

No. 3/1/2007/UICA (SE)
Government of India
Ministry of Non-conventional Energy Sources
(Urban, Industrial and Commercial Group)

**Block NO. 14, CGO Complex,
Lodi Road, New Delhi-110 003**

Dated : 25th April, 2007

To

Heads of State Nodal Agencies
Municipal Commissioners
Indian Renewable Energy Development Agency (IREDA)

Sub. : Sanction of Continuation of the programme on “ Implementation of accelerated development and deployment of solar water heating systems in domestic, industrial and commercial sectors” during 2007– 2008

Sir,

Sanction of the President is hereby conveyed for continuation of the programme on “ Implementation of accelerated development and deployment of solar water heating systems in domestic, industrial and commercial sectors” of the Ministry of New and Renewable Energy during 2007-08 .

2. The above programme will be implemented during 2007-08 as per the same funding norms/ guidelines and other provisions applicable during 2006-07 as announced vide sanction order no. 3/1/2005-UICA (SE) dated 24th August, 2005; amended on 27th September, 2006; continued during 2006-07 vide sanction order no. 1/1/2005-P&C dated 7th July, 2006; and until such time the same is superseded by fresh/ new programmes/ schemes which are required to be formulated in alignment with 11th Plan proposals.

3. Release of subsidy / CFA sanctioned during 2007-08 on the basis of provisions of the programme of 2006-07 will continue to be governed by the said provisions even after the same are superseded by fresh/new programme/scheme. The programme is likely to be replaced by new programme/scheme during the course of the year to be implemented during the 11th Plan period. As and when the new scheme is approved and conveyed, the old scheme will be replaced and the new norms would apply. Till such time, the existing scheme would continue to be implemented.

4. All the implementing agencies are requested to take up the programme for implementation as per the guidelines of 2006-07 till further communication.

5. This issues with the approval of the Minister (NRE) .

Yours faithfully,

(Narain Dass)
Under Secretary to Govt. of India
Phone: 24360707, Extn. 2237

Copy is :

1. SS & FA
2. Pr. Adviser & Special Secretary
3. Joint Secretary
4. All Advisers
5. Director(Finance)
6. Dy. CA
7. Sr. PPS to Secretary
8. PS to Minister
9. Cash Section
10. IFD, MNRE
11. All MNRE Regional Offices
12. Sanction Folder

(Narain Dass)
Under Secretary to Govt. of India
Phone: 24360707, Extn. 2237

No. 3 / 1 / 2005/UICA (SE)
Government of India
Ministry of Non-conventional Energy Sources
(Urban, Industrial and Commercial Applications Group)

**Block NO. 14, CGO Complex,
Lodi Road, New Delhi-110 003**

Dated: 24.08.2005

To

Secretaries of State Nodal Departments
Heads of State Nodal Agencies
Municipal Commissioners
Managing Director, Indian Renewable Energy Development Agency (IREDA)
Financial Institutions, Public/Private Sector Banks, Co-operative Banks

Subject: Implementation of the Scheme on “Accelerated development and deployment of solar water heating systems in domestic, industrial and commercial sectors” during 2005– 2006

Sir,

I am directed to convey the sanction of the Government of India for implementation of the scheme on “Accelerated development and deployment of solar water heating systems in domestic, industrial and commercial sectors” during 2005– 2006, as per the details given below:

1.0 Objective

The main objective of the scheme is to promote the widespread use of solar water heaters through a combination of financial and promotional incentives, and other support measures, with a goal of adding another one million sq. m. of solar collector area through solar water heating systems in the next two years.

2.0 Physical Targets

A target of installation of 300,000 sq.m. of collector area under the scheme has been kept for 2005-06, as per the following indicative break-up:

- Domestic Sector : 200,000 sq.m.
- Institutional Sector : 50,000 sq.m.
- Industrial/Commercial Sector : 50,000 sq.m.

