

The Energy Conservation (Partial Risk Guarantee Fund for Energy Efficiency) Rules, 2016

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The Energy Conservation (Partial Risk Guarantee Fund for Energy Efficiency) Rules, 2016¹

[26th May, 2016]

In exercise of the powers conferred by clause (v) of sub-section (2) of Section 56 read with clause (l), (m) and (n) of sub-section (2) of Section 13 and Section 46 of the Energy Conservation Act, 2001 (52 of 2001), the Central Government, in consultation with the Bureau of Energy Efficiency, hereby makes the following rules, namely—

1. Short title and commencement.—(1) These rules may be called the Energy Conservation (Partial Risk Guarantee Fund for Energy Efficiency) Rules, 2016.

(2) They shall come into force on the basis of their publication in the Official Gazette.

2. Definitions.—(1) In these rules, unless the context otherwise requires,—

- (a) “Act” means the Energy Conservation Act, 2001 (52 of 2001);
- (b) “beneficiary” means any person who enters into a contract with an energy service company empanelled with the Bureau for execution of an energy efficiency project in the premises in its possession, based on energy savings performance contract;
- (c) “Bureau” means the Bureau of Energy Efficiency, an organisation setup under the Act;
- (d) “default” means an event when the Trust and Retention Account is not able to honour the interest or instalment of the principal of loan amount within the guarantee tenure and the project becomes non-performing asset for the participating financial institution;
- (e) “eligible borrower” means the energy service company, empanelled by the Bureau or joint venture of energy service companies to whom credit facility has been provided by the participating financial institution, referred to Rule 5;
- (f) “energy efficiency loan” means the loan sanctioned by the participating financial institution to the borrower for execution of energy efficiency project based on energy savings performance contract;
- (g) “energy savings performance contract” means a contract entered into the beneficiary and the borrower under which payments to the borrower are based on the meeting specified performance guarantees related to the implementation of energy efficiency project under Fund;
- (h) “energy service company” means a company or set-up for implementing energy efficiency projects, which is empanelled with the Bureau;

1. Ministry of Power, Noti. No. G.S.R. 549(E), dated May 26, 2016, published in the Gazette of India, Extra., Part II, Section 3(i), dated 26th May, 2016, pp. 11-19, No. 372

- (i) "Fund" means the Partial Risk Guarantee Fund for Energy Efficiency established under Rule 3;
- (j) "guarantee agreement" means an agreement between the implementing agency and the participating financial institution in respect of energy efficiency loan which shall govern the relationship between the parties and specify, inter alia, eligibility conditions, limits of liability and approval, loan appraisal and post-closing reporting guidelines or procedures and other related matters for a particular energy efficiency loan;
- (k) "guarantee claim" is the amount of risk coverage which the participating financial institution opts to claim from the Bureau under Partial Risk Guarantee Fund for Energy Efficiency;
- (l) "guarantee facility" means guarantee provided by Partial Risk Guarantee Fund for Energy Efficiency based on certain pre-defined criterion, to any loan extended by the participating financial institution to an eligible borrower;
- (m) "guarantor" means the implementing agency selected by the Bureau;
- (n) "implementing agency" means a public financial institution, registered under Section 4-A of the Companies Act, 1956 (1 of 1956), selected by the Bureau for executing the activities under the Partial Risk Guarantee Fund for Energy Efficiency, specified in Rule 9;
- (o) "measurement and verification agency" means an empanelled measurement and verification agency of the Bureau under Partial Risk Guarantee Fund for Energy Efficiency;
- (p) "memorandum of understanding" means a formal agreement between the Bureau and the participating financial institution empanelled with the Bureau;
- (q) "measurement and verification" means the mutually agreed procedures, between the borrower and the beneficiary, for measurement and verification of energy savings achieved periodically after the commissioning of the energy efficiency projects;
- (r) "non-performing assets" means an asset in the books of participating financial institution, classified as non-performing asset based on the instructions and guidelines issued by the Reserve Bank of India from time to time;
- (s) "participating financial institution" means a financial institution empanelled with the Bureau, in accordance with the operations manual mentioned in clause (b) of sub-rule (3) of Rule 7, for participating in the Fund, such as scheduled commercial bank (other than regional rural bank) or public financial institutions [registered under Section 4-A of the Companies Act, 1956 (1 of 1956)] or non-banking financial companies with the certificate of registration from Reserve Bank of India, registered under the category of non-deposit taking non-banking

