NITI Aayog

Supported By

ATAL INNOVATION MISSION

Mission Meets Market

Social Enterprises: Powering Inclusive Growth

the^delta

Preface

"Shared value is the next evolution of capitalism. It is not a zero-sum game, but a positive-sum game, where companies can create value for society while also creating value for themselves".

–Mark Kramer

As an incubator under the Atal Innovation Mission working with early-stage nonprofit founders, we have seen firsthand how mission-driven entrepreneurs-supported with the right mix of capital, coaching, and community-can build scalable, high-impact models rooted in trust, empathy, and execution excellence. These leaders are every bit as ambitious, innovative, and entrepreneurial as their for-profit peers, demonstrating that purpose-led ventures can match the rigour of traditional startups.

Government programs and nonprofits are essential to addressing income and opportunity gaps, providing the foundation for social progress. At the same time, enterprises that combine social impact with financial sustainability-what we term "social enterprises"-are crucial to achieving our vision of a Viksit Bharat 2047. By embedding purpose into commercially viable models, they help extend reach, scale solutions, and create impact that is sustainable, resilient, and capable of generating long-term value.

It is precisely because of this complementary role that India stands at a defining moment for social enterprise. A new wave of mission-led entrepreneurs is stepping in to create livelihoods for low-income communities, delivering context-driven impact across livelihoods, healthcare, climate resilience, financial inclusion, and more. Their work goes beyond job creation-it fosters dignity, self-reliance, and opportunity for millions. Yet, despite strong intent and innovative models, few ventures have scaled significantly. Barriers such as limited patient capital, sector-ready talent, technology adoption, and operational sustainability persist.

Bridging this scale gap is both an economic and social imperative. To enable inclusive growth, we must create conditions that allow mission-first ventures to thrive sustainably. This requires flexible capital, tailored talent pathways, enabling policies, and ecosystem support that strengthens integrity, impact, and long-term value creation.

This report contributes to that effort-highlighting ecosystem insights, persistent barriers, and models that have demonstrated impact, as well as the shifts required to foster a vibrant environment for social enterprises. The choices we make today will determine whether the coming decade unleashes a generation of entrepreneurs capable of delivering impact at scale, with purpose at their core.

Subhashree Dutta
Chief Executive Officer
the^delta

the^delta is an initiative of AIC NCore Developmental Impact Foundation which is a registered Incubation Centre under the Atal Innovation Mission of NITI Aayog

Executive Summary

Setting the context

India is growing	but not for all..	140 - 320 million jobs are required
with real GDP increasing at 6% between 1990 and 2023. [1]	the bottom 50% of the population hold just 6.4% of national wealth.[2]	by the year 2050 to absorb new entrants into workforce India will require rapid creation of sustainable livelihoods.[3]

the key is Social Entrepreneurship

A social venture may take many organisational forms, but is defined first and foremost by a clear intent: to use market-oriented or value-creating methods to address social or environmental challenges while ensuring financial sustainability. India has a rich history of intent based social enterprises which has led to large scale livelihoods creation. These enterprises have been recognised for their innovation and impact across the world. From developing unique context-driven models to building its own foundational layer of support that has enabled socially aware enterprises, India has come a long way in its journey.

1940s	1950s	1960s	1970s	1990s	2000s	2010s
Amul	Lijjat Papad	FabIndia	SEWA	SELCO	MFIs	India Stack
Empowered farmers, pioneered India's dairy cooperative model.	Women-led collective creating livelihoods through enterprise.	Linked rural artisans to urban and global markets.	Organised informal women workers for rights and income.	Brought sustainable solar energy to low-income households.	Expanded financial access for underserved communities.	Enabled scale through digital public infrastructure for inclusion.

Types of for-profit ventures

Focus of the report

- Mission-Driven Social Ventures
- Revenue-Surplus Social Ventures
- Hybrid Ventures
- **Social Enterprises (For-Profit)**
- Socially Responsible Businesses
- Profit-Maximising Enterprises

Support Ecosystem for Social Enterprises is Evolving

Incubators and Accelerators

Incubators provide early support, guidance, and validation for new business ideas, while accelerators connect enterprises with investors and prepare them to scale. Only a few such as Villgro, IIMA Ventures, NSRCEL, Social Alpha, Upaya and iCreate have enabled social enterprises.

1,435 incubators and accelerators in India[4]

Funders/ Investors

Early stage funders for impact investments include Omnivore, Aavishkaar Capital, Caspian, Acumen, Upaya, as well as philanthropic foundations, angel investors, impact funds, venture capital, corporate CSR, and development finance institutions.

$4,956m in Impact Investments in 2024[5]

>60% for Financial Inclusion and Climate-Tech[5]

~20% of investments go to early stage (till Series A)[5]

Government

Government supports a broad startup ecosystem through progressive policies and special programs. The Department of Science and Technology (DST) promotes technology, science, and entrepreneurship via initiatives like Technology Business Incubators (TBIs) that offer infrastructure, funding, and mentorship. At the same time, the Atal Innovation Mission (AIM) under NITI Aayog works nationwide to foster innovation and entrepreneurship. Many schemes under the Ministry of Electronics & Information Technology, Ministry of Micro, Small & Medium Enterprises, Ministry of Science & Technology, Ministry of Agriculture & Farmers' Welfare and others have also been critical in supporting the startup ecosystem.

$2bn+ committed for startup ecosystem[6]

200+ Technology Business Incubators (TBIs) Supported[7]

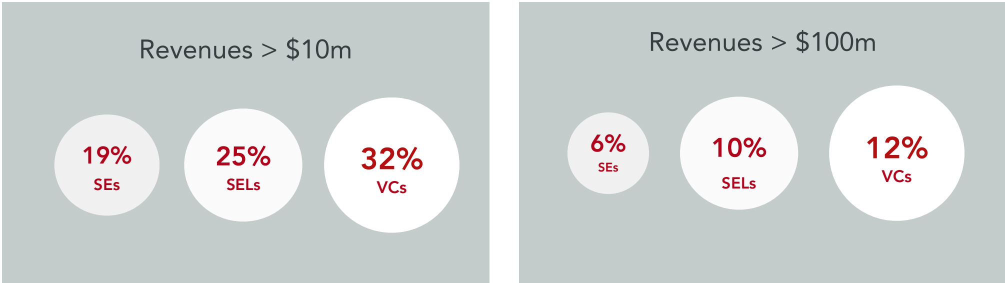
72 Atal Incubation Centres[8]

14 Atal Community Innovation Centres[8]

10,000+ Atal Tinkering Labs[8]

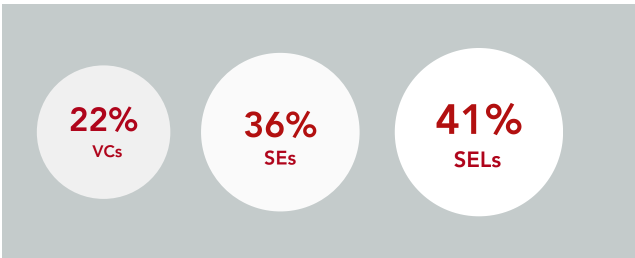
Fueling the Next Chapter: Investment for Scaled Impact

Scale Gap for SEs



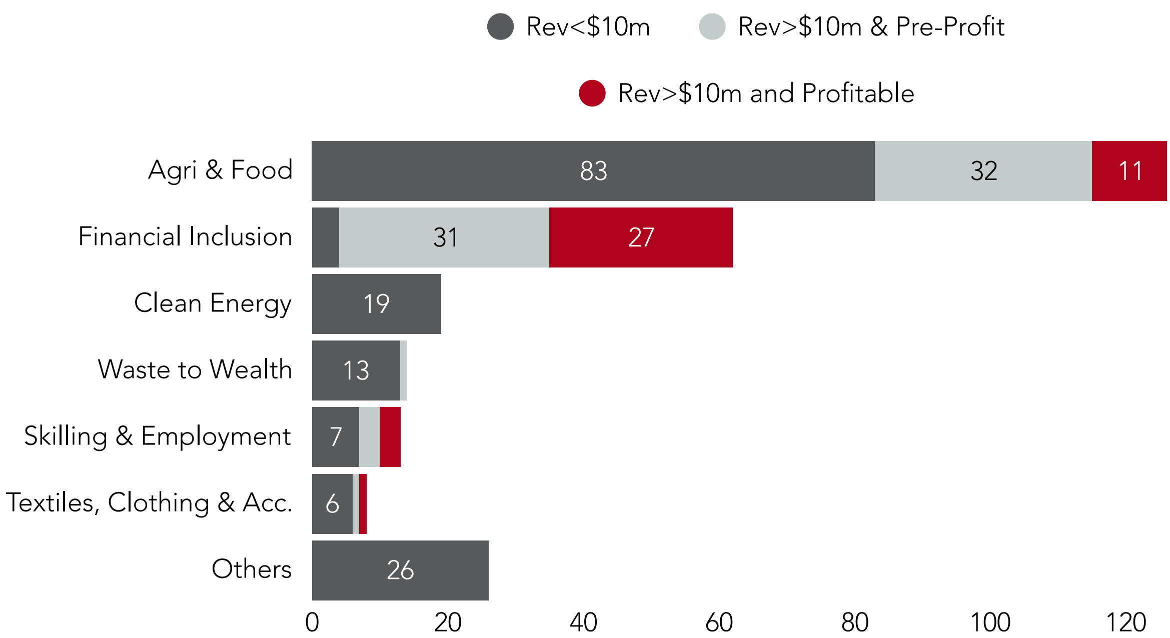
SE: Social Enterprises; SELs: Social Enterprises Impacting Livelihoods; VCs: VC Startups

But not in profitability



Amongst SELs, only 16% were >$10m and profitable, and 7% were >$100m and profitable.

