

20th Year Celebrations

We are proud to note that 2014 -15 will be the 20th year of SELCO's existence and of making a difference in the life of the under-served. We will celebrate this happy occasion by conducting various programmes from 1st April 2014 to 31st March 2015 to reach out to our well wishers, beneficiaries, bankers, partners, policy makers, vendors and research institutes. This is also an occasion to introspect and deepen our Mission to reach out to the poorest of the poor. Let us come together to make this occasion memorable and to showcase SELCO to the world! ■

Business with a mission

In the first half of 2013-14 Kundapur Branch crossed the Rs. 1 crore revenue threshold and successfully installed over 750 systems, mostly compact lighting systems for poorer households. The team has achieved this success with support from other colleagues of SELCO.

A major part of the credit goes to our partner organization, "Sri Kshetra Dharmastala Rural Development Project". The support from local banks, especially from Karnataka Vikas Grameena Bank was invaluable. The Business Associates have also played an important role.

On average 150 systems were installed monthly from June to September. It was an interesting challenge to manage — material planning, installations, service and complaints — at this scale. Meticulous planning helped to overcome it: short daily meetings were conducted to plan activities of all staff. Planning, coordination with other departments, and hard work enabled the branch to achieve this target.

The branch has also reached out to un-electrified villages affected by Left Wing Extremist movement. In the process, 5 villages—Hallibere, Bastriberu, Mavinkatte, Madamakki and Thuncha— have been declared '100% solar village'. ■

The ILKAL weavers

Ilkal is an ancient weaving center in Karnataka's Bagalkot district. Sarees made here have a distinctive pattern and are made from cotton and silk. Recently SELCO identified a colony of weavers in Gurulingappa's Shelter area — 209 houses that lack electricity, drinking water and sanitation.



◀ Weaving under the light

Weaving is the main source of income in this shelter, an indoor activity involving active participation of its women members and about 3-4 days to weave one saree.

Most of the weaving was done during the day. To weave during the night they used kerosene lanterns or chimney lamps; resulting in an unhealthy and difficult work environment. The spark of these archaic forms of light was also potentially damaging for the sarees. Other problems included inability to cook at night, travelling long distances to recharge mobiles, poor reading lights compromising the eyesight of children —all critical issues faced by the community.

The SELCO Bagalkot branch approached this colony to understand their needs, ability to pay and then worked with the community to arrive at a suitable solution of 2 light LED systems. A local financial partner, Karnataka Vikas Grameen Bank's manager visited the community and agreed to support and finance 10 customers in two Joint Liability Groups. SELCO subsidised the down payments under Mission Projects for the customers to avail the loan. The availability of lights has increased the output of the weavers and brought the community out from years of living in darkness. ■



Winning Over the **State Bank Of Hyderabad**

In a meeting of the branch officials and the Business Associates of Sindhanur branch the Financial Institution Relation (FI) team first encouraged the sales staff to bring more banks into our fold. Shri Nagamalleshwar approached the manager of the State Bank of Hyderabad (SBH), Hirekotnekal which was newly opened in the area. Though the initial response from the bank was not very encouraging, the Sindhanur branch maintained their effort. The FI team also visited the SBH branch and explained SELCO's effort to provide energy access to communities in nearby areas like Dhadesugur and invited the manager to visit the village.

The manager of SBH, Hirekotnekal visited Dhadesugur where we have lit 62 impoverished households. He saw first hand how the women find it easy to cook at night, with no kerosene fumes, tears and or fear of what could fall in the food. The impact on school going children study-

ing in bright and clean light was evident. After about 15 days the manager requested to replicate the project in his command area. However, certain documents, not mandatory under the RBI guidelines, came in the way of smooth lending.

