



# SIMPA NETWORKS

## Solar Revolution in India: Delivering Energy Independence

Simpa Networks was founded in 2010 with the mission to make clean energy simple, affordable and accessible to everyone. Using a cutting-edge business model, Simpa provides technology-enabled solar-powered solutions to the energy poor populations in emerging markets, beginning their journey with rural India in 2011.

With solar power decentralizing energy generation, Simpa's co-founders identified an immense opportunity in rural India where 100+ million households and small businesses remain under-served with unreliable access to electricity.

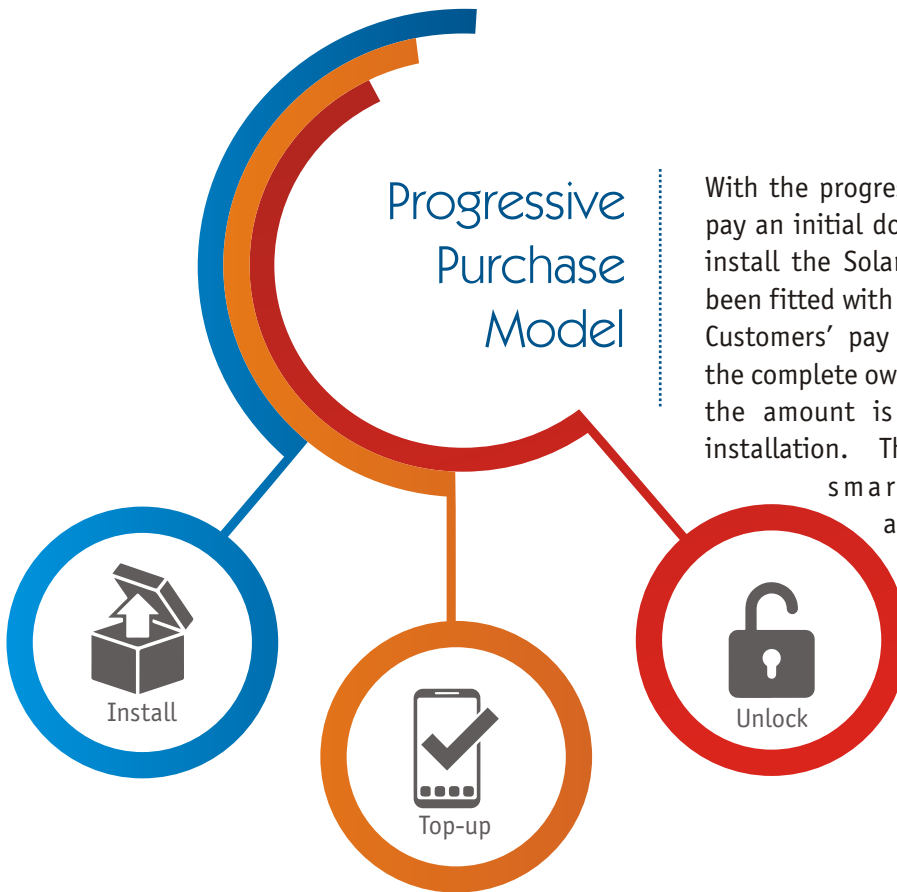
In the first phase, from 2010 till 2013, Simpa worked in partnership with local solar companies, integrating their metering technology in the partner company's products and selling it together as a solar home system. Simpa focused on developing its technology while the partner handled the sales, distribution and customer service.

Through multiple iterations, informed by a deeper understanding of its customers over-time, Simpa Networks has now evolved into an integrated products, financing and services company offering a complete package to its customers – an off-grid solution which includes:

1. Solar Device
2. Point-of-Sale Financing using a Progressive Purchase Model
3. After-Sales Service

The company offers multiple devices that address a variety of customer energy situations, ranging from completely off-grid to grid interoperable devices, with various permutations of battery storage and appliances like lights, fans and TVs. Many customers use Simpa's devices as the primary source of lighting and air-cooling, while others use them as a backup to the grid. Several customers are now also switching from the grid to Simpa's off-grid devices to save on electricity bills, in addition to add reliability to their energy supply.

## Progressive Purchase Model



With the progressive purchase model, Simpa's customers pay an initial down payment (10-20% of the full cost) to install the Solar Home System (SHS) device, which has been fitted with a smart metering and control technology. Customers' pay incremental monthly payments towards the complete ownership of the system, which unlocks once the amount is paid in full, usually 2-3 years from installation. The progressive purchase model and the smart metering technology ensures affordability for the customer with easy payments, reduction in transactional costs of payment collection from distributed customers and also mitigates risks for investors.