Agri & Food, Financial Inclusion and Skilling & Employment have been the most scalable sectors in livelihoods, with the latter two also having a greater percentage of profitable SELs.



Source: Analysis based on data from Tracxn

Models Creating Impact

Agri & Food

Decentralised micro-processing
S4S technologies
$26m revenue
100,000+ smallholder farmers,
$1,000+ annual income increase
800+ women entrepreneurs

Farm-to-Table Organic Dairy
Akshayakalpa
$35m revenue
1,200+ farmers
$1,500+ avg. monthly income

Community-led Organic Agri
Organic Mandya
$2m revenue
12,000+ farmers
4,500+ women entrepreneurs

Science-led AgWater Revolution
EF Polymer
40,000+ farmers
30,000+ acres
15% yield improvement

Farmer-led Global Agribusiness
Sahyadri farms
$119m revenue
18,000+ farmer members
31,000+ acres

Waste to Wealth

Normalising Waste Entrepreneurship
Hasiru Dala
$2m revenue
100,000+ tonnes waste diverted
350+ green collar jobs created

Waste-to-Insights
BINTIX
10m+ images sorted via AI
36,000+ households served
5,000+ tonnes waste diverted

Financial Inclusion

Pioneering Integrated Livelihoods
BASIX
$6.7m revenue
$ 450m+ disbursed
1m+ farmers, 500+ FPOs

Micro-credit at Scale
Ujjivan Small Finance Bank
$781m revenue
5.9m customers
$1bn+ disbursed

Inclusive Finance by Design
Rang De
90,800+ borrowers, 93% women
<4% NPA
$11m+ disbursed

Democratising Access to Welfare
हकदर्शक Haqdarshak
$4.5m revenue
7.6m families
$2.2bn worth benefits unlocked
52,000 livelihoods enabled

Skilling & employment / Others

Formalising Blue-Collar Markets
labournet
$19m revenue
25 states
13m+ livelihoods

Global Tech from Rural India
ZOHO
$1.1bn revenue
2,000+ zoho school graduates employed

*Not a social enterprise but a venture with purpose at the centre

Scaling DRE Livelihoods
SELCO
$17m revenue
900,000+ livelihoods improved
7,500+ micro-entrepreneurs

*Not covered as a case study

*all revenue is from the financial year 2023-24
**For more details regarding impact number and journey please refer to the case studies

Insights & Way forward

Founder lens

Insights

- Mission-led founders build community-rooted, resilient models
- Strong co-founder teams and capable second-line leaders improve scale readiness
- Field immersion drives product–market fit and community trust
- Limited spaces for reflection, peer learning, and wellbeing
- Balancing mission and business discipline is difficult
- Gaps in market knowledge, pricing, and distribution slow scaling

Way Forward

- Build founder and leadership strength through coaching, capability development, and second-line talent
- Enable peer-learning communities for resilience, shared learning, and support
- Expand access to market, distribution, and GTM expertise
- Integrate social enterprises into the broader startup ecosystem

Funder lens

Insights

- Preference for clear, direct, measurable impact with last-mile linkage
- Expectation of a path to sustainability (even long-term)
- Scalable models valued when mission integrity is preserved
- High value placed on active portfolio support, not just capital
- Growing focus on governance, organisational health, and discipline
- Risk-averse capital limits experimentation and innovation

Way Forward

- Expand patient, flexible, stage-appropriate capital to support experimentation and long build cycles
- Create clear capital pathways from grants → catalytic/blended → equity and scale capital
- Adopt field-immersed, context-led investing to strengthen relevance and alignment
- Build transparent expectation alignment with founders to protect mission integrity and reduce pressure

Insights & Way forward

Policy, Technology & Government lens

Insights

- Government partnerships unlock scale and trust but require high engagement bandwidth
- DPI stacks have strong potential to accelerate trusted scale in identity, payments, commerce, and data
- Fragmented schemes and compliance complexity add operational friction
- Limited differentiation for mission-driven enterprises in policy
- Few incentives for serving low-income segments
- State-level variability affects ease of operations

Way Forward

- Introduce light-touch, enabling policies that reduce friction and crowd in private and philanthropic capital
- Provide targeted incentives for impact-first models (e.g., tax/GST, procurement, innovation support)
- Simplify access to government schemes and enable co-creation with ministries and states
- Leverage DPI stacks to accelerate trusted scale and streamline services for social enterprises

Enabling Social Enterprise at Scale

India has the opportunity to build one of the world's most vibrant social enterprise ecosystems-creating livelihoods, resilience, and income for millions while driving inclusive growth. Realising this is key to achieving a Viksit Bharat 2047. The task is to ensure the right capital, talent, policies, and ecosystem support so mission-led ventures can grow effectively, responsibly, and deliver significant impact.

[1] What India's GDP Numbers Reveal, The India Forum, 2025
[2] India Poverty and Equity Brief, World Bank, April 2025
[3] Advancing India's Structural Transformation and Catch-up to the Technology Frontier, IMF, 2024
[4] YNOS Venture Engine, 2025
[5] India Impact Investment Trends 2024, IIC
[6] Estimated based on data released by Press Information Bureau, GOI for different schemes
[7] Press Information Bureau, GOI, 2025
[8] aim.gov.in, 2025

TABLE OF CONTENTS

1. Purpose, Scope and Methodology

1.1 Purpose

This report is an attempt to capture a comprehensive picture of India's social enterprises landscape with a particular focus on livelihoods enabled through for-profit structures. It aims to map the performance of these 'for-profit' social ventures, referred to in this report as 'social enterprises', in terms of scale, profitability, and the depth of social impact achieved by their models. Alongside this, the report analyzes the enabling ecosystem including government, philanthropy, incubators, and investors to better understand the extent to which these stakeholders are aligned and capable of supporting transformative, livelihood-focused enterprises. The report seeks to understand how India's social enterprise ecosystem can be strengthened to better contribute to inclusive growth. It draws on analysis, case examples, and insights and recommendations shared by practitioners, funders, and ecosystem enablers to highlight what it takes to build models that enable resilient livelihoods.

The report is designed to serve as a resource for funders, incubators, support organizations, and social entrepreneurs seeking to build models that enable resilient livelihoods.

Through primary and secondary research including interviews, case studies, and analysis of sectoral data, the report seeks to answer a set of fundamental questions:

- What are the types of social ventures and structures in India?
- What sectors and business models have demonstrated the most promise in enabling sustainable income and job creation?
- What is the support ecosystem available for social entrepreneurs?
- What are the critical gaps and challenges that limit the sector's potential and what should be the way forward for social enterprises as a means to impact livelihoods?

The report zeroes in on social ventures adopting for-profit structures, herein referred to as 'social enterprises'. While the report covers social enterprises across sectors, there is a focus on those that have an impact on livelihoods i.e. those that are engaged in income generation, income enhancement or building financial resilience.

1.2 Scope

The report highlights the key sectors driving social change in India, such as financial inclusion, agriculture and food, waste to wealth, skilling & employment.

It examines the social enterprise support ecosystem including incubators, accelerators, funders, networks, and access to mentorship and markets that helps ventures scale their impact.

The final section discusses how social enterprises build resilience, promote sustainability, and foster inclusive growth, positioning them as critical drivers of systemic change.

1.3 Methodology

This Social Enterprise Landscape Report is anchored in a mixed-methods research design, blending qualitative fieldwork with rigorous quantitative analysis to provide a multidimensional view of India's social entrepreneurship ecosystem-especially as it relates to livelihoods.

Primary Research

At the heart of this report are in-depth interviews with pivotal stakeholders across the social business ecosystem. These comprise founders of leading social enterprises, directors and investment managers at incubators and accelerators, and impact investors, each actively involved with livelihood-focused models. These interviews were designed to elicit lived experiences and firsthand perspectives, probing the nuances of operational challenges, business model evolution, and the enabling (or constraining) role of the broader ecosystem. The qualitative narrative captures not just the technical aspects of social business but also the entrepreneurial grit and strategic thinking required to build and scale resilient livelihoods.

Secondary Research

The qualitative foundation is complemented by a robust, data-driven secondary analysis. Using sources such as Tracxn and public databases, we compiled a unique dataset of over 800 for-profit social enterprises that have attracted funding from seven leading impact investors across early, growth, and late stages. Quantitative parameters including sector, enterprise age, founder profile, revenue, and profitability were systematically analysed to identify what may or may not be working with regard to financial sustainability of different sectors and business models therein. We also used secondary research to understand the landscape and the cases being analysed.

Together, the primary and secondary research provide a broad perspective of India's livelihood-focused social enterprise ecosystem, combining experiences with data-driven insights. This foundation sets the stage for a deeper examination of sectoral trends, business models, and the factors shaping both impact and financial sustainability in the following sections.

2. Setting the context

India's economy has expanded at an impressive pace over the past decade and it has been among the world's fastest-growing major economies[1], with real GDP growing at 6% between 1990 and 2023 and at a rate of 8.3% between 2021-2023[2].

Yet this economic growth is not translating into enough quality jobs to keep pace with the workforce. Current unemployment stands at 5.1%, but estimates that account for underemployment suggest the true rate of joblessness or marginal work may be nearly twice as high[2]. Most tellingly, 85–90% of Indian workers remain in the informal sector, earning low wages, facing insecure work, and lacking social protections[3]. The income gap continues to widen: the richest 1% now claim over 22.6% of India's national income and close to 40% of all wealth, while the bottom 50% of the population hold just 6.4%[3].