financial companies, Systemically Important Core Investment Company not raising public deposit or Infrastructure Finance Companies applying for guarantee facility under Partial Risk Guarantee Fund for Energy Efficiency;

- (t) "Partial Risk Guarantee Fund for Energy Efficiency" means a risk-sharing mechanism to provide participating financial institutions with a partial coverage or risk involved in extending loans for energy-efficiency projects;
- (u) "projects" means a proposal eligible for guarantee of loans for energy service company submitted by participating financial institution to Partial Risk Guarantee Fund for Energy Efficiency, as referred to sub-rules (7) and (8) of Rule 4;
- (v) "Supervisory Committee" means the committee set up by the Bureau with the representatives from the Bureau, Ministry of Power, Ministry of Finance and other members nominated by the Ministry of Power, as referred to Rule 7;
- (w) "Trust and Retention Account" means a pass-through account, created within a Trustee Bank, which may be the participating financial institution itself, by signing an agreement between the participating financial institution, the borrower and the beneficiary through which all proceeds in a particular energy efficiency project under the scheme would be routed by the beneficiary.

3. Establishment of Partial Risk Guarantee Fund for Energy Efficiency.—(1) The Bureau shall establish a Partial Risk Guarantee Fund for Energy Efficiency for providing Partial Risk Guarantee to the financing of energy efficiency projects proposed by the energy service companies.

(2) The Fund shall be administered by the Bureau of Energy Efficiency.

(3) The activities of the Fund shall be executed by the implementing agency, which shall be a public financial institution selected by the Bureau, as specified in Rule 9.

(4) All the grants and loans that may be made by the Central Government for the purposes stated in these rules and interest on fund money and fees charged for providing guarantees shall be credited to the fund.

(5) For the purpose of the Fund—

- (a) the Bureau shall charge guarantee fee and application fee;
- (b) application fee shall be of the maximum guaranteed amount applied for by the participating financial institution at the time of application which shall be non-refundable;
- (c) the guarantee fee shall be one-time fee of the amount guaranteed for each project which shall be payable after approval and before signing of guarantee agreement.

4. Operation of Fund.—(1) The Fund shall give a guarantee for a maximum fifty per cent of the loan, only principal amount actually disbursed, provided by the participating financial institution and in case of default, the fund shall—

- (a) cover the first loss subject to maximum of ten per cent of the total guaranteed amount;
- (b) cover the remaining default outstanding principal amount actually disbursed amount on *pari passu* basis up to the maximum guaranteed amount.

(2) The implementing agency shall finalise the percentage of guarantee for each guarantee facility.

(3) The participating financial institution shall take guarantee from the Partial Risk Guarantee Fund for Energy Efficiency before disbursement of loan to the borrower that is energy service company subject to payment of guarantee fees.

(4) The guarantee shall not exceed Rupees Ten crore per project or fifty per cent of loan amount, whichever is less;

(5) The maximum tenure of the guarantee shall be five years from the date of first disbursement of the energy efficiency loan or the last date of the operational period of Partial Risk Guarantee Fund for Energy Efficiency, whichever is earlier.

(6) Under the Partial Risk Guarantee Fund for Energy Efficiency, only individual project guarantee shall be given initially and subsequently, based on the experience, the supervisory committee may extend it to portfolio guarantees after approval of portfolio guarantee rules by the Ministry of Power.

