

**No. 14(03)2014-SHP  
GOVERNMENT OF INDIA  
MINISTRY OF NEW AND RENEWABLE ENERGY  
(Small Hydro Power Division)**

Block No. 14, C.G.O. Complex  
Lodi Road, New Delhi – 110 003.  
Dated : 2<sup>nd</sup> July, 2014.

To


1. Chief Secretaries of State Governments
2. Secretaries of concerned State Government Departments  
(Power/Energy/Non-Conventional Energy/Additional Sources of Energy/S&T etc.)
3. Heads of State Nodal Departments/ Agencies/ Implementing Agencies
4. Chairman of State Electricity Boards/ Transcos/ Gencos etc.
5. Heads of Financial Institutions

**Subject: SMALL HYDRO POWER PROGRAMME (upto 25 MW Capacity) – ADMINISTRATIVE APPROVAL FOR THE YEAR 2014-15 & REMAINING PERIOD OF 12<sup>th</sup> PLAN.**

Sir,

I am directed to convey the sanction of the Government of India for the implementation of Small Hydro Power (SHP) programme (upto 25 MW capacity) during the year 2014-15 & remaining period of 12<sup>th</sup> Plan i.e. upto 31<sup>st</sup> March 2017, with Central Financial Assistance / financial support in the form of grants/ assistance / subsidy in respect of the following schemes / activities:

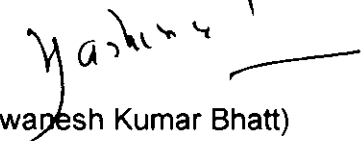
- A) Resource Assessment and Support for Identification of new sites: Scheme to support Identification of new potential SHP sites, preparation of Plan and Detailed Project Report (DPR) including detailed survey & investigation (DSI) for SHP project sites to the Central / State Govt. dept. & agencies/local bodies. Details are given at **Annexure – A**.
- B) Scheme to support for setting up new SHP Projects in the private / co-operative / Joint sector etc. Details are given at **Annexure – B**.
- C) Scheme to support for setting up new SHP Projects in the Government sector. Details are given at **Annexure – C**.
- D) Scheme to support for Renovation and Modernisation of existing SHP projects in the Government sector. Details are given at **Annexure – D**.
- E) Scheme to support for development/upgradation of Water Mills (mechanical/electrical output) and setting up Micro Hydel Projects (upto 100 KW capacity). Details are given at **Annexure – E**.
- F) Research & Development and Human Resource Development: Support to R & D projects, strengthening of technical institutions, setting up of turbine laboratory, business meets, training programmes / courses, fellowships etc., monitoring of SHP projects, consultancy and/or any other activity felt necessary for the SHP development. The financial assistance will be considered for these activities on case to case basis. Details are given at **Annexure – F**.



2. The schemes will be implemented through the State Governments departments, State Electricity Boards, State Nodal Agencies, private developers, Individual Entrepreneurs, Tea Gardens, NGOs, Water Mill associations, Academic and Financial institutions/Banks etc. as indicated under individual schemes, given at **Annexures A to F**. The proposals by the Implementing agencies/developers should be in the format prescribed by this Ministry for individual schemes. Incomplete proposals in any form received by this Ministry will not be entertained.
3. **Monitoring Mechanism:** The implementing agencies will set up a reviewing arrangement to closely monitor the implementation of their projects covered under the programme. The Ministry will also monitor the progress of the projects. The Ministry may also appoint independent consultants/ organizations to monitor the projects.
4. **Payment Terms:** The release of funds under each scheme will be as per the terms and conditions mentioned in the respective schemes and also subject to the general terms and conditions for grants/ assistance of the Government of India. UCs are to be submitted as per the proforma attached with this Administrative Approval.
5. **Budget Provision:** The expenditure on the above schemes of SHP Programme will be met from the budget provisions for the SHP Programme.
6. The aforesaid Programme on Small Hydro Power development is subject to such change(s)/modification(s) as may be decided by the Government of India from time to time and subject to the availability of funds.
7. In case of any ambiguity in these schemes, the decision of the Ministry shall be final.
8. This issues under the delegated powers of the Ministry and with the concurrence of IFD, MNRE vide their Diary No. 1206/JS&FA/14 dated 30<sup>th</sup> May, 2014 and with the approval of the Minister (NRE).

(Hindi Version will follow)

Yours faithfully,

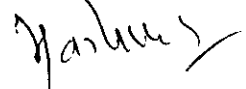
  
(Bhuvanesh Kumar Bhatt)  
Director (SHP)  
Telefax: 011-24368901

Enclosures: As above

F. No. 14(03)2013-SHP

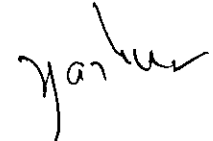
Copy for information & necessary action to the concerned:

1. Financial Institutions (IREDA/REC/ IDBI/PFC/ IFCI/ IDFC etc.)
2. State / Nationalised / Scheduled Banks etc.
3. National Hydro Electric Power Corporation, Faridabad
4. National Thermal Power Corporation, New Delhi
5. Alternate Hydro Energy Centre, IIT Roorkee
6. Other concerned Organisations/Institutions
7. Principal Director of Audit, Scientific Departments, DACR Building, New Delhi-2

  
(Bhuvanesh Kumar Bhatt)  
Director (SHP)

Copy for I/D to:

- i) PS to Minister (NRE)
- ii) PSO to Secretary, MNRE
- iii) PS to JS(AS)/JS(TK), MNRE
- iv) PS to Advisor (NPS)/Advisor (AKD)/Economic Advisor, MNRE
- v) PS to JS & FA / Director (F)/US (F), MNRE
- vi) Advisor (SHP)/ Dir. (BKB)/Dir. (HRK)/Dir.(P&C)/Sci-C(SKS), MNRE
- vii) Director (Tech.), NIC, Computer Cell, MNRE.
- viii) Pay & Accounts Officer, MNRE
- ix) Sanction File/Guard File

  
(Bhuvanesh Kumar Bhatt)  
Director (SHP)

**MINISTRY OF NEW AND RENEWABLE ENERGY  
(Small Hydro Power Division)**

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**SCHEME TO PROVIDE FINANCIAL SUPPORT FOR IDENTIFICATION OF NEW POTENTIAL SHP SITES, PREPARATION OF PLAN AND DETAILED PROJECT REPORT (DPR) UPTO 25 MW CAPACITY, TO THE GOVERNMENT DEPARTMENTS & AGENCIES/LOCAL BODIES.**

The promotion of Small Hydro Power (SHP) continues to be one of the thrust areas for generating grid quality power from renewables. The Ministry of New and Renewable Energy (MNRE) is responsible for the development of SHP upto 25 MW capacity. Identification of new potential sites and systematic detailed survey & investigation of all identified potential sites is a primary, important and critical component for SHP development. Realising the importance of this activity, the Ministry has decided to provide financial support for resource assessment for identification of new potential SHP sites and preparation of DPR at identified project sites. Under the Scheme, the financial support will be provided to the State Govt. dept./agencies/local bodies in the Government sector.

**FINANCIAL SUPPORT FOR IDENTIFICATION OF NEW POTENTIAL SHP SITES AND PREPARATION OF PLAN AND PREPARATION OF DPR:**

1. The Ministry will provide financial support for the overall estimation of potential of SHP projects in a State, identification of new potential SHP sites and for the preparation of Plan for systematic SHP development including environment impact assessment etc., in the State. The Ministry would also support specialised studies for remote / border areas to prepare plans for setting up Micro Hydel Projects (MHPs) in such areas and strengthening of data base for potential SHP sites. These studies will be supported on case to case basis.
2. The financial support of ₹ 6.00 lakh for each project upto 1.00 MW capacity and ₹10.00 lakhs for each project with more than 1.00 MW & upto 25 MW capacity to the State Govt. dept./agencies/local bodies will be provided for preparation of Detailed Project Report (DPR) including detailed survey & investigation (DSI), or actual cost incurred in this regard, whichever is less.