Meanwhile, the top 10% take home nearly 58% of all the country's income[3]. While annual per capita income has inched up to $2,800–$2,900, marginally higher than that of Bangladesh, it still lags far behind countries like Indonesia ($5,370), Brazil ($10,200), or China ($13,000–$13,500)[4].

India's Paradox: Growth isn't equal for all

Economic Engine

8.3%

Increase in Real GDP from 2021-23.

85-90%

Workers remain in the informal sector lacking social protection

Per-Capita Income Lag

India: $2,800

Brazil: $10,200

The true test of economic progress is its translation into dignity and stability for all.

[1] India's GDP Surge: Driving the Growth Story, PIB, 2025
[2] What India's GDP Numbers Reveal, The India Forum, 2025
[3] India Poverty and Equity Brief, World Bank, April 2025
[4] INCOME AND WEALTH INEQUALITY IN INDIA, 1922–2023: World Inequality Lab, 2024

2.1 Evolution of Social Enterprises in India

India's social entrepreneurship story spans decades of evolution shaped by local needs, market gaps, and persistent socioeconomic divides. Its background is best understood through the pragmatism and adaptability of its institutions and by examining how pioneering organisations scaled their impact while navigating complex contexts.

The absence of formal market linkages, fair distribution, and reliable rural incomes during the mid-20th century led to experiments in collective production and producer empowerment. India's dairy sector was transformed by Amul's federated cooperative approach from the late 1940s onward. Amul built an architecture that linked smallholder producers into democratic, professionally run institutions integrating procurement, processing, and marketing under one umbrella. Led by Dr. Verghese Kurien, this model laid the foundation for India's rise as the world's top milk producer, gave negotiating power to millions of farmers, and sustained local economies by keeping value in the hands of producers. Technical support, continued investment in innovation, and shared leadership distinguished Amul's cooperative model from top-down state interventions or traditional companies.[5,6,7]

Shri Mahila Griha Udyog Lijjat Papad was founded in 1959 by Jaswantiben Popat and six other Gujarati homemakers, as a response to economic exclusion faced by women in Mumbai. The Lijjat cooperative offered profit-sharing, self-employment, and local agency, empowering women as co-owners rather than just workers.[8,9] The organisation's decision to embrace decentralised production and local decision-making allowed rapid scaling and the preservation of quality. Women's leadership and a transparent value-sharing mechanism ensured endurance and adaptability through social and economic change.

India's artisan and craft sector has long dealt with challenges such as inconsistent market access and supply chains that did not always prioritise fair returns for artisans. Fabindia, which was founded in 1960 by John Bissell, addressed some of these challenges by forming community companies partially owned by rural producers. The company's model integrates artisan supply with retail design, brand-building, and logistics. Fabindia's approach combines aspects of global retail with decentralised ownership, allowing for new ways to share profits and creative input.[10] [11]

In 1972, Ela Bhatt founded SEWA (Self Employed Women's Association) which organises and supports women working in India's informal sector by directly addressing their lack of job and income security, healthcare, and childcare; these women often work as vendors, artisans, or small-scale producers without fixed salaries or formal protection. SEWA's core work includes training, legal aid, microfinance, and the formation of cooperatives so members can manage and own their businesses and strengthen their bargaining power. SEWA aims to achieve full employment and self-reliance for poor women by focusing on capacity building, advocacy, and sustainable asset creation, lifting marginalised workers out of poverty through practical interventions, market access, and the improvement of essential services.[12]

The liberalisation and globalisation of India's economy in the 1990s amplified the importance of bottom-up, scalable, and tech-enabled models. SELCO (Solar Electric Light Company) founded in 1995 by Harish Hande, delivered decentralised solar solutions to under-served communities by pairing tailored microfinance with local hiring, after-sales service, and community-based product adaptation.

[5] Amul: Official Website, 2025
[6] Amul Case Study: Business Model, Marketing & Success, YoungUrbanProject, 2025
[7] Milk Revolution in Gujarat: How AMUL's Cooperative Model Changed India's Dairy Sector, IJSI, 2023
[8] Lijjat Papad and the Power of Women's Collectives, RangDe, 2024
[9] Lijjat Papad: A ₹1600 Crore Empire Built by 7 Uneducated Women, StrategySoda, 2025
[10] Fabindia: A Fabulous Journey Rooted in India's Soul, TheOrganicMagazine
[11] Fabindia: Showcasing India's Lost Handloom Heritage, TheStrategyStory, 2021
[12] SEWA: Official Website, 2025

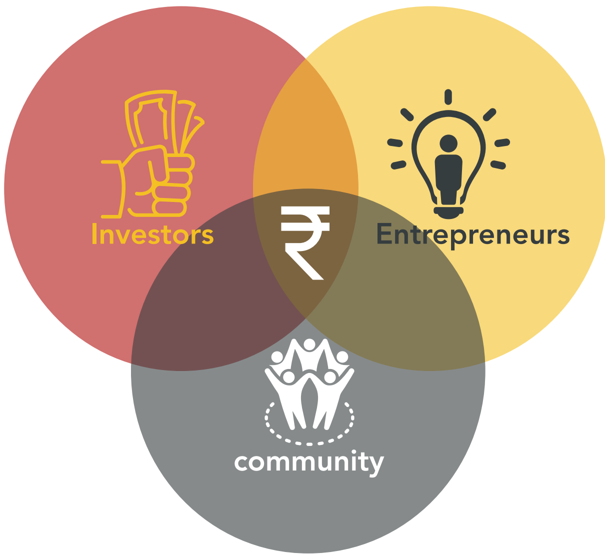
SELCO's attention to local financing arrangements and workforce sourcing was central: services matched customer cash flows, and maintenance support was embedded in underserved regions. This customer-centric logic allowed SELCO to scale beyond urban centers, bringing more than 450,000 solutions to rural households and health centers where grid electricity failed.[14]

In the 1990s, microfinance in India grew steadily with the launch of the Self-Help Group–Bank Linkage Programme by NABARD in 1992, which helped small groups (mainly women) pool savings and get larger loans from banks, backed by "social collateral" instead of assets. NGOs and early microfinance organizations such as SHARE and BASIX played important roles, often working as non-profits and following the Grameen Bank model from Bangladesh. In the 2000s, commercialization accelerated as banks began financing Micro Finance Institutions (MFIs) and big names like SKS Microfinance (now Bharat Financial Inclusion Ltd.), Spandana Sphoorty, Bandhan (now Bandhan Bank), Ujjivan, and Equitas emerged, many evolving into Non-Banking Financial Companies (NBFC-MFIs). The industry saw explosive growth until 2010.[14] [16]

Later, India's Digital Public Infrastructure (DPI) rollout began with the launch of Aadhaar in 2009, providing over a billion citizens with a unique biometric digital identity and enabling secure authentication for a wide range of services. In the following years, platforms like Unified Payments Interface (UPI) transformed digital payments, DigiLocker made secure document storage easy, and initiatives such as BharatNet and Common Services Centres (CSCs) brought high-speed internet and e-governance to rural and remote areas. These systems, together known as India Stack, helped millions access public services, health, education, and financial inclusion while making digital government a reality for all.[17] [18]

These models show that social entrepreneurship can create strong, scalable impact when growth strategies align with local realities. However, structural challenges remain, with market access, skill mismatches, and capital bottlenecks persisting-especially in remote or marginalised areas.

Income can be earned by investors, entrepreneurs, and communities together when business models are designed to create shared value. Instead of viewing profit and purpose as opposing goals, inclusive enterprises can distribute financial gains across all stakeholders: investors receive fair returns, entrepreneurs build sustainable ventures, and communities benefit through improved livelihoods and participation in value creation. Moving beyond an either-or mindset encourages a more balanced, equitable economy where financial success and social impact reinforce each other.



[14] SELCO India: Official Website, 2025
[15] "The Evolution of Microfinance in India" – Gojo & Company, Inc., 2025
[16] "History of Microfinance in India" – Arukus Technologies, 2023
[17] "India's Digital Revolution: Transforming Infrastructure, Governance and Services" – Press Information Bureau (PIB), 2024
[18] "India's Digital Public Infrastructure Is Going Global. What Kind of Power Is It Building" – TechPolicy Press, 2025

2.2 Types of Social Enterprises

India's social enterprises landscape is broad and varied, shaped by the range of issues it addresses and the models it employs. A social venture may take many organisational forms, but is defined first and foremost by a clear intent: to use market-oriented or value-creating methods to address social or environmental challenges while ensuring financial sustainability. What matters more than legal structure or profit distribution is whether its economic activity is tied to measurable impact.

In practice, social ventures in India combine commercial or financial discipline with a focus on inclusion and equity. They operate as non-profits, for-profits, cooperatives, or hybrids, often working in sectors such as agriculture, education, clean energy, livelihoods, and financial inclusion.

The sector represents a wide spectrum of models and motivations. Using Madhukar Shukla's continuum of social–commercial organisation models, social ventures can be seen as distributed across this range[1].

At one end are mission-led, impact-driven not-for-profit organisations (NPOs) that rely on philanthropic capital. At the other end are fully commercial businesses that integrate social or environmental goals into their core operations. Between these poles are hybrid enterprises designed to achieve both impact and financial sustainability. Together, they form a dynamic ecosystem, continually experimenting with ways to make development outcomes more inclusive and durable.

