



भारत सरकार
GOVERNMENT OF INDIA
भारी उद्योग एवं लोक उद्यम मंत्रालय
MINISTRY OF HEAVY INDUSTRIES &
PUBLIC ENTERPRISES
भारी उद्योग विभाग
DEPARTMENT OF HEAVY INDUSTRY

MOST IMMEDIATE

उद्योग भवन

Udyog Bhawan
नई दिल्ली -110011
New Delhi-110011

No. 1(07)/2017- NAB-II (Auto)

Dated the 22nd December, 2017

To,

As per list attached.

Sub: Minutes of the 9th Meeting of the Project Implementation and Sanctioning Committee (PISC) under FAME-India Scheme held on 20.12.2017 at 11.00 AM. in New Delhi under the Chairmanship of Secretary, Department of Heavy Industry.

Sir/Madam,

I am directed to forward herewith a copy of the minutes of the 9th Meeting of the Project Implementation and Sanctioning Committee (PISC), under FAME-India Scheme, held on 20.12.2017 at 11.00 AM. in Udyog Bhavan, New Delhi, under the Chairmanship of Secretary, Department of Heavy Industry for information and necessary action.

Yours faithfully,

Encls: As above

(Ajay Kumar Gaur)

Under Secretary to the Govt. of India

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Copy to:-

1. PSO to SHI.
2. PPS to AS & FA(DHI)
3. PPS to JS(VS)
4. PPS to JS(MoRTH), Transport Bhavan, New Delhi
5. Director, ARAI, Pune
6. DG, SIAM, New Delhi.
7. DG, ACMA, New Delhi.
8. Director, SMEV
9. Director(Auto),DHI

**MINUTES OF 9TH MEETING OF PROJECT IMPLEMENTATION AND SANCTIONING
COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SECRETARY HEAVY INDUSTRY
ON 20TH DECEMBER 2017**

1. JS (Auto) welcomed the participants and briefed the Committee on the agenda for the meeting. He stated that to give a push to electric mobility under the FAME India scheme, Expression of Interest (EOI) soliciting proposals for a million plus cities for multi-modal public transport was issued on 31st October 2017 soliciting responses from States / City Administrations by 30th November 2017. JS (Auto) pointed out that to emphasize the context of the EOI and disseminate widespread information about DHI's effort, follow-up letters were written to Chief Ministers at the level of Minister (HI&PE) and from Secretary HI to Chief Secretaries of State and UT Administrations. The EOI was also hosted on the website of DHI and press release issued.
2. In his opening remarks, Secretary, Heavy Industry stated that the EOI marks an endeavour to accelerate the introduction of EVs in public transport. This is also first major effort under the FAME scheme at encouraging sustainable solutions in E-mobility for public transport. He stated that with the FAME scheme in its terminal phase and with about over Rs. 400 crore remaining unutilized from the outlay, the EOI sought to make up for the lost time in the optimum utilization of the scheme objectives.
3. Director (Auto)/Member Secretary, PISC presented the contours of the EOI. He stated that an overwhelming response had been received in the form of 47 proposals from 44 cities across 21 states. He stated that a total of 20 proposals (out of 44) were proposals for multi-modal public transport while a large number of proposals, especially from some metropolitan cities, contained proposals only for buses. He outlined the broad methodology of selection. He pointed out that an Internal Screening Committee (ISC) had been constituted as per procedure, headed by Joint Secretary (Auto), DHI to make suitable recommendations to the PISC.


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4. The committee noted that many cities have not submitted proposals explicitly for multi-modal public transport and have submitted proposals only for electric buses. Committee observed that since incentives for 3W and 4W electric vehicles are any way available under FAME India scheme, excluding these cities from the scope of EOI merely on the basis of their not being multi-modal E-public transport proposals is not advisable.
5. The Committee felt that selection of cities should be based on the composite ranking prepared duly considering the five parameters of population, Vehicle density, level of PM2.5 pollutant, Smart cities and Swachhta ranking. Committee observed that population is the major driver which, in turn, is a major cause of higher vehicle density and pollution. Besides, some such proposals have been received from large metropolitan cities which are highly populated. Metros today suffer from typical problems of poor air quality, overcrowding, traffic jams etc and it would be in larger interest if such cities are also considered. As such, population of cities have been given higher weight of 0.5.
6. In so far as the other parameters are concerned, vehicle density directly contributes to pollution, therefore, this parameter and level of pollutant PM 2.5 has been given equal weight of 0.2 each. Government of India is promoting Smart Cities and Swachha Bharat through the special campaign with specific budgetary support. Accordingly, in the present proposal, these parameters has been included to give recognition to the city based on its performance in Swachhta ranking and smart cities ranking and as such, nominal weight of 0.05 each is given to these two parameters.
7. Committee noted that multiple cities from same states had sent proposals. It was felt that although DHI has received such proposals from many states, in order to have widest possible geographical spread within the available funds, it would be desirable to select only one city per state at this stage so as to have wider coverage across the country.