**Eligibility Criteria:**

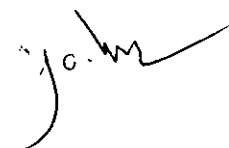
3. The promotional incentives for preparation of DPR are applicable to the Central / State /UT Government dept. & agencies/local bodies in the State/UT.
4. The proposals for DPR will be considered for identified potential SHP sites where pre-feasibility studies have been completed, and the report is enclosed. Financial support will depend on the basis of capacity indicated in the pre-feasibility report (PFR) while applying to the Ministry.

**Procedure for Availing Incentives**

5. The Government Department/SEB/Nodal Agency/local bodies of the States/UTs should submit their proposals, application form (Proforma – A) to the Ministry.

**Pattern of Releases**

6. The financial support would be released as per the following pattern:
  - 50 % of the eligible incentives to be released as advance with the sanction.
  - 50 % of the remaining incentives to be released on receipt of two copies of the approved DPR, submission of UCs for the released funds and actual expenditure as per SOE.



### **Quality and Content of Reports**

7. The DPRs should be in conformity with "Guidelines for Development of Small Hydro-Electric Schemes" as laid down by CEA and/or as per other relevant standards/practices issued by AHEC/CEA/CWC.

8. The DPRs for run-off-river projects are required to actually carry out all types of detailed investigation studies at the project sites including collection of daily discharge data for a period of 18 months inclusive of a minimum period of two lean seasons, after submission of proposal including pre-feasibility report to the Ministry.

9. However, in case the project sites are located at irrigation canals, dam toe etc. where the discharge is generally being measured by the Irrigation or other Govt. organisations on regular basis, the implementing agencies may use the available discharge data of two lean seasons which should have been collected within the preceding five years, in preparation of DPR. Actual measurement of discharge data is exempted in these cases, if not required.

10. DPR shall have provision of release of State Government specified mandatory Environment Flow (minimum flow) throughout the year. In the States where such recommended value does not exist, 15% of average flow of three (3) lean months shall be released at the diversion part as Environment Flow (minimum flow).

### **Miscellaneous**

11. Incomplete proposals in any form will not be entertained.

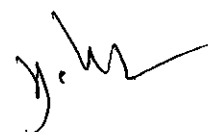
12. The Ministry will examine the proposals and approve the eligible incentives on the basis of overall viability of the proposal, fulfillment of general terms & conditions and availability of funds.

13. The final decision on consideration of the proposals for support rests with the Ministry and they shall be considered subject to their merits, techno-economic viability, availability of funds and general terms & conditions of the Ministry.

14. The Ministry reserves the right to review/revoke the promotional incentives and in case the incentives has already been released, to withhold the incentives and recall the incentives already released to the State/developer in the event of subsequent development coming to the notice of the Ministry which may affect the implementation of project and the State/developer shall be bound by the decision of the Ministry in this regard.

15. The above Scheme will be effective for the financial year 2014-15 & for the remaining period of 12<sup>th</sup> Plan i.e. upto 31<sup>st</sup> March 2017, unless further modified, and will supersede the earlier Scheme in this regard under SHP programme of the Ministry, circulated prior to this Administrative Approval.

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**APPLICATION FORM TO AVAIL FINANCIAL SUPPORT FOR PREPARATION  
OF DETAILED PROJECT REPORT (DPR) UPTO 25 MW CAPACITY  
SHP PROJETS UNDER SHP PROGRAMME**

1. Name of the Organization :
2. Postal Address :
3. Fax No. :
4. Head of the Organization  
Name :  
Designation :
5. Telephone No.  
Office :  
Residence :
6. Name of Project/site :
7. Location (incl. District, State) :
8. Whether grid-connected / Off-grid :  
If grid connected, distance of grid
9. Name & address of the appointed Consultant:
  
10. Cost for Preparation of DPR including DSI :
  
11. Payment terms for the contract :  
a) Advance :  
b) Progressive payment :  
c) After completion and acceptance :
  
12. Duration (in months) :
  
13. Enclosures (please enclose details)

Signature .....

Head of Organization .....

Official Stamp

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Note: The Hard Copy of the application is also to be submitted to **The Ministry of New & Renewable Energy, SHP Division, Block No.14, C.G.O. Complex, Lodhi Road, New Delhi-110003** alongwith the following enclosures :

- i. Two copies of Pre-feasibility Report (PFR).
- ii. The above copies should be duly attested & signed in ink.
- iii. Separate application form alongwith separate enclosures for each proposal.



**MINISTRY OF NEW AND RENEWABLE ENERGY  
(Small Hydro Power Division)**

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**SCHEME FOR FINANCIAL SUPPORT TO SET UP NEW SHP PROJECTS UPTO 25 MW CAPACITY IN THE PRIVATE, CO-OPERATIVE, JOINT SECTOR ETC.**

**FINANCIAL SUPPORT FOR NEW SHP PROJECTS:**

The Ministry of New and Renewable Energy (MNRE) is encouraging setting up of Small Hydro Power (SHP) projects in the private sector, joint sector, co-operative sector, etc. The Ministry will provide financial support for the new SHP projects up to 25 MW capacity.

2. The financial support would be released in two installments. The first installment of 50% of financial support is proposed to be released to the financial institution/bank, after placement of order for electro-mechanical equipment and disbursement of 50% loan during execution of the project and the balance 50% of financial support after successful commissioning of project, commercial generation & performance testing. In case a project is set up by a developer (such as tea garden, captive power projects etc.) fully through its own financial resources, the total financial support will be released directly to him after successful commissioning of the project & performance testing.

3. The quantum of financial support will be independent of the term loan and will be limited to the amount indicated below:

Category	Above 0.1 MW - 25 MW
<b>N E Region, J &amp; K, H.P. &amp; Uttarakhand</b> (Special Category States)	<b>₹ 1.5 crore/ MW limited to ₹ 5.00 crore per project</b>
<b>Other States</b>	<b>₹ 1.0 crore/ MW limited to ₹ 5.00 crore per project</b>

4. The Project developers / owners are required to contribute a minimum of 50% of approved project cost (Loan + Equity).

**Eligibility Criteria:**

5. The SHP projects upto 25 MW capacity taken up in the private sector, joint sector, cooperative sector, etc., are eligible for financial support under the scheme. This is subject to the following:

- (i) The request on application form alongwith documentary proof, for the grant of financial support for SHP project, complete in all respect from the developer should be submitted to the Ministry within six months from the commencement of project work at the site or within six months from the date of first disbursement of loan from the Financial Institution / Bank whichever is earlier.
- (ii) The financial institutions (FIs) such as IREDA, PFC, REC, IDBI, IDFC, ICICI, IFCI, and State / Nationalised / Scheduled Banks, controlled / governed by the RBI, or any other FI / Bank as may be acceptable to the Ministry from time to time, shall be eligible under the Scheme.
- (iii) Defaulter in repayment of loan will not be eligible for financial support.
- (iv) The projects where the existing capacity has been enhanced/ uprated by adding more new units after obtaining the specific approval of the competent authorities will also be eligible for financial support limited to the new additional units only.



6. The SHP projects where construction work had commenced on or before 31<sup>st</sup> March, 2013, the amount of financial support would be decided as per SHP scheme 2009-10 as was circulated vide this Ministry's letter no. 14 (1) / 2008-SHP dated 11<sup>th</sup> Dec, 2009 and continued upto year 2012-13.

7. The SHP projects where the project has commenced on or after 1<sup>st</sup> April 2013 with intimation to this Ministry will be given subsidy as per this Scheme.