[1] Social Entrepreneurship in India: Quarter Idealism and a Pound of Pragmatism, Madhukar Shukla, 2020

Spectrum of Ventures

Mission-Driven Social Ventures

Core Purpose: Social impact over profit
Funding Source: Grants, donations, philanthropy
Model Traits: Program-focused, strong fundraising

Revenue-Surplus Social Ventures

Core Purpose: Social mission with income generation
Funding Source: Service fees, consultancy, CSR, government tie-ups
Model Traits: Blend earned income with grants

Hybrid Ventures

Core Purpose: Combine community impact and business viability
Funding Source: Dual entities: non-profit + market-facing arm
Model Traits: Balance between mission and market; risk of cross-subsidy

Social Enterprises (For-Profit)

Core Purpose: Address social needs through market models
Funding Source: Customer revenues, investors, impact funds
Model Traits: Financially sustainable, scalable, inclusive

Socially Responsible Businesses

Core Purpose: Profit with purpose and ethics
Funding Source: Market-driven revenues
Model Traits: Fair wages, responsible sourcing, CSR integration

Profit-Maximizing Enterprises

Core Purpose: Wealth creation only
Funding Source: Purely commercial capital
Model Traits: No intentional social or community outcomes

2.3 Structures of Social Enterprises

Social ventures in India manifest a diverse set of legal and operational forms, each structuring how they pursue and scale their mission. This choice shapes everything from compliance requirements and access to capital, to their ability to balance social purpose with commercial activities.

Private Limited Company | Limited Liability Partnership | Producer Company | Hybrid Company

Social Enterprises in India operate through various commercial vehicles that best align with their mission and operational model. Many register as private limited companies, which are separate legal entities allowing up to 200 shareholders, providing limited liability and offering the credibility needed to attract investment. For those seeking partnership flexibility with liability protection, the Limited Liability Partnership (LLP) structure allows all partners to share in management while limiting their risk to their investment. A significant number of collectivised social enterprises, especially in sectors like agriculture or artisan clusters, choose the producer company format.

Producer companies are unique hybrid entities owned by primary producers (such as farmers or artisans) and are designed to ensure profits, benefits, and control stay with the community members themselves.

In all these structures, legal registration offers a transparent framework for governance, decision-making, and scaling of both financial and social impact. These organisations may receive impact investment and commercial finance, but cannot receive grants meant for charitable structures, and must comply with standard business reporting and tax frameworks. In practice, many Indian social ventures evolve their legal and operational structures over their growth journey.[2]

Sometimes they are spinning off or integrating entities as their ambitions, impact models, and funding sources shift. What separates the true social entrepreneur is the drive to align legal form with mission intent, balancing social change with operational and financial sustainability.

Hybrid Models: organizations set up two separate entities, a nonprofit and a for-profit to meet fundamentally different operational and regulatory needs. The nonprofit arm (such as a Section 8 company, trust, or society) typically manages grant-funded programs, community engagement, and activities oriented toward public good or social change.

The for-profit entity, on the other hand, markets products or services, attracts commercial capital, and drives revenue generation.

By structuring these entities separately and maintaining an arm's length relationship, where management, finances, and resource flows are kept distinct, organisations preserve transparency around cross-subsidisation and impact measurement, comply with relevant legal requirements, and avoid conflicts of interest. This clarity ensures the nonprofit's charitable activities remain uncompromised while allowing the for-profit to pursue commercial growth, with both parties advancing the overall mission in a balanced and compliant manner.[3]

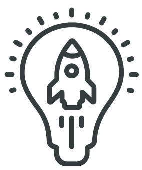
[2] Choosing a Legal Structure and Governance for a Hybrid/Blended Social Enterprise, Vijender Singh, LinkedIn Pulse, 2024
[3] Legal Structures of Non-Profit and For-Profit Social Enterprises, Institute of Company Secretaries of India, 2021

3. Support Ecosystem for Social Enterprises

A well-developed support ecosystem is essential for enabling social enterprises to thrive, scale, and deliver meaningful impact. Social enterprises, by their nature, tackle deeply rooted social and economic challenges often testing new models in difficult markets, with limited resources. They rarely succeed in isolation; rather, their growth relies on a sophisticated web of support that spans mentorship, incubation, capital, partnership, and policy[1].

The support ecosystem is multifaceted, involving incubators, accelerators, funders, government agencies, and partnerships that collectively enable the social enterprises to grow, scale, and deliver impact. Funders provide not just capital, but also strategic direction, risk-sharing, and validation that help unlock further investment and partnership. The government plays a critical role by setting regulatory frameworks, enabling policies, budgetary allocations, specific schemes, and fostering private and civil society partnerships to facilitate a growth environment[2].

The convergence of these actors through innovative partnerships, blended finance, dedicated platforms, and vibrant communities has been critical in turning promising missions into sustainable, scalable businesses. Ultimately, such an ecosystem-driven approach encourages experimentation, reduces the risks of failure, and channels resources toward the most promising solutions addressing India's urgent livelihood, inclusion, and sustainability challenges[3].



Incubator and Accelerator

Build capacity and mentor entrepreneurs.

Funders

Provide capital, strategic support, and validation.

Government

Create enabling regulations, schemes, and partners.

[1] The Importance of Social Entrepreneurship in India's Future, WeWork Blogs, 2025
[2] Building an Ecosystem Where Social Enterprises Can Thrive in India, Indiaspora, 2024
[3] Impact of Social Entrepreneurship on Economic Development of India, International Journal of Social Impact, 2023

3.1 Incubators and Accelerators: Building Early-Stage Capacity

Incubators and accelerators play a pivotal role in nurturing the early-stage capacity of social enterprises in India. They are much more than just physical spaces; they act as catalysts for entrepreneurial growth, offering an integrated package of support that helps social entrepreneurs navigate the challenging journey from idea to execution and commercialization.

There are 1,435 incubators and accelerators in India which comprise Government funded and private institutions.[4] They bring together domain experts, technical specialists, and successful entrepreneurs as mentors to guide and accelerate the learning curve for social enterprise founders.

Incubators typically support early-stage social enterprises to define their business model and organisational capacity by providing the infrastructure, advisory services, training, and access to networks including potential impact investors.

Through hands-on mentoring, workshops, and business model refinement, these programs help founders shape their concepts, pivot their strategies, and build resilient organisations.

Accelerators, on the other hand, focus on growth and scaling for startups that already have some traction.These programs typically offer structured, time-bound interventions including cohort-based learning, access to investor networks, and, very often, seed funding or support in preparing for larger capital raises.

Players like TLabs, Zerodha's Rainmatter, GSVlabs, Axilor Ventures run accelerators that provide intensive mentoring, product or service validation, market entry strategy, and crucial introductions to funders, customers, and industry stakeholders.

Demo days, where entrepreneurs pitch to investors and partners, are a hallmark of leading accelerator programs.[5]

However, there are few incubators and accelerators that have enabled for-profit social enterprises. Leading ones include Villgro, Social Alpha, IIMA Ventures, Upaya, NSRCEL, SINE by IIT Bombay, Startup Village Kochi and iCreate bring together domain experts, technical specialists, and successful entrepreneurs as mentors to guide and accelerate the learning curve for social enterprise founders.

Both incubators and accelerators act as bridges to key resources[6] and there is a need for more of them to focus on social enterprises.

Mentoring and business advisory

Critical for refining impact models, navigating regulatory pathways, and building management teams

Market access

Introductions to distribution partners, early adopters, and supporting institutions

Seed funding

Early access to risk-tolerant capital, either directly from the program or via investor connections

Access to Networks

Access to a vibrant community of fellow founders, mentors, investors, and industry experts

[4] YNOS Venture Engine, 2025
[5] Guide to Incubators and Accelerators in India for Startups, Volopay, 2024
[6] The Role Of Incubators And Accelerators In Indian Startup Ecosystem, AM Accountable, 2024

3.2 Funders: Types, Roles, and Funding Models

Funders play a transformative role in shaping the pathways of social enterprises in India, influencing not just which ventures move forward but how they grow, experiment, and achieve impact. This ecosystem of funders is diverse, encompassing philanthropic foundations, angel investors, impact investment funds, commercial venture capitalists, corporate CSR arms, development finance institutions (DFIs), and emerging models like crowdfunding and blended finance. Each brings a different perspective and set of tools, enabling a mix of experimentation, scale, and sustainability.

Philanthropic foundations remain vital, especially at the earliest stages or for high-impact pilots that may be deemed too risky for traditional investors. By offering grants and occasionally patient capital, these institutions absorb risk, set the agenda for key sectors (such as livelihoods or climate adaptation), and catalyze follow-on investment. Some are now exploring outcome-based financing, where funds are released upon achieving certain social outcomes, blending catalytic grant funding with rigorous measurement and accountability.

Angel investors and high net worth individuals (HNIs), often with deep entrepreneurial or sectoral backgrounds, step in with seed equity or convertible notes when a social enterprise demonstrates potential for scalable impact.

Their involvement commonly goes beyond capital, they provide mentorship, sector networks, and early market access. As ventures prove their models, impact investment funds become active, offering a broad array of financial products: equity, quasi-equity, or patient debt.

These funds are especially critical in the early to mid-growth phase, helping ventures bridge the gap between proof-of-concept and commercial viability.

Their due diligence, market discipline, and longstanding sector focus also provide businesses with the validation needed to attract larger or mainstream investors. Commercial venture capitalists typically appear at the mid to late stage, investing in social enterprises that have achieved product-market fit, notable revenue traction, or early profit, and exhibit potential for rapid growth. Their provision of equity or structured debt generally comes with higher expectations for returns and a clear path to scale. Corporate CSR arms often provide grants or CSR-compliant procurement support to pilot innovative solutions, sometimes acting as the “first customer” for products or services aligned with their CSR objectives. In some cases, CSR funds catalyse ecosystem change by supporting industry consortia, platforms, or incubator networks with substantial grants.