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8. Committee noted that for promotion of electric mobility, cities need to develop special culture and necessary infrastructure. This EOI is an opportunity for cities to develop such culture and infrastructure so that Electric Mobility can be promoted. Accordingly, committee is of the view that to popularize electric vehicles, the impact would be greater if the cities selected against the EOI are greater in number, even if it means restricting the number of buses projected, which are the main expenditure element across each city. Even through the EOI had targeted coverage of a minimum of 5 cities with upto 100 buses per city, the Committee decided to go for higher number of cities by adjusting the buses per city for optimum spread and impact of the limited budget in the pilot project.
9. JS (Auto) informed that DHI has received proposals for 3144 buses while there is the issue of fund constraints in giving a greater spread to the proposal in larger number of cities. Accordingly, in view of the overwhelming response and limited budget, the Committee decided to cap the maximum incentive offered for buses to the level as per the existing FAME India notification dated 12th Sept 2017, i.e. Rs.85 lakhs or 60 % of purchase cost (whichever is lower) on 15 % localization or Rs. 1 crore or 60 % of purchase cost on 35% localization. Further, the number of buses for selected cities may be capped to 40 buses per city and 15 buses per city (for the cities in the special category states). Since 3W and 4W vehicles will absorb lower incentives on the whole, numbers may be retained as proposed by the cities.
10. The requirement of funds for setting of charging infrastructure was also reviewed by the committee considering the fact that as per the FAME notification "An additional financial assistance shall be provided towards purchase of charging equipment upto 10 % of total eligible demand incentive for purchase fleet of EV buses." Accordingly, if 40 buses per city are to be considered, then the amount required for setting up charging infrastructure would be capped to Rs. 4 crore. For additional charging points for three wheelers and four wheelers, where the proposals are multi-modal, an additional amount of Rs.1 crore could be considered.



11. JS, MoRTH mentioned that registration of e-vehicles has been a cumbersome process across many states. He requested the committee to attach the condition of registration of electric three wheelers and four wheelers in the selected cities. On this recommendation, the Committee observed that this being a regulatory issue, the same should be addressed by the regulator. Seeking to address the issue through the FAME scheme may not be sustainable. However, the committee agreed to incorporate a suitable advisory in the Letter Of Intent to encourage cities to take all necessary steps to facilitate on-road availability of electric vehicles and related ecosystem.
12. Members observed that selected cities may consider Demand Aggregation between themselves or through any other government organisation like ASRTU. However, the members felt that in case of some problems in the tenders, the entire process of tendering may get stalled leading to non-fructification of an important GOI initiative. Members also felt that separate bids invited by cities would give opportunity to more OEMs while demand aggregation may lead to situation of only one or two OEMs getting the orders. Besides, State Government Departments/ Undertakings/ Municipal Corporations may already have set templates for competitive purchase process, the issue of tenders under which may enable greater speed of decision making. Therefore, it was decided to allow freedom to the cities to decide their own appropriate course of action.
13. Based on the above recommendations, the following cities were selected by the PISC for funding under the present expression of interest as pilot project for multi model public transport. It was felt that the expenditure on the proposal would broadly fit in with the available balance outlay against the scheme. Since additional funds could be a constraint later, it was felt that cities should obtain a 'go ahead' from DHI before placing final order:



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SN	City	e-Bus proposed	Bus allotted	4W	3W
1	Delhi	100	40		
2	Ahmedabad	100	40	20	20
3	Bengaluru	100	40	100	500
4	Jaipur	100	40		
5	Mumbai	100	40		
6	Lucknow	50	40		
7	Hyderabad	100	40		
8	Indore	100	40	50	200
9	Kolkata	100	40	200	
Cities from Special category States					
10	Jammu	15	15		
11	Guwahati	100	15		
	Total		390	370	720

14. The following additional conditions were approved for being part of LOI:
- i. LOI would be placed on OEMs /Supplier by the selected cities by 28th February 2018. Upon failure to meet this deadline, the LOI is liable to be cancelled.
 - ii. Before placing the supply order /finalizing the contract, clearance of DHI would be obtained so that the fund availability position can be ascertained.
 - iii. Upon placement of the supply order, 20 per cent of the incentive due will be given to the applicant State Government departments/ Undertakings/ Municipal corporations as advance by DHI.
 - iv. For three-wheelers and four-wheeled shared mobility, incentives would be drawn through the existing mechanism of DIDM, duly identifying the transaction by quoting the EOI reference.
 - v. For cities with proposals approved only for buses, efforts to provide multi-modal public transport to address issues such as last mile connectivity are to be made.


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- vi. State Government Departments/ Undertakings/ Municipal Corporations will be encouraged to expeditiously build favourable ecosystem for e vehicles, by locating charging infrastructure at suitable points, providing dedicated parking spaces and providing other financial and non-financial incentives. .
 - vii. State Government Departments/ Undertakings/ Municipal Corporations will take necessary steps to build a sustainable infrastructure to carry forward the push to electric mobility/ new energy vehicles.
 - viii. For verification of localization content, conditions as mentioned in Notification no. S.O. 3012(E) dated 12th September 2017 will be applicable, i.e. "OEM will issue self-certification about localization content. However, DHI will retain the right to get the same verified from specialised expert agencies."
15. In conclusion, members felt that the EOI is a step in the right direction and the overwhelming response indicates that more such efforts are necessary to give a push to e-mobility.
16. List of participants is annexed.

Concluded.



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List of Participants

(9th PISC Meeting held on 20.12.2017)

1. Dr. Asha Ram Sihag, Secretary(HI) - In Chair
2. Dr. Subhash Chander Pandey, AS&FA(DHI)
3. Shri Vishvajit Sahay, Joint Secretary(Auto)
4. Shri Abhay Damle, Joint Secretary(MoRTH)
5. Shri Sunil Kumar Singh, Director(Auto)
6. Shri Pravin Agrawal, Director(DHI)
7. Shri N.L. Goswami, Sr. Development Officer(DHI)
8. Shri Anand Deshpande, ARAI
9. Shri Vinnie Mehta, DG, ACMA
10. Shri K.K. Gandhi, Director, SIAM
11. Shri Alok Ray, SMEV
12. Shri Ajay Kumar Gaur, Under Secretary (DHI)

*For -
22/12/2017*