#### **Procedure to Avail Subsidy**

8. The developers intending to avail financial support, are required to submit the request on application form (Proforma B-I) alongwith the following enclosures directly to the Ministry:

- i) Detailed Project Report.
- ii) Copy of Allotment letter from the State Govt./Agency.
- iii) Copy of MOU with State Govt.
- iv) Copy of the Power Purchase Agreement.
- v) Scheduled date of commencement of works.
- vi) Scheduled date of completion of project.
- vii) Expected monthly and annual generation as per approved DPR.
- viii) Copy of the loan sanction letter of the FI / bank.
- ix) Copy of the loan agreement between the FI / bank and the developer.
- x) Copy of the loan installment release letter /certificate.

9. If the total cost of project is fully met/borne by a developer through its own financial resources, the details mentioned at (viii), (ix) & (x) of para 8 above will not be applicable.

10. A copy of the application should also be submitted to the concerned FI / bank and to the State Govt. dept./agency which has allotted the project.

11. The State Govt. dept./agency will forward their recommendations & verifications on the details given in the application with respect to the allotment of project alongwith present progress & expected date of commissioning.

12. The FIs / banks will forward their recommendations & verifications on the details given in the application, present & proposed financial disbursement and a copy of their loan appraisal report duly filled application with form (Proforma B-II).

13. In case more than one FI / bank is providing term loan for a project, the lead FI / bank will co-ordinate with the Ministry for the financial support proposal on behalf of other FIs / banks also and will operate the scheme for financial support.

14. At the time of applying for financial support, the developer would clearly & carefully indicate the proposed dates of successful completion of the project and commencement of commercial generation.

15. After completion of the project and performance guarantee tests, the developer would ensure physical inspection/testing & certification of performance of the project from AHEC-IIT Roorkee and/or any other organization as decided by the Ministry.

- a. Projects with installed capacity of 1 MW and below will only be subjected to physical inspection relating to proper installation and commissioning in order to determine the rated capacity and generation at rated load with 10% overloading for grid connected or load as available for off grid connecting.
- b. Projects with installed capacity above 1 MW would be subjected to full testing and Certification of performance.





16. The Ministry will examine the request and will issue "in-principle" approval subject to fulfilling of all eligibility conditions for the grant of financial support with intimation to the Integrated Finance Division (IFD) of this Ministry for the project as per scheme and the FI / bank & developer will also be informed accordingly.

**Sanction of Subsidy and Release of Funds**

17. The Ministry will examine the proposal and approve grant of financial support on the basis of overall viability of the proposal, fulfillment of general terms & conditions and availability of funds.

18. First installment of 50% of the sanctioned financial support would be considered for release, as advance, to the FI / Bank during the execution of the project, subject to the following conditions:

- i) After placement of order for electro-mechanical equipment.
- ii) After disbursement of 50% of the sanctioned loan by the FIs/Banks.
- iii) On submission of bank guarantee and
- iv) Subject to fulfillment of other conditions, as required.

19. The irrevocable Bank Guarantee (BG) should be submitted to the Ministry for the release of 50% of eligible financial support as advance during the execution of project. The period of BG should be valid till the project is actually commissioned and the next installment of balance funds are also released by the Ministry. Further, the BG should not be encashed without the prior approval of the Ministry. In case of any default conditions in completion/commissioning of project, the Ministry would have full authority to encash the BG without any notice to the developer. BG is further subject to terms and conditions as per Government of India rules.

20. Balance 50% of the sanctioned financial support would be released to the FI / Bank, after commissioning, commercial generation & testing of project.

21. The release of first installment of 50% of sanctioned financial support will be optional to the developers. Alternatively, total financial support would be released after successful commissioning, commercial generation and testing of project.

**Pattern of Releases**

22. Eligible financial support will be released in two installments as per the following pattern:

1 <sup>st</sup> Installment (Optional)	Release as advance on award of E&M works, 50% loan disbursement, achieving 50% progress and submission of physical & financial progress reports, photographs, Audited Statement of Expenditure. The fund will be released only on receipt of Bank Guarantee for proposed release of funds.	<b>50%</b>
2 <sup>nd</sup> Installment	On the successful commissioning of the project and on Receipt of: <ul style="list-style-type: none"> <li>i. Completion Report</li> <li>ii. Utilization Certificate</li> <li>iii. Generation data,</li> <li>iv. Audited Statement of Expenditure (based on actual expenditure on the project etc.)</li> <li>v. Performance testing for projects above 1 MW.</li> <li>vi. Physical inspection report for the projects of 1MW and below</li> <li>vii. 80% of generation for the corresponding months as envisaged in the DPR for a minimum of three consecutive months</li> </ul> <p style="text-align: center;">OR</p> 80% cumulative annual generation for one year as envisaged in the DPR	<b>50%</b>

## **Release of Financial Support**

23. The developer would inform the Ministry about placement of orders for electro-mechanical equipment, disbursement of 50% of term loan & achievement of 50% progress on the project to consider for release of first installment of financial support. For release of second installment of financial support, the developer would further inform the Ministry of successful completion of the project, fulfillment of performance guarantee tests/ testing & certification of performance, physical inspection of the project and the commencement of commercial generation.

24. The developer would send monthly generation report to the Ministry after start of commercial generation till the time the project attains 80% of the quantum of generation for the corresponding months as envisaged in the DPR for a minimum of three consecutive months or 80% annual cumulative generation whichever is applicable. The developer would also provide proof of energy generation such as certificate from SEB/Power Transmission Corporation/Company etc. regarding purchase/wheeling of power. In case of grid failure, the documentary proof from the SEB/Power Transmission Corp./Company/Utility should be attached.

25. At this stage, the FI would submit a certificate to the Ministry that the project is not a "non performing asset" (NPA) and the developer is not a defaulter. In case, the developer is a defaulter/NPA as per the FI norm, he will not be eligible for the financial support.

26. After being satisfied regarding power generation as per clause 24 above, the Ministry would release the financial support to the financial institutions/banks, subject to availability of funds.

27. The financial institution/bank would adjust the amount as deemed fit, after receipt of the financial support. The FI/bank will not charge any pre-payment penalty, if any, from the developer for this amount.

28. After utilisation of the financial support as pre-payment, the FI would immediately submit utilisation certificate as per format (Performa - P) to the Ministry.

29. A grace period of 12 months will be available for the commissioning of project from the original schedule date of commissioning as indicated by the developer in his application due to natural calamities and /or any other unforeseen reasons for delays during execution of project. For any further delay, the financial support would be reduced @ 5% for every quarter delay in commissioning of the project. The developers should regularly inform the Ministry if the project is getting delayed alongwith detailed reasons.

30. The projects which could not complete or commission within scheduled period due to exceptional / inordinate delays in completion of allied structures of the projects, by other Government departments or agencies such as SEB, Irrigations, PWD or contractual problems / under litigation etc. would be considered on merits of the case which otherwise would have been commissioned as per schedule, on receipt of specific representation with documentary proof from the developer and verification from the concerned State authorities.

## **Miscellaneous**

31. Incomplete proposals in any form and without requisite documents will not be entertained in the Ministry.

32. In case the financial support is not adjusted against loan of the developer by the FIs / Banks within three months from the date of release of financial support by the Ministry, the FI / Bank will be required to pay interest on the amount @ 10% per annum, to the Ministry.

33. Contracts for electro-mechanical works should be decided through competitive bidding process. The procurement of SHP equipment should be made as per the following provisions. This must be ensured by the FI / bank:

- The bidder must be a turbine manufacturer, or his authorised representative, who has designed, manufactured, supplied, erected and commissioned hydro generating units of similar type and capacity. He can also be a turnkey contractor with experience of similar SHP works.



