



SOORYA BALA SANGRAMAYA- LECO LOAN SCHEME

INSTRUCTIONS TO CUSTOMERS AND SOLAR PV SUPPLIERS

Please read all instructions

This loan scheme is only applicable to the customers of Lanka Electricity Company (Private) Limited and will be available only until the National Solar PV installation target of 200MW is achieved or full disbursement of allocated funds to the scheme. Our nominated bank **National Savings Bank (NSB)** will provide the loans to the eligible customers subjected to the fulfilment of terms and conditions of the LECO and the bank.

LECO has the right to terminate the scheme at any time without prior notice to the customers.

1. Basic Details:

a. LECO Pre Qualifications:

- Retail and Bulk, Tariff customers (Electricity account under their name) who own the premises.
Customers who own the premises but not the tariff customer, can apply for name change and may be eligible subjected to the condition mentioned herein.
- Existing Net metering customers are not qualified for the loan scheme for the same premises unless for the improvements of the capacity.
- Customers, who had been disconnected more than two times during past 12 months of the application due to non payment of bills, are not qualified.
- Customers, who have obtained other concessionary loans for the service connection, are not qualified.

b. Limitations:

Customer has the choice of selecting Net Metering, Net Accounting or Net Plus schemes.

- For Solar PV installations only up to the contracted capacity of the customer electricity connection,
- Only for roof top solar PV installations,

c. Loan Amount

Type A: Maximum loan amount will be 90% of the supplier's cost for Solar PV installation (excluding initial review fee, connection charges etc.) subjected to maximum of Rs.500,000.00

Type B: Maximum loan amount will be 75% of the supplier's cost for Solar PV installation (excluding initial review fee, connection charges etc.) subjected to maximum of Rs.1,000,000.00

d. Loan Interest and Repayment Period

- Interest Rate : 8% (annual)
- Loan Repayment Period : maximum loan period is 7 years. However, customer has the option to select 5 years or less.
- No guarantors required and pre-settlement charges are not applicable for this loan scheme.
- **NSB** will charge a loan processing fee of Rs. 1,500/- from the customer



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- Applicable loan instalment schedule under this concessionary loan scheme is shown below.

Loan Amount (Rs.)	Loan Installment for a Tenure of	
	5 Years	7 Years
100,000	Rs.2,027.64	Rs.1,558.62
200,000	Rs.4,055.28	Rs.3,117.24
300,000	Rs.6,082.92	Rs.4,675.86
400,000	Rs.8,110.56	Rs.6,234.49
500,000	Rs.10,138.20	Rs.7,793.11
600,000	Rs.12,165.84	Rs.9,351.73
700,000	Rs.14,193.48	Rs.10,910.35
800,000	Rs.16,221.12	Rs.12,468.97
900,000	Rs.18,248.75	Rs.14,027.59
1,000,000	Rs.20,276.39	Rs.15,586.21

2. Application Procedure:

It is suggested that customer can either directly visit respective **LECO Branch Office** or the **NSB** at his convenient to initiate the loan process. All LECO applications will be available with **NSB** Branches of **LECO** Operating areas.

Basic application procedure is given below

Institute	Steps	
LECO	LECO Loan Prequalification	1
NSB	NSB Loan Approval	2
LECO	Connection Proposal Approval	3
NSB	Release of Loan -Part payment 1	4
LECO	Connection	5
NSB	Release of Loan-Final payment	6
LECO	Collection of loan instalment through monthly electricity bill	7

Please note that customer has to follow the steps as indicated above in the loan process. However, customer has the option to visit **LECO** first and follow step 1 & 3 and then visit the **NSB**. Alternatively, Customer can first visit **NSB** for loan approval (subjected to **LECO** prequalification) and then visit **LECO** to follow step 1 & 3.



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- a. Prospective customer who wishes to obtain a loan, should complete LECO loan application form **L1-LECO/BR/FO/020** and hand it over to respective LECO Branch Office.
- b. Respective branch should register the loan application in the register and issue reference number to the customer.
- c. LECO will check the pre-eligibility of the customer for the loan and issue a letter to the **NSB** with copy to the customer. Customer's solar PV installation supplier can collect this document with the consent of the customer.

If customer's Electricity Supply agreement is not available with LECO, customer should sign new agreement prior to issue this document.

- d. It is mandatory that the customer should purchase solar PV unit from a supplier who has registered at the **Sustainable Energy Authority of Sri Lanka**.
- e. It is mandatory that the customer should enter an agreement with his supplier for the performance of the Solar PV unit for the minimum of expected loan period.
- f. Customer should visit nearest **NSB** branch and apply for Personal Credit Facility by filling the **NSB** application **CRD/SEL/07/V01** together with relevant documents.

Customer should submit ownership proof of the premises to the **NSB** for verification.

- g. **NSB** will carry out credit appraisal of the customer as per the credit assessment process applicable for normal Personal Loan scheme of the Bank. If satisfied, **NSB** will enter loan agreement with the customer and issue a loan approval to proceed with installation.

At the same time, Customer should give his consent to LECO by signing the form **L2-LECO/BR/FO/21** which can be collected at NSB to

- add loan instalment to the monthly electricity bill
- Allowed LECO to provide priority for loan installment settlement in the event of underpayment of the monthly electricity account.
(Any payment made by the customers as bill payment will be first considered to settle loan instalment and balance will be considered for electricity bill settlement).
- Credit, applicable payments for generated units, if any, pertaining to **Net Accounting/ Net Plus scheme** under same electricity account, to the savings account maintained by the customer at the **NSB**.

- h. After completing above, Customer can apply for a connection through Net Metering Application Form that can be collected from the Customer Services Centre (CSC) or downloaded from the LECO web site www.leco.lk.
- i. Customer shall submit the



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- a. Net Metering application form –N1
- b. Applicable Net Metering agreement –N2
- c. Connection proposal with two copies including the type test certificates, the technical literature of the equipment used and his proposal for the maximum generation of kWh units per month
- j. Upon connection proposal approval from **LECO** and loan approval from the bank, **NSB** will release 40% of the loan amount as an advance to place the order with solar panel supplier and then customer may proceed installation of Solar Panels at their premises.
- k. Once installation is completed, customer should report **LECO** with Chartered Electrical Engineer's Certificate for the installation.
- l. If the installation is in compliance with the approved connection Proposal, connection estimate will be given. Any non compliance will be reported to the customer for compliance with copy to the bank. Failing to comply with approved connection proposal will result refusing the connection by **LECO**.
- m. Upon the payment for the estimate, connection will be given and the bank will be notified.
- n. **NSB** will release the balance loan amount (60%) to the customer/Supplier upon receipt of the connection details.
- o. The customer must pay the first loan instalment in cash to the Bank immediately after the disbursement of the total amount of the loan.
- p. The loan installment will be added to customer's monthly electricity bill throughout the respective loan period.
- q. Customer should pay applicable Electricity bill plus the loan installment to the **LECO**.
- r. Any payment made by the customers to the respective electricity account will be first considered to settle against loan installment and balance will be considered for electricity bill settlement.
- s. For **Net Accounting** and **Net Plus** scheme customers, applicable payments for generated units, if any, will be credited to the savings account maintained by the customer at the **NSB**.

Please note that LECO and NSB may change the procedure and conditions of the loan without prior notice to the customers.