

No.32/ 76 / 2009-10/PVSE  
Government of India  
Ministry of New and Renewable Energy  
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Block No. 14, C.G.O. Complex,  
Lodi Road, New Delhi -110 003  
Dated: 4<sup>th</sup> May 2010

To  
The Pay & Accounts Officer,  
Ministry of New and Renewable Energy,  
New Delhi-11003.

**Subject: -Continuation of the Demonstration Programme on providing  
“Incentives to Banks/Micro Financing Institutions to support  
installation of Solar Home Lighting & other small Solar Systems  
through loans in the country” during the financial year 2010-11.**

Sir,

In continuation of this Ministry's previous Administrative Approval issued vide sanction letter of even number dated 17<sup>th</sup> August, 2009 on the subject noted above, I am directed to convey the sanction of the President for continuation of the implementation of the Demonstration Programme on providing incentives to banks /micro financing institutions to support installation of solar home lighting and other small solar systems through loans in the country during the year 2010-11 at a total outlay of Rs.224.00 crore which is provided in the current year's budget for off-grid/decentralized Renewable Power. The details of the programme component, implementation arrangements, targets & central financial assistance, release of funds; technical and performance requirement; and monitoring arrangements will be the same as contained in the sanction order No 32/76/2009-10/PVSE dated 17.08.2009, and as amended vide Addendum of even number dated 16.09.2009, until finalization of JNNM scheme.

2. Necessary funds for implementation of the Demonstration Programme during 2010-11 will be drawn from the Ministry's budget head – “2810”-New & Renewable Energy, 101-Grid Interactive & Distributed Renewable Power, **02-Off-grid/Distributed & Decentralized Renewable Power**; 04-Solar Power, 31-Grants-in-aid General, during the year 2010-11 (Plan).

3. This sanction issues in exercise of powers delegated to this Ministry and with the concurrence of IFD dated 28<sup>th</sup> April 2010 vide their Dy. No.IFD/109/2010-11, dated 20<sup>th</sup> April 2010.

4. This sanction has been entered at Sl. No.7 on page No. 32 in the register of Grants for 2010-11.

Yours faithfully,

**(Prem Chand)**  
Under Secretary to the Govt. Of India  
Phone: 24360707/Extn.1023

P.T.O

Copy to:-

1. Principal Director of Audit (Scientific Departments), AGCR Bldg., I.P. Estate, New Delhi – 110 002
2. Chairman, all Regional Rural Banks (as per list)
3. Secretary, Department of Financial Services (Min. of Finance), Jeewan Deep Building, Patel Chowk, New Delhi
4. Chairman, NABARD
5. PS to Minister (NRE)
6. PSO to Secretary, MNRE
7. AS&FA/Adv.(SPV)/ JS (GS) /JS(HK)
8. Chairman & Managing Director, Indian Renewable Energy Development Agency, August Kranti Bhawan, Bhikaiji Cama Place, Delhi 110003.
9. Dir. (Bh)/ Dir.(AR)/Dir. (F)/ PSO(SKS)/ SO (SPV)/SO (F)
10. Sanction Folder

**(Prem Chand)**  
Under Secretary to the Govt. Of India

**No.32/76/2009-10/PVSE**  
**Government of India**  
**Ministry of New and Renewable Energy**

**Block No. 14, C.G.O. Complex,**  
**Lodi Road, New Delhi -110 003**  
**Dated: 17<sup>th</sup> August, 2009**

**To**  
**The Pay & Accounts Officer,**  
**Ministry of New and Renewable Energy,**  
**New Delhi-11003.**

**Subject: Incentives to banks/ micro financing institutions to support installation of solar home lighting and other small solar systems through loans.**

Sir,

I am directed to convey the sanction of the President for undertaking a Demonstration Programme on providing incentives to banks /micro financing institutions to support installation of solar home lighting and other small solar systems through loans in the country during the 11<sup>th</sup> Plan period, as per the provisions given in the following sections and **Annexure I-IV**.

**2. Objective**

The main objective of the Demonstration Programme is to assist the banks / micro financing institutions by providing incentive for capacity building and other specified activities to extend loans to consumers to purchase solar home lighting and other small solar systems for lighting, powering fans and small portable TV sets etc, in villages/ areas where the power supply is un-reliable.

**3. Implementation Arrangements**

Any financial institutions/ banks/ NBFCs, micro financing organizations and SHG federations will be eligible to participate under the demonstration programme, subject to fulfillment of the guidelines contained in the order. A proposal may be submitted to the Ministry by a bank which is ready to provide loans for solar PV systems. The banks are required to inform the Ministry about their commitment to take up targets in the specified ranges given in this order. They are also expected to submit their plan to take up other specific activities for which Ministry may provide funds as per the guidelines given in the following section of central financial assistance.