The targets will be achieved by providing interest subsidy to the users of solar water heaters, incentive to motivators, support for organizing seminars/ symposia/ workshops/ business meets/ exhibitions, training programmes, publicity and awareness campaign, technology up-gradation and studies/ surveys, etc. Support will also be provided to Municipalities/ Municipal Corporations that adopt and notify the

modifications to their building bye-laws for making the installation of solar-assisted water heating systems mandatory in certain categories of buildings.

3.0 Implementation Arrangements

The scheme will be implemented through IREDA and other Financial Institutions (FIs), Public/Private Sector banks and Co-operative Banks. The release of MNES funds to FIs/banks will be managed by IREDA. Other promotional activities will be implemented by IREDA/ State Nodal Agencies/ Municipal Corporations/ Technical Institutions/ reputed NGOs etc. The detailed guidelines for implementation of the scheme and financial provisions for various activities are given in the **Annexure**.

4.0 Monitoring Mechanism

Apart from other promotional activities, State Nodal Agencies will also undertake performance monitoring and data management. Financial institutions and banks involved in disbursing the MNES support to the users will also set up their own arrangements to closely monitor implementation. They will furnish progress reports and other relevant information to IREDA, who will forward a consolidated report to MNES on a quarterly basis. The progress of the scheme will also be monitored by the Ministry independently, including third party inspection and reporting.

5.0 Expenditure

The expenditure on the scheme “Accelerated development and deployment of solar water heating systems in domestic, industrial and commercial sectors” during the current financial year will be met from the allocated budget for the Solar Thermal Energy Programme during 2005– 2006, as per the following budget heads:

	Allocated budget (Rs. in crore)
Major Head : 2810 Non-conventional Sources of Energy	
02 Solar (Sub Major Head)	
02.101 Solar Thermal Energy Programme (minor head)	
03 Demonstration, Technology Utilisation & Market Development	
03.00.33 Subsidy	43.50
03.00.31 Grants in aid	4.00
06 Other Items	
06.00.50 Other Charges	0.05
Major Head 3601 Grants in aid to State Governments	
04.216 Solar-Solar Thermal Energy Programme(Minor Head)	
01.00.31 Grants in aid	0.03
Major Head 3602 Grants in aid to UT Governments	
04.215 Solar - Solar Thermal Energy Programme (Minor Head)	
01.00.31 Grants in aid	<u>0.02</u>
Total	47.60

6.0 The provisions of the scheme are likely to be continued during 2006-2007.

7.0 This sanction issues in exercise of delegated powers to this Ministry and with the approval of the competent authority vide diary no. 2304 dated 12.08.2005 and in consultation with IFD, MNES.

Yours faithfully,

(Dilip Nigam)
Principal Scientific Officer
Phone: 24360707; Extn. 2233

Copy for information and necessary action to:

1. Director General, Bureau of Indian Standards, Manak Bhawan 9, Bahadur Shah Zafar Marg, New Delhi –110002
2. Director of Audit, Scientific Audit-II, DACR Building. I.P. Estate, New Delhi-110002
3. PS to MOS
4. Sr. PPS to Secretary, MNES
5. AS & FA / Dir (F) / US (F) /AO(F) / SO(F)
6. All Group Heads / Solar Energy Centre
7. Adviser(UICA) / Dir (AKS) / PSO(DN)
8. Regional Offices of MNES
9. Regional Test Centres
10. Cash Section
11. Pay & Account Officer, MNES
12. Sanction folder

(Dilip Nigam)
Principal Scientific Officer
Phone: 24360707; Extn. 2233

Financial provisions and Guidelines for implementation of the Scheme on 'Accelerated development and deployment of solar water heating systems in domestic, industrial and commercial sectors' during 2005– 2006.

1. Interest subsidy scheme

1.1 Incentive to users

Soft loans @ 2% to domestic users, 3% to institutional users not availing accelerated depreciation and 5% to industrial/commercial users availing depreciation will be available from Indian Renewable Energy Development Agency (IREDA), public/private sector banks, scheduled cooperative banks, RBI approved non-banking financing companies, intermediaries of IREDA (manufacturers/suppliers) and other public/private financing institutions (FIs). The borrowers will be eligible for loan upto 85% of the cost of the systems, repayable over a period of five years. Water heating systems comprising of flat plate collectors (FPC) or Evacuated Tube Collectors (ETCs) would be eligible system configurations for the loans. The manufacturers/ suppliers of systems with FPCs should have approval from BIS and those of ETC from MNES test centers.