The FI team took up this issue on a visit to the zonal office in Gulbarga. In a discussion held with bank executives, the SELCO team explained our company's work and the impact on the lives of users. We were invited to present in the SBH bank zonal managers' orientation programme. On the sidelines of the meeting the DGM of the bank was informed about the issue of documents insisted by the local branch. He immediately instructed the branch to follow the guidelines and thus the bank was won! Since then, Hirekotnekal branch has been highly forthcoming and actively financing systems in their area. ■

Integrated Energy Centre - **LINGRAJPURAM**

Integrated Energy Centres (IEC) are solar powered community centres that can host a range of basic services and activities lacking in an under-served community.

Since 2006, 300 families mostly from north Karnataka reside in the Lingarajpuram slum on the site of a dried up lake in Kachrakanhalli. The employment mix in the slum is extremely varied, including contractors, labourers, cleaners, and gardeners. A temple trust located next to the land, informally 'allows' the people to occupy the space.

Kerosene and firewood are the most common sources of lighting and fuel in the community. Monthly spending on kerosene can be up to Rs 1000 for lighting —close to 10% of the average household income. Other problems affecting the community include lack of water & sanitation facilities, as well as rights & identity challenges. The community is particularly prone to local and political power struggles, so getting permissions and gaining community trust was difficult.

A unique criteria was set for the centre's structure: to bear strict similarity to local temporary household structures, and thus not warrant unnecessary attention! The IEC has been operational since April 2013, catering to approx. 40 households. It has a central solar charging station and battery boxes are rented for a daily fee of Rs 5-7, less than half the cost of kerosene per day. Each user gives a



▲ Inside IEC : The joy of learning

refundable deposit of Rs. 200 at the start of their rental.

Two partners on the ground work with SELCO Foundation to provide additional services to the community through the IEC. The services provided in the IEC include a day care centre with a basic literacy programme for children, evening tuition for children whose parents are enrolled in a livelihood programme, self help groups and a weekly Alcoholics Anonymous health camp. In future the IEC plans to include vocational training schemes and a work centre around sewing machines, as well as an assessment of the utility of a smoke extraction project. ■

A Debt-free Company

SELCO had taken a working capital loan of US\$ 1 Million (around Rs. 4.5 crores) from International Finance Corporation (IFC) in the year 2003. This loan was disbursed under the Photovoltaic Market Transformation Initiative (PVMTI) to primarily facilitate SELCO's expansion into new regions and for partnering with regional rural banks (RRBs) to provide consumer financing. We repaid the entire loan to IFC during March 2013. Now SELCO is a debt free company! We are also proud to be the only company to have repaid the loan among 4 other Indian entities who were sanctioned a loan under this initiative. ■

Light in the forest

"Gouli" is a traditional forest tribe inhabiting the forest fringes of Karnataka and Maharashtra and lacks many basic facilities. Recently we came across a hamlet of 17 households in the village of "Gouliwada Varthad" in Belgaum district. It was a challenge to get them Solar Lighting as they were very poor and did not have prior history of banking.

We explained the issue of Gouliwada to Rotary Club, Panaji Mid Town who were interested to work with us. Rotary Club contributed some part of the system cost and helped make the system affordable.

We then approached the bank to get a loan and create a financial linkage. Our FI team put in a lot of effort to convince the Canara Bank, Londa to agree to sanction the loan under the DRI scheme. So far we have successfully installed 2 LED solar lights in 10 houses in the first phase of the project. This unique project was inaugurated in the presence of Rotary club members and SELCO officials. It was a nice occasion to savour the fruit of success after overcoming many obstacles! ■



▲ Gowliwada Varthad

Annual Day

We celebrated Annual Day in Belgaum on 6th July, 2013 with song, dance, and awards for the notable contributions from last financial year!