**4. Targets and Central Financial Assistance**

It is proposed to cover 2,50, 000 solar lighting and other systems under the programme by 31<sup>st</sup> March, 2011 The following are the details of the financial support to the banks/financial institutions to implement the programme;

S. No.	Activities	Incentives for Banks/Fis which finance HLS per year between the following range			
		3000-6000	6001-12000	12001-20000	Above 20000
1.	Capacity building	Rs. 03 lakh	Rs. 04 lakh	Rs. 05 lakh	Rs. 10 lakh
2.	Awareness generation	Rs.15 lakh	Rs. 20 lakh	Rs. 25 lakh	Rs. 40 lakh
3.	Cash prizes for best 3 Branches	Rs.03 lakh	Rs. 3.5 lakh	Rs. 05 lakh	Rs. 10 lakh
4.	Documentation of best practices	Rs. 02 lakh	Rs. 02 lakh	Rs. 03 lakh	Rs. 05 lakh
5.	Preparation of manuals for procedures, software, etc.,	Rs. 02 lakh	Rs. 02 lakh	Rs. 03 lakh	Rs. 05 lakh
6.	Monitoring & Learning	Rs. 02 lakh	Rs. 03 lakh	Rs. 05 lakh	Rs. 10 lakh

In addition to above, a provision of Rs.1.50 crore is made for procuring consultancies for monitoring and evaluation, Cash prizes will be given @ Rs.1.0 lakh each to the concerned bankers and also to the village panchayat wherein village / villages which are fully solar electrified. In addition, the village panchayats with 75% and more coverage may also be rewarded on pro rata basis. The panchayats will be encouraged to utilize this money to purchase solar streetlights or other solar devices for use of the village community. In addition, capacity building and awareness generation support to NGOs and SHG federations who are participating in the initiative along with the banks would also be given up to Rs 5 lakh per NGO or SHG, depending on the villages covered by them.

#### **Release of Funds:**

- (i) It is proposed that the release to the banks and other participating organizations would be made in two installments of 50% upfront (after obtaining commitments from the banks) and the remaining 50% on receiving a certificate from the bank, regarding the number of units which have been financed and a progress report of the project in MNRE format as per **Annexure I**.
- (ii) The implementing agencies will submit in duplicate Utilization Certificate (UC) for the funds released by the Ministry; and certified Statement of Expenditure (SoE) issued by the concerned Bank, which has sanctioned loans as per the formats at **Annexure-II and III**.
- (iii) At the time of seeking the final release of CFA, the concerned banks will submit a detailed annual project completion report as per **Annexure-I** and Utilization Certificate & consolidated Statement of Expenditure for settlement of accounts as per **Annexure II and III**.

#### **5. Technical & Performance Requirements**

The broad guidelines, technical and performance requirements of solar home lighting and other small solar systems for some of the suggested PV systems are given in a separate technical document referred in **Annexure-IV**.

## 6. Monitoring Arrangements

The implementing agencies will devise suitable arrangements for monitoring and evaluation of solar systems. They may also take other measures as considered appropriate for monitoring/inspection/ performance evaluation of solar home lighting and other small solar systems in the field. In addition, Ministry may commission other organizations/experts to inspect the systems in the field and undertake performance evaluation study. Funds will be sanctioned by the Ministry for monitoring of the implementation of the projects by different implementing agencies through independent organizations. The banks are required to submit quarterly report on the progress on implementation as per **Annexure -I**.

7. Necessary funds for implementation of the Demonstration Programme during 2009-10 will be drawn from the Ministry's budget head – '2810' Renewable Energy (Major Head), 103-Renewable Energy for Urban, Industrial and Commercial Application (Minor Head), 01-ST, SPV and other RE Systems 01.01-Renewable Energy application, 01.01.31-Grants-in-aid, during the year 2009-10 (Plan).

8. This sanction issues in exercise of powers delegated to this Ministry and with the concurrence of IFD dated 12.08.2009 vide their Dy. No.IFD/800/2009, dated 10.08.2009.

9. This sanction has been entered at Sl. No. 13 on page No.19-20 in the register of Grants for 2009-10.

Yours faithfully,

**(Prem Chand)**

Under Secretary to the Govt. of India

Phone: 24360707/Extn.1023

Copy to:-

1. Principal Director of Audit (Scientific Departments), AGCR Bldg., I.P. Estate, New Delhi – 110 002
2. Chairman, all Rural Banks (as per list)
3. Secretary, Department of Financial Services
4. Chairman, NABARD
5. PS to Minister (NRE)
6. Sr. PPS to Secretary, MNRE
7. AS&FA/All Advisers/ JS (GS) /JS(HK)
8. Chairman & Managing Director, Indian Renewable Energy Development Agency, India Habitat Centre, Lodi Road, New Delhi 110003.
9. Director (Bh)/ Director (AR)/Director (F)/ US (SPV)/ SO (SE)/SO (F)
10. Sanction Folder

**(Prem Chand)**

Under Secretary to the Govt. of India

**FORMAT FOR THE QUARTERLY/ANNUAL PROGRESS REPORT**

Name of the Bank/FI:  
Progress report for the quarter/year:  
Proposed Target  
Achievements:  
Cumulative achievements under the programme  
Name of the district/area:

A. Total no. of system financed					
Sl. No	No of villages covered	No. of the system financed	Type of System	Loan amount (Rs)	Name of the branch.