1.2 Implementation

The scheme will be implemented through IREDA and other financial institutions/banks with release of funds to be managed by IREDA on behalf of MNES. IREDA in consultation with MNES will develop a suitable mechanism for implementing the scheme with banks and other FIs. As regards banks already implementing the scheme, the existing MOUs signed with MNES will continue over the designated period with required modifications as per this scheme. The funds released in advance to IREDA by MNES based on a concrete plan received from them will be placed in a separate account in form of fixed deposits and the interest accrued at applicable rate will be credited in this account. A running account will also be maintained by IREDA to which the interest subsidy will be debited on the loan availed by the beneficiaries.

The interest subsidy (difference between the lending rate of bank/FI and MNES prescribed interest rate) calculated on upfront basis for the entire loan period, discounted at a rate fixed by MNES & IREDA, will be released by IREDA to the FIs/intermediaries/direct users on reimbursement basis after installation of the systems and submission of the necessary documents. To the public sector banks, advance release of subsidy may be considered subject to submission of a concrete plan of achieving the indicated target fixed by them. In such cases, these banks will also follow the procedure prescribed for IREDA for the purpose of maintaining the accounts.

The FIs/intermediaries of IREDA will maintain a complete list of beneficiaries with relevant details as regards installation of the systems, which will also be provided to IREDA. They will take necessary undertakings from beneficiaries and ensure that no MNES support, in any form, had earlier been availed /will be availed in future on the installed systems from any financial institution/bank. The accounts will be settled by IREDA with MNES based on the requisite documents. IREDA and the banks/ FIs will be provided service charges for implementing the scheme.

IREDA will also act as financial institution for providing loans to direct users and its intermediaries who may further on-lend to the users. Intermediaries will be eligible to get loans at 2% lower interest rate than the prescribed rates for various categories of users.

1.3 Service charges to IREDA

IREDA will be provided service charges towards fund management @ 2% of the interest subsidy disbursed to implementing institutions/organizations/direct users and @ 1% of the loan amount disbursed to their intermediaries. They will also be provided support for market development, data management, feedback analysis etc. @ Rs. 100/- per loan disbursed by the FIs/banks/ IREDA and its intermediaries. No service charges will be provided to intermediaries for on lending loans to the users as they will retain 2% of eligible interest subsidy for various categories of users.

1.4 Service charges to FIs/ Banks/ Intermediaries of IREDA and Incentive to motivators

Service charges to FIs/ Banks/ Intermediaries of IREDA and incentives to motivators will be provided as follows:

- @ Rs. 200/- to FIs /banks/intermediaries of IREDA on subsidy disbursed against each loan to the users towards administrative cost, business development, publicity etc.
- @ Rs. 100/- per sq. m of collector area to motivators/agents of FIs/banks/IREDA and its intermediaries against disbursement of interest subsidy for attracting potential buyers of solar water heaters. The motivators could be unemployed youth who can work as solar entrepreneurs, the Akshay Urja Shops, for all categories of users of solar water heaters. The State Nodal Agencies (SNAs) may also work as motivators, except for domestic systems.

1.5 Support to SNAs

Apart from other promotional activities, SNAs will undertake performance monitoring and State-level data management. They will be provided assistance through IREDA @ Rs. 50/- per sq. m of collector area installed in their States, with at least two visits made by them during the first year of operation of the systems. The list of systems sanctioned will be provided by IREDA. 50% advance will be released to them based on the list of sanctioned systems, and the balance one year after installation of the systems and receipt of final monitoring report from the SNAs.

