

**No.6/4/118/2010-BETDG**  
**Government of India**  
**Ministry of New and Renewable Energy**  
**(Bio Energy and Technology Development Group)**

**Block No.14 CGO Complex,**  
**Lodi Road, New Delhi - 110003**  
**Dated: 12.11.2010**

To

1. Chief Secretaries in the Governments of States and Union Territories.
2. The State Nodal Agencies.
3. Indian Renewable Energy Development Agency Ltd.

**Sub: Implementation of Alternate Fuels for Surface Transportation Programme (AFSTP) for the remaining period of 11<sup>th</sup> Plan for the years 2010-2011 and 2011-12 Administrative Approval - regarding.**

Sir,

I am directed to convey the sanction of the President of India for implementation of Alternate Fuels for Surface Transportation Programme of the Ministry of New and Renewable Energy for the remaining period of the 11<sup>th</sup> Plan (years 2010-2011 and 2011-12) in all States and Union Territories of the country. The details of the programme are as follows:-

**1. Objectives**

- i) Support for dissemination of all types of Battery Operated Vehicles (BOVs), Plug Hybrid Vehicles(PHEVs), Hybrid Electric Vehicles (HEVs) and Electric / Exercise-Bike Generator Inverter (E2BI) for their usages by users for surface transportation.
- ii) Support for Research & Development projects on advanced high energy density batteries, ultra capacitors, control systems and other components for battery operated electric, plug hybrid and hybrid electric vehicles for surface transportation.
- iii) Support for pilot project on technology demonstration for Battery Operated Vehicles, Plug Hybrid Vehicles, Hybrid Electric Vehicles and Electric/Exercise-Bike Generator Inverter (E2B1) for field performance evaluation and leading to commercialization.
- iv) Support for projects and activities related to awareness promotion through education and training, organization of business meet and seminars/conferences/symposia in the area of electric vehicles, plug hybrid vehicles and hybrid electric vehicles. etc.

**2. Programme for remaining period of 11<sup>th</sup> Plan (2010-11 and 2011-12)**

- 2.1 Taking up dissemination of two wheelers, three wheelers and four wheelers Battery Operated Vehicles(BOV) and R&D and technology demonstration and other activities in the area of Alternate Fuels for Surface Transportation at a total cost of Rs.95 crore during the remaining period of the 11<sup>th</sup> Plan (2010-11 & 2011-12), as given below :-
  - 2.1.1 Dissemination of Battery Operated Two, Three and Four wheelers during the year 2010-11 and 2011-12. Central Financial Assistance and tentative physical targets for the 11<sup>th</sup> Plan are given in Table-I.

**Physical Targets and Central Financial Assistance for remaining period of the 11<sup>th</sup> Plan: 2010-11 and 2011-12 for Alternate Fuels for Surface Transportation**

**I. Financial Year 2010-2011**

| Sl. No. | Type of Vehicle                  |  | Physical (in nos.) | Central Financial Assistance per vehicle                                |
|---------|----------------------------------|--|--------------------|---|
| 1.      | Two wheeler                      | Low Speed  | 20,000             | Rs. 4,000/- or 20 % ex-works cost of vehicles which ever is less        |
|         |                                  | High Speed   | 10,000             | Rs. 5,000/- or 20 % ex-works cost of vehicles which ever is less        |
| 2.      | Three wheeler                    | 7-seater   | 100                | Rs. 60,000/- or 20 % ex-work cost of vehicles which ever is less        |
| 3.      | Passenger Car                    | 4-seater   | 140                | Rs. 1,00,000/- or 20 % ex-works cost of vehicles which ever is less     |
| 4.      | Bus / Mini bus                   | Four wheelers Buses (minimum 10-seater and above). | --                 | Rs.,4,00,000/- or 20% ex-works cost of the vehicles which ever is less. |
| 5.      | R&D and Technology Demonstration | --   | --                 | As per R&D Policy guidelines of MNRE.                                   |

**II. Financial Year 2011-2012**

| Sl. No. | Type of Vehicle                  |  | Physical (in nos.) | Central Financial Assistance per vehicle                                |
|---------|----------------------------------|--|--------------------|---|
| 1.      | Two wheeler                      | Low Speed  | 80,000             | Rs. 4,000/- or 20 % ex-works cost of vehicles which ever is less        |
|         |                                  | High Speed   | 20,000             | Rs. 5,000/- or 20 % ex-works cost of vehicles which ever is less        |
| 2.      | Three wheeler                    | 7-seater   | 166                | Rs. 60,000/- or 20 % ex-works cost of vehicles which ever is less       |
| 3.      | Passenger Car                    | 4-seater   | 700                | Rs. 1,00,000/- or 20 % ex-work cost of vehicles which ever is less      |
| 4.      | Bus / Mini bus                   | Four wheelers Buses (minimum 10-seater and above). | --                 | Rs.,4,00,000/- or 20% ex-works cost of the vehicles which ever is less. |
| 5.      | R&D and Technology Demonstration | --   | --                 | As per R&D Policy guidelines of MNRE.                                   |

2.1.2 Minimum 30% of the indigenous components to be used in the vehicles proposed to be disseminated.

2.1.3 More and more indigenization of various components to be achieved in the country while implementing the programme in due course of time.

