hybrid electric vehicles.

**Approved Outlay for 2009-2010 : Rs.2.00 crore**

#### **Institutional arrangements**

Research, development and demonstration projects on different aspects of electric vehicles and hybrid electric vehicles would be taken up by MNRE through research, academic and educational institutions, national laboratories and the industry.

#### **Monitoring mechanism**

The ministry will monitor the projects to be taken up under this programme at different institutions in the country.

### **Battery Operated Vehicles subsidy scheme**

#### **Programme Objectives:**

The objectives of the programme are to promote BOVs which are nonpolluting and quiet in operation, conserve petroleum products, curb environmental pollution, to get feedback on the performance of BOVs in actual operating for continuous improvement of the BOVs, and also for awareness promotion for the eco-friendly vehicles among the people.

#### **2. Types of BOVs Covered Under this programme:**

- (a) New indigenously manufactured battery-operated buses/mini buses (10 seater and above), with at least 70 km range in a single charge of batteries and a top

speed of 40 km/hour. The Central subsidy provided by MNRE will be @ 33% of the cost of vehicle (exclusive of excise duty, sales tax and all other levies), or Rs.3.50 lakhs per vehicle, whichever is less. The beneficiary is required to pay the balance cost of the BOV.

- (b) New, indigenously manufactured battery-operated three wheelers (8 seater and above) having a range of at least 90 kms before recharge of traction batteries used, and a top speed of 45km/hour. The Central subsidy by MNRE will be @ 33% of the cost of vehicle (exclusive of excise duty, sales tax and all other levies), or Rs.80,000/- per vehicle, whichever is less. The beneficiary is required to pay the balance cost of BOVs.
- (c) New, indigenously manufactured battery-operated passenger cars, (each four seater) having a range of at least 90 kms range in a single charge of batteries and a top speed of 50 km/hour. The Central subsidy provided by MNRE will be @ 33% of the cost of vehicle (exclusive of excise duty, sales tax and all other levies), or Rs.75,000/- per vehicle, whichever is less. The beneficiary is required to pay the balance cost of BOVs.

### **3. Eligible Beneficiaries:**

- (a) For battery Operated Buses/Mini Buses and Battery Operated Passenger Three wheelers ( 8 seater and above ), the following categories of beneficiaries will be eligible for the provision of subsidy under this programme:
  - i) Government organisations, Government Undertakings and autonomous institutions.
  - ii) Public/private limited companies, Registered voluntary institutions under the Societies Registration Act, Registered professional Associations of repute registered under the Societies Registration Act.
- (b) For Battery Operated (four seater) Passenger Cars, the subsidy will be applicable only for public institutions and not for individuals. Public institutions may include government organizations, public sector organizations, educational institutions, hospitals and tourism and archaeological sites among others.

### **4. Methodology of Implementation**

- (a) This programme would be implemented through the nodal agencies and departments of States and Union Territories. The programme implementing Departments and Nodal Agencies should certify the cost of BOVs on the basis of quotations or budgetary quotes for specified categories/types of BOVs for which approval is being sought from MNRE. Proposals should be prepared and submitted to the Ministry of New and Renewable Energy in accordance with the proforma (given in **Appendix-I**) and terms & conditions laid down by this Ministry for this programme along with an undertaking that the vehicles will be properly operated & maintained and that these vehicles will not be sold or disposed of for a period of at least five years from the date of supply. The respective Departments/nodal Agencies must ensure that adequate infrastructure including battery charging facility exists in order to ensure regular operation of BOVs and submit Quarterly Progress Reports given in **Appendix-II**.

- (b) Proposal received from programme implementing Departments and Agencies will be processed on first-come-first-served basis and sanctioned, if found in order by MNRE.

## **5. Pattern of Central Subsidy**

- (a) Under this programme, the Central subsidy will be applicable only for the purchase of new, indigenously manufactured BOVs as given in paragraph 2 above and as per the eligibility given in Para 3 above. The beneficiary is required to pay the balance cost of BOVs. The beneficiary shall meet all expenditure on taxes as applicable, spares, accessories, instrumentation ( such as speedometer, battery voltmeter, battery ammeter, etc.), O&M, performance monitoring, staff etc. This Ministry shall not provide financial assistance except for the sanctioned amount of subsidy and PIC (Project Implementation Charges).
- (b) MNRE will sanction a service charge / PIC of Rs.1000/- (Rupees one thousand ) only per BOV purchased under this programme by the eligible beneficiary to the concerned implementing Nodal Agency or Department in the States/Union Territories. The Ministry will not sanction service charge for BOVs purchased by the State Nodal Agency/Department for its own use. PIC would be released to the implementing Department/Agency on the reimbursement basis only after the BOV has been purchased and feedback report on satisfactory performance received in the Ministry.