2. Other Activities

2.1 Seminars/ Symposia/ Workshops/ Business Meets/ Exhibitions etc

The objective of organizing these activities is to create awareness among different groups of people and develop business on solar water heating systems. These groups will include industrial and commercial users, employees of banks/ financial

institutions, bank agents/ private entrepreneurs, Aditya Solar Shops, Builders, Resident Welfare Associations, Municipal Corporations MCs) etc. The activities will be organized both at district and State levels. Financial assistance on a case-by-case basis upto Rs. 1.0 lakh per event will be provided for these activities. The proposals developed by SNAs/ MCs/ reputed NGOs/ professional organizations should be submitted to MNES in the prescribed format given at **Appendix-I**.

2.2 Training Programmes

Development of small businesses for system installation, service and repair will be encouraged. Installers would have to be trained in proper installation and plumbing work involved in the systems, as they will be responsible for their trouble-free operation. Training would also be required for development of entrepreneurs for marketing, business development etc. Training programmes will, therefore, be organized for different stakeholders including trainers, installation and service personnel such as plumbers, mechanics etc. at suppliers/ manufacturers works and also for entrepreneurs. Financial assistance upto Rs. 2 lakhs per programme extending upto one week will be provided on a case-by-case basis for this purpose. The proposals developed by SNAs/ MCs/ reputed NGOs/ professional organizations/ Manufacturers Associations should be submitted to MNES in the prescribed format given at **Appendix-I**.

2.3 Support to Municipalities/ Municipal Corporations

A model Regulation/Building Bye-laws for the installation of solar assisted water heating systems in certain categories of buildings (**Appendix-II**) has been circulated by the Ministry of Urban Development to all the States and Union Territories with a request to circulate the same to their local bodies for incorporating it in their building bye-laws. The model regulation, when incorporated by the local bodies in their existing building bye-laws, will make it mandatory for several categories of buildings including residential flats of certain minimum plinth area to have solar water heating systems.

A one-time grant @ Rs. 5 lakhs for municipalities and Rs. 10 lakhs for municipal corporations will be available for those that adopt and notify the modification of their building bye-laws making installation of solar assisted water heating systems mandatory in atleast some categories of buildings in their respective areas as per the model Regulation/Building Bye-laws. The financial assistance provided by the Ministry is required to be utilized by the grantee organization for training, study tours, awareness creation, demonstration, preparation of brochures/manuals, creating infrastructures etc. for implementing the mandatory provisions.

In order to avail this grant, the Municipal corporations/ Municipalities will be required to submit an application to the Ministry through the respective SNAs giving a tentative plan for utilizing the assistance alongwith a copy of the notification / order making use of solar assisted water heating system mandatory based on which MNES will release the grant to respective Municipal corporation/ Municipality.

2.4 Publicity and Awareness Campaign

All possible avenues such as print, electronic (audio and visual) media will be utilized to create awareness of the benefits of solar water heating systems including

IREDA. Funds will also be provided to SNAs by MNES upto Rs. 10 lakhs for campaigns planned for the full year including hoardings/ advertisements on public transport systems such as buses and autorickshaws/ print and electronic media, at the State level. In addition, support will be provided on 50% cost sharing basis to Manufacturer's Associations for advertisement campaigns based on the detailed proposal received from them.

2.5 Technology Upgradation and Exposure Visits Abroad

In order to promote technology upgradation in industry, soft loans will be made available to manufactures at a reduced interest rate of 5% through IREDA. The interest subsidy upto a maximum of 6% calculated on upfront basis will be borne by MNES. The loans will be provided only for projects involving advanced and new technologies, which would lead to lower costs of production, improved performance and reliability of the products, etc. In addition, visits abroad by industry delegations, including participation in fairs abroad, to provide exposure to new materials, advanced technology and more efficient manufacturing techniques, will be supported through partial financial assistance on case-by-case basis.

2.6 Studies, Surveys, etc

To promote the spread of proven technologies and induction of new technologies, financial assistance will be provided for technology assessment, potential assessment, performance surveys, cost-benefit analysis, environmental impact assessment, consultancy development, market and export development, data base development and management, monitoring and evaluation etc. The support will be limited to Rs. 5 lakhs per project to be provided on case-by-case basis. The proposals could be submitted by SNAs/ Technical Institutions/ reputed NGOs/ Manufactures Associations etc.

