

PROMOTIONAL INCENTIVES FOR WATER MILLS

To encourage the development of Water mills at the identified potential sites generally located in the remote & hilly areas to meet the basic needs of villagers, the following promotional incentives under SHP programme of MNES will be applicable to the beneficiaries for Development of new or Upgradation of existing Water Mills. The incentives would be applicable in following Two categories of Water Mill with output upto a maximum of 5 KW equivalent of power:

- i) Water Mills with mechanical output only, and
 - ii) Water Mills with electrical output (upto maximum of 5 KW) only, or, both mechanical & electrical output (upto maximum of 5 KW).
2. The incentives for Development of new or Upgradation of old Water Mills are applicable to the beneficiaries in the form of grant-in-aid as per the amount given below or actual cost incurred in this regard, whichever is lower: -

Category of Water Mill	Promotional Incentives
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1. Water Mills with mechanical output facility only	: Rs. 30,000 or 75 % of actual cost, whichever is less
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2. Watermills with electrical output facility only, or, both mechanical & electrical output facilities	: Rs. 60,000 or 75 % of actual cost, whichever is less
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ELIGIBILITY CRITERIA

3. The promotional incentives for Development & Upgradation of Water Mills under the Scheme is applicable to the beneficiaries in the Government, Public, Private, Cooperative, Non-Govt., or Joint Sector who are the owners of existing Water Mills or are willing to develop at the potential sites & have obtained necessary approval in this regard from the Competent Authorities in the State.
4. The implementation of the Scheme will cover all the existing and potential beneficiaries in all the States/Union Territories of the India, who are interested for the development of new Water Mills or upgradation of their existing Water Mills.
5. The Scheme will be operated through the concerned State Govt. Dept. or State Nodal Agencies who are responsible for the Water Mill development in the State, with the active involvement of local organisations, registered NGOS, local bodies, local women organisations etc.

Procedure for Availing Incentives

6. The proposals, on the prescribed format (Proforma-I), should be submitted by the beneficiaries to the concerned State Government Department or the State Nodal Agency who is responsible for the development of Water Mills in the State, directly or through the local organisations like Water Mill Associations, co-operative societies, registered local NGOS, local bodies, women organisations etc.
7. The proposals should be screened, verified & examined by the concerned State Govt. Dept. or State Nodal Agency and submitted to MNES with their specific recommendations.
8. Feasibility Report, in duplicate, is to be enclosed with the proposal.
9. The profile of local organisations, if involved, alongwith their memorandum, registration, three years audited a/c etc., and indicating the expertise available with them and brief details of the similar work done in the past, is also to be enclosed with the application.
10. A copy of letter from the Competent Authority in the State giving clearance in this regard.
11. The State Govt. Dept./SNAs shall submit regular progress reports on quarterly basis to MNES after the issue of sanction and release of first installment of funds.
12. All the details of documents mentioned below should be submitted to MNES by the State Govt. Dept./SNAs with their specific comments/ recommendations /certifications.

Sanctioning of Incentives and release of funds

13. MNES will examine the requests of the State Govt. Dept./SNAs and allot a target for the development/upgradation of Water Mills in the State during the year.
14. First installment of the applicable incentives as per Scheme, will be released to the concerned State Govt. Dept./SNAs after receipt of their acceptance letter.
15. The sanction would be further subject to the Ministry's general terms and conditions as given at Proforma-II.

Pattern of Releases

16. The above incentives will be released to the State Govt. Dept./SNAs as per the following payment pattern: -
- * 10% of the eligible incentives as advance with the sanction after receipt of Acceptance Letter for allotted target.
- * 40% of the eligible incentives as advance on receipt of applications on prescribed format from the beneficiaries with the Feasibility Report and other relevant documents through the State Govt. Dept./SNAs.

- * 40% of the eligible incentives as advance on receipt of details for placement of order for equipment and start of civil work.
- * 10% of the eligible incentives after receipt of report with photographs regarding satisfactory completion of all works, submission of UCs on Format (Proforma-III) and taking into account the actual expenditure based on audited accounts statement.

Quality and Content of Reports

17. The upgradation of a Water Mill with mechanical output may involve modification/strengthening of civil works and replacement/repair of equipment like runner, rotor, bearings, frame etc. and the Water mill with electrical output or add-on facility of electrical output may also require additional installation of a generator, controls etc.
18. The Feasibility Report should contain brief details about the existing arrangement and proposed installation, water source alongwith the available hydel potential, mechanical devices installed or proposed to be installed, power requirements, problems encountered with the existing arrangement with reasons of poor performance, modifications or replacement works, nature/scope of upgradation works involved, cost estimates etc. The details of utilisation of power may also be indicated in case of electrical output from watermills.
19. Only the designs used in the conventional Water Mills or developed for Water Mills under UNDP/GEF HHP or any other which have already been tested in the field conditions and acceptable to MNES should be adopted. The Water Mills where the new & untested designs of equipment have been used, will not be eligible for MNES incentives. MNES have the right for final decision in this regard and will be binding on every one.

