

Providing affordable clean energy products for rural Indians



Frontier Markets (FM) is a last-mile sales and distribution company that offers clean energy products and superior after-sales service to low-income, base of the pyramid (BOP) households in rural India. FM targets consumers who have limited access to electricity and clean water, who reside in rural and semi-urban settings, and who are considered low-income. These consumers are typically agricultural and dairy farmers, laborers, and microfinance clients.

FM builds service centers, partners with local channels to gain in-depth access to target households, and creates village-level branded franchises that sell clean energy products with ongoing customer service to BOP families. FM differentiates itself by providing after-sales servicing and by maintaining an ongoing relationship with customers to develop trust within the community.

IIX INVOLVEMENT

IIX was introduced to Frontier Markets through the Asian Development Bank's Energy for All initiative, which has provided Frontier Markets with a platform to raise the company's profile and also introduced them to potential partners and investors across the region.

FM had already secured a lead investor, and was seeking co-investors to participate in the investment round. IIX showcased the deal to its universe of impact investors and secured an investor through its Impact Partners platform. IIX then helped to coordinate the bridge investment round with Rianta Capital Zurich / Artha Initiative, Beyond Capital Fund and one other Impact Partners member, so that all investors could come into the round on the same terms.



Impact of Investment

Many villagers in India, including Rajasthani villagers, all use kerosene lamps, have chimneys, CFL bulbs or battery torches for lighting, and own cell phones. Despite a desperate need for alternative energy sources, most villagers do not possess awareness of solar products, or the knowledge necessary to use them. Solar energy is a needed, but essentially foreign technology. Frontier Markets has closed on US\$150,000 of funding in the form of compulsorily convertible debentures. This capital will enable FM to impact over a 100,000 families by providing them with safe, clean and economic energy products to their rural consumer base in India, allowing them to save up to US\$100 annually on energy costs.



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