## **6. Release of subsidy:**

- (a) 50% of Central subsidy sanctioned by MNRE will be released to the implementing department/nodal agency on receipt of a copy of acceptance of the purchase order by the manufacturer/supplier of BOVs.
- (b) Subsequent release will be made to the concerned nodal agencies / departments only after submission of necessary documents and satisfactory completion of the Terms & Conditions as given in **Appendix-III**.
- (c) The beneficiaries may release their contribution for BOVs directly to the manufacturer. If BOVs are not purchased within six months from the date of issue of sanction for the release of first installment of subsidy amount by MNRE, the amount of subsidy released should be returned to MNRE with accrued interest (as per Government rules) within one month from the date of cancellation of the sanction. MNRE reserves its right to cancel the subsidy without specifying any reasons/without prior intimation to the concerned agency/department under intimation to the nodal agency/department. The State Nodal Agency/UTs must submit the Utilisation Certificate in Form GFR 19-A given in **(Appendix-IV)** .

The implementing departments/agencies should certify the cost of BOV on the basis of letter of intent / Purchase Order for which subsidy is being requested from this Ministry.

## **7. Monitoring Mechanism:**

The implementing agencies/nodal departments will set up a monitoring arrangement to closely review the implementation of their projects covered under the programme. The Monitoring Committee set up in the Ministry will monitor the projects on quarterly basis. The Ministry has a right to carry out the inspection of the documents to be maintained by the Implementing Agencies.

**Proforma for Submitting Proposals to MNRE**

Proposals for BOVs should be submitted to the Ministry of New and Renewable Energy (MNRE) by the concerned Nodal Agency/Department as per the following proforma:

1. Name & address of the nodal agency/department
2. Users' name & address (in case BOVs is proposed to be purchased by any other eligible beneficiary)
3. Manufacturer/supplier of BOVs
4. Specification of BOVs
5. Type/number and capacity of the batteries used
6. Pay load capacity
7. Motor rating
8. Range of BOVs per charge of battery
9. Actual price of BOVs (copy of the quotations or budgetary quotes certified by implementing department/nodal agency to be enclosed)
10. MNES share of cost
11. Firm commitment from the proposer for meeting its share of cost for BOVs
12. Number of BOVs proposed to be purchased
13. Status of the organisation (in case of NGOs registered under the Societies' Registration Act, a copy of the Memorandum of Association/Constitution and Membership/Registration Certificate to be enclosed)
14. Undertakings:
  - a) It is certified that infrastructure facility including battery-charging facility needed for regular operation and proper maintenance of battery-operated vehicles is available.
  - a) It is also certified that this organisation shall provide matching funds for the purchase of BOVs and that expenditure on taxes as applicable/spares/accessories/instrumentation, O&M, performance monitoring, staff, etc. shall also be borne by this organisation. The amount of subsidy provided by MNRE for the purchase of BOVs under this programme would be utilised for the purpose for which the grant has been sanctioned/released. This organisation will maintain a separate account, if necessary.
  - b) This organisation would produce books and accounts for grants received from the Government to the Comptroller & Auditor General, Internal Audit Wing or any other agencies/persons authorised by MNRE.
  - c) The Utilisation Certificate and Audited Statement of Accounts for the amount of subsidy released by MNRE shall be submitted to MNRE as per the terms & conditions of the grant.
  - d) BOVs including all components purchased out of the MNRE grant under this programme shall not be disposed of or sold for at least four years from the date of supply to any other agency without prior approval of the MNRE.
  - e) Necessary documents/certification and progress reports in respect of BOVs purchased under the MNRE programme shall be submitted by this organisation to MNRE as per terms & conditions.

- c) The concerned Nodal Agency/Department must ensure that the BOVs purchased conform to the Motor Vehicles Act, 2001 (39 of 2001), which came into force since 27.09.2001. It must also be ensured that the safety aspects of the BOVs are taken care of.
- d) The concerned Nodal agency/Department must ensure that the manufactures of BOVs give warranty for a minimum period of two years from the date of supply.