Miscellanaous

20. In-complete proposals, in any form, will not be entertained.
21. Preference should be given to the proposals for Water Mills owned by women, women entrepreneurs or received from women NGOS.
22. The final decision on consideration of the proposals for support rests with the MNES and they shall be considered subject to their merits, techno-economic viability, availability of funds and general policies of MNES.
23. The MNES 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 MNES which may affect the implementation of project and the State shall be bound by the decision of MNES in this regard.

24. The State Govt. Dept./SNAs would release the MNES incentives to the beneficiaries and will ensure its proper utilisation.
25. The State Govt. Dept. or SNAs will not have any lien on the amount of incentives released by MNES through them. This released amount will have to be paid to the beneficiaries to meet expenditure incurred by them on Water Mills, and a report in this regard may be furnished to MNES. In case of default, the released amount alongwith accrued interest thereon will immediately be returned to this Ministry.
26. The State Govt. Dept./SNAs should identify the local Organisation and registered NGOs and actively involve them in the Water Mill programme based on their expertise, experience in the field, availability of resources & manpower etc.
27. The SNAS, the local organisations, registered NGOs etc., availing the service charges, would be responsible for survey and identification of Water Mills, motivation of owners to undertake development/upgradation, preparation of feasibility/project reports, selecting appropriate technology & suppliers, arranging financing from the financial institutions/banks, incentives from MNES, ensuring timely completion of works and monitoring the progress for a period of one year after installation.
28. For providing above assistance to the beneficiaries, the SNAS, local organisations and NGOs etc. will be eligible for service charge of 5% of the Ministry's support for each Water Mill. They will be entitled to deduct this amount from the financial support provided by MNES for each Water Mill. The amount of service charges could be shared proportionately to the work divided between them.
29. All the expenses, over & above the MNES incentives, to meet the cost of the works including escalations, if any, will be borne or arranged by the beneficiary.
30. An undertaking for providing annual maintenance contract (AMC) by the turnkey contractor and/or supplier for a minimum period of three years after commissioning should be undertaken by the beneficiary for each Water Mill.
31. The above Scheme will be effective for the financial year 2001-02, unless further modified, will supersede the earlier Scheme in this regard under SHP programme of MNES, circulated prior to this Adm. approval.

APPLICATION FORMAT TO AVAIL MNES INCENTIVES FOR DEVELOPEMENT / UPGRADATION OF WATER MILL

1. Name of Beneficiary
2. Postal Address
3. Name of Water Mill site
4. Location
 - a) Village
 - b) District
 - c) State
5. Distance from nearest road
6. Particulars of the scheme
 - 6.1 Name of river/stream
 - 6.2 New development/upgradation
 - 6.3 Rated Head in meters
 - 6.4 Rated discharge in cumecs
 - 6.5 Rated capacity in KW
 - 6.6 Period of availability of water
 - 6.7 Usage
 - a) Mechanical only
 - b) Electrical only
 - c) Both mechanical & electrical
 - 6.8 Estimated cost of scheme
 - 6.9 Houses proposed for electrification & details of load requirement
 - 6.10 Whether T&D available
 - 6.11 Completion schedule
7. Whether any clearance is needed, if yes, please enclose a copy.
8. Details of local Organisation, if associated to assist the beneficiary
9. Enclosures (please give details)

It is confirmed that the beneficiary has fulfilled all the requirements and shall abide by the terms and conditions of the MNES Scheme.

Counter Signed by:	Signature of the Beneficiary
	Date
	Place
Head of State Govt. Dept./SNA	Local organisation/NGO
Date	
Place	(Official Stamp)

Note:

- vii) a copy of "Proof of Allotment/Ownership" of Water Mill site.
- viii) A copy of necessary clearances from the competent authority.
- ix) An undertaking from the beneficiary to meet or arrange balance funds over & above the above incentives required for completion of Water Mill. SNA should fully ensure this before recommending the proposal to MNES.
- X) Two copies of Feasibility Report.
- xi) The bio-data of local organisation NGO alongwith copy of their registration certification etc., if associated to assist the beneficiary.
- xii) The above copies should be duly attested, verified & signed in ink. by the State Govt. Dept./SNA.
- xiii) Separate application form alongwith separate enclosures for each proposal is required to be submitted.

Proforma - II
MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES

General Terms and Conditions for providing Promotional Incentives as grants-in-aid for Development or Upgradation of WATER MILLS

General Terms and Conditions applicable for providing above grants-in-aid/financial assistance as promotional incentives for Development of new or Upgradation of old Water Mills are as under: -