## Impact

65,700,081  
clean energy days  
provided

1,900+  
local solar  
entrepreneurs  
empowered

753  
rural jobs  
created

8,322  
metric tons of CO<sub>2</sub>  
emissions saved

310,245  
people with  
clean energy

48%  
female  
beneficiaries  
served

19.7  
GWh of clean energy  
generated

Simpa's customer base comprises of 80% households (off-grid & poor-grid) and 20% small businesses of India's rural and semi-urban populations. These customer's either lack complete access to electricity or receive unreliable access through the grid. The household Simpa services typically has an average family size of five with a household income of INR 10,000 per month.

Households are looking for reliable and cheap electricity so that they can ensure lighting at home in the evening hours when school-going children have to study, protect their infants from mosquito bites, provide comfort to sick and elderly at home, maintain safety of surroundings through lighting in early morning and late night hours and also have a comfortable night sleep so that they are rested enough to go for their daily wages next day.

Small business are looking for reliable electricity so that they can keep their shops open in the evening hours, but also looking for cost savings as they have to pay a higher commercial tariff for grid electricity, which makes the off-grid solution all the more attractive.

Whatever may be the motivation, households as well as businesses see an investment in Simpa's solar solution as an asset creation that gives them control over their energy infrastructure.

### Targeting the Right Customers:

Using the direct sales channel, Simpa sells its' products using the following approach:

1. Village Level Entrepreneurs (VLEs), or Urja Mitra's, as Simpa brands them, serve as the first point of contact within the local community to raise awareness and sell the Solar Home Systems (SHSs) directly to their networks. The Urja Mitras ensure sales till the very last mile and earn respect from the community and commissions from the company on each sale they achieve.
2. Credit Officers, review, verify and approve applications based on Simpa's proprietary credit scoring model through home visits and phone calls; ensuring customer quality-check. Normally, 95% of applications get approved as the Urja Mitra's are trained to reach out to high-quality potential customers. The credit team regularly tracks and ensures at-risk customers pay back the loans.
3. Solar Technicians, install and provide after-sales service to the approved customers. These technicians are employed and trained locally by the company, and entrusted with a portfolio of customers.

Approximately 50 Urja Mitras and 15 Solar Technicians are attached to a branch or field office. The field staff is supported by a 24/7 call center to ensure quality service and customer experience.



Simpa's nine year journey has been supported by a strong executive team; based in Noida and Bangalore; board of directors and global network of advisors. Led by the team, Simpa has sought strategic and focused funding towards their business expansion.

The company started its operations with early investments from Hilti Foundation and soon secured a grant under the USAID-DIV programme of US\$ 950,000 in 2013. This grant was used to prove the market potential, customer acceptance and company's deployment capability at scale. Using the proof points from this early work, they were able to raise US\$ 2 Million in equity from ADB to build the platform and US\$ 3 Million in debt from OPIC to finance the customers. As the business scaled, Simpa raised equity from impact funds like Sorenson Impact, Khosla Impact Fund, Schneider Electric, DOEN Foundation and Village Capital and Global Innovation Fund. They also raised debt for customer financing from Asian Development Bank, Oiko Credit and Intellegrow. In 2016, also started an innovative financing programme with RBL Bank, under which over 15,000 customers have been financed to date.

The Millennium Alliance program supported Simpa with funding worth US\$ 85,700 and since then, they have raised additional funding worth US\$ 12.8 Million from external sources.

Total Funding Raised		
Grant Capital US\$ 3 Million	Debt US\$ 10.29 Million	Equity US\$ 18.21 Million

## Expanding their Footprint

In November 2018, the global energy services group ENGIE, acquired a controlling stake in Simpa Energy India Pvt. Ltd. to expand geographically.

Simpa launched its operations with a pilot in Karnataka and now services 70,000 customers in 25 districts in the states of Uttar Pradesh, Bihar and Odisha, with a manufacturing unit in Mathura. With a sharp focus on expanding its footprint in India, Simpa Energy India is looking to expand into the states of Jharkhand and Assam in the coming years.

“ENGIE's sponsorship is a fantastic validation but also a sign that the sector has come of age. We started out at Simpa with the ambition of getting clean reliable abundant energy into every home. Along the way, we had a number of "watershed moments" as some industry commentators observed, and now with ENGIE we are becoming more mainstream.”

**Piyush Mathur, CEO, Simpa Energy India**