B. Status of capacity building programme (training of staff)	
C. No. of awareness programme held	

D. Status and type of document of best practices (Pl enclose 2 copies)	
E. Status of preparation of manual /software etc.	
F. Monitoring (Please submit copies of reports)	

G. Name of the branches where 75% or more household are covered			
Name of Branch	Name of village	No. of Households in the village	No. of households covered with Loan in the village

(beneficiaries list with address must be attached)

It is certified that the information given above is correct and has been verified. Full records are maintained by the concerned branches, which has been verified by internal audit system of the bank

Place:  
Date:

Signature  
(Name & Designation)  
and Seal of RRB.  
H.O./Branch of Nationalized Bank.

**FORMAT FOR SUBMITTING UTILISATION CERTIFICATE**

(To be submitted in duplicate on the letterhead)

S. No.	Letter No. & Date	Amount
		(Sanctioned)
		(Released)
TOTAL		-----

Certified that out of Rs..... of grants-in-aid released during the year ---- in favour of -----under this Ministry 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.

Kinds of checks exercised

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

**Signature -----**  
**Designation -----**  
**Date -----**  
**Official seal**

(To be submitted on the Letter Head)

**FORMAT FOR SUBMITTING CERTIFIED STATEMENT OF ACCOUNTS**

Name of the State /UTs	
Name of the Bank/FI	
Programme reference	
Financial year	
Funds released by MNRE (sanction order & date wise details)	
CFA sanctioned	

Fund release by MNRE

Sl. No.	Sanction No.	Date of Sanction	Amount released
Total amount released			

Expenditure

Sl. No.	Name of Expenditure Head	Sanction Amount	Actual expenditure	Balance amount, if any
	Total			

The above information is based on internal audit by the bank and verifications carried out by the agency and the auditors.

It is certified that the information given above is correct and has been verified in the internal audit of the bank.

Place:

Date:

Signature: \_\_\_\_\_

(Name & Designation) \_\_\_\_\_

Seal of RRB. H.O./Branch of Nationalized Bank.

**Technical Guidelines and Documentation**

The broad guidelines and technical performance specifications of various SPV Systems which are indicative for the purpose of sanctioning of loans by the bank are available on the website of the Ministry <http://mnre.gov.in> (Document reference: From darkness to Light). These guidelines are issued to assist the banks for smooth interaction among the Banks, manufacturers/suppliers and the consumers.

The banks are expected to enter into arrangement with the interested manufactures/suppliers who are able to offer quality products and prompt services. It will be necessary to create volumes to sustain the local supply and after sales service network. It is expected that these guidelines will facilitate smooth interaction among the banks, manufacturers/suppliers and the consumers, which will lead to a dramatic transformation in quality of life in un-electrified or electricity deficient areas- moving from darkness to light.

**No.32/76/2009-10/PVSE**  
**Government of India**  
**Ministry of New and Renewable Energy**

**Block No. 14, C.G.O. Complex,**  
**Lodi Road, New Delhi -110 003**  
**Dated: 16<sup>th</sup> Sept, 2009**

**To**  
**The Pay & Accounts Officer,**  
**Ministry of New and Renewable Energy,**  
**New Delhi-11003.**

**Subject: Incentives to banks / micro financing institutions to support installation of solar home lighting and other small solar systems through loans.**

Sir,

In continuation to this Ministry's sanction letter of even number dated 17<sup>th</sup> August 2009 on above mentioned subject. I am directed to convey sanction of the president for the following monitory limits for lending by the participating banks/financial institutions which will be applicable for the purpose of claiming incentives under the above scheme:

The range of no of systems to be financed by the banks per year	3000-6000	6001-12000	12001-20000	Above 20000
Minimum lending amount per year	RS. 3 crores	RS. 6 crores	RS.12 crores	RS. 20 crores

2. The banks are required to submit their proposals, keeping in view the above limits of physical and financial target ranges,

3. This issues in exercise of powers delegated to this Ministry and with the concurrence of IFD dated 09.09.2009 vide their Dy. No. IFD/909/2009 dated 31.08.2009.

Yours faithfully,

(Prem Chand)  
Under Secretary to Government of India  
Phone:24360707/Extn.1023

Copy to:-

1. Principal Director of Audit (Scientific Departments), AGCR Bldg., I.P. Estate, New Delhi – 110 002
2. Chairman, all Rural Banks ( as per list)
3. Secretary, Department of Financial Services, New Delhi
4. Chairman, NABARD
5. AS&FA/All Advisers/ JS (GS) /JS (HK)
6. PS to Minister (NRE)
7. Sr. PPS to Secretary, MNRE Chairman & Managing Director, Indian Renewable Energy Development Agency, August Kranti Bhawan, IIIrd Floor, Bhikaji Cama Palce, New Delhi 110066.
8. Director (Bh)/ Director (AR)/Director (F)/ US (SPV)/ SO (SPV)/SO (F)
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(Prem Chand)  
Under Secretary to Government of India