- The equipment supplied must conform to relevant International/ National codes of practice/AHEC issued standards/guidelines/manuals including the following standards:

Equipment	Standard
Turbines and generator (rotating electrical machines)	IEC 34 – 1 : 1983 IEC 61366-1 : 1998 IEC 61116-1992 IS : 4722-2001 IS 12800 (part 3) 1991
Governing system for hydraulic turbines	IEC 60308
Transformers	IS 3156 – 1992 IS 2705 – 1992 IS 2026 - 1983
Inlet valves for hydro power stations & systems	IS 7326 - 1902


- Generating equipment is also required to have 10% overloading capacity.

34. The tender document must clearly specify the standard clauses of minimum functional efficiency of the units (60% weighted average efficiency of TG units upto 100 KW and 75% weighted average efficiency of TG units above 100 KW capacity), evaluation criteria based on loading on the basis of efficiency variations etc., ensuring quality of the equipments as per prevailing Indian/International standards and provisions for type tests & field tests for the purpose of acceptance of the equipments. The tender document must also contain sufficient penalty and guarantee clauses.

35. The Ministry reserves the right to review/revoke the financial support and in case the financial support has already been released to withhold the financial support and recall the financial support already released to the developer in the event of subsequent developments coming to the notice of the Ministry which may affect the project and the FI / Bank / developer shall be bound by the decision of the Ministry in this regard.

36. The above scheme will be effective for the financial year 2014-15 & remaining period of the 12<sup>th</sup> Plan i.e. upto 31<sup>st</sup> March 2017, unless further modified, and will supersedes the earlier scheme in this regard under SHP programme of the Ministry, circulated prior to this Administrative Approval. However, the scheme will be effective for projects taken up on or after 1<sup>st</sup> April, 2013 under intimation to the Ministry as mentioned in Para-7 above (page no. 8).

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**APPLICATION FORM FOR THE DEVELOPER/OWNER**

**TO AVAIL FINANCIAL SUPPORT FOR SETTING UP NEW SHP PROJECTS UPTO 25 MW  
CAPACITY IN THE PRIVATE, CO-OPERATIVE, JT. SECTOR ETC.  
UNDER SHP PROGRAMME**

**A. GENERAL**

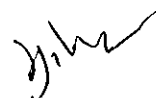
1. Name of the project with location details :
2. Name of the Developer with address and contact details :
3. Constitution of the Organisation :  
(Private sector/joint sector/ public sector/ co-operative etc.)

**B. PROJECT PROFILE**

4. Name of river :
5. Geographic Coordinates :
6. Capacity in MW :
7. Number of units and size :
8. Design Head in meter :
9. Design discharge in Cumecs :
10. Estimate Cost of the project :  
( with break-up of Civil, E&M , Others)
11. Project month wise Energy Generation :  
(Indicate reference page no. of DPR)
12. Generation cost Rs./KWH :
13. Implementation Schedule :
  - (i) Date of commencement of work/date of financial closer :
  - (ii) Scheduled date of completion of the project :
  - (iii) Commencement of commercial generation :
14. Whether grid-connected :Yes / No
15. Whether electricity is proposed to be utilised for :  
captive consumption or for selling to third party/SEB

(To be signed by Authorised signatory)

Dated: \_\_\_\_\_



The application may be submitted to the Ministry through e-mail ([shp-mnre@nic.in](mailto:shp-mnre@nic.in) ). However, the hard copy of the application should also to be submitted to **The Ministry of New & Renewable Energy, SHP Division, Block No.14, C.G.O. Complex, Lodhi Road, New Delhi-110003** alongwith the following enclosures :

- I. Two copies of recent DPR conforming to the CEA/CWC guidelines.
- II. Copy of the letter of allotment of SHP site to the developer from the State Govt./ Agency.
- III. Copy of MOU between State Govt. and the developer for setting up of project.
- IV. Copy of the Implementation Agreement with State..
- V. Copy of the PPA etc. In case the proposal is for captive consumption of power, the details of captive requirement of power alongwith agreement with SEB/State utility for wheeling, banking etc. is to be submitted. In case of third party sale of power, a copy of the long term agreement on stamped paper for buy back along with the tariff agreement with SEB/State utility for wheeling, banking etc. is to be submitted.

(To be signed by authorised signatory)

Dated: \_\_\_\_\_



**APPLICATION FORM FOR FINANCIAL INSTITUTIONS**

**TO AVAIL SUBSIDY FOR SETTING UP NEW SHP PROJECTS UPTO 25 MW CAPACITY IN  
THE PRIVATE, CO-OPERATIVE, JT. SECTOR  
UNDER THE SHP PROGRAMME**

1. Name of the F.I./Bank alongwith complete address,  
Telephone No., Fax No., etc.
2. Name of contact person:
3. Name of the Project & Location for which subsidy is requested
4. Total project cost:
5. Term loan approved:
6. Conditions of loan (copy of approval letter to be enclosed)
  - expected schedule for release of loans :
  - Interest rate :
  - Moratorium :
  - Repayment period :
  - Security :
  - Any other :
7. Other term loans, if any, proposed to be taken from any other  
financial institution alongwith terms

(To be signed by authorised signatory)

Dated: \_\_\_\_\_



**MINISTRY OF NEW AND RENEWABLE ENERGY  
(Small Hydro Power Division)**

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**SUBSIDY SCHEME FOR FINANCIAL SUPPORT TO SET UP NEW SHP PROJECTS UPTO 25 MW STATION CAPACITY IN THE GOVERNMENT / STATE SECTOR****FINANCIAL SUPPORT FOR NEW SHP PROJECTS**

In order to promote development of Small Hydro Power projects in the Government sector, the Ministry will provide subsidy for setting up new SHP projects upto 25 MW station capacity to the Government departments / agencies / State Electricity Boards (SEB)/local bodies, etc. The quantum of financial support will be extended as per the following details:

Areas	Above 100 KW & upto 1000 KW	Above 1 MW & upto 25 MW
N. E. States, J & K, H.P. & Uttarakhand (Special Category States)	₹ 75,000 per KW.	₹ 7.5 Crores / MW limited to ₹20 crore per project.
Other States	₹ 35,000 per KW.	₹ 3.5 Crores / MW limited to ₹20 crore per project.

2. A minimum of 10% of the total project cost is required to be borne by the State implementing agency or the owner of the project.

3. The financial support for setting up micro hydel projects upto 100 KW capacity would be eligible under the scheme as per Annexure – E.

**Eligibility Criteria :**

4. The financial support would be provided for setting up new SHP projects taken up in the Government /State / Public Sector by the Government departments/agencies/SEBs/local bodies, etc. which are declared as State nodal dept./agency by the State Govt. & made responsible for SHP development in the State/UT or the owner of the proposed SHP project.

5. The projects where the existing capacity has been enhanced/ uprated by adding more new units after obtaining the specific approval of competent authorities will also be eligible for financial support limited to the new additional units only.

**Procedure to Avail Subsidy**

6. The Government departments/agencies/SEBs intending to avail financial support for setting up new SHP projects are required to submit the proposal on application form (Performa-C) alongwith the following documents:

- Two copies of approved DPR (not more than two year old from date of submission of application form) conforming to the MNRE/AHEC/CEA/CWC/AHEC guidelines covering various aspects of project implementation and based on recent/present cost estimates.
- Approval from the State Government or any other concerned competent authority (as the case may be) for the implementation of the project, mainly for capacity & total cost of project.
- Commitment to meet the balance cost of the project over & above the proposed financial support, with details of provisions made in the State Plan of the State Govt. or any other concerned competent authority (as the case may be) and/or financial tie-up with financial institutions/banks, if any, documentary proof.

- iv) A copy of the detailed implementation schedule of the project.
- v) Copies of Statutory clearances, as applicable:
- ◆ Clearance from Irrigation Department,
  - ◆ Clearance from the State Electricity Board/Power Department/State Agency
  - ◆ Environmental clearance
  - ◆ Forest clearance
  - ◆ Any other statutory clearance
- vi) Proof for availability of required land for the project and its acquisition & physical possession before the start of project execution, as applicable.