(7) Each eligible project shall fulfil the conditions that the support under Partial Risk Guarantee Fund for Energy Efficiency shall be for the government buildings, private buildings having commercial or multi-storey residential accommodations, municipalities, small and medium enterprises and industry.

(8) Each eligible project shall meet the following objectives, namely—

- (a) seek to achieve demonstrable energy savings and mitigation in emissions of greenhouse gases;
- (b) propose a viable method to monitor and verify energy and greenhouse gas emission savings;
- (c) be a new project, not refinancing existing projects or any outstanding obligations of the eligible borrower;
- (d) use viable technology and be developed with competent energy audit or feasibility studies; and
- (e) project shall be implemented by Bureau empanelled energy service company on performance contracting mode, where there is a defined agreement which link payment to certain level of energy savings.

(9) The following projects are not eligible for Partial Risk Guarantee Fund for Energy Efficiency, namely—

- (a) any project in respect of which performance risks are additionally covered under a scheme operated or administered by deposit insurance and credit guarantee corporation or the Reserve Bank of India, to the extent they are so covered;
- (b) any project in respect of which performance risks are additionally covered by Government or by any general insurer or any other person or association of persons carrying on the business of insurance, guarantee or indemnity, to the extent they are so covered;
- (c) any project, which does not conform to or is in any way inconsistent with the provisions of any law or with any directives or instructions issued by the Central Government or the Reserve Bank of India, which may, for the time being, be in force;
- (d) any project proposal by energy service company which has not repaid any portion of the amount due to a participating financial institution for a guarantee invoked under the Partial Risk Guarantee Fund for Energy Efficiency or under scheme mentioned under clause (a) or (b) or (c);
- (e) any project covering performance risks under any kind of State Government or Central Government beneficiary scheme; and
- (f) any defaulter listed by Credit Information Bureau (India) Limited or Reserve Bank of India.

5. Eligibility for the borrowers.—(1) No borrower shall be eligible under the Partial Risk Guarantee Fund for Energy Efficiency unless—

- (a) the empanelled energy service company of the Bureau; or
- (b) the joint venture of energy service companies formed under the laws of India where the empanelled energy service company of the Bureau shall have share capital of at least fifty per cent:

Provided that the participating financial institution and its affiliates, subsidiaries, joint ventures, associates do not own, separately or in the aggregate, directly or indirectly, more than ten per cent of the total issued and outstanding share capital of such entity;

(2) The loan proceeds shall be utilised for the purpose of financing investment of an eligible borrower in goods and services intended for the energy efficiency projects.

6. Duration of Fund.—(1) The Partial Risk Guarantee Fund for Energy Efficiency shall be operational till the fund corpus, under the programme, is exhausted or for a total period of ten years from the date of commencement of the programme whichever happens earlier.

(2) On closure of the Partial Risk Guarantee Fund for Energy Efficiency, the balance funds shall be credited to the amount of the Government of India.

7. Supervisory Committee.—(1) There shall be a Supervisory Committee with the following members, namely—

i.	Director-General, Bureau	— Ex-officio Chairperson;
ii.	Joint Secretary (Energy Conservation), Ministry of Power or nominee	— Ex-officio Member;
iii.	Joint Secretary (Department of Banking Services), Ministry of Finance or nominee	— Ex-officio Member;
iv.	Representative of Non-Banking Financial Companies, preferably organisations like Power Finance Corporation or Rural Electrification Corporation at the level of Director or nominee	— Ex-officio Member;
v.	Representative of a public sector bank such as State Bank of India or Punjab National Bank or Bank of India which has large energy efficiency portfolio, at the level of executive director or nominee	— Ex-officio Member;

(2) The supervisory committee shall be the apex body for providing guidance and monitoring progress in Partial Risk Guarantee Fund for Energy Efficiency.