▲ Surya Mitra award for Sri Kota Srinivas Poojary

Some notable quotes on this occasion:

- Sri Kota Srinivas Poojary – SELCO is a model for service & commitment to the cause of the underserved.
- Sri K.M.Udupa – SELCO has built immense credibility over the years. The challenge is to maintain it and spread the model to reach out to more people.
- Dr Harish Hande – SELCO has a rich and pioneering experience from the field which has to be shared within and outside the organization. We have shown a new way which has to be strengthened to meet the energy challenges that we face today. ■

Sharing the experience

A vital component of the ecosystem of decentralised solar PV is the availability of trained personnel. We have been making important contribution towards this.

In collaboration with GIZ, we conducted a training programme on the basics of Solar Electricity under the Modular Employee Scheme for ITI students. The training was held at Government Industrial Training Institute, Challakere in Chitradurga from 12th to 25th August 2013. It covered theoretical and practical aspects of solar energy, including a site visit. The ITI college-Challakere selected 15 students for the training; after completion four people were selected by SELCO for immediate appointment.

In another initiative, The Energy and Resources Institute (TERI) sent us two batches of trainees – Hindi speakers from Northern India and Telugu speakers from Andhra Pradesh. The Training department successfully handled a three day training in both languages that included a site visit at Manipal. ■

DRI loans for Solar

When the SELCO branch in Chikkodi and an FI team member approached the Canara bank to support financing for 14 households, the bank manager suggested to do the project under the Differential Rate of Interest (DRI) scheme. This opened a new avenue to avail loans — since then, the scheme has also been used by the Bangalore and Belgaum branches.

In simple words, the end user can avail a loan for solar home lighting system at 4% interest rate per year under this scheme. The eligibility criteria to avail loan are:

- Household annual income should not exceed Rs. 18000 in rural areas and Rs. 24000 in urban areas
- Loan amount should not exceed Rs. 15000 and can be for any asset that results in gainful activity.

The DRI scheme helps households to access loan faster and at a lower rate of interest. The scheme requires basic proof of income or BPL card along with documents to meet 'Know Your Customer' (KYC) norms. It also means fewer administrative hassles and delays for the bank than the JNSM-NABARD subsidy scheme. Any RRB can lend under DRI with consent from the sponsor bank. ■

Lighting Social Welfare Hostels

The portable lights under the Light for education initiative has been a successful model to reach out to school-going children and played a vital role of taking education forward through access to sustainable energy. This experience has also helped us expand the scope of this initiative and reach out to more school going children.

The state government has set up Social Welfare hostels for poor students belonging primarily to SC/ST and other backward classes. These hostels are located in some of the most backward regions of the state playing major roles of providing facilities to continue education for the underserved communities. Many of these hostels faces major power cuts which impacts the education of the children adversely.

SELCO, in partnership with Menda Foundation, has taken up the major initiative of providing lights to these hostels. Solar powered lights have been provided to light up common study room, dining hall and bedrooms. We have already reached out to 27 hostels directly impacting 1500 students. ■

One Year of SELCO Incubation

SELCO Incubation Centre was conceived nearly 15 months ago in order to spread our business philosophy beyond Karnataka. We have several states across the country like Odisha, Rajasthan, Jharkhand and the north eastern region where providing energy access is still very challenging.

The task of finding enthusiastic youngsters across the country has been an enriching experience. In the journey of supporting new enterprises we have also learned about the new regions. We have seen the fragility of the infrastructure in the north-east, where the only national highway between Guwahati and Imphal functions only 280 days in a year. The region needs little effort for creating awareness on solar energy as it is already a popular source of energy. However, we had to tap in to local forms of financing called *Marup*, which is availed among a group of individuals. Each of them contribute an equal amount monthly and each month one individual gets a solar system based on a lottery system.

An important goal of the SELCO Incubation Centre is to work with the very talented but generally ignored non-English speaking entrepreneurs in rural India and build financially sustainable energy service companies. In this direction, SELCO Incubation Centre organised workshops in seven districts of Odisha. The hope is to go beyond the Tier-1 cities and reach some of the remotest regions of the country. ■



▲ Popularising Solar in Odisha



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