- 2.1.4 The manufacturers to give at least one year comprehensive warranty including for batteries
  - 2.1.5 The manufacturers will ensure quality of their products and services while selling the vehicles to the customers.
  - 2.1.6 The manufacturers to have set up at least 15 service centers throughout the country, specially in their area of operation.
  - 2.1.7 Manufacturers to produce computerized, duly signed and stamped Excise Duty certificates having Chasis No. and other details of the vehicles, Sale receipt along with VAT and dealers certificate about identity of the purchaser to the SNA/ IREDA for the reimbursement of central financial assistance.
- 2.2 Taking up R&D and Technology Demonstration Projects for various components including battery for 'Hybrid Electric Vehicles', 'Plug Hybrid Electric Vehicles. Battery Operated Vehicles and Electric/ Exercise-Bike-Generator Inverter (E2BI) and other such vehicles and their components and activities in this area in accordance with R&D Policy guidelines of MNRE.
- 3 Types of BOVs/ HEVs/ PHEVs and Pattern of Subsidy covered under the Programme – 2wheeler/3 wheeler/4 wheeler.**

- 3.1 The existing scheme has been made more effective in order to have wider coverage for propagation of BOVs/ HEVs/ PHEVs through inclusion of all categories of users battery operated two wheelers/ 3 wheelers/4 wheelers under the scheme, expansion of eligible categories of users of such vehicles to all type of users and routing Central Financial Assistance(CFA) through Indian Renewable Energy Development Agency (IREDA) and State Nodal Agencies (SNAs) on reimbursement basis to the manufactures. Thus it covers all categories of Indian individuals and institutional users.

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

4.1 The programme will be implemented through the Indian Renewable Energy Development Agency and State Nodal Agencies. Proposals for reimbursement should be prepared and submitted to the Ministry of New and Renewable Energy in accordance with the proforma **(given in Annexure – I - IV)** quarterly along with the terms & conditions laid down in para 2 .1.1 to 2.1.7 and with an undertaking from the vehicle owners that the vehicles will be properly operated & maintained and that these vehicles will not be sold or disposed off for a period of at least five years from the date of supply. The respective Implementing Agencies must ensure that adequate infrastructure including battery charging facility exists in order to ensure regular operation of BOVs / HEVs/ PHEVs and submit Quarterly Progress Reports.

4.2 Proposal received from State Implementing Agencies and IREDA will be processed on first-come-first-served basis and sanctioned, if found in order, by MNRE.

#### **5. Institutional Arrangements for R&D and Technology Demonstration.**

Research, Development and Technology Demonstration projects on different aspects of Electric Vehicles, Hybrid Electric Vehicles, Plug Hybrid Vehicles and Electric/ Exercise-Bike Generator Inverter (E2B2) and other systems and components would be taken up by MNRE

through research, academic and educational institutions, national laboratories and the industry. The projects would be implemented in accordance with RD&D guidelines of the Ministry available on its website <http://mnre.gov.in>.

**6. Release of Central Financial Assistance:**

MNRE will release subsidy to the Implementing Agencies on reimbursement basis after receiving the Progress Report Implementation / sale of the vehicles. The concerned Implementing Agency will disburse the subsidy to the manufacturers without any further delay. The Ministry will also release an implementation charges @ 3 % of the released Central Financial Assistance to the concerned Implementing Agency.

**7. Monitoring Mechanism:**

The Implementing Agencies 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. The Indian Renewable Energy Development Agency and State Nodal Agencies will monitor the projects and provide the feed-back to the Ministry quarterly.

8. The Expenditure on the programme will be met from the budget provision under the Head of Account – 2810- New and Renewable Energy, 00- Sub Major Head, 104- Minor Head: Research, design and Development in Renewable Energy, 01 – Sub Head- R&D in New and Renewable Energy Technologies, 04- Detailed Head- New Technologies, 31- Object Head Grants-in-aid general (Plan) of Ministry of New and Renewable Energy.

9. This issues in exercise of the delegated powers of the Ministry and with the concurrence of IFD vide their Diary No. IFD/1396/2010-2011 dated 11.11.2010.