(3) Functions of Supervisory Committee shall be to—

- (a) approve and take decisions on matters of policy, modification of rules and participating financial institution compliance as and when they arise;
- (b) approve Operations Manual for Partial Risk Guarantee Fund for Energy Efficiency covering detailed role and responsibility of all the stakeholders including implementing agency, participating financial institution, borrower and beneficiary, and other documents required for operationalisation of Partial Risk Guarantee Fund for Energy Efficiency along with guarantee approval and guarantee claim procedure;
- (c) regularly review the lending performance and process compliance of empanelled participating financial institutions and take decision on potential de-empanelment of a particular participating financial institution from Partial Risk Guarantee Fund for Energy Efficiency for any reason whatsoever;
- (d) shall meet as often as required, but at least once in each quarter to monitor the funds being managed by implementing agency and approve the fund money which could be transferred from Bureau to implementing agency; and
- (e) provide requisite guidance to the program office at Bureau, which may improve effectiveness of their functioning and implementation of the Partial Risk Guarantee Fund for Energy Efficiency.

(4) The tenure of the Supervisory Committee shall be co-terminus with the fund.

(5) The Supervisory Committee shall meet at least once in each quarter to ensure smooth operationalisation of the Fund and work with the Bureau.

(6) A notice of not less than seven days, from the date of issue, shall be ordinarily given to the members of each meeting of the Supervisory Committee and the agenda of the meeting shall be circulated to the members, not later than three days before the meeting.

(7) The quorum necessary for transaction of business at a meeting of the Advisory Committee shall be one-third of the total number of Members of the Committee besides the Chairperson.

8. Role of Bureau of Energy Efficiency.—The Bureau shall—

- (a) act as the nodal agency for Partial Risk Guarantee Fund for Energy Efficiency;
- (b) regularly update the list of empanelled energy service companies of the Bureau on the website of the Bureau;
- (c) appoint implementing agency which shall be a public financial institution selected through competitive bidding;
- (d) regularly monitor the performance of implementing agency and in case of any non-performance on the part of implementing agency, the Bureau shall take any disciplinary action against implementing agency or impose penalty on implementing agency;
- (e) empanel independent measurement and verification agency by signing memorandum of understanding with the Bureau and fix the lowest rate on which the implementing agency shall be paying to the measurement and verification agency for their services and the same shall be reimbursed to implementing agency by the Bureau;
- (f) empanel the participating financial institutions under the Partial Risk Guarantee Fund for Energy Efficiency by signing memorandum of understanding with the Bureau;
- (g) carry out annual visits to few projects, selected on random sampling basis, being covered under the Partial Risk Guarantee Fund for Energy Efficiency and submit reports to Supervisory Committee;
- (h) manage the Partial Risk Guarantee Fund for Energy Efficiency administrative account with the approval of the Director-General, Bureau and utilise it for administrative use like for empanelment process, for consultant fee, for administrative fee of implementing agency, for media or workshop or seminar or conference cost, for measurement and verification agency fee and for other administrative expense of project team of Bureau;
- (i) utilise maximum five per cent of the total corpus of the Partial Risk Guarantee Fund for Energy Efficiency to meet administrative expense

related with the fund provided that, interest on corpus amount along with guarantee fee and application fee shall also be utilised for meeting administrative expense; and

- (j) manage the administrative bank account for clause (i) to meet administrative expense for empanelment process, for consultant fee, for administrative fee of implementing Agency, for media or workshop or seminar or conference cost, for measurement and verification agency fee, and for other administrative expense of Project team of Bureau.