### **Sanction of Subsidy and Release of Funds**

7. The Ministry will examine the proposal and approve grant of financial support on the basis of overall viability of the proposal, fulfillment of general terms & conditions and availability of funds.

8. The eligible financial support shall be released directly to the concerned Government Implementing Agency.

### **Pattern of Releases**

9. Eligible financial support will be released in four installments as per the following pattern: -

1 <sup>st</sup> Installment	Award of Work Orders & signing of Contract Agreement with submission of copies as documentary proof.	<b>25%</b>
2 <sup>nd</sup> Installment	Progressive release on achieving 25% progress and submission of physical & financial progress reports, Statement of Expenditure (SOE), Utilisation Certificate (UC) for released funds & photographs.	<b>30%</b>
3 <sup>rd</sup> Installment	Progressive release on achieving 50% progress and submission of physical & financial progress reports, SOE, UC for released funds & photographs.	<b>35%</b>
4 <sup>th</sup> Installment	Submission of 'Completion Report' with SOE, UC, generation data, audited accounts statement based on actual total expenditure on the project etc. after successful commissioning of project, six months generation data.	<b>10%</b>

10. Release of funds will also depend upon the contribution from the implementing agency towards actual expenditure on the project, which should be in proportion to the funds released by the Ministry for the project.

### **Miscellaneous**

11. Incomplete proposals in any form and without requisite documents as per the scheme will not be entertained.

12. Contracts for civil and electro-mechanical works should be decided through competitive bidding process. Wherever the civil works are carried out departmentally, it should be done strictly as per Central / State Govt. procedures. The procurement of SHP equipment should be made as per the following provisions. This must be ensured by the Implementing Agency:

- The bidder must be a turbine manufacturer, or his authorised representative, who has designed, manufactured, supplied, erected and commissioned hydro generating units of similar type and capacity. He can also be a turnkey contractor with experience of similar SHP works.



- The equipment supplied must conform to relevant International / National codes of practice /AHEC-IITR issued standards/guidelines/manuals including the following standards:

Equipment	Standard
Turbines and generator (rotating electrical machines)	IEC 34 – 1 : 1983 IEC 61366-1 : 1998 IEC 61116-1992 IS : 4722-2001 IS 12800 (part 3) 1991
Governing system for hydraulic turbines	IEC 60308
Transformers	IS 3156 – 1992 IS 2705 – 1992 IS 2026 - 1983
Inlet valves for hydro power stations & systems	IS 7326 - 1902

- Generating equipment is also required to have 10% overloading capacity.

13. The tender document must clearly specify the standard clauses of minimum functional efficiency of the units (60% weighted average efficiency of TG units upto 100 KW and 75% weighted average efficiency of TG units above 100 KW capacity), evaluation criteria based on loading on the basis of efficiency variations etc., ensuring quality of the equipments as per prevailing Indian/International standards and provisions for type tests & field tests for the purpose of acceptance of the equipments. The tender document must also contain sufficient penalty and guarantee clauses.

14. If the Work Order for civil and E&M works is not placed within 18 months from sanction of financial support for the project without any valid reason, the Ministry will be at liberty to cancel the financial support and recover the released amount with interest thereon @ 10% per annum.

15. The projects should be completed within a period of five (5) years from the date of award of contract unless extended by Competent Authority/Secretary, MNRE based on justified reasons and subject to the achievement of more than 70% physical (aggregate) & financial progress on the project. However, "NO" Extension will be considered beyond seven years. The implementation organization must apply for extension of project duration well before the expiry of project duration. Further, if the implementing organization fails to complete the project within the approved project duration (including extended project duration) the sanctioned financial support may be either restricted to the released funds only or the released amount of financial support could be recalled along with interest as applicable depending on the merit of case.

16. The Ministry reserves the right to review/revoke the financial support and in case the financial support has already been released to withhold the same and/or recall already released to the in the event of subsequent developments coming to the notice of the Ministry which may affect the project and the State Implementing agency shall be bound by the decision of the Ministry in this regard.

17. The final decision on consideration of the project for providing financial support to a SHP project rests with the Ministry and the proposals shall be considered subject to their merits, techno-economic viability and availability of funds.

18. The above scheme will be effective for the financial year 2014-15 & the remaining period of the 12<sup>th</sup> Plan i.e. upto 31<sup>st</sup> March 2017, unless further modified and supersedes the earlier scheme in this regard under SHP programme of the Ministry, circulated prior to this Administrative Approval.

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**APPLICATION FORM TO AVAIL FINANCIAL SUPPORT FOR SETTING UP  
NEW SHP PROJECTS UPTO 25 MW STATION CAPACITY IN THE  
GOVERNMENT SECTOR UNDER SHP PROGRAMME**

1. Name of the Organisation :
2. Postal Address :
3. Fax No. :
4. Email Address :
5. Name of Head with :  
Designation
6. Telephone/Mobile :
7. Name of Project :
8. Rated :
  - i) Capacity
  - ii) Head
  - iii) Discharge
  - iv) Generation
9. Name of the river/stream/dam/canal :
10. Location (incl. District, State) :
11. Whether grid-connected; and the :  
distance of grid
12. Estimated cost of the project (Rs. in lakhs) :
  - a) Total
  - b) Civil Works
  - c) E&M Works
  - d) T&D
  - e) Other
13. Means of financing :
  - a) MNRE support
  - b) Loans
  - c) Other sources
14. Amount of Capital subsidy requested :
15. Project Duration (in months) :

It is certified that the organization will implement the project as per guidelines/ terms & conditions envisaged in the SHP scheme circulated vide letter No. 14/3/2014-SHP dated 02.07.2014.

Date: \_\_\_\_\_

(To be signed by authorised signatory)



**MINISTRY OF NEW AND RENEWABLE ENERGY  
(Small Hydro Power Division)**

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**SCHEME TO PROVIDE FINANCIAL SUPPORT FOR RENOVATION AND MODERNISATION OF EXISTING SHP PROJECTS UPTO 25 MW CAPACITY IN THE GOVERNMENT / STATE SECTOR**

**FINANCIAL SUPPORT FOR R & M WORKS:**

The Ministry will provide financial support for renovation and modernisation of existing Small Hydro Power projects upto 25 MW station capacity set up in the Government sector. The quantum of support will be extended as per the following details:

Areas	Upto 1000 KW	Above 1 MW & upto 25 MW
All States & UTs	₹ 10,000 per KW	₹ 1.00 crore/ MW limited to ₹10.00 crores per project

2. A minimum of 50% of the total project cost is required to be borne/ met by the Central / State Implementing Agency or the owner of the project.

**Eligibility Criteria:**

3. The scheme will be applicable for Renovation & Modernisation of existing SHP projects upto 25 MW capacity which were commissioned atleast seven years prior to the date of submission of the proposal to the Ministry.

4. All the proposals received earlier from the Government dept. / agencies / SEBs etc. for Renovation & Modernisation of existing SHP projects and could not be considered / processed for grant of eligible financial support due to either non-availability of SHP scheme or otherwise, would be eligible for financial support as per present scheme subject to fulfillment of other terms & conditions.

5. The projects where the existing capacity has been enhanced/uprated with Renovation & Modernisation by adding more new units after obtaining the specific approval of the competent authorities, will also be eligible for financial support as per above support.

**Other Criteria:**

6. The past performance of the station w.r.t. DPR performance projections and factors which have led to the lower generation / non-functioning of the plant shall be kept as the guiding factor in selection of the R & M projects.

7. Costs involved in renovation & modernisation and the benefits thereof would be a major consideration in supporting the project. The costs should be optimised with expected generation from the project. This would also form basis for determining the quantum of R & M works and financial support under the scheme. The support will be linked to factors such as additional capacity proposed to be installed and raising equipment performance in terms of PLF etc.

8. Improved and effective institutional support for the project will be essential criteria in supporting the projects.

9. The replacement of minor items which could otherwise be covered under the routine and preventive maintenance of SHP project shall not be covered under this scheme.