3 Release of funds and settlement of accounts

3.1 Release of funds to IREDA

Based on the requests received, advance releases will be made to IREDA towards interest subsidy, service charges, incentive to motivators, support to SNAs etc. in a phased manner after apportioning the overall targets suitably. The accounts will be settled with IREDA based on the progress report, audited statement of expenditure, and utilization certificate received in the prescribed formats. **(Appendix-III, IV & V)**

3.2 Release of funds for other activities

80% of the funds sanctioned will be released in advance to the implementing agencies for executing the activities. The balance funds will be released alongwith settlement of accounts based on audited statement of expenditure and utilization certificate in the prescribed formats **(Appendix- IV & V)** alongwith a detailed report.

4. Achievement of target

To achieve the target during 2005-2006, concerted efforts will have to be made by all the manufacturers and implementing financial institutions/banks to promote solar

water heating systems, in general, and in States specific areas / cities where solar radiation is high and hot-water requirement for various uses is more than 6 months in a year. The efforts will include organization of seminars/ workshops/ symposia/business meets/ exhibitions, training programmes for creating awareness among different groups of people, rigorous publicity awareness campaign and other promotional measures such as Notification of modifications in building bye-laws, rebate in property tax etc. by Municipal Corporations/ Local Bodies, announcement of rebate in electricity bills by the State Electricity Boards for users of solar water heaters etc.

Appendix I

**Format for submission of proposals to organize seminars/ symposia/ workshops/
business meets/ exhibitions, training programmes etc.**

1. Name of Institution organizing the event
2. Type of event to be organized
3. Date(s)/ venue of the event
4. Category of participants with expected No.
5. Tentative programme with topics to be covered (To be enclosed)
6. Budget break up (item-wise)
7. Expected outcome

**Signature with name & seal of the
Head of Implementing organization**

Appendix II

Model Regulation / Bye Laws for Installation of Solar Assisted Water Heating Systems in Functional Buildings.

The following provisions are proposed for inclusion in the building bye laws of different States/UTs:

1. **“No new building in the following categories in which there is a system or installation for supplying hot water shall be built unless the system or the installation is also having an auxiliary solar assisted water heating system:**
 - a) **Hospitals & Nursing Homes**
 - b) **Hotels, Lodges, and Guest houses**
 - c) **Hostels of Schools, Colleges, Training Centres**
 - d) **Barracks of armed forces, paramilitary forces and police**
 - e) **Individual residential buildings having more than 150 sq. mt. plinth area**
 - f) **Functional Buildings of Railway Stations and Airports like waiting rooms, retiring rooms, rest rooms, inspection bungalows and catering units**
 - g) **Community Centres, Banquet Halls, Barat Ghars, Kalyan mandaps and buildings for similar use.”**

SCHEDULE ‘.....’

1. Definitions:

i)	“Solar Assisted Water Heating System”	a device to heat water using solar energy as heat source.
ii)	“Auxiliary back up”	electrically operated or fuel fired boilers/systems to heat water coming out from solar water heating system to meet continuous requirement of hot water.
iii)	“New Building”	Such buildings of above said categories for which construction plans have been submitted to competent authority for clearance.
iv)	“Existing Building”	Such buildings which are licensed to perform their respective business.

2. Installation of Solar Water Heating Systems

- a) **New Buildings:** Clearance of plan for the construction of new buildings of the aforesaid categories shall only be given if they have a provision in the building design itself for an insulated pipeline from the rooftop in the building to various distribution points where hot water is required. The building must have a provision for continuous water supply to the solar water heating system. The building should also have open space on the roof top which receives direct sun

light. The load bearing capacity of the roof should atleast be 50 kg. per sqm. All new buildings of above said categories must complete installation of solar water heating systems before obtaining necessary license to commence their business.