9. Functions of Implementing Agency.—The following are the functions of the implementing agency, namely—

- (a) assist the Bureau in scrutinising and evaluating the documents submitted by participating financial institutions for empanelment with Bureau under Partial Risk Guarantee Fund for Energy Efficiency and submit recommendations to the Bureau;
- (b) to appraise guarantee applications of participating financial institutions with respect to guidelines approved by Supervisory Committee and sign the guarantee agreement with the participating financial institution on receipt of the guarantee application along with the guarantee fee and other supporting documents;
- (c) be independent of the appraisal carried out by the participating financial institution and of the development of the project by the eligible borrower;
- (d) shall assess and review the progress reports and statement of accounts provided by the Participating Financial Institutions on utilisation of the Fund and in case of any deviations from the agreement, accordingly bring them to the notice of the Supervisory Committee in each quarter;
- (e) update the Supervisory Committee, in every Supervisory Committee meetings, on the progress of the Partial Risk Guarantee Fund for Energy Efficiency (including guarantees committed or claimed, and other updates) since previous meeting and also submit a quarterly report to Bureau regarding the progress and status of Partial Risk Guarantee Fund for Energy Efficiency;
- (f) shall each year issue an audited report setting out the accounts showing the income and expenditure under Partial Risk Guarantee Fund for Energy Efficiency;
- (g) to collect guarantee fee and application fee from Participating Financial Institutions and deposit it into Partial Risk Guarantee Fund for Energy Efficiency administrative bank account, which shall be managed by the Bureau;
- (h) deposit interest on corpus amount to the Bureau for meeting administrative expense;
- (i) conduct random due diligence on the appraisal documents on a sample of energy efficiency loans disbursed by participating financial institutions

and cancel the risk cover for that particular energy efficiency loan, if deviations are found;

- (j) appoint independent measurement and verification agency empanelled by the Bureau on receipt of guarantee claim from participating financial institutions;
- (k) the cost of measurement and verification agency shall be reimbursed to implementing agency by the Bureau;
- (l) process the guarantee claim procedure and, if found appropriate and mutually agreeable based on the report submitted by independent measurement and verification agency, provide the guarantee coverage;
- (m) convene an annual meeting with the empanelled participating financial institutions to soundboard their experiences and suggestions on successful running of Partial Risk Guarantee Fund for Energy Efficiency;
- (n) market Partial Risk Guarantee Fund for Energy Efficiency both with participating financial institutions and the end users and energy service company to ensure their participating and prepare pipeline of projects;
- (o) be responsible for preparation of marketing material and education of potential stakeholders about the Fund; and
- (p) provide a written assurance along with the institutional structure relating to the independence of implementing agency staff from the review, appraisal and financing of the projects that are put up for guarantee facility to Partial Risk Guarantee Fund for Energy Efficiency. Further, total guarantees provided to the implementing agency (Public Financial Institution) shall be limited to ten per cent of the total fund value.

10. Invocation of Guarantee.—(1) In case the participating financial institution decides for a guarantee claim under the Partial Risk Guarantee Fund for Energy Efficiency, it shall submit the guarantee claim form to implementing agency within a period of one year from the date of declaration of the project as non-performing assets.

(2) The participating financial institution shall not make or be entitled to make any claim on the Partial Risk Guarantee Fund for Energy Efficiency in respect of the default of the said credit facility owing to actions or decisions taken contrary to or in contravention of the guidelines issued by the Partial Risk Guarantee fund for Energy Efficiency.

(3) The claim shall be preferred by the participating financial institution in such manner and within such time as may be specified by the Partial Risk Guarantee Fund for Energy Efficiency in this behalf.

(4) The implementing agency shall appoint an independent measurement and verification agency, empanelled by Bureau, to do the measurement and verification. Based on the recommendations of measurement and verification agency and submission of relevant documents guarantee claim shall be processed by implementing agency.

(5) The Partial Risk Guarantee Fund or Energy Efficiency shall pay seventy-five per cent of the claim against guarantee by the participating financial institution, within sixty days, subject to the claim being otherwise found in order and complete in all respects and the balance twenty-five per cent of the guaranteed amount shall be paid on conclusion of recovery proceedings by the participating financial institution.

(6) On a claim being paid, the Partial Risk Guarantee Fund for Energy Efficiency shall be deemed to have been discharged from all its liabilities on account of the guarantee in force in respect of the borrower concerned.

(7) In the event of default the participating financial institution shall exercise its rights, if any, to take over the assets of the borrowers and the amount realised, if any, from the sale of such assets or otherwise shall be credited in proportion to the guarantee given on the total loan amount for that project to Partial Risk Guarantee Fund for Energy Efficiency before it claims the remaining twenty-five per cent of the claim against guarantee.