DFIs bring in structured debt, equity, or guarantees to drive large-scale, systemic solutions. While less involved in the earliest phases, DFIs help scale mature social enterprises with the potential for sector-wide transformation, often co-investing alongside impact funds.

The rise of crowdfunding platforms and blended finance models is further broadening access to non-traditional sources: these allow social enterprises to combine grants, concessional loans, and mainstream capital in innovative ways, bridging resource gaps where traditional channels are absent or slow-moving.

[4] Guide to Incubators and Accelerators in India for Startups, Volopay, 2024 – modified
[5] The Role Of Incubators And Accelerators In Indian Startup Ecosystem, AM Accountable, 2024 – modified

Types of Funders

Funder Type	Role in SE Journey	Early Stage	Mid Stage	Late Stage
Philanthropic Foundations	De-risk early innovation and build proof of concept	Grants, patient capital	Grants, soft loans, outcome-based financing	Project/expansion grants
Angel Investors / HNIs	Back early belief and founder potential; provide networks	Seed equity, convertible notes	Equity, mentoring & network support	Limited participation
Impact Investment Funds	Scale impact with financial discipline	Equity, quasi-equity, patient debt	Equity, debt, scaling capital	Late-stage equity/debt
Commercial VCs	Accelerate high-growth models with strong scale potential	Rare	Equity (if strong traction)	Growth/expansion capital
DFIs	Institutionalise scale through large-ticket, structured capital	Uncommon	Structured debt/equity, guarantees	Significant debt/equity, co-invest
Crowdfunding / Blended Finance	Democratise capital and crowd-in public/philanthropic support	Seed grants, public participation	Blended capital structures	Niche / targeted campaigns

- India's capital landscape for social enterprises is fragmented, and most "impact-first" ventures face a support gap between early grants and scale capital.
- Philanthropy de-risks innovation, but without blended and patient follow-on capital, enterprises struggle to reach sustainable scale.
- Strengthening capital continuity-from grants to catalytic to scale capital-is essential to unlock the next generation of impactful SEs.

3.3 The Government's Role in Enabling Social Enterprises

The Indian government supports a broad startup ecosystem through progressive policies and special programs. . While there is no standalone national policy defining or regulating social enterprises, several ministries have launched schemes and missions that support their growth whether through incubation, credit, subsidies, or market access. These efforts reflect the government's recognition of entrepreneurship as a pathway to address employment gaps and regional disparities.

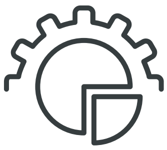
The Department of Science and Technology (DST) promotes technology, science, and entrepreneurship via initiatives like Technology Business Incubators (TBIs) that offer infrastructure, funding, and mentorship.

At the same time, the Atal Innovation Mission (AIM) under NITI Aayog works nationwide to foster innovation and entrepreneurship. As of 2024, DST has supported more than 170 TBIs across the country, while AIM has created 72 Atal Incubation Centres and over 10,000 Atal Tinkering Labs. It has also established 14 Atal Community Innovation Centres (ACIC) to foster grassroots innovation and entrepreneurship in underserved and unserved regions of India[9]. These support programs are accessible to social enterprises as well, helping mission-driven ventures secure incubation, funding, mentorship, and infrastructure to scale.

Types of Government Support

Startup and Innovation Promotion

Tax exemptions, seed funding, and grants to help new ventures innovate and scale.



Sector-Specific and Rural Enterprise Schemes

Credit subsidies and targeted funding for micro, rural, and sector-focused entrepreneurs.

Ecosystem and Infrastructure Support

Networks, incubators, and loans that build inclusion and long-term enterprise capacity.

[9] aim.gov.in, 2025

Startup and Innovation Promotion

India's flagship Startup India Initiative offers a highly supportive environment for new and innovative businesses to flourish[10]. Eligible startups benefit from a 100% tax exemption on profits for any three consecutive years out of their first ten, giving founders the breathing room to reinvest savings in product development, team building, and market expansion[11]. The application process is streamlined for DPIIT recognition (a must for most government startup benefits), which then unlocks easier regulatory compliance, access to direct government grants, and connections to fund-of-fund capital to support fast scaling. For founders building truly original products and technologies, the Startup India Seed Fund Scheme steps in with grants up to ₹20 lakh for prototyping and up to ₹50 lakh for market-ready launches[12], helping them cross two of the toughest hurdles, proving their concept and reaching their first customers. Meanwhile, NIDHI Promoting and Accelerating Young and Aspiring innovators & startups (PRAYAS) is designed for the very earliest-stage ideas, providing up to ₹10 lakh and incubation infrastructure to help young innovators experiment and build working prototypes[13]. These schemes work together to reduce financial pressure and practical barriers so social enterprises and tech startups can focus more on growing and innovating.

Sector-Specific and Rural Enterprise Schemes

For micro, rural, and sector-specific businesses, robust policies offer both startup capital and practical support for growth beyond the startup stage. The ASPIRE scheme drives rural entrepreneurship forward by funding rural incubators and tech hubs with a ₹200 crore investment in innovation spaces and skills labs[14]. Local businesses and MSMEs benefit from these centers with mentorship, talent pipelines, and pilot project support, all aimed at helping rural ventures compete in modern markets. Prime Minister's Employment Generation Programme (PMEGP) with its credit-linked subsidy of up to 35%. It also provides easy access to business loans for new manufacturing and service providers. It is especially suited to small producers, SHGs, artisans, and first-generation business owners seeking up to ₹50 lakh in business capital[15]. For entrepreneurs tackling health-tech and agri-tech challenges, BIRAC's BIG and SEED grants provide high-risk funding (up to ₹50 lakh) so startups can validate and scale innovations that address urgent needs in farming communities or vulnerable populations[16].

Food businesses get a boost from the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme, which offers up to 35% subsidies for micro food processing units, helping traditional producers and family entrepreneurs formalize, access better infrastructure, and expand their market reach[17]. The government has also created support for entrepreneurs from historically marginalised communities (SC/ST), so equitable entrepreneurship opportunities.

Ecosystem and Infrastructure Support

Beyond grants and loans, these policies build a vibrant national ecosystem for enterprise development. Startup India lets founders join networks for recognition, mentorship, and investor connections[10].

MSMEs working in rural or sustainability sectors have new avenues for capacity building through ASPIRE-funded hubs and peer mentorship programs[14], while health and biotech ventures can connect with specialised incubators and labs via BIRAC's support[16].

Stand-Up India broadens inclusion by offering women and entrepreneurs from SC/ST communities collateral-free loans from ₹10 lakh to ₹1 crore, plus flexible repayment timelines for fresh greenfield businesses.[18] Collectively, these platforms foster innovation, sustainable livelihoods, and growth for founders across urban centers and underserved regions, making India's enterprise policy accessible at every stage of the journey.

[10] Startup India: Eligibility, Tax Exemptions and Incentives, ClearTax, 2025
[11] Stand-Up India Loan Scheme, Bajaj Finserv, 2024
[12] Startup India Seed Fund Scheme 2025 – Who Can Apply and How to Get Benefits, RBR Technologies, 2025
[13] NIDHI PRAYAS Grants 2024-25, CCAMP, 2024
[14] ASPIRE Scheme for MSMEs: Eligibility, Benefits & Funding, Flexiloans, 2025
[15] PMEGP Scheme - Apply for PM's Employment Generation, HDFC Bank, 2024
[16] BIRAC-BIG Guidelines, BIRAC, 2025
[17] What Is PM FME Scheme, HDFC Bank, 2024
[18] Stand-Up India Loan Scheme: Features, Benefits, Interest Rate, Bajaj Finserv, 2024

4. Social Enterprises in India: An Analysis

In order to understand the importance and opportunity for social enterprises in becoming an important tool to create impact, we must first examine:

- Trends in impact investments in India, sectors and stage of funding
- How different 'for-profit' models have fared with respect to their objective of being financially sustainable entities.
- Social enterprises impacting livelihoods and deep dive into the sub-sectors and models that contribute to improving livelihoods with some case studies of both promising and successful social enterprises.

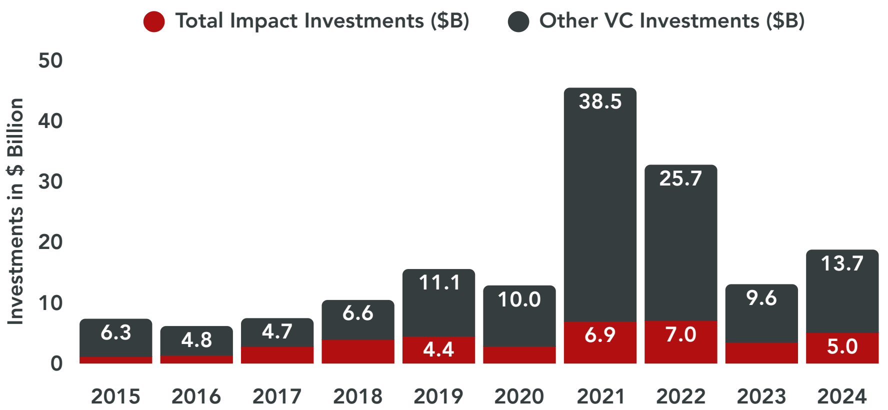
4.1 Impact Investments in India

In the last 10 years, India's impact investing landscape has been on a growth journey, climbing from $956 million in investments in 2015 to $4,956 million in 2024 at a compound annual growth rate (CAGR) of over 18 per cent and a noteworthy $38 billion worth of equity deployed over 2015–2024.

