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19-6-09

F. No. 107/149/2009-NT (Biofuel)  
Government of India  
Ministry of New & Renewable Energy  
(Bio-Fuel Division)  
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Block No. 14, C.G.O. Complex,  
Lodhi Road, New Delhi-110 003.

Dated: 4<sup>th</sup> June, 2009  
/s/

To,  
The Pay & Accounts Officer,  
Ministry of New and Renewable Energy,  
New Delhi-110 003.

Subject:- Biofuels for Surface Transportation Programme for the year 2009-2010 -  
sanction regarding.

Sir,

I am directed to convey the sanction of the President of India for implementation of the Biofuels for Surface Transportation Programme during the year 2009-2010 at a total outlay of Rs.3.00 crore (Rs.Three crore only). The details of the programme components/activities, implementation methodology, financial assistance, release of funds and monitoring mechanism have been given in **Annexure-I**.

2. The objective of the programme would be to develop technologies for converting different non-edible oils to biofuels and their use for various applications; conduct field trials on the use of biofuels; production of ethanol from different routes; R&D activities on production, conversion and utilization of bio-diesel; provide energy through non-edible oils, etc. Under the programme financial assistances/support would be provided in respect of the following activities:-

- (a) Development of Technologies for production of bio-fuels.
- (b) R&D Activities on exploring different routes of ethanol production.
- (c) Field trials on the use of ethanol blends and other Bio-fuels as transport fuel.
- (d) Modifications and development of engines.
- (e) Other activities such as Bio-fuel Policy related studies, resource assessment/ surveys, Workshops/Conferences, etc.

3. Each proposal will be examined and concurred in by Integrated Finance Division of the Ministry, on case to case basis.

Contd.....2/-

Handwritten: HMDG  
GmC (P&A II)

Stamp: MEDA-PUNE  
16 JUN 2009  
No. 6386

Handwritten: Mr. Parth  
P&A Policy & C  
SAP  
16/6/09 29.06.09

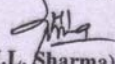
gssm copy to SCCMF)

4. The expenditure on the scheme will be met from the budget provisions given below:-

<u>Head of Account</u>	<u>Description</u>	<u>Allocated amount</u>
'2810'	The expenditure involved is debitable to Demand No.67, Ministry of New & Renewable Energy, Major Head - 2810- New & Renewable Energy; Minor Head 104- Research, Design and Development in Renewable Energy; Sub Head 01-R&D in New & Renewable Energy Technologies; Detailed Head 01-Bio-Energy (Biofuels); Object Head 31-Grants-in-aid for the year 2009-2010 (Plan).	<b>Rs.3.00 crore</b>

5. This issues in exercise of the powers conferred on this Ministry and with the concurrence of Integrated Finance Division dated 3.6.2009 vide their Dy. No.IFD/323/09 dated 3.6.2009.


Yours faithfully,

  
(H.L. Sharma)  
Director

Telefax: 011-24363203

Copy to:

- 1 All Nodal Agencies/Departments in the States and Union Territories/ Oil Public Sector undertakings.
- 2 AS&FA, MNRE
- 3 All Group Heads, MNRE New Delhi.
- 4 Managing Director, IREDA, New Delhi.
- 5 DS (F)/ Dir (P&C)
- 6 The Principal Director of Audit, Scientific Departments, DGACR Buildings, IP- Estate, New Delhi-110002
- 7 PS to Minister(NRE)/Sr.PPS to Secretary, MNRE, New Delhi
- 8 IFD/Cash Section/PAO , MNRE, New Delhi
- 9 Sanction Folder.

  
(H.L. Sharma)  
Director

### Scheme : Biofuels for Surface Transportation

Petroleum resources are finite and therefore search for alternative is continuing all over the world and in India in particular. Moreover, the emissions by petrol and diesel driven vehicles have an adverse effect on the environment and human health. There is a universal acceptance of the need for reducing such emissions. In India, the domestic supply of crude oil meets only about 23% of the demand and the rest is being met from imported crude. Biofuels are now being considered as the preferred alternative fuel for supplementing/substituting petrol and diesel for transport, stationary and other applications.

Biofuels are the fuels generated from biomass, which are renewable energy sources. There are different routes to use biomass as energy source such as directly burning it, controlled combustion to generate producer gas, anaerobic digestion to generate methane and fermentation process to produce ethanol. Oil extraction from the oilseed plants, transesterification of oil with alcohol to produce biodiesel is another way of using biomass as a fuel. While all above processes/methods generate biofuels, internationally bioethanol and biodiesel have been named as biofuels. In the Indian context, Bio-fuels have not only significant role to play in the automobile sector but will also play an important role in providing power in decentralized manner for meeting the energy requirements of un-electrified villages in remote and far flung areas. The Ministry of New & Renewable Energy have initiated Bio-fuels for surface transportation programme since 2002-03.