**Procedure for Availing Financial Support:**

10. The State Government Departments/Agencies/SEBs/Local Government Body etc. interested in renovation & modernisation of existing SHP projects and intending to avail the financial support from the Ministry, should apply on application form (Proforma-D) alongwith Project Report for proposed R&M works and other supporting documents.

11. The R&M project report should contain brief history of the project, technical details of the project, unit-wise annual generation data since commissioning, details of forced outages, modifications/replacement works undertaken earlier, problems being encountered and the reasons for poor performance. The report should also indicate the nature & scope of the R&M works involved, cost estimates and the cost benefit analysis.

12. If required, a joint team consisting of representatives of the Ministry, State Government/agency & equipment manufacture/supplier and concerned experts will visit the SHP project to make a detailed assessment of the proposed works and the financial requirements thereof.

13. The implementing agency will then firm up the cost estimates of the identified works. A firm time schedule will be worked out to complete the work. The proposed R&M works should be completed within the sanctioned period. The Ministry will issue sanction for the project based on firm costs and time schedule envisaged for the works.

**Pattern of Releases:**

14. Eligible financial support will be released for R & M works of the existing SHP projects, in three installments as per the following pattern: -

1 <sup>st</sup> Installment	Award of Work Orders & signing of contract agreement with submission of copies as proof	25%
2 <sup>nd</sup> Installment	Progressive release on achieving 25% progress and submission of physical & financial progress reports, SOE, UC for released funds & photographs.	25%
3 <sup>rd</sup> Installment	Progressive release on achieving 50% progress and submission of physical & financial progress reports, SOE, UC for released funds & photographs.	40%
4 <sup>th</sup> Installment	Submission of 'Completion Report' with SOE, UC, generation data, audited accounts statement based on actual total expenditure on the project etc. after successful commissioning of project, Six months generation.	10%

**Miscellaneous:**

15. Release of funds will depend upon the contribution from the implementing agency towards actual expenditure on the project, which should be in proportion to the funds released by the Ministry on the project.

16. In case some parts from one unit have been cannibalised to other units, replacement of such parts will not be covered under the R&M scheme and the States will have to replace such parts from State resources. After R&M, implementing agency will have to provide necessary funds for routine maintenance of the project and ensure proper maintenance.

17. If the Work Order for civil and E&M works is not placed within 18 months from sanction of financial support for the project without any valid & justified reasons, the Ministry will be at liberty to cancel the financial support and recover the released amount with interest thereon @ 10% per annum.

18. The R&M work on the projects should be completed within a period of three (3) years from the date of award of contract unless extended by Competent Authority/Secretary, MNRE based on justified reasons and subject to the achievement of more than 70% physical (aggregate) & financial progress on the project. However, "NO" Extension will be considered beyond five years. The implementation organization must apply for extension of project duration well before the expiry of project duration. Further, if the implementing organization is fail to complete the project within the approved project duration (including extended project duration) the sanctioned financial support may be either restricted to the released funds only or the released amount of financial support could be recalled along with interest as applicable depending on the merit of case.



19. The Ministry reserves the right to review/revoke the support and in case the support has already been released to withhold the support and recall the support already released to the implementing agency in the event of subsequent developments coming to the notice of the Ministry which may affect the project and the State shall be bound by the decision of the Ministry in this regard.

20. The final decision on consideration of the project for providing financial support rests with the Ministry and the proposals shall be considered subject to their merits, techno-economic viability and availability of funds.

21. The above scheme will be effective for the financial year 2014-15 & the remaining period of the 12<sup>th</sup> Plan i.e. upto 31<sup>st</sup> March 2017, unless further modified and supersedes earlier scheme in this regard under SHP programme of the Ministry, circulated prior to this Administrative Approval.

\* \* \* \* \*

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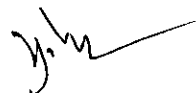
**APPLICATION FORM TO AVAIL FINANCIAL SUPPORT FOR RENOVATION,  
MODERNISATION AND CAPACITY UPRATING OF EXISTING SHP PROJECTS UPTO 25 MW  
CAPACITY IN THE GOVERNMENT SECTOR**

1. Name of the Organisation :
2. Postal Address :
3. Fax No. :
4. Email address :
5. Name of Chief Executive with Designation :
6. Telephone No.:
  - Office :
  - Residence :
7. Name of Power Station and installed capacity :
8. Location (incl. District, State) :
9. Date of commissioning :
10. Plant Load Factor for last 3 year :
11. Plant Availability Factor for last 3 year :
12. Estimated cost of the R&M works:
  - a) Total
  - b) Civil Works
  - c) E&M Works
  - d) Other
13. Means of financing :
  - a) State funds/Own resources
  - b) Loans
  - c) Other sources
14. Completion Schedule (in months) :
15. Enclosures
  - a) Two copies of the project report.
  - b) Copies of all necessary statutory clearances.
  - c) Recommendations of concerned State Govt.
  - d) Commitment for matching funds including financial tie up.

It is certified that the organization will implement the project as per guidelines/ terms & conditions envisaged in the SHP scheme circulated vide letter No. 14/3/2014-SHP dated 02.07.2014.

(To be signed by authorised signatory)

Date:.....



**MINISTRY OF NEW AND RENEWABLE ENERGY  
(Small Hydro Power Division)**

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**SCHEME TO PROVIDE FINANCIAL SUPPORT FOR DEVELOPMENT/UPGRADATION OF WATERMILLS AND SETTING UP OF MICRO HYDEL PROJECTS UPTO 100 kW CAPACITY TO STATE GOVERNMENT DEPARTMENTS/STATE NODAL AGENCIES/LOCAL BODIES/CO-OPERATIVES/NGOs/TEA GARDEN & INDIVIDUAL ENTERPREUNERS.**

The Watermills (WM) and Micro Hydel Projects (MHP) have the potential to meet the power requirements of remote areas in a decentralized manner. To encourage and accelerate the development of Water mills and Micro Hydel Projects in the remote & hilly areas, it is proposed to provide Central Financial Assistance (CFA) during 2014-15 and the remaining period of the 12<sup>th</sup> Five Year Plan as per details given below:

**Central Financial Assistance for Watermills and Micro Hydel Projects:**

The amount of CFA will be provided as per following details: -

**(a) Watermills:**

S. No.	Category of Watermill	Amount of CFA
1.	Mechanical output only	₹ 50,000/- per Watermill
2.	a) Electrical output (up to 5 kW) or b) Both mechanical and electrical output (up to 5 kW)	₹ 1,50,000/- per Watermill

**(b) Micro Hydel Projects up to 100 kW Capacity:**

S. No.	Areas	Amount of CFA
1	All states	₹1,25,000/- per kW

Note: A minimum contribution of 10% of project cost should be met by the beneficiaries/project owners.

**Survey & Investigation Studies / new technology/ training programmes**

2. Specialized studies / survey to prepare plans for setting up water mills / micro hydel projects and strengthening of data base for potential sites and develop them in clusters will be supported on case to case basis. The survey studies should be carried out preferably district wise and simultaneously for both watermills and micro hydel projects. North Eastern and other Border States would be encouraged to take up such studies on priority. The Ministry will also provide financial support for the project proposed with new technology for turbine (ultra low head, kinetic etc), generator (permanent magnet and controls (including automation). However, the same will be considered on merit basis on the recommendation of the committee formed by MNRE. The Ministry would also give financial support for training / capacity building, etc under the programmes.

**Incentive to SNA:**

3. In addition to the above CFA, an incentive of ₹5,000/- per watermill in mechanical mode, ₹15,000/- per watermill in electrical / electrical & mechanical mode and 1% of the subsidy or a minimum of ₹ 25,000/- for each micro hydel project will be provided to the State Nodal Agency as service charges, in case the SNA is not the owner of the WM / MHP. In case watermill / micro hydel project is being implemented by NGO, the service charges will be shared between SNA and local bodies/ Co-operatives / NGOs in the ratio of 50:50.