Impact Investments are ~36% of total VC investments

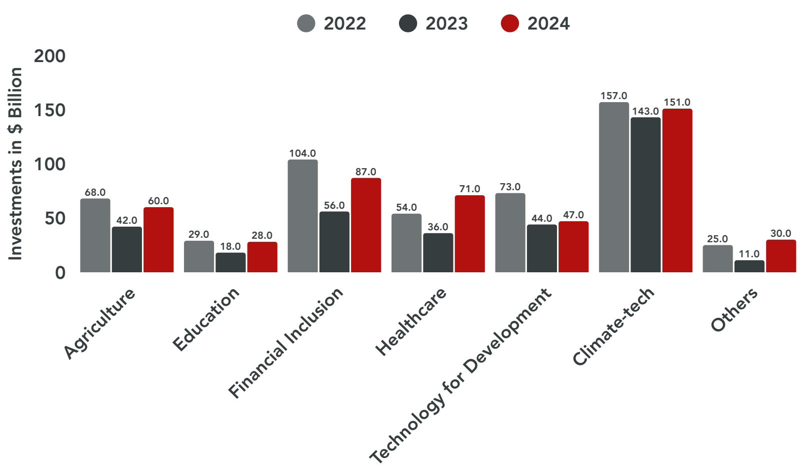
With a greater CAGR of 18% vs. 8% for overall VC

Impact Investment 2015-24



Source: Impact Investors Council

Sectoral Composition of Impact Investment

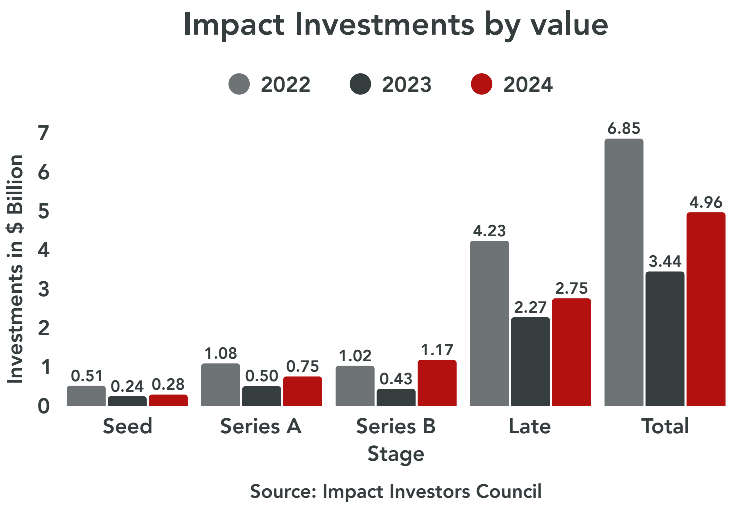


Source: India Impact Investors Council

Financial Inclusion and Climate-Tech attract >60% of Impact Investments

Tech for Dev saw a large dip and Agri & Food has slowed down in last 2 years

Impact Investments across stages

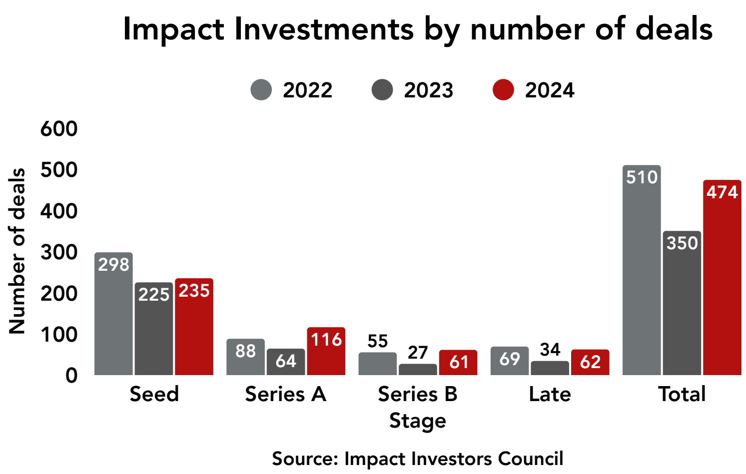


The proportion between early stage (seed, Series A) and later stage (Series B, Late) has been maintained: ~20% and ~80%

Investment value has corrected from the post-covid era, Series B has bounced back somewhat

Total deal volume has remained stable overall but seed deals have dropped significantly

Average deal sizes have dropped across all stages except Series B



4.2 Sectoral Composition of Social Enterprises

To understand this, we analysed a sample of 800+ social enterprises that are part of the portfolio of impact investors that invest primarily at the early-stage i.e. pre-seed, seed and Series A. Impact investment portfolios have been chosen for this purpose as:

- they are easier to discover and more data is available for such companies, as compared to other social enterprises
- due to their high-risk nature, there are usually fewer bootstrapped social enterprises that have scaled.

Some outliers such as Zoho have been included as they have scaled successfully.

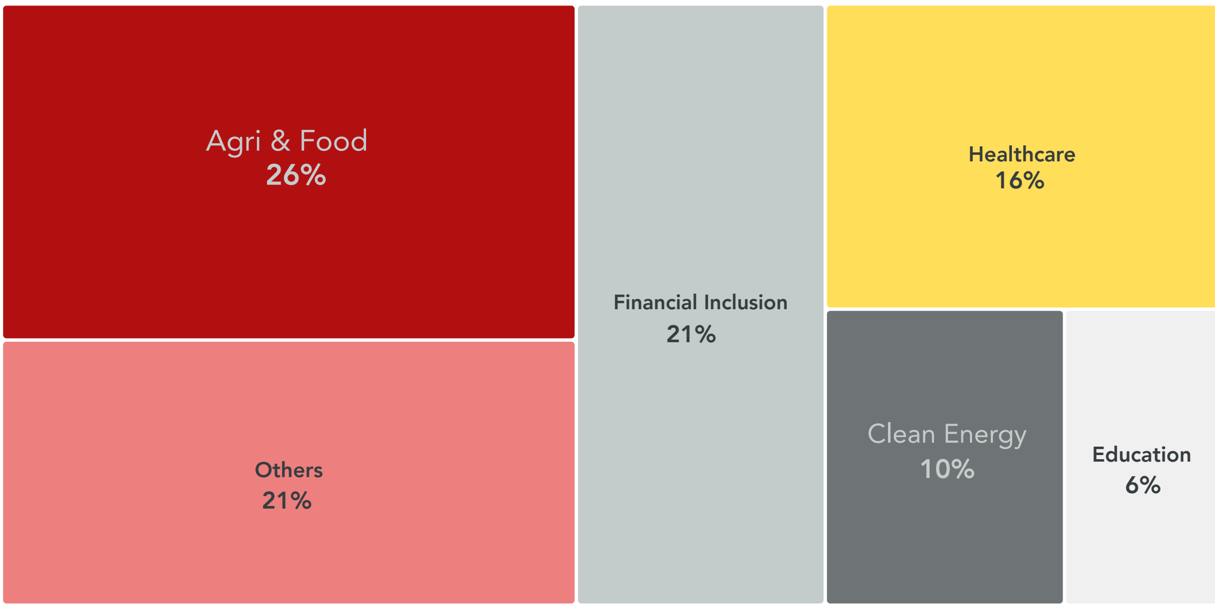
Due to the above, the sample is composed primarily of social enterprises that have raised venture capital or catalytic capital i.e. 'impact investments', and excludes social enterprises (such as FPOs) that were bootstrapped or raised more conventional funding. The relevant data for 599 of these companies was available and this has been used for the analysis below.

Further, we analysed a sample of 1,081 commercial startups from the portfolio of mainstream early-stage investors, of which 757 had relevant data for the purpose of comparing with social enterprises.

Agri & Food and Financial Inclusion constitute nearly half of the portfolio (47%)

indicating investor preference for these sectors as comprising models that can generate market return.