(8) In the event of serious deficiencies, the participating financial institution shall be liable to refund the claim released by the Partial Risk Guarantee Fund for Energy Efficiency together with penal interest at the rate of four per cent above the base rate of State Bank of India. These serious deficiencies shall be such as inadequate appraisal or renewal or follow-up or conduct of the project or multiple lodgement of claim or suppression of any material information for the settlement of claims or any other deficiency.

(9) The participating financial institution shall pay such penal interest, when demanded by the Partial Risk Guarantee Fund for Energy Efficiency, from the date of the initial release of the claim by the Partial Risk Guarantee Fund for Energy Efficiency to the date of refund of the claim.

11. Subrogation of rights and recoveries on account of claim paid.—(1) The participating financial institution shall furnish to the Partial Risk Guarantee Fund for Energy Efficiency, the details of its efforts for recovery, realisation and such other information as may be demanded or required from time to time.

(2) The participating financial institution shall hold lien on assets created out of the credit facility extended to the borrower on its own behalf and on behalf of Partial Risk Guarantee Fund for Energy Efficiency.

(3) The Partial Risk Guarantee Fund for Energy Efficiency shall not exercise any right of subrogation and that the responsibility of the recovery of dues including takeover of assets sale of assets and such other acts shall be with the participating financial institution.

(4) Every amount recovered and due to be paid to the Partial Risk Guarantee Fund for Energy Efficiency shall be paid without delay and if any amount due to the Partial Risk Guarantee Fund for Energy Efficiency remains unpaid beyond a period of thirty days from the date on which it was first recovered, interest shall be payable to the Partial Risk Guarantee Fund for Energy Efficiency by the

participating financial institution at the rate which is four per cent above base rate of State Bank of India for the period for which payment remains outstanding after the expiry of the said period of thirty days.

12. Dispute Resolution.—(1) Any person aggrieved by an order made by the implementing Agency may approach the Supervisory Committee constituted under Partial Risk Guarantee Fund for Energy Efficiency for decision.

(2) Any person aggrieved, by an order made by Supervisory Committee under the Act, may prefer an appeal to the Appellate Tribunal for Energy Conservation established under Section 30 of the Act.

(3) The person making appeal to the Appellate Tribunal shall file the same in accordance with Appellate Tribunal for Energy Conservation (Procedure, Form, Fee and Record of Proceedings) Rules, 2012.

13. Termination of liability in certain cases.—The liability of Partial Risk Guarantee Fund for Energy Efficiency may be terminated—

- (a) if a project becomes ineligible for being granted any guarantee coverage under these rules, by any reason, the liability of the Partial Risk Guarantee Fund for Energy Efficiency in respect of the guarantee coverage granted to participating financial institution for the respective project under these rules shall lapse;
- (b) if the guarantee claim submitted by the participating financial institution or borrower is found to be fraudulent or if there are serious deficiencies, such as inadequate appraisal or renewal or follow-up or conduct of the project or multiple lodgement of claim or suppression of any material information for the settlement of claims or any of the deficiency.

14. Guidelines of Reserve Bank of India.—The participating financial institution shall follow the instructions and guidelines issued by the Reserve Bank of India from time to time.

15. Revision of Rules.—The Central Government may revise these rules on the recommendations of Supervisory Committee, as and when necessary.

16. Returns and Inspection.—(1) The participating financial institution shall furnish to the Partial Risk Guarantee Fund for Energy Efficiency all such documents, receipts, certificates and other writings as the letter may require and shall be deemed to have affirmed that the contents of such documents, receipt, certificate and other writings are true, provided that no claim shall be rejected and no liability shall attach to the participating financial institution or any officer thereof for anything done in good faith.