- b) **Existing Buildings:** Installation of Solar Assisted Water Heating Systems in the existing building shall be made mandatory at the time of change of use to above said category provided there is a system or installation for supplying hot water.
- 3. **Capacity:** The capacity of solar water heating system to be installed on the building of different categories shall be decided in consultation with the local bodies. The recommended minimum capacity shall not be less than 25 litres per day for each bathroom and kitchen subject to the condition that maximum of 50% of the total roof area is provided with the system.
- 4. **Specifications:** Installation of Solar Assisted Water Heating Systems shall conform to BIS (Bureau of Indian Standards) specification IS 12933. The solar collectors used in the system shall have the BIS certification mark.
- 5. **Auxilliary System:** Wherever hot water requirement is continuous, auxiliary heating arrangement either with electric elements or oil of adequate capacity can be provided.

Consolidated Progress Report & SOE
(To be sent by IREDA to MNES for settlement of accounts)

Appendix III

Period of Report :

A. Implementation through FIs /Banks and Intermediaries of IREDA :

Sr. No.	Name of bank/ FI	No. of beneficiaries availed interest subsidy (X)			Collector area installed (sq. m)			Total upfront subsidy disbursed at respective rates (a)	Service charges availed by FIs @ Rs.200/- for (X) beneficiaries (b)	Business through motivators		Incentive provided to motivators* @ Rs.100/sq.m. of collector area installed (c)	Service charges to IREDA @ 2% of interest subsidy disbursed to users by FIs/banks (d)	Sub-total (a)+(b)+(c) + (d)
		Dom-estic users	Instituti-onal users	Comm-ercial users	Dom-estic users	Instituti-onal users	Comm-ercial users			No. of motiv-ators	Coll. area (m ²)			
I. Bank/FI														
1.														
2.														
3.														
II. IREDA's Intermediaries														
1.														
2.														
3.														

Total:

* No incentive applicable to motivators in case of manufacturers being the intermediaries of IREDA

B. Implementation directly by IREDA:

Sr. No.	Name of user	No. of beneficiaries availed interest subsidy (X)			Collector area installed (sq. m)			Total upfront subsidy disbursed at respective rates (a)	Business through motivators		Incentive provided to motivators @ Rs.100/sq.m. of collector area installed (b)	Service charges to IREDA @ 2% of interest subsidy disbursed to users by FIs/banks(c)	Sub-total (a)+(b)+(c)
		Dom-estic users	Instituti-ions users	Comm-ercial users	Dom-estic users	Instituti-ions users	Comm-ercial users		No. of motiv-ators	Coll. area (m ²)			
1.													
2.													
3.													

Total

C. Support for market development, data management, feed back analysis etc. (Report to be enclosed)

- i) No. of beneficiaries availed interest subsidy from the banks/ FIs & intermediaries of IREDA :
ii) No. of beneficiaries availed interest subsidy from IREDA :

Total :

Support to IREDA @ Rs. 100/- for --- No. of beneficiaries availed interest subsidy

D. Support to SNAs (Report to be enclosed)

Sr. No.	State/ Agency	No. of systems visited twice during 1 st year of installation	Collector area actually installed (sq.m)	Support provided @ Rs. 50/sq.m.
1.				
2.				
3.				

Total

E. Service charges to IREDA @ 1% on the loan amount disbursed to intermediaries (details to be enclosed):

F. Grant Total (A+B+C+D+E) : Rs.

Certified that

- i) The above statement is correct to the best of our knowledge. The statement has been prepared based on the audited documents received from respective FIs/ intermediaries/ SNAs which have been maintained by IREDA.
ii) FIs/ intermediaries/ have also certified that they have maintained the list of beneficiaries with complete address, phone no. etc. which could be inspected anytime by the officials of MNES/ IREDA. They have also certified that to the best of their knowledge there is no duplicity in the beneficiary list and the interest subsidy availed by them on the systems installed at their places has not been availed earlier in any form from any of the financial institutions.