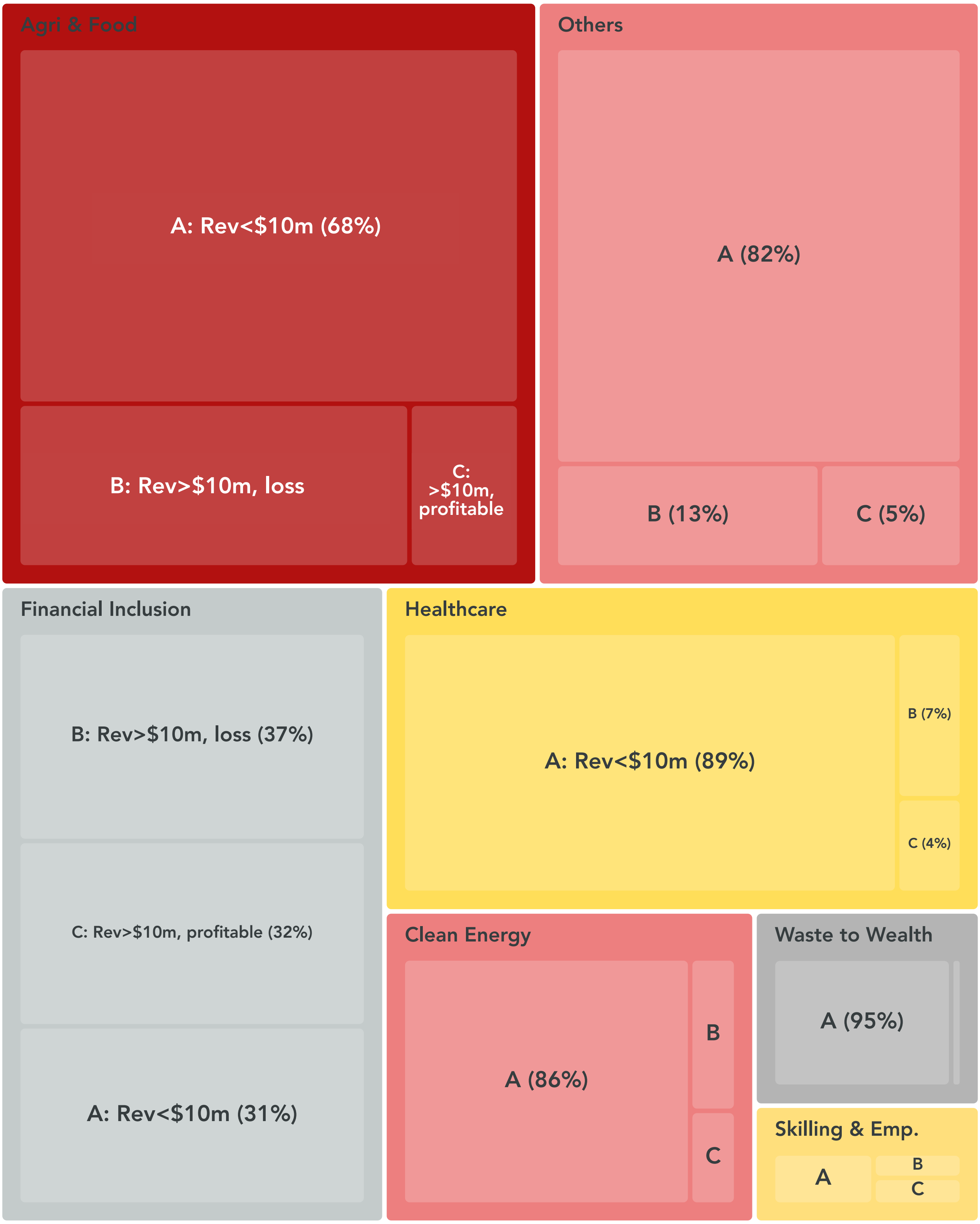
Composition of SEs



Source: Analysis based on data from Tracxn

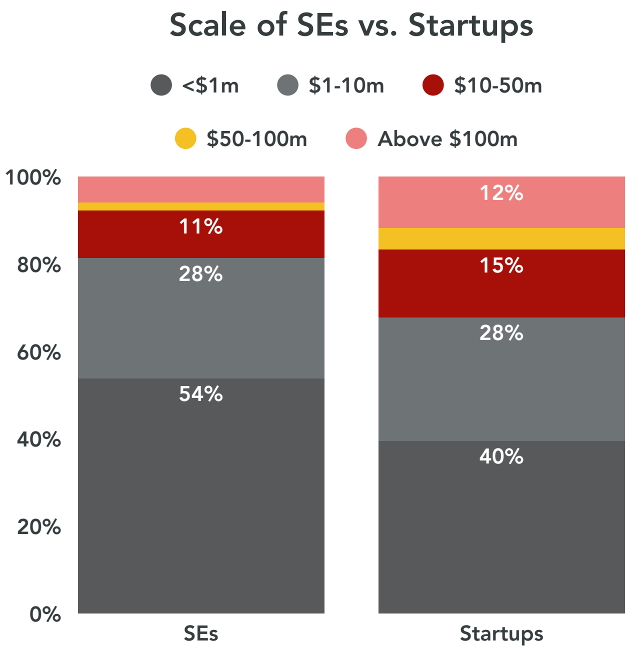
4.3 Analysis of SEs - Scale and Profitability

40 out of 123 SEs (33%) in Financial Inclusion, 3 out of 13 SEs (23%) in Skilling & Employment and 11 out of 158 (7%) SEs in Agri & Food had revenue >$10m and profitable.



Source: Analysis based on data from Tracxn

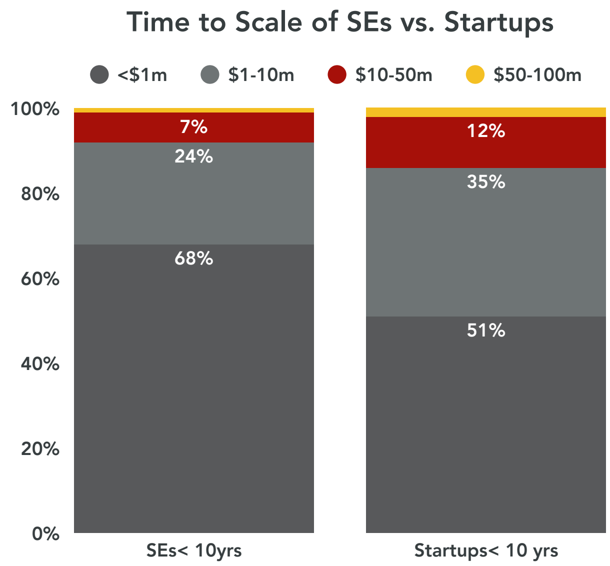
4.4 Performance of SEs vs. VC startups



Source: Analysis based on data from Tracxn

SEs have not scaled as much as startups with over half at a run-rate of <$10m

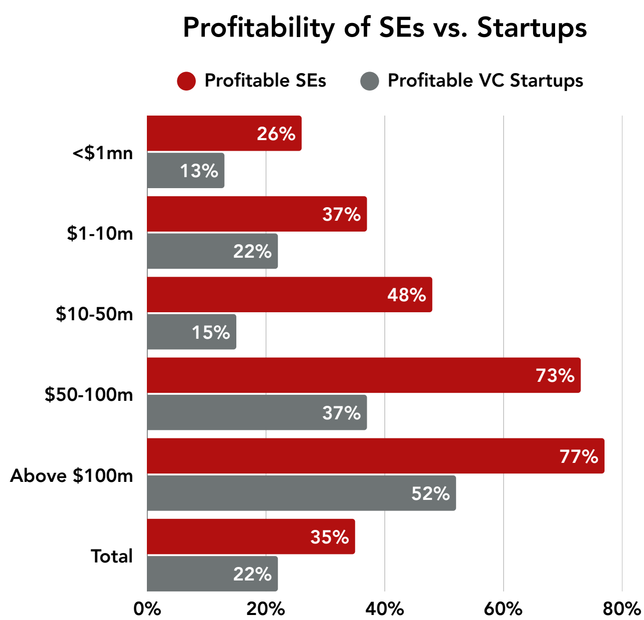
6% of SEs scaled beyond $100m vs. 12% of startups; 19% of SEs scaled beyond $10m vs. 32% of startups



Source: Analysis based on data from Tracxn

Also, SEs have been slower to scale vs. startups

Only 8% of SEs scaled beyond $10mn. within 10 years vs. 15% of startups in the same time



Source: Analysis based on data from Tracxn

However, while they are not as fast to scale, more SEs hit profitability vs. startups

36% of SEs are profitable vs. only 22% of startups

4.5 Analysis: Social Enterprises Impacting Livelihoods

Every community, whether rural or urban, relies on a web of activities that help people secure their basic needs and pursue their aspirations. These activities form the backbone of what's known as a livelihood, encompassing not only work and income but also the everyday actions and choices that shape family and community life. Livelihood includes all economic activities that allow individuals and households to earn income, manage risks, and improve their quality of life. Livelihood resilience, in particular, refers to the ability to maintain stable and sufficient income, even in the face of shocks or economic shifts.

Livelihood-focused social entrepreneurship refers to enterprises that intentionally address barriers to stable income and employment opportunities for underserved populations and reduce vulnerabilities. These entrepreneurs work on challenges such as lack of access to markets, absence of formal employment pathways, low productivity in informal sectors, and financial vulnerability.

These enterprises develop models that may create new livelihoods, improve existing incomes or improve financial resilience i.e. they may reduce vulnerabilities that provide more stable, predictable earnings and better capacity to absorb shocks.

Beyond social enterprises, the livelihoods landscape also includes commercial enterprises that, while not structured around a social mission, contribute to job creation or income enhancement.

Aggregators like Urban Company, Ola, Swiggy, Zomato, and Dunso are transforming India's gig economy by connecting an estimated 12–15 million workers including delivery partners, drivers, and household service providers to flexible income opportunities in urban hubs. Projections from NITI Aayog and ICRIER see the gig workforce in India growing to as many as 23.5 million by 2029-30, underlining both scale and reach in this sector[1]. Urban Company alone has on-boarded over 45,000 home service professionals while Swiggy and Zomato have each mobilised lakhs of delivery executives nationwide[1]. Ola and Uber aggregated 2 million+ driver-partners, enabling access to jobs that offer adaptable schedules, low entry barriers, and digital payments even in smaller cities[1]. The gig economy has helped bring informal workers into new income streams, and enhancing financial resilience and worker protections can ensure that these opportunities lead to more secure livelihoods.

Manufacturing and service giants such as Hindustan Unilever Ltd., Maruti Suzuki, Larsen & Toubro, and Tata Motors fuel more formal and semi-formal employment, especially in rural and peri-urban India. According to IBEF and government sources, the manufacturing sector employs roughly 27 million people, with 38% of these jobs found outside major metros[2]. Companies like Maruti Suzuki, through their dealership, supplier, and service center networks, create thousands of primary and secondary jobs in "auto-cluster" districts.