### **Eligibility Criteria:**

4. The CFA for watermills and micro hydel projects under the Scheme is applicable for the projects to be implemented by the State Government Department / State Nodal Agency/ local bodies/ Co-operatives / NGOs/Tea Garden & Individual Entrepreneurs. Ministry will also consider implementing the WM programme through Channel Partners appointed by the State Government/State Nodal Agency/Deptt./MNRE.

### **Watermill Development Centre :**

5. There is huge potential for development of Watermills in Uttarakhand, Himachal and Jammu & Kashmir. But due to lack of awareness, the pace of implementation has been very slow. With a view to create awareness and onsite training to Watermill owners, entrepreneurs on developed Watermills, Micro Hydel Projects and also to help creating after sales service in this sector, it is proposed that two Water Mill Development Centres be established in the state of Uttarakhand and Arunachal Pradesh. The proposed centres will cater to the need of the states of Uttarakhand, Himachal, Jammu & Kashmir and would also help the North Eastern States also to develop their watermill and Micro Hydel Projects programmes. The Centre will also develop and promote ultra low head & low head turbine technologies.

6. The Centre will be developed in coordination with reputed local NGOs engaged in training and Development of Watermills capacity building programme etc., the AHEC, IIT Roorkee and concern SNAs may also be involved as a technical partner for the center. The Centre will also act as monitoring cell for the WM and MHP system. The Ministry will provide fund for establishment of the Centre including staff support/ financial assistance for conducting training courses and monitoring of WMs & MHPs, etc.

### **Procedure for Availing CFA**

#### **(a) Watermills:**

7. The State Government Departments or State Nodal Agency should assess the potential for development / upgradation of watermills in their states. Based on the assessment of potential and willingness of the watermill owners to install new watermills and/or upgrade the existing watermills, the request should be submitted by them to the Ministry for allocation of targets.

8. Based on the demand received from State Government Departments/ State Nodal Agency, the Ministry will allocate the target of watermills to the concerned States SNDs/ SNAs. Ministry may also consider the allocation of target to local bodies/ Co-operatives / NGOs etc., on the recommendation of State Government Departments/ State Nodal Agency.

#### **(b) Micro Hydel Projects:**

9. The State Government departments / State Nodal Agencies, Local bodies, Co-operatives, NGOs & Individual Entrepreneurs intending to avail CFA are required to submit the application as per enclosed format alongwith the following documents:

- i) Two copies of Project Report covering various aspects of project implementation, completion schedule, O&M and cost estimates.
- ii) State Government approval for the implementation of the project (including statutory clearances as applicable, if any).
- iii) Commitment of funds to meet the balance project cost.
- iv) Proof of land availability required for the project.





### **Sanction and Release of CFA**

10. The Ministry will examine the proposal and approve grant of eligible CFA on the basis of overall technical viability of the proposal, its socio-economic benefits and availability of funds.

11. The subsidy shall be released through the concerned State Nodal Agency of the State.

### **Pattern of Releases**

12. CFA will be released in installments as per the following pattern:

#### **(a) Watermills -**

Release of CFA on allocation of target as advance	: 50%
Release of remaining CFA after installation of watermills and submission of their completion report with utilization certificate of the previous release	: 50%

#### **(b) Micro Hydel Projects \*:**

Release of CFA alongwith sanction as advance	: 25%
Release of CFA on achievement of 25% of physical progress and after placement of order for equipment & submission of their physical/financial progress reports, photographs, utilization certificate & SOE on project cost.	: 65%
After successful commissioning of the project and submission of generation report of three months verified by State Nodal Department/SNA or any other organization engaged by MNRE and submission of completion report, photographs, utilization certificate & audited SOE of total project cost.	: 10%

\* For individual entrepreneurs the subsidy will be considered for release on submission of Bank Guarantee or will be released on successful commissioning of the Project, provided all other conditions for release of subsidy are also fulfilled as per this scheme.

### **Project Duration**

13. The watermills must be completed within one year from the date of release of first installment failing which the released amount will be refunded to the Ministry along-with interest accrued on CFA.

14. The installation of Micro Hydel projects must be started within one year and completed/commissioned within three years from the date of release of first installment. In case of default, the released amount will be refunded to the Ministry along-with interest accrued on CFA.

### **Miscellaneous**


1. The Completion Report of the watermills should contain details of the their location, complete address of the watermill owner, a photograph of the watermill owner alongwith the installed watermill, mechanical and/or electrical installed devices alongwith the address of manufacturer/supplier of machines. The details of power utilization should also be indicated in case of electrical output from watermills.

2. Preference should be given to the proposals for Watermills owned by women, women entrepreneurs or received from women NGOs and ST/SC entrepreneurs.



3. The State Govt. Dept. / Nodal Agencies shall submit regular physical & financial progress reports on quarterly basis to the Ministry after the issue of sanction and release of first installment of funds.
4. The Ministry reserves the right to review/revoke the subsidy and in case the CFA has already been released, to withhold the CFA and recall the CFA already released in the event of subsequent development coming to the notice of the Ministry which may affect the implementation of Watermills.
5. The concerned Govt. Dept./ Nodal Agency of the States/UTs will ensure proper utilization of the CFA released through them.
6. The State Govt. Dept./ Nodal Agency should identify the local bodies & registered Institution/ NGOs/ Entrepreneur and actively involve them in the Watermill programme based on their expertise, experience in the field, availability of resources & manpower etc.
7. All the expenses, over & above the CFA for installation of Watermills & Micro hydel projects including cost escalations, if any, will be met/borne or arranged by the beneficiaries/project owners.
8. The above scheme will be effective for the financial year 2014-15 & the remaining period of the 12<sup>th</sup> Plan i.e. upto 31<sup>st</sup> March 2017, unless further modified and supersedes earlier scheme in this regard under SHP programme of the Ministry, circulated prior to this Administrative Approval.

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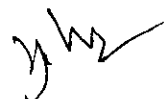
**APPLICATION FORM OF CAPITAL SUBSIDY FOR SETTING UP MICRO HYDEL PROJECT  
UP TO 100 KW CAPACITY**

1. Name of the Organisation / Entrepreneur :
2. Postal Address :
3. Fax No. :
4. Email Address :
5. Name of Chief Executive with Designation :
6. Telephone :
  - Office :
  - Res. :
  - Mobile :
7. Name of Project :
8. Rated :
  - a) Capacity
  - b) Head
  - c) Discharge
  - d) Generation
9. Name of the river/stream/dam/canal :
10. Location (incl. District, State) :  
(If possible provide latitude and longitude)
11. Whether grid-connected; and the distance of grid :
12. Estimated cost of the project (Rs. lakhs) :
  - a) Total
  - b) Civil Works
  - c) E&M Works
  - d) Other
13. Means of financing :
  - a) MNRE support
  - b) Loans
  - c) Other sources
14. Amount of Capital subsidy requested :
15. Duration (in months) for completing the project :

It is certified that the organization/ Entrepreneur will implement the project as per guidelines/terms & conditions envisaged in the SHP scheme circulated vide letter No. 14/3/2014-SHP dated 02/07/2014

(To be signed by authorized signatory)

Dated: \_\_\_\_\_



**MINISTRY OF NEW AND RENEWABLE ENERGY  
(Small Hydro Power Division)**

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**SCHEME TO PROVIDE FINANCIAL SUPPORT FOR RESEARCH & DEVELOPMENT AND CAPACITY BUILDING.**

Support to R & D projects may be considered as per the RD & D Policy of this Ministry. The strengthening of technical institutions, setting up of turbine laboratory, business meets, training programmes/courses, fellowships etc., monitoring of SHP projects, consultancy and/or any other activity felt necessary for the SHP development will also be considered under this Scheme.