(Accounts Officer)

(Signature with name and seal of the Chartered Accountant)

(MD, IREDA)

Appendix IV

Statement of Expenditure

1. Name of activity/ event sanctioned :
by MNES
2. Type of event sanctioned :
3. MNES sanction No. & Date :
4. Amount released :
5. Item-wise Statement of Expenditure:

(In Rupees)

Sr. No.	Item	Amount sanctioned	Expenditure incurred
1.			
2.			
3.			
4.			
	Total		

6. Balance to be released :
7. Report on the event (to be enclosed) :

**(Signature with name
& seal of Account Officer)**

**(Signature with name & seal of
Head of Implementing
organization)**

**(Signature with name and seal
of the Auditor)**

Appendix-V

Utilization Certificate

(To be sent in duplicate to the Ministry of Non-conventional Energy Sources)
for the financial year (from _____ to _____)

1. Title of the Project/Scheme :
2. Name of the organization :
3. Ministry of Non-Conventional energy Sources letter
No. and date of sanctioning the project :
4. Amount brought forward from the previous financial year
quoting Ministry of Non-Conventional Energy Sources
letter No. and date on which the authority to carry forward
the said amount was given :
5. Amount received from Ministry of Non-Conventional Energy
Sources during the financial year
(please give letter No. & date of sanctions showing the amount released) :
6. Total amount that was available for expenditure
(including commitment incurred during the Financial year
(Sr. No. 5 + 6):
7. Actual expenditure (Excluding commitments) incurred during :
the financial year
8. Unspent balance refunded, if any.
(please give details of cheque no. etc.)
9. Balance amount available at the end of the financial year :
10. Amount allowed to be carried forward to the next
financial year vide letter no. and date :

Certified that the expenditure of Rs. _____ (Rupees _____
mentioned against Column 8 was actually incurred on the Project / Scheme for the
purpose for which it was sanctioned and balance amount of Rs. _____ is available
on _____.

**(Signature with name
& seal of project
Incharge)**

**(Signature with name
& seal of /Accounts)
Officer)**

**(Signature with name &
seal of Head of the
organization)**

ACCEPTED AND COUNTERSIGNED

**COMPETENT AUTHORITY
MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES**

No.3/1/2005/UICA (SE)
Government of India
Ministry of Non-conventional Energy Sources
[Urban, Industrial & Commercial Applications]

**Block No. 14,CGO Complex, Lodhi Road,
New Delhi—110003, dated: 27th September 2006**

To

Secretaries of State Government Departments,
Heads of State Nodal Agencies,
Municipal Corporations.

Subject: Provision of capital subsidy for installation of Solar Water Heating systems to registered institutions and commercial establishments that do not avail soft loans – Amendment to the Scheme on “Accelerated development and deployment of Solar Water Heating systems in domestic, industrial and commercial sectors”

Sir,

I am directed to convey the sanction of the President for incorporating the following amendment in the Scheme on “Accelerated development and deployment of solar water heating systems in domestic, industrial and commercial sectors” issued vide sanction of even number dated 24.08.2005, and continued during the year 2006-07:-

- i) Capital subsidy equivalent to upfront interest subsidy @ Rs. 1100/- per sq. m. of collector area will be available to registered institutions and @ Rs. 825/- per sq. m. of collector area to registered commercial establishments that do not avail soft loans from banks/FIs under the above mentioned interest subsidy scheme of the Ministry.
- ii) The subsidy will be provided on re-imburement basis after the systems have been installed and commissioned. The applications are to be submitted to the State Nodal Agencies (SNAs) as per the format given in **Annexure I**. Releases will be made through the SNAs after due verification of the installations by the concerned SNA and submission of the claim by the SNAs to the Ministry, as per the format given at the **Annexure II**. In specific cases, applications may be submitted to the Municipal Corporations or Central/State Government departments, in which case the reimbursement will be made through them.
- iii) SNAs will be provided service charges @ Rs.100/ sq. m. of installed collector area. The Municipal Corporations, Central/State Government Departments will also be eligible to receive similar service charges for the claims processed and forwarded by them to the Ministry.
- iv) The scheme is open only for installation of systems during Financial Year 2006-07. Capital subsidy will be available to systems installed after 31.03.2006 provided interest subsidy has not already been applied for or availed for the system. Claims for reimbursement for systems installed up to 31.03.2007 should be received in the Ministry latest by 30.04.2007.

