

Financial provisions and guidelines for implementation of the Programme on Akshay Urja Shops for the year 2005-06

A. Financial Support for new shops

a) Setting up of Akshay Urja Shops (one per district)

- Soft loan at an interest rate of 7% to a maximum of 85% of the cost of establishment of the shop subject to a maximum of Rs. 10 lakhs will be provided from public sector banks and scheduled co-operative banks, repayable over a period of five years.
- Monthly recurring grant of Rs. 5,000/- per month towards manpower, electricity, telephone bills and other miscellaneous expenses.
- An incentive of Rs. 5,000/- per month based on minimum turnover of Rs. 50,000/- per month during the first year and Rs. 1,00,000/- per month during the second year of operation (the shops will not be eligible for any incentive for a particular month if the turnover is below the minimum amount).

(Eligibility for recurring grant or incentive will be worked out on the basis of the turnover for each six-month period. If the six-monthly turnover falls below Rs. 1.5 lakh during the first year, or Rs. 3.0 lakh during the second year, the shops will not be eligible for any grant or incentive. The payments towards grant and incentive will be released by the State Nodal Agencies on reimbursement basis after every six months. These will be available to the new shops for a period of 2 years after their establishment.)

The above support will be available subject the guidelines followed by the shops as given in **Appendix-III(a)**.

b) Service charges to Implementing agencies

The scheme will be implemented through the State Nodal Agencies, with the interest subsidy provided by the banks being administered through IREDA. Following service charges will be provided to them for establishment of the shops :

- @ Rs. 50,000 per shop to SNAs with at least 50% of the amount to be utilized towards publicity of the shop.
- @ 2% to IREDA on the interest subsidy (maximum of 4%) disbursed to the banks on upfront basis. The discount rate will be decided by MNES in consultation with IREDA
- @ Rs. 5,000 per loan disbursed to the banks through IREDA.

B. Submission of proposals and release of CFA

The applicants for in opening a shop will contact the concerned State Nodal Agency (SNA) and develop proposal for Akshay Urja Shops in the format given at **Appendix-III(b)**. The proposals received by the SNA from various districts will be consolidated and submitted to MNES in the format given at **Appendix-III(c)**. After MNES sanctions a shop, the beneficiary may approach the designated banks in his district for availing loan at a subsidized interest rate of 7%. The MNES interest subsidy to be provided to the banks will be routed through IREDA. IREDA will intimate the list of banks participating in the programme to all State Nodal Agencies and the District Advisory Committees (DACs) on renewable energy formed in the country. DACs may recommend proposals for their districts which may be considered by the SNAs while sending their recommendations to MNES at the time of submission of proposals. The proposals for various districts will be submitted by the SNAs in a consolidated form, but not more than twice in a year.

C. Release of CFA and settlement of accounts

- 50% of the proposed monthly recurring grant and the incentive to be given to the shops during their 1st year operation will be released after SNAs inform about establishment of the shops. The SNAs, will release this grant and the incentive to the shops on reimbursement basis after every six month block period as per the scheme provisions. Further CFA will be released to SNAs based on the documents received from them as per **Appendix III (d)**, maximum twice a year for the block period April to September and October to March. The accounts will be settled based on the audited SOE as per **Appendix III (d)** and UC as per **Appendix V**. As regards service charges to SNAs, 50% of the eligible amount will be released after establishment of the shops and balance on receipt of report about publicity activities supported and actual expenditure details..

- Interest subsidy on upfront basis debited by the banks on loans sanctioned to beneficiaries will be released on reimbursement basis after establishment of the shops along with service charges to IREDA and banks based on progress report, SOE and UC received from IREDA.

Guidelines for Establishment of 'Akshay Urja Shops'

MNES has been promoting the establishment of Aditya Solar Shops in major cities. These shops will now be called as “Akshay Urja Shops” with a view to cover sales and service of all renewable energy devices and systems including solar energy products, and will be established as per the following guidelines:

- i) The shop will carry out the following functions:-
 - Sale of different renewable energy and energy efficient devices;
 - Repair and servicing of renewable energy devices;
 - Dissemination of information on renewable energy devices/ systems; and,
 - Facilitate individuals/companies to go in for renewable energy devices.
- ii) The shop will have a minimum covered area of 200 sq.ft. (excluding storage). It will either be constructed/purchased/renovated. Shops on rent will not be eligible for Govt. support.
- iii) The shop shall be located in the prime and easily accessible part of the city. It will have a common name all over the country. The name with 'Akshay Urja Shop' will be displayed on a glow sign board of at least 8'x3' size. The name of the shop may start with a different word, say, the name of the owner and may be called as “.....Akshay Urja Shop”
- iv) The shop will have decent aesthetics and will be well illuminated to attract the customers.
- v) The shop will have a minimum of two employees. At least one of them should be a technical person having knowledge of repair and maintenance of renewable energy devices. The MNES will assume no liability towards the staff deployed in the shops.
- vi) The shop shall function on normal business lines and is expected to earn revenues from their operation..
- vii) The shop shall provide repair & servicing facility not only for the products being sold by the shop but also for other renewable energy products/devices installed/procured from any other source at reasonable price
- viii) The shop shall operate as a customer-friendly outlet. Rigid or inconvenient timings and indifferent service should be avoided.
- ix) The shop will display different models of renewable energy devices/systems from various manufacturers so that the customer can procure the items of his choice .
- x) The price list of the items to be sold in the solar shop will be properly displayed / made available to the public. The shop will also disseminate information on these devices/systems to the people visiting them.
- xi) To make the solar shops a commercially viable entity, the shop may sell energy- efficient items, such as compact fluorescent lamps (CFL), lighting accessories, high efficiency kerosene stoves etc. in addition to the items related to renewable energy.
- xii) For benefit of the customers, the shop will establish a linkage with banks providing soft loans for various renewable energy products.

**Performa for submission of proposal by owner for establishment of
Akshay Urja shops to State Nodal Agencies**

1. Name of the proposed Shop :
2. Complete address of the location of the shop proposed to be established :
3. Name of the person establishing the shop :
4. Present Address of the applicant with phone, fax & e-mail address :
5. Educational Qualification of Applicant :
6. Financial standing of applicant :
7. Whether any Akshay Urja Shop already exists in the concerned district, if yes, please provide details. :
8. Details of the shop to be established :
 - i) Whether to be constructed/ purchased/ renovated (Details of covered area/owner of the land/building to be given)
 - ii) Proposed covered area of the shop with and without storage
 - iii) Anticipated expenditure on establishing the shop (provide item-wise break-up)
 - iv) Means of financing for the shop (whether any loan is proposed to be taken from bank)

Certified that above mentioned details for the Akshay Shop are true and correct to the best of my knowledge. The guidelines given by the Ministry of Non-Conventional Energy Sources (MNES), New Delhi for establishment of Akshay Urja Shop are acceptable to us. We hereby undertake to follow these guidelines and run the shop satisfactorily after the receipt of financial assistance from MNES.

Place:

Date:

(Signature of the applicant for Akshay Urja Shop)

Recommendation of DAC, if any :