

Canbank earmarks Rs 15-cr for solar lighting in rural, semi-urban areas

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CANARA Bank has earmarked Rs 15 crore as credit outlay, to finance solar home lighting system in rural and semi-urban areas.

"We aim to provide loans for around 10,000 houses in two years," R.V. Shastri, Chairman and Managing Director of the bank, announced at the launch of the State-level scheme here on Thursday.

Later he told reporters that the bank would reduce interest rates for the beneficiaries of the scheme by 50 basis points. "Under this scheme, we will reduce interest rate for beneficiaries to 11.25 per cent, as against the prime lending rate of 11.75 per cent," he said.

According to Shastri, Canara Bank is the first of its kind in the country to enter into an agreement with United Nations Environment Programme (UNEP) for extending a soft-term loan scheme for solar home lighting system. The scheme envisages



R.V. Shastri, CMD and K. Kanthakumar, ED of Canara Bank share a word at the launch of the loan scheme for solar home lighting systems in Bangalore on Thursday — Express photo

financing up to 85 per cent of the cost of the equipment, to be paid back in five years, with a repayment holiday of three months. "Though we have fixed Rs 25,000 as maximum loan per applicant, we are ready to provide more for the needy. The UNEP would provide 15 per cent subsidy for the beneficiaries, which would be adjusted towards the last installment of the loan," he said.

Canara Bank has been a pio-

neer in introducing the solar water heating systems in collaboration with the Ministry of Non-conventional Source of Energy way back in 1996, Shastri said.

R. Prabha, deputy GM of the bank, said the beneficiaries can get the home lighting system equipment from UNEP-approved suppliers like Seico Solar Light Private Ltd, Tata BP Solar India Ltd, Shell Solar India Private Ltd and Kotak Urja Pvt Ltd.