



सत्यमेव जयते

उपेन्द्र त्रिपाठी
Upendra Tripathy

सचिव
भारत सरकार
नवीन और नवीकरणीय ऊर्जा मंत्रालय
SECRETARY
GOVERNMENT OF INDIA
MINISTRY OF NEW AND RENEWABLE ENERGY

D.O. No.32/50/2014-15/PVSE

Dated 24/5/2016

Dear Sir/ Madam,

Subject: Request for giving priority to farming community and follow the example of Syndicate Bank in financing solar pump sets.

As you are aware, Government of India(GoI) attaches high importance to promotion of solar energy in the country and more particularly for rural areas. One of the initiatives of GoI has been launching of credit-linked capital subsidy scheme in December, 2014 (through NABARD) to be implemented through banks for promotion of installation of solar pumpsets with objectives of replacing diesel pumpsets, reducing dependence on grid-power as also to enable farmers to reap additional income through higher cropping intensity. The progress is being periodically reviewed by PMO.

2. Capital subsidy of Rs. 43200/- to Rs. 57600/- per HP/ AC or DC pumpset is provided. Adequate funds are parked with NABARD and banks can avail the facility of advance parking of subsidy upto Rs. 1 crore at a time under the scheme.
3. Solar Pumpset sector is expected to be single largest solar applications in the coming years. It offers huge lending opportunity for banks since, even if half of present number of diesel pumpsets have to be replaced with solar pumpsets through credit support, the loan potential is more than Rs. 1 lakh crore.



गांव गांव बिजली, घर घर प्रकाश

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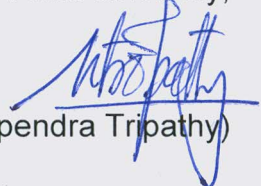
4. The progress under the above scheme has not been encouraging. Only around 1000 units are reported to be covered so far. Hence, we request you to kindly set a goal of solar pumpset loans as mentioned in Annexure under the above scheme for your rural branches for the current year 2016 (i.e. average of one case per rural branch).

5. One of the major constraints has been that banks are insisting on collateral security in terms of mortgage of land (in addition to hypothecation of equipments) for the loans and many farmers are unable to provide the same for various reasons. Normally, cost of solar pumpsets ranges between Rs. 3 lakh to Rs. 5 lakh and loans (including subsidy component) is around Rs. 2.7 lakh to Rs. 4.5 lakh. The net loan (after deducting subsidy) is around Rs. 1.4 lakh to Rs. 2.5 lakh. We request you to kindly advise your branches not to insist on such additional security for loans under the above scheme which needs special support from banks. Incidentally, it may be mentioned here that Syndicate Bank has decided to waive mortgage of land for loans up to Rs. 5 lakh extended for installation of solar pump sets.

6. We request you to bestow your personal attention for the above scheme and kindly take the above steps which will go a long way in promoting the cause of clean energy and agriculture.

A line in reply is solicited.

Yours sincerely,


(Upendra Tripathy)

Encl: Letter of Syndicate Bank dt. 23/12/2015

As per list attached.