Date:

Place:

Signature of Head of the implementing Department/Nodal Agency in the State/Union Territory

Name (in Block Letters) with Designation and Seal

**Proforma for Submitting Quarterly Progress Reports**

1. User's Name and Complete Postal Address (with phone/fax number/e-mail address)
2. Date of delivery of BOVs
3. BOVs manufacturer/supplier's name
4. BOVs details (including registration number, chassis/motor numbers, total number of seats, etc.)
5. Type and Make of battery used in BOVs
6. Physical condition of BOVs
7. Data on the operation of BOVs for the period from..... to ..... to be given in the following table:

No. of Day of operation	Total runs Per day	Total distance covered per month/year	Energy consumption per km travelled by the BOVs	State the type of problem faced in operating the BOVs	Any other information related to BOVs

8. The number of charge-discharge cycles of batteries used for BOVs may also be given.

I certify that the information given above is correct.

Date:

Place:

Signature of the Head of the  
Department/Nodal Agency  
Name:  
Designation  
With Seal



**Terms & Conditions for Implementing Demonstration Programme on Battery Operated Vehicles (BOVs) in the Tenth Plan**

1. Attested copy of the delivery challan of BOVs.
1. Attested copy of RC book.
2. Copy of the sale letter.
3. Utilisation Certificate for utilisation of 50% of the subsidy amount released by MNRE as the first instalment for the purpose for which this amount was sanctioned and released (Annexure-III).
4. An undertaking to the effect that BOVs or parts thereof, purchased out of the MNRE grant under this programme shall not be disposed of or sold for at least five years from the date of supply to any other agency without prior written approval of this Ministry.
5. The Ministry or its authorised representative will have the right to carry out inspection of the BOVs and BOV -related documents without prior intimation and at any point of time.
6. The BOV to be procured should be fitted with new deep cycle rechargeable batteries suitable for running vehicles.
7. The manufacturer/supplier of BOV should provide a warranty of two years on all BOVs that should cover all components from the date of delivery of the BOVs.
8. The implementing agency/department is required to submit quarterly progress reports in the proforma given at Annexure-II to MNRE on a regular basis for six months from the date of receipt of BOVs.
9. Operation manuals, training in the operation & maintenance of BOVs and batteries are to be arranged by the concerned manufacturer/supplier to the persons of the nodal agencies/departments/qualified beneficiaries.
10. The utilisation certificate for 50% release made by MNRE and the audited statement of accounts for the total amount of subsidy released by MNRE should be submitted to this Ministry by 31st July in the following financial year. PIC payable to the concerned nodal agencies/departments for the purchase of BOVs other than they themselves, which will be Rs.1000/- (Rupees one thousand only) per BOV and will be paid only after submission of Utilisation Certificate and the audited statement of accounts for the total Central subsidy released by MNRE. The organisation should maintain a separate account.

11. The Comptroller & Auditor General/ Internal Audit Wing or any other agency/persons authorised by MNRE will have the access to the books and accounts of the organisation for grants received from Government. MNRE reserves the right to add/alter/change any of these terms & conditions at its sole discretion without prior notice or intimation.
12. This Ministry will not allow any escalation in subsidy amount once approved.

**FORM GFR 19-A****[See Rule 212(1)]  
Form of Utilisation Certificate**

S.No	Letter No. & Date	Amount
TOTAL		

Certified that out of Rs. \_\_\_\_\_ of grants-in-aid sanctioned during the year \_\_\_\_\_ in favour of \_\_\_\_\_ under this Ministry /Department Letter No. \_\_\_\_\_ given in the margin and Rs. \_\_\_\_\_ on account of unspent balance of the previous year, a sum of Rs. \_\_\_\_\_ has been utilised for the purpose of \_\_\_\_\_ for which it was sanctioned and that the balance of Rs. \_\_\_\_\_ remaining unutilised at the end of the year has been surrendered to Government (vide No. \_\_\_\_\_ dated \_\_\_\_\_) will be adjusted during towards the grants-in-aid payable during the next year \_\_\_\_\_.

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilised for the purpose for which it was sanctioned.

Kind of checks exercised

- 1.
- 2.
- 3.
- 4.
- 5.

Signature \_\_\_\_\_

Designation \_\_\_\_\_

Date \_\_\_\_\_