

Soaking in the Sun

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Selco's innovative solar lamps are lighting up rural homes across India

HARISH HANDE looks every bit the social entrepreneur. As he talks, his messy hair, soft voice and slightly crumpled appearance exude unpretentious intelligence and quiet determination. The latter, perhaps, cultivated during the days and months spent clambering up rooftops to install solar panels in rural Karnataka. Hande is the founder and managing director of SELCO, a company that provides affordable energy solutions to the underprivileged. Over the past 16 years, his team's efforts have lit up hundreds of thousands of households with 'clean' lighting. In a country where half the population still lives without electricity, these achievements have received due recognition. Recently SELCO won the FT-ArcelorMittal 'Boldness in Business' award in the CSR category. In 2007, Hande was voted 'Social Entrepreneur of the Year' by the Schwab Foundation for Social Entrepreneurship and the Nand and Jeet Khemka Foundation.

Hande's tryst with clean energy began in 1991. While studying for his PhD in sustainable energy, he visited the Dominican Republic. "It was a very poor country, yet, I saw most people using solar power. And since my PhD thesis was on rural electrification in India and Sri Lanka, I kept coming back to the Dominican Republic for field studies on affordable solar lighting," he says. The prevalent view was that solar was expensive and therefore, won't work. But Hande's observations proved otherwise. So in 1993, along with Neville Williams, a friend who headed a US-based NGO, Hande decided to start SELCO in India and the US. They did not plan on manufacturing solar lights; the aim, instead, was to provide after-sales service of the lights (installed at homes) and doorstep financing to make them affordable. E+Co, an American investor, came on board three years later with funding of \$ 2,00,000.

At around Rs 5,000 per lamp, solar lighting is expensive to begin with, and selling without financing would have been a problem. That meant tailoring the concept of affordability for rural consumers. "You have to adjust to your target audience's cash flow. I once met a

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street vendor who told me that Rs 300 a month is unaffordable, but Rs 10 a day is fine....you see that? Ingenious solutions can be deceptively simple," Hande smiles. He then approached a few Regional Rural Banks (RRBs) to finance but they turned him down because

lighting was not related to income generation. "Never mind that the education of a lot of children depends on it." Eventually, in 1996, one bank agreed to cover 85% of the cost. It was a slog for the first six years and by Hande's admission: "We could have gone in for some one-size-fits-all system, but we didn't. When it comes to the poor, everyone wants to standardise solutions to save costs, but not us."

Hande personally installed the first 500 systems in rural Karnataka. To this day, many customers have a special bond with SELCO technicians, he says. "Once, mere days before a wedding, the girl refused to marry the boy, because his home had no lights," he recalls. "But as we had previously done an installation at her residence, her father contacted me and asked me to discreetly set up solar lights at the groom's place—at his expense! We took all the equipment and did it, dodging awkward questions from the groom's family."

Today, while SELCO's activities are focused in rural Karnataka, it is also present in the urban markets of Ahmedabad and Gandhinagar in Gujarat. It services over one lakh individual households and 4,000-plus institutions. The company clocked revenues of around Rs 14 crore last fiscal and is targeting Rs 40 crore by 2012.

Though SELCO was doing relatively well in India, its business outside the country (the US, Vietnam and Sri Lanka) folded up in 2007. And owing to the fact that when founded, SELCO India was a subsidiary of SELCO US, Hande spent the better part of last year tackling ownership problems. Today, the SELCO management collectively owns 5% stake, while the balance is owned by the Good Energies Foundation, the Lemelson Foundation and E+Co, which collectively brought in fresh equity worth \$1.4 million early this year.

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