

Universal Solar Pump Controller (USPC) | Tie-up between Banks and SWP/ Equipment Suppliers to enhance market reach

With wide range of benefits offered and falling solar prices, **Solar Water Pumps (SWPs)** are emerging as an effective alternative to traditional options such as diesel pump sets. Central and state government are offering at least 60% of subsidy on solar water pump. In addition, MNRE has introduced the Universal Solar Pump Controller (USPC) for utilizing excess solar power for operating Agri equipment's

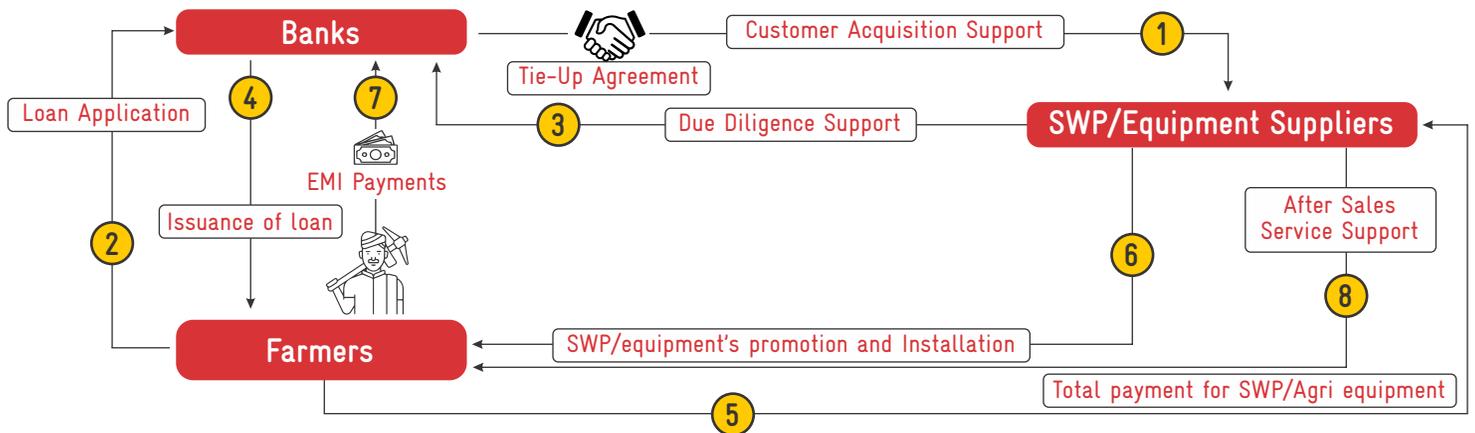
SWP and USPC market is expected to grow substantially in coming years and huge potential for banks/FIs.

	Banks/FIs	Developers/Manufacturers	Farmers
Financial/ Market Challenges	1. Low bankability 2. Default and delay risks	1. Risk of default by farmers 2. Access to customers	1. High upfront cost 2. High-cost loans



Assumption: 1% penetration of USPC in targeted 20 lakh SWP installations; capital cost of normal SWP system and USPC is 2.3 Lakh and 3 lakh, respectively ; Loan Amount – 30%

Collaboration between banks and equipment manufacturers/farmers shall facilitate increased awareness among farmers as well as increased loan portfolio for bankers



The **potential Tie-up** will result in following benefits to each stakeholders:

BENEFITS FOR BANKS

- Due Diligence Support through developer's techno-commercial expertise
- Reduced default risk due to reliable after-sales service to farmers

BENEFITS FOR DEVELOPERS/EQUIPMENT SUPPLIER

- Increased customer acquisition through Banks
- Optimal allocation of service centers in operational areas due to the available customer database

BENEFITS FOR FARMERS

- Easier Access to Finance
- Communication Medium for Grievance Redressal

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