2. This issues in exercise of the powers delegated to this Ministry and with the Secretary's approval vide FTS dated 20th September 2006 and in consultation with I.F.Division, MNES.

Yours faithfully,

(Prem Chand)
Under Secretary to Govt. of India
Phone: 24360707, Extn. 2237

Copy is forwarded for information and necessary action to:

1. The Managing Director, IREDA, India Habitat Centre, Lodhi Road, New Delhi.
2. Director of Audit, Scientific Audit-II, DACR Building IP Estate New Delhi-110002
3. PS to MOS
4. Sr. PPS to Secretary, MNES
5. AS & FA / Dir (F) / US (F) /AO (F) / SO (F)
6. All Group Heads/Solar Energy Centre
7. Adviser (UICA) / Dir (AKS) / PSO (DN)/US(UICA)
8. Regional Offices of MNES
9. Pay & Account Officer, MNES
10. Banks implementing the MNES Scheme of Solar Water Heaters.
11. Cash Section
12. Sanction Folder

(Prem Chand)
Under Secretary to Govt. of India
Phone: 24360707, Extn. 2237

**Application for reimbursement of capital subsidy on installation of
solar water heating systems**

(for registered institutions and commercial establishments on
systems installed during 01.04.2006- 31.03.2007)

To be submitted to SNAs

1.	Name of Institutions/organization/commercial establishment with complete postal address, telephone, fax number and e-mail address etc.	:	
2.	Details of Registration (Registration No, where registered etc.).	:	
3.	Place of installation of the system	:	
4.	System capacity in LPD and sq. m. of collector area	:	
5.	Type of system installed (FPC/ETC based ; natural/forced circulation)	:	
6.	Date of commissioning of the system	:	
7.	Name of BIS/MNES approved manufacturer/supplier with complete address, phone no. etc.	:	
8.	Present utility of hot water	:	
9.	Expected amount of fuel saving per year	:	
10.	Total cost of the system	:	
11.	Amount of the capital subsidy sought from MNES (<i>maximum Rs.1100 per sq. m of collector area to institutions Rs.825 p4er sq. m. to commercial establishments</i>)	:	
12.	Certified that we have not availed any soft loan under MNES interest subsidy scheme from any of the banks/ FIs and will also not be availing that in future for the above system. We have also not availed any capital subsidy on this system from MNES till date.		

Date

**Signature with name and Seal of
Head of beneficiary organization**

Annexure-II**Format for reimbursement of capital subsidy on installation of solar water heating systems**

(for registered institutions/ commercial establishments on systems installed during 01.04.2006-31.3.2007)

Institutions						
Sr. No.	Name of Institution with address	Place of installation	Date of Commissioning of system	Collector area installed (sq. m.)	Amount of capital subsidy sought @ Rs.1100 per sq. m	Service charges @Rs. 100 per sq. m.
1.						
2.						
3.						
Sub-total (A)						
Commercial Establishments						
Sr. No.	Name of Institution with address	Place of installation	Date of Commissioning of system	Collector area installed (sq. m.)	Amount of capital subsidy sought @ Rs.825 per sq. m	Service charges @Rs. 100 per sq. m.
1.						
2.						
3.						
Sub-total (B)						
Total(A+B)						

Certified that the above facts in case of each of the institutions/commercial establishments have been verified by us and are found to be correct. Copy of Annexure I furnished by each Applicant is enclosed.

**Signature with name and Seal of
Head of State Nodal Agency**

Date

Statement of Expenditure and Utilization Certificate

Certified that an amount of Rs.-----has been spent on installation of the systems as given in Annexure II. This includes an amount of Rs..... claimed from MNES towards capital subsidy for these systems.

Date

**Signature with name and Seal of
Head of State Nodal Agency**