(2) The Partial Risk Guarantee Fund for Energy Efficiency shall, insofar as it may be necessary for the purposes of these rules, have the right to inspect or call for copies of the books of account and other records, including any book of instructions or manual or circulars covering general instructions regarding conduct of advances of the participating financial institution, and of any Borrower from the participating financial institution.

(3) The Bureau or the Implementing Agency or any other person appointed by the Bureau or the Implementing Agency may carry out inspection.

(4) Every officer or other employee of the participating financial institution or the Borrower, who is in a position to do so, shall make available to Bureau or the person appointed for the inspection, as the case may be, the books of account and other records and information which are in his possession.

17. Conditions imposed under Partial Risk Guarantee Fund for Energy Efficiency be binding on the participating financial institution.—(1) Any guarantee coverage given by the Partial Risk Guarantee Fund for Energy Efficiency shall be governed by the provisions of the Partial Risk Guarantee Fund for Energy Efficiency rules as if the same had been written in the documents evidencing such risk coverage.

(2) The participating financial institution shall as far as possible ensure that the conditions of any contract relating to an account covered under the Partial Risk Guarantee Fund for Energy Efficiency rules are not in conflict with the previous of the Partial Risk Guarantee Fund for Energy Efficiency rules but notwithstanding any provision in any other documents or contract, the participating financial institution shall in relation to the Partial Risk Guarantee Fund for Energy Efficiency be bound by the conditions imposed under the Partial Risk Guarantee Fund for Energy Efficiency rules.

18. Modifications and exemptions.—The Bureau reserves to itself the right to modify, cancel or replace the Partial Risk Guarantee Fund for Energy Efficiency in consultation with the Ministry of Power.

19. Supplementary and General Provisions.—In respect of any matter not specifically provided for in this rule, the Bureau may make such supplementary or additional provisions or issue such instructions or clarifications as may be necessary for the purpose of these rules with the approval of the Ministry of Power.

20. Accounts and Audit.—(1) The Bureau shall maintain true and correct accounts of all monies and of all the income and expenditure made out of Partial Risk Guarantee Fund for Energy Efficiency.

(2) The implementing agency shall maintain true and correct accounts of the guarantee money committed and released under the Partial Risk Guarantee Fund for Energy Efficiency and the records of other expenditure like measurement and verification and other expenditure and interest accrued on the fund.

(3) The Bureau shall release ninety-five per cent of the existing Partial Risk Guarantee Fund for Energy Efficiency corpus to implementing agency and seek status of guarantees committed or released quarterly from the implementing agency every quarter.

(4) The implementing agency shall open a separate account for Partial Risk Guarantee Fund for Energy Efficiency fund and shall track all details of interest and utilisation or commitment. Implementing agency shall deposit interest on corpus amount to the Bureau for meeting administrative expense.

(5) The administrative expense shall include the fees of implementing agency, media or workshop or seminar or conference cost, measurement and verification cost, for empanelment process of financial institutions, measurement and verification agency, expense of project team of the Bureau and other administrative cost.

(6) The implementing Agency shall each year issue and audited report setting out the accounts showing the income and expenditure under the Partial Risk Guarantee Fund for Energy Efficiency for the preceding year not later than six months from the end of the preceding year of accounts.

(7) The year of account shall be the financial year commencing from the 1st April and ending on the 31st March of the subsequent year.

(8) The accounts of the fund shall be audited every year by the Comptroller and Auditor-General of India and the audited statement of accounts together with report of the auditor shall be laid before the Supervisory Committee for approval.

21. Compliance with Statutory Requirements.—The participating financial institution shall implement the procedures to ensure that each approved project complies with the environmental, health and safety standards.

22. Utilisation of Income.—(1) All income received under the Partial Risk Guarantee Fund for Energy Efficiency shall be part of this fund including interest earned on the fund, upfront guarantee fee and application fee recovered from the participating financial institutions.

(2) The Bureau may utilise the interest accumulated on fund corpus, guarantee fee and application fee to meet the administrative expense related with the Partial Risk Guarantee Fund for Energy Efficiency.