**FINANCIAL SUPPORT FOR RESEARCH & DEVELOPMENT AND CAPACITY BUILDING:**

2. The financial assistance for R&D proposals will be considered on case to case basis based on the RD&D Scheme of this Ministry.
3. The financial assistance upto 100% of the activity cost will be considered for capacity building on case to case basis.

**Eligibility Criteria:**

4. R&D projects are supposed to be taken up by Government departments/agencies/ PSUs/ institutions and Industry which have adequate infrastructure for taking up R&D.
5. Proposals for Capacity building will be considered from State Government Department/State Nodal Agency/local bodies/ Co-operatives/Autonomous institutions like AHEC, etc. & NGOs. Ministry will also consider capacity building through Channel Partners appointed by the State Government/State Nodal Agency/Deptt./MNRE. The Capacity Building proposals shall only cover Human Resource Development. No infrastructure development or asset building will be considered except for development of Water Mill Centers and shall be completed within the stipulated/sanctioned duration unless extended by the Ministry.

**Procedure for Availing Incentives**

6. All R&D proposals have to be submitted as per Format – II of the RD&D Policy of the Ministry.
7. The Capacity building proposals have to be submitted covering all the aspects of the programme including financial details.

**Pattern of Releases**

8. For R&D projects, the financial support would be released as per the RD&D Policy of the Ministry.
9. For Capacity Building proposals, the release of financial support shall be as per the pattern given below :
  - 70 % of the eligible incentives to be released as advance with the sanction.
  - 30 % of the balance incentives to be released on completion of the project and after the receipt of Completion report consisting of UCs, SOE and Photographs.

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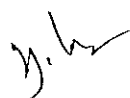
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**MINISTRY OF NEW AND RENEWABLE ENERGY**  
**(Small Hydro Power Division)**

**GENERAL TERMS AND CONDITIONS**


The financial support as grant-in-aid / subsidy, for setting up SHP projects as per above schemes of the Small Hydro Power Programme are further subject to the General Terms and Conditions of the GFR of the Govt. of India. Some of them are mentioned as under:

1. Approval of the proposal and the support being released is for the specific project/activity and should be exclusively utilised for which it has been sanctioned within the stipulated time. Any unspent part of amount with penal rate of interest, as applicable under GFR, would be surrendered to the Govt. of India through an a/c payee demand draft drawn in favour of "DDO, MNRE, New Delhi".
2. Undertakings/Organisations/Bodies which are mainly financed by the grants from Govt. will maintain a register of assets in the form GFR-19 wherein all assets of permanent value and machinery and equipments having a life of not less than five years and costing ₹10,000/- and above (each item) should find place.
3. The grantee Institution is required to send to the Ministry list of assets referred to at S. No. 2 above at the end of each financial year as well as at the time of seeking further installments of the grant.
4. All the assets acquired from the grant will be the property of Govt. of India in proportion to the assistance given and should not without the prior sanction of the Ministry, be disposed off, or encumbered or utilised for purpose other than those for which the grant has been sanctioned.
5. At the conclusion of the project, the Govt. of India will be free to sell or otherwise dispose of assets, which are the property of the Govt. The Institute shall render to the Govt. necessary facilities for arranging the same for these assets.
6. The organisation will arrange to display a notice board at a prominent place at the project site to the effect that the project has been financially supported by the Ministry of New and Renewable Energy.
7. The progress report of work on the project will be maintained on quarterly basis including photographs and submitted to the Ministry. The progress of the project will be reviewed/monitored quarterly as well as once in a year by the Ministry. The Ministry may also designate Scientists/experts for periodical visits to the project. The expenditure on this account may be charged to project account under head "contingencies".
8. The Govt. Dept./agency/SEB/developer would furnish to the Ministry Utilisation Certificate (GFR-19A) and an audited statement of expenditure duly signed by the Head of the organisation and the Head of the Finance/Accounts Wing pertaining to the grant as well as its complete statement of Accounts at the end of each financial year within a period of six months after the closure of the financial year, as well as a consolidated statement of expenditure at the end of the completion of the project.
9. The Comptroller and Auditor-General of India at his discretion shall have the right to access to the books and accounts of the organisation for the grant received from the Government.
10. The organisation would maintain separate accounts for the project. If it is found expedient to keep a part or whole of the grant in a bank account earning interest, the interest thus earned should be reported to the Ministry. The interest earned on the grant-in-aid will be treated as a contribution to the organisation to be adjusted towards further installments of the grant or to be refunded at the end of the project.



11. Sale proceeds, if any, as a result of the development of the project arising directly from funds granted by the Ministry shall be remitted to GOI. The GOI may at its discretion allow a portion of such receipts to be retained by the organisation.
12. The GOI will have the right to call for drawings, specifications and other data necessary to enable the transfer of know-how to other parties and the organisation should supply all the needed information at the request of the Ministry.
13. The manpower that may be engaged for the project by the organisation are not to be treated as employees of the GOI and the deployment of such manpower at the time of completion or termination of project, will not be the concern/responsibility of the GOI. The organisation may make reservations for SC/ST in the manpower to be engaged for the project in accordance with the instructions issued by the GOI from time to time.
14. The Ministry reserves the right to terminate the grant at any stage and also recover the amounts already paid if it is convinced that the grant has not been properly utilised or the work on the project has been suspended for an unduly long period or appropriate progress is not being made.
15. The project will become operative with effect from the date of the sanction order.
16. The grantee organisation is also to ensure fulfillment of various other conditions relating to grant-in-aid as laid down in General Financial Rules 2005 and related instruction thereunder as amended from time to time.
17. Carry forward of unspent funds to the next financial year for utilisation on the sanctioned project during that year is to be considered only with the specific approval of this Ministry. Mis-utilisation of funds will be viewed seriously, and may lead to cancellation of the project and recovery of the released amount with interest.
18. The release of subsidy to the Grantee organisation will entitle the Ministry to obtain as deemed necessary, in larger interest of promotion of SHP development, information pertaining to the technical configurations, performance, operation and maintenance requirements, etc. The Ministry will have a right to use/publish the information as per its discretion. The Grantee Organisation will also provide to the Ministry, on a monthly basis, a detailed progress report alongwith a statement of electricity generation and fed into the grid/sold to other users.
19. Two copies of the completion report with drawings, photographs, tests reports, taking over certificate etc. for the project would be submitted to the Ministry within six months after the completion of the project or alongwith the final claim, whichever is earlier.
20. The implementing organization, if required can avail funding from any other source over and above MNRE Subsidy.

\* \* \* \* \*



**Form of Utilisation Certificate**

(As per Form GFR 19-A GOI Decision (1) below Rule 150)

Name of Organisation: \_\_\_\_\_

Financial Year: \_\_\_\_\_

S.No.	MNRE sanction for Released amount		
	Letter No.	Date	Amount (Rs. in Lakhs)
TOTAL:			

Certified that out of ₹ \_\_\_\_\_ of grants-in-aid/subsidy sanctioned during the year \_\_\_\_\_ in favour of \_\_\_\_\_ under Ministry of New & Renewable Energy letter no. given above in the margin and Rs. \_\_\_\_\_ on account of unspent balance of the previous year, a sum of ₹ \_\_\_\_\_ has been utilised for the purpose of \_\_\_\_\_ for which it was sanctioned and that the balance of ₹ \_\_\_\_\_ remaining un-utilised at the end of the year has been surrendered to Government (vide No. \_\_\_\_\_ dated \_\_\_\_\_) / will be adjusted during towards the grants-in-aid /subsidy 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.

Signature of Programme Officer \_\_\_\_\_

Date \_\_\_\_\_

Designation \_\_\_\_\_

Place \_\_\_\_\_

Official Seal

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Head of Organisation

Accounts Officer of Project

Official Seal

Official Seal