- Approval of the proposal and the grant being released is for the specific water mill and grant should be exclusively spent on the water mill for which it has been sanctioned within the stipulated time. The institute is not permitted to seek or utilise funds from any other Organisation (Government, Semi Government, Autonomous or Private) for this research project. 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, MNES, New Delhi,' and adjustment of unspent funds to the next financial year for utilisation for the same project may be considered only with the specific approval of the MNES.
- 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 Rs. 10,000/- and above (each item) should find place. The grant will not be utilised for construction of any immovable property. Full facilities by way of accommodation, etc. for the project will be given by the Institute.
- All the assets acquired from the grant will be the property of Govt. of India and should not without the prior sanction of MNES, be disposed of. or encumbered or utilised for purpose other than those for which the grant has been sanctioned.
- 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 of these assets.
- The implementing institute/PI will furnish progress report of work on the project every six months. The progress of the project will also be reviewed/monitored quarterly as well as once in a year by the concerned Task Force/Project Monitorina Committee, etc. of the Ministry. In addition, MNES shall designate Scientists/Specialists to visit the institute periodically for project, five copies of a consolidated report of the work done on the subject would be submitted to MNES.
- The grantee Institution is required to send to MNES 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.
- The Institute would furnish to the MNES audited Utilisation Certificate (GFR-19A: copy at Appx.-A) and an audited statement of expenditure duly signed by the P.I., the Head of

- 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.
- A stamped receipt is to be sent to the MNES on receipt of the Cheque/DD towards each release.
- The comptroller and Auditor-General of India at his discretion shall have the right access to the books and accounts of the Institute for the grant received from the Govt.
- The Institute would maintain separate audited accounts for the project. If it is found expedient to keep a part or whole of the grant in a bank account interest interest. the interest thus earned should be reported to the MNES. The interest earned on the grant-in-aid will be treated is a contribution to the Institute to be adjusted towards further installments of the grant or to be refunded at the end of the project.
- Sale proceeds, if any, as a result of the development of the project arising directly from funds granted by the MNES shall be remitted to GOI. The GOI may at its discretion allow a portion of such receipts to be retained by the Institute.
- Investigators/Institutes wishing to publish papers based on the research work done under MNES projects should acknowledge the financial support received from the MNES.
- The know-how generated from the project would be the property of the GOI and any receipt by way of sales of know-how, royalties, etc. shall accrue to the GOI. The GOI may at its discretion, allow a portion of such receipts to be retained by the Institute.
- The GOI (MNES) 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 Institute should supply all the needed information at the request of the MNES.
- The Institute may not entrust the implementation of the work for which the grant is being sanctioned to another Institution and to divert the grant receipts as assistance to the latter Institution. However, in such situations, the express permission of MNES may be obtained. In case the grantee is not in a position to execute or complete the project, it may be required to refund forthwith to Govt. of India the entire amount of grant received by it.
- The manpower that may be engaged for the project by the Institute 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.
- The MNES 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.

- The project will become operative with effect from the date of the sanction order.
- If the Investigator to whom a grant for a project has been sanctioned, leaves the Institution where the project is being implemented, the investigator should submit five copies of complete and detailed report of the work done by them on the project and the money spent till the date-of his/her release and should also arrange to refund the unspent balance, if any.
- The Organisation should maintain subsidiary accounts of the GOI grant and furnish it to the Audit Officer as and when the recurring and non-recurring, expenditure exceeds the limits of Rs. 5.00 lakhs.
- The grantee organisation is also to ensure fulfillment of various other conditions relating to grant-in-aid as laid down in General Financial Rules 1963 and related instruction thereunder as amended from time to time.

Proforma - III

Form of Utilisation Certificate

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

Name of Organisation:
 Financial Year:

MNES sanction for Released amount			
S.No.	Letter-No.	Date	Amount

1. Certified that out of Rs. _____ of grants-in-aid sanctioned during the year _____ in favour of _____ under Ministry of Non-Conventional Energy Sources 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 of P.I. _____
 Date _____ Designation _____
 Place _____
 Signature _____ Signature _____
 Head of Depft of Project Accounts Officer of Project

ABOUT AHEC

Alternate Hydro Energy Centre (AHEC) was set up at Indian Institute of Technology Roorkee (formerly University of Roorkee) by the Ministry of Non-Conventional Energy Sources (MNES), Govt. of India, in the year 1982 to promote power generation through the development of small hydro in hilly as well as in plain areas. AHEC offers a variety of services in the field of small hydro power development and other interdisciplinary areas.

Small Hydro Power

- * Refurbishment, renovation and modernisation of SHP stations.
- * Detailed project reports, engineering designs and construction drawings.
- * Technical specifications.
- * Pre-feasibility reports.
- * Planning, designs and execution.
- * Techno-economic appraisal.
- * Monitoring of projects.
- * Remote sensing and GIS based applications.

Other Fields

- * Power system planning and operation.
- * Energy Auditing.
- * Drainage/irrigation related projects.
- * Environment impact assessment and Ecorestoration.
- * R&D in the field of other renewable energy sources (Solar, Biomass, Wind etc.)

Human Resources Development

- * Training to the field engineers and technologists.
- * Offers a three semesters M. Tech Course in AHES.
- * Information dissemination, exhibitions, workshops/ seminars.



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WATER MILLS
 Development & Upgradation



Promotional Incentives Under SHP Programme of Ministry of Non-Conventional Energy Sources (MNES), Govt. of India



Alternate Hydro Energy Centre,