

REGIONAL

Canara Bank launches scheme for solar lighting systems

By Our Special Correspondent

BANGALORE, JAN. 23. Canara Bank, in association with the United Nations Environment Programme (UNEP), today launched a soft term loan scheme for solar home lighting systems.

Inaugurating the scheme, the Canara Bank Chairman and Managing Director, R.V. Shastri, said the bank would extend the scheme to over 10,000 households with a credit outlay of Rs. 15 crore over the next two years.

The scheme envisages financing up to 85 per cent of the cost (maximum of Rs. 25,000) of the solar heating systems at an interest rate of 11.25 per cent, repayable in five years with a repayment holiday of three months.

The UNEP would provide interest subsidy under the scheme.

Mr. Shastri said that Canara Bank had collaborated with the Ministry of Non-conventional Source of Energy in 1996 to introduce solar water heating systems.

The bank had extended credit on soft terms to install 5,821 units with an outlay of Rs. 9.5 crore.

Though Karnataka had the distinction of setting up the first hydroelectric power generating station in Asia, it was now going through a power crisis.

Hence, the need to tap alternative and renewable sources of energy had become important.

Canara Bank, he said, had decided to implement the scheme in Karnataka through 344 of its branches here and later in other parts of the country.

The Chairman of Karnataka Renewable Energy Development Ltd., Y.S.C. Bose, said as demand of energy was not being met by conventional sources, it had become imperative to tap renewable and alternative sources.

Solar energy was one of the answers, he said and added that though the initial cost of solar energy was high, it paid dividends in the long term as it effected a saving in the electricity bill.

The senior engineer of UNEP, Denmark, Jyoti Prasad Painuly, said the growth of renewable energy worldwide was appreciable and, in the next 15 years, it would increase from 16 per cent to 50 per cent.

The scheme is open to individuals, small business establishments and self-help groups. Salaried individuals with a minimum monthly net take-home salary of 25 per cent of their gross salary or Rs. 2,000 (after meeting the loan instalment) were eligible.

Professionals and other non-salaried individuals should have a minimum net annual income of Rs. 36,000. Canara Bank provides 85 per cent of the cost of the solar heating system.

The UNEP-approved suppliers are Selco Solar Light Pvt. Ltd., Tata BP Solar India, Shell Solar India Pvt. Ltd., and Kotak Urja Pvt. Ltd.