Yours faithfully,

(A.K. Mishra)  
Under Secretary to Govt. of India

**Copy to:**

1. The Principal Director of Audit, Scientific Departments, DGACR Building, IP Estate, New Delhi.
2. All States/UTs/Nodal Agencies/Departments.
3. PS to Minister (NRE)/ PSO to Secretary, MNRE.
4. AS&FA/Dir(Fin), MNRE
5. Adviser (Alternate Fuel for Surface Transportation)/JS(GS)/All Advisers, MNRE
6. IFD/Cash Section, MNRE
7. Sanction Folder

(A.K. Mishra)  
Under Secretary to Govt. of India

**Under Alternate Fuel for Surface Transportation Programme (AFSTP) for Reimbursement of Central Financial Assistance**

**Performa for Submitting Proposals to MNRE**

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

- (a) Name & address of the State Nodal Agency/ IREDA
- (b) Users' name & address (in case BOVs/ HEVs/ PHEVs is proposed to be purchased by any other eligible beneficiary)
- (c) Manufacturer/supplier of BOVs/ HEVs/ PHEVs.
- (d) Specification of BOVs/ HEVs/ PHEVs.
- (e) Type/number and capacity of the batteries used
- (f) Pay load capacity
- (g) Range of BOVs/ HEVs/ PHEVs per charge of battery.
- (h) Actual price of BOVs / HEVs/ PHEVs (copy of the quotations or budgetary quotes certified by implementing department/nodal agency to be enclosed).
- (i) Subsidy sought from MNRE.
- (j) Number of BOVs / HEVs/ PHEVs proposed to be purchased
- (k) Undertakings:-
  - i) It is certified that infrastructure facility including battery-charging facility needed for regular operation and proper maintenance of battery-operated vehicles is available.
  - ii) 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.
  - iii) BOVs/ HEVs/ PHEVs including all components purchased out of the MNRE grant under this programme shall not be disposed off or sold for at least five years from the date of supply to any other agency without prior approval of the MNRE.
  - iv) Necessary documents/certification and progress reports in respect of BOVs / HEVs/ PHEVs purchased under the MNRE programme shall be submitted by this organisation to MNRE as per terms & conditions.
  - v) The concerned Nodal Agency/Department must ensure that the BOVs/ HEVs/ PHEVs 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/ HEVs/ PHEVs are taken care of.
  - vi) The concerned Nodal agency/Department must ensure that the manufactures of BOVs/ HEVs/ PHEVs give warranty for a minimum period of one year from the date of supply and they are having 15 service centre throughout the country.
  - vii) This is certified that minimum 30% of the indigenous components have been used in the vehicles sold.

Date:

Place:

Signature of Head of the implementing Department/Nodal Agency in the State/Union Territory  
Name (in Block Letters) with Designation and Seal

**Performa for Submitting Quarterly Progress Reports under Alternate Fuel for Surface Transportation Programme (AFSTP).**

1. User's Name and Complete Postal Address (with phone/fax number/e-mail address)
2. Date of delivery of BOVs/ HEVs/ PHEVs
3. BOVs/ HEVs/ PHEVs manufacturer/supplier's name
4. BOVs/ HEVs/ PHEVs details (including registration number, chassis/motor numbers, total number of seats, etc.)
5. Type and Make of battery used in BOVs/ HEVs/ PHEVs
6. Physical condition of BOVs/ HEVs/ PHEVs

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 Implementation of Alternate Fuel for Surface Transportation Programme (AFSTP)**

1. The company/manufacturers must have manufacturing licence and at least 15 service stations through out the country.
2. Attested copy of the delivery challan of BOVs/ HEVs/ PHEVs
3. Attested copy of RC book except low-speed two wheeler. However a copy of RC book for high speed two wheelers are to be provided.
4. Copy of the sale letter.
5. An undertaking to the effect that BOVs/ HEVs/ PHEVs 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.
6. The Ministry or its authorised representative will have the right to carry out inspection of the BOVs/ HEVs/ PHEVs and BOV/ HEVs/ PHEVs -related documents without prior intimation and at any point of time.
7. The BOVs/ HEVs/ PHEVs to be procured should be fitted with new deep cycle rechargeable batteries suitable for running vehicles.
8. The manufacturers/ suppliers of BOVs/ HEVs/ PHEVs should certify that a minimum of 30 % of indigenous components have been used in the vehicles sold.
9. The manufacturer/supplier of BOV should provide a warranty of one year on all BOVs/ HEVs/ PHEVs that should cover all components from the date of delivery of the BOVs.
10. 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/ HEVs/ PHEVs.
11. Operation manuals, training in the operation & maintenance of BOVs/ HEVs/ PHEVs and batteries are to be arranged by the concerned manufacturer/supplier to the persons of the nodal agencies/departments/qualified beneficiaries.
12. 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.

**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 \_\_\_\_\_