

FINANCE / CORPORATE

UNEP, Canara tie up in novel power scheme

Our Bangalore Bureau

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IN ITS bid to help villagers have access to round-the-clock power supply, the United Nations Environment Programme (UNEP) has drawn up an innovative subsidy scheme to help finance purchase of solar home lighting systems. The first such arrangement is with Canara Bank. The scheme for lighting systems is unique in that the scheme for solar water heaters is being funded by the Centre.

The new product provides finance for upto 85% of the project cost, subject to a maximum of Rs 25,000. The bank has plans to finance 10,000 households over the next two to three years. This would add around Rs 15 crore to the bank's credit portfolio. The new product will debut in 344 rural and semi-urban branches of the bank in Karnataka, said Mr M Gokuldas, the bank's general manager for priority sector lending. Canara Bank has financed over 5,800 units aggregating Rs 10 crore, he added.

Earlier, at the launch, Mr R V Shastri, the bank's chairman and managing director, announced a reduction in the prime-term lending rate (PTLR) for this scheme. The new rate under which the bank would finance the installation of solar home lighting systems is placed at 11.25%.