

INDIAN COMPANIES LAUNCH INTEREST-FREE LOANS FOR SOLAR POWER PRODUCTS  
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## Indian Companies Launch Interest-Free Loans For Solar Power Products



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Indian private sector companies are warming up to the idea of rural electrification floated by Prime Minister Narendra Modi. The Indian government has promised 100% electrification of the country by 2019, and solar power would play a critical role in the achievement of this target.

One of the largest manufacturers of solar power and heating products in India, [Tata Power Solar](#), has joined hands with Bajaj Finance to launch an interest-free loan program to help consumers get access to small-scale solar products. Consumers will get interest-free loans on products manufactured by Tata Solar Power that include solar powered CFLs, LED lights, solar water heaters, and solar panels for rooftop installation.

All three products hold immense potential in the rural markets where the power supply is either intermittent or absent altogether. Solar water heaters would find great application in urban areas as well. Several government buildings, hotels and hospitals have installed solar water heaters and many state governments are now considering mandatory use of such systems in all public buildings.

The financing scheme may increase uptake of solar products among otherwise hesitant consumers. While rooftop feed-in tariff schemes have been launched in many states, residential and commercial consumers have not responded positively to them, mainly due to lack of information and the requirement of high upfront investment.

*We have ensured that the offer is simple and without any hidden cost. There are a number of people who are hesitant to invest in solar due to the initial upfront cost. We are sure that this offer, with its strong financial incentive, will help people find our products very affordable”, said Gagan Pal, Vice President – Products, Tata Power Solar.*

Bajaj Finance would provide instant processing of loans for equipment less than Rs 250,000 (\$4,150). The consumers would be required to make a small initial down payment, and the balance amount can be paid through monthly installments (EMI) over 7-10 months.

While off-grid lighting solutions would be attractive for rural consumers, the Dynamo solar power pack would be useful for urban consumers. Residential consumers with smaller roofs can install these systems that are available in the capacity range of 100 to 1,000 W. If feed-in tariff policy is available, consumers can produce revenue through the sale of electricity, which could go towards their EMI repayments.