#### Objectives

- (i) Development of technology for converting different non-edible vegetable oils to biofuels and their applications in the automotive sector and for stationary applications.
- (ii) Field trials on the use of Ethanol blends and other Bio-fuels as transport fuel including stationary applications.
- (iii) R&D activities on exploring different routes of ethanol production.
- (iv) R&D and demonstration activities on production, conversion and utilization of bio-diesel.
- (v) Prepare and implement National Policy on Bio-fuels and its implementation.
- (vi) Provide energy through non-edible vegetable oils to rural people in non-grid connected far flung areas for lighting, agricultural operations and other community based stationary applications.
- (vii) Planning & coordination for developing bio-fuels for various applications.

### **Biofuels programme during 2009-10**

The following activities are being proposed to be taken up under the Bio-fuels Programme during 2009-2010.

**(a) Development of Technologies for production of bio-diesel.**

Research & Development and demonstration projects are proposed to be sponsored to different institutions to develop technologies suitable for Indian conditions for converting non-edible vegetable oils, algae, etc. to bio-diesel. Viable technologies will be identified and will be developed through some identified institutions on short, medium and long term basis.

**(b) R&D Activities on exploring different routes of Ethanol production**

R&D activities are proposed to be undertaken for exploring feedstocks other than molasses for ethanol production

**(c) Field trials on the use of Ethanol blends and other Bio-fuels as transport fuel**

Joint R&D and demonstrations projects are proposed to be taken up in collaboration with Oil Companies and agencies on the use of ethanol blends and other Bio-fuels to study different aspects viz use of ethanol beyond 10% with gasoline, effect of the blend on the performance of the conventional engine, etc.

**(d) Modifications and Development of Engines**

Technologies for end-use applications, including modification and development of engines for the transportation sector based on a large scale centralized approach, and for stationary applications for motive power and electricity production based on a decentralized approach.

**(e) Other activities**

Biofuel Policy related studies are proposed to be taken up through reputed Institutions/Organisations. Besides, resource assessment studies/surveys and other important activities such as Workshops, Conferences, meetings, etc., relating to biofuels will also be undertaken.

### **Implementing Organizations**

Research, Development and Demonstration activities under Bio-fuels Programme will be carried out through IITs, Universities and other reputed Research Institutes/Organizations in Government, Public & private sectors. Demonstration/ Trial run programmes will be carried out through Oil Companies & equipment manufacturers in Government, Public & Private sectors in collaboration with some research organizations, if needed. State Nodal Agencies will be involved in implementation of demonstration projects on Biofuels.

**Approved outlay for 2009-10: Rs.3.00 crore**

**Release of funds**

Funds for R&D and demonstration projects are proposed to be released as per the existing norms of the Ministry. The Utilization Certificate for the amount released by MNRE shall be submitted by the implementing Institute/Organisation to MNRE as per the prescribed format given at **Annexure-II** and audited statement of expenditure would also be submitted as per requirement of MNRE.

**Monitoring Mechanism**

Periodic monitoring of the projects will be undertaken by the Ministry in order to assess the progress of the on-going projects. In addition, Experts and other Officials will also be engaged from time to time to assist the Ministry in monitoring the projects.

FORM GFR 19-A

(See Government of India's Decision (1) below Rule 150)  
Form of Utilisation Certificate

S.No	Letter No. & Date	Amount
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TOTAL

Certified that out of Rs. \_\_\_\_\_ of grants-in-aid sanctioned during the year \_\_\_\_\_ in favour of \_\_\_\_\_ under this Ministry /Department Letter No. \_\_\_\_\_ given in the margin and Rs. \_\_\_\_\_ on account of unspent balance of the previous year, a sum of Rs. \_\_\_\_\_ has been utilised for the purpose of \_\_\_\_\_ for which it was sanctioned and that the balance of Rs. \_\_\_\_\_ remaining unutilized at the end of the year has been surrendered to Government (vide No. \_\_\_\_\_ dated \_\_\_\_\_) will be adjusted during towards the grants-in-aid payable during the next year \_\_\_\_\_.

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilised for the purpose for which it was sanctioned.

Kind of checks exercised

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

Signature \_\_\_\_\_  
Designation \_\_\_\_\_  
Date \_\_\_\_\_