A Social Enterprise
Why SELCO?

SELCO INDIA was founded in 1995 to service and sell solar electric lighting systems (presently into energy services) in rural India.

- To create a sustainable business by promoting energy services in the underserved and un-served areas of South India.
- To build a strong service network in the rural areas for solar systems.
- To build a sustainable linkage between modern energy services and income generating activities.
Key Challenges

- **Need Based Technological Innovation**
  - Because of lack of grassroots level presence manufacturers are unable to judge the actual needs of the end-users thus leading to absence of product innovations.

- **Need Based Financing**
  - Financing for the poor needs to be designed according to their cash flow.

- **Service**
  - Access to remote areas to maintain and service technology

- **Access to Market Linkages**
  - Lack of linkages between service providers-product and financial and the end user
Our Approach: Door Step Service

HQ
SELCO INDIA headquarters is located in Bangalore.

Regional Offices
Each office directly manages between 5-10 ESCs

ESCs
SELCO’s retail showroom, inventory depot, and base of sales and service operations. Located in central rural towns.

Salesforce & BA
SELCO’s direct sales force and Business Associates market SELCO’s products to potential customers
BRANCH STRUCTURE

- 25 - 50 Km radius
- Sales
  - $ 6000 - 20000/ month
  - 15 - 25 Units / month
- 1000 - 8000 customer base
- 5 Staff - 2 Sales (1 manager), 2 Customer Support, 1 Administrator
- 5 - 10 Business Associates
PRESENCE

- 2 States - Karnataka & Gujarat
  - 25 Districts
- 20 Energy Service Centers
  - 4 Stock Points
- 95000 Customers
  - 80% Rural
- 140 Regular Staff
  - 100 Business Associates
Our Approach: Door Step Financing

- SELCO HQ
- RBO
- ESC
- End Users

- National Banks
- Rural Banks
- Third Party finance
- Self-Help Groups
- Microfinance Institutions
FINANCING

- 90% Sales Financed
- Regional Rural Banks, State Commercial Banks, Credit Cooperatives, Micro Finance Institutions
- Partnerships - Product/Service Development
- SHLS 2 - Costs $200
  - Banks
    - 15% Down payment
    - Ask for collateral
    - Interest Rate - 12 - 15%
    - Repay $4 - 6 monthly over 5 years
  - MFIs
    - No Down payment
    - No Collateral
    - Interest Rate - 15 - 24%
    - Repay Weekly or Monthly
CLIENT PROFILE

- **75%**
  - Small Farmers – Annual Income $1200 – 1500
  - Individual working households – Monthly $100 – 150
  - Informal/ Home based workers/ Street Hawkers – Daily $2 – 4

- **10 – 15%**
  - Lower middle income – Annual $2500 – 5000

- **10 – 15%**
  - Rural Institutions – Schools, Hostels, Health Centers, Banks, Religious Places, Refugee Camps
PRODUCT PROFILE

❖ SOLAR

❖ Lighting - CFL/ LED - 80 % Revenue
  • Home Lighting - 70% Revenue
  • Lanterns
  • Head Lamp
  • Street Lights
  • Garden Lights

❖ Thermal - 20% Revenue
  • Flat Plate
  • ETC

❖ COOKSTOVES

❖ Charcoal
❖ Biomass
MARKETING

- Localized - vernacular news papers and periodicals, radio stations, Auto Back
- Word of mouth
- Financial Institutions’ reference
- Demonstrations at local fairs
- Sample units in Temples, Churches, Mosques, Community Centres, Village Roads
Partners

- Sourcing Problems
  - Non-Governmental Organizations
  - End Users

- Solving Problems
  - Financial Institutions
  - Product Developers
  - Academic Institutions
  - Volunteers

- Accessing Communities
  - Community Building Organizations
  - Corporates (CSR)
Rural Customers

SELCO has installations in more than 100,000 households

Top: Radha from Sirsi now has solar lighting that helps in her diary and arecanut farming

Bottom: Lakshmi from Bangalore with her solar light doesn’t have the hassle of using kerosene lantern to sell her vegetables anymore
Urban Customers

Kaminiben uses solar lighting as back up during power outages

Top: Architect office in Bangalore using solar lights

Bottom: Clinics in Kumta using solar lighting to reduce their lighting expense
Institutional Customers

SELCO has installed Solar lighting and hot water in more than 1000 institutions

Right: MAHE - Hostel Solar Water heater installation; largest water heater installation in the country
Overcoming Barriers

- **Concentrated on need**
  - Designing the technology based on the priority of need for the end user

- **Facilitating finance through local financial institutions (FIs)**
  - Working with Nationalized or Regional Rural banks or MFIs for financing end user

- **Creating channels to afford the solution**
  - Based on cash flow of end users design financial schemes with local FIs

- **Integrating partners who can provide solution**
  - Understanding limitations and working in tandem with partners who can contribute to solution

- **After sales service**
  - Ensuring faith in technology by providing localized and reliable service by the branches to meet any maintenance issues
SELCO’s Impact

- Improved productivity in income generation activities
- Introduced pivotal financial schemes with local financial institutions
- Created awareness and faith in solar power as a viable alternative
- Improved quality of life
  - Healthier environment
  - Access to energy services
  - Supported solar entrepreneurs
- Provided customized products based on need

SELCO Solar lighting now helps weavers of Chitradurga to work during power outage.
FUTURE PLANS

- Reaching deeper into the energy services strata for rural and urban poor such as improved cook stoves, purified drinking water, energy efficient technologies and so on

- Expanding the breadth of innovations in technology, finance and operational aspects

- Set up service centers in neighboring states

Top: Silk Cocoon rearing farmers use solar light to feed the worms

Bottom: Street vendors in Bangalore using solar lighting to vend their goods
A Social Enterprise

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