[1] India's expanding gig economy, NITI Aayog, 2022 & ICRIER, 2024
[2] "Indian Manufacturing Sector and Inclusive Growth", IBEF, 2025; Project Shakti, Hindustan Unilever Ltd., 2024
[3] "India IT-BPM Industry: 2025 Foundation", NASSCOM, 2025

Hindustan Unilever's Project Shakti program alone engages around 136,000 rural women as micro-entrepreneurs, extending steady earning avenues to underserved communities[2].

Information Technology Enabled Services (ITES) providers such as Tata Consultancy Services (TCS), Infosys, and Cognizant directly employ 5.4 million people as of 2025, with Nasscom projecting another 1–1.2 million new tech jobs to be added annually[3]. These firms drive demand in business process outsourcing, customer support, KPO, analytics, and AI, the backbone for both urban and diverse geographies.

ITES jobs have seen a fourfold growth in tier-2 and tier-3 cities since 2022, as remote work and digital skilling accelerate opportunities for women, youth, and socially excluded groups[3].

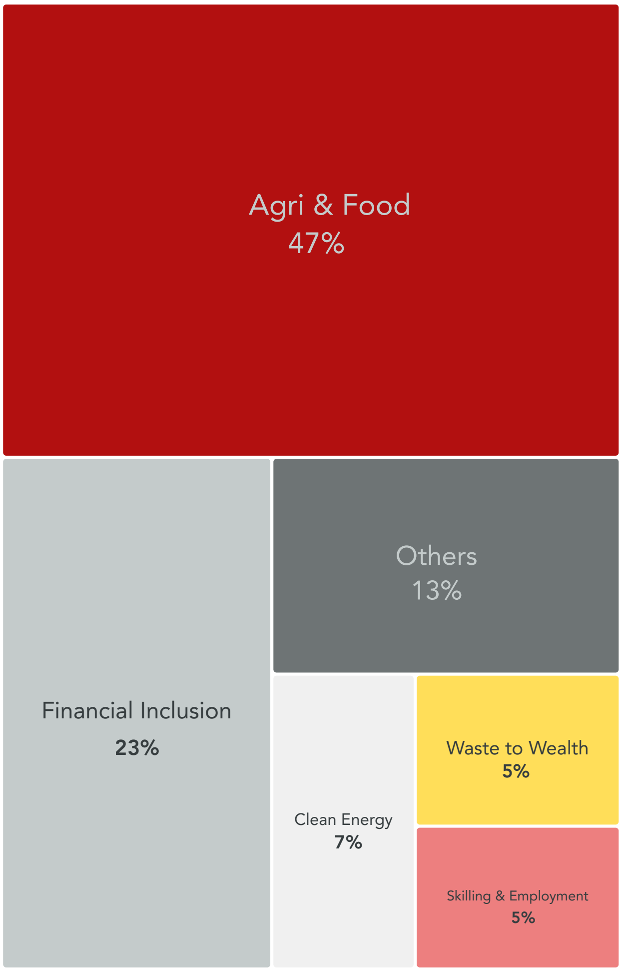
Although these businesses may not explicitly target marginalisation or structural exclusion, their operations can have positive livelihood effects.

Recognising their role helps broaden the understanding of what contributes to income and employment generation -even if impact is a by-product rather than the core objective.

4.6 Sectoral Composition: Social Enterprises Impacting Livelihoods

To understand the landscape of social enterprises impacting livelihoods (SELs) in India, we analysed our sample of startups from the impact investors' portfolio and shortlisted social enterprises that directly improved livelihoods through the impact lens of increased income or greater financial resilience.

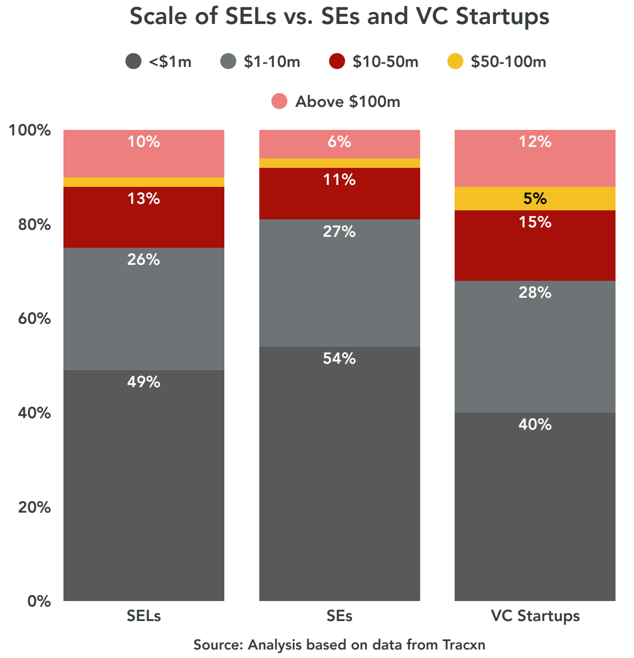
This list, which now comprised 268 social enterprises across various sectors, was further analysed across the same performance metrics. The sectoral composition of SEs in livelihoods is different to the super-set of SEs, with Agriculture & Food (47%), Financial Inclusion (23%), Skilling & Employment (5%) and Waste to Wealth (5%). contributing to 80% of the sample, given the direct linkage of the work and the solutions to income. While Education and Healthcare remain critical to people's ability to earn livelihoods, most SEs in these sectors do not contribute directly and hence have a lower contribution.



Source: Analysis based on data from Tracxn

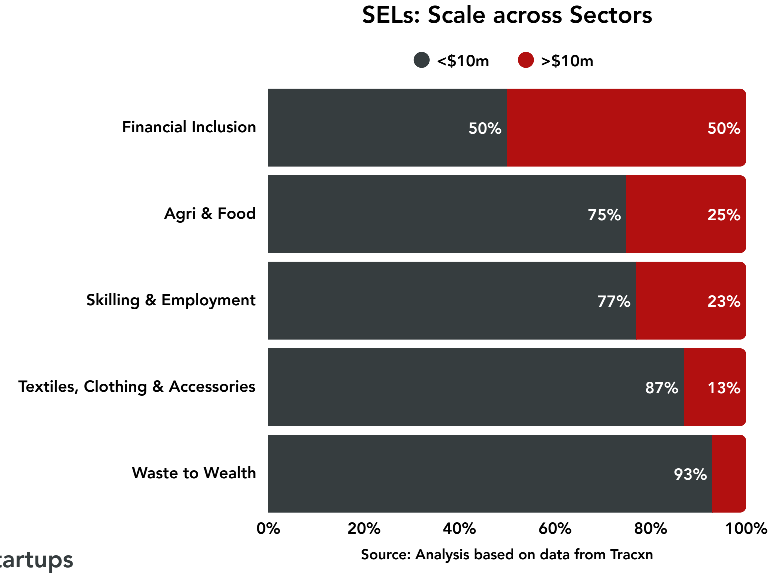
[1] India's expanding gig economy, NITI Aayog, 2022 & ICRIER, 2024
[2] "Indian Manufacturing Sector and Inclusive Growth", IBEF, 2025; Project Shakti, Hindustan Unilever Ltd., 2024
[3] "India IT-BPM Industry: 2025 Foundation", NASSCOM, 2025

4.7 Performance of SELs vs. SEs and VC startups



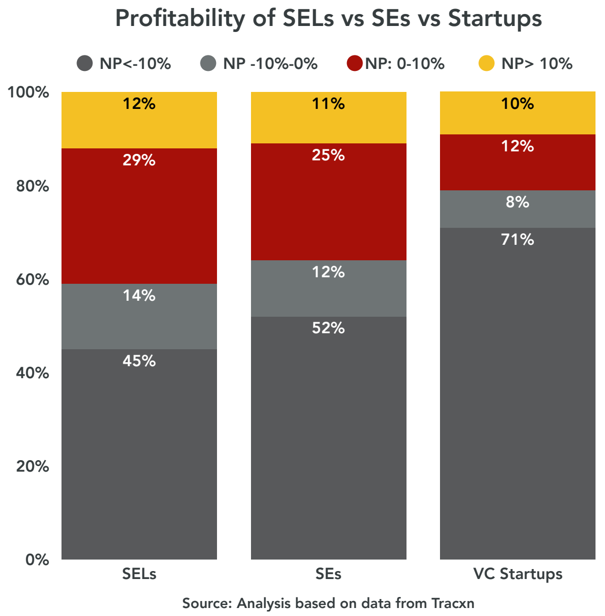
SEs in Livelihoods have scaled more than SEs but less than startups

25% of SELs scaled beyond $10m with 10% crossing the $100m mark



Financial Inclusion, Agri & Food and Skilling & Employment have been the most scalable sectors in livelihoods

These are the only sectors impacting livelihoods with enterprises that have scaled beyond $10m in revenue



More SELs hit profitability than SEs and startups

41% of SELs are profitable as compared to 36% of SEs and 22% of startups

Scalable models for livelihoods are emerging in India

Social enterprises that focus on improving livelihoods in India are increasingly demonstrating that impact and profitability can go hand in hand. Over the past decade, several such ventures have proven that inclusive business models serving farmers, workers, and low-income communities can scale sustainably and attract mainstream investment.

Pioneering examples like 24 Mantra and Milk Mantra have shown that ethically sourced, value-added agri-produce can compete in premium markets while ensuring fair pay for farmers. These companies were acquired by ITC Ltd. and Hatsun Agro Product Ltd. respectively, providing an exit for founders and investors like Ventureast, Peepul Capital, and Aavishkaar Capital. Similarly, Osam Dairy was acquired by Dodla Dairy Pvt. Ltd., providing an exit for Aavishkaar.

Omnivore Capital, an impact investor in the agri-tech space, has also had some notable exits - in July 2022, the venture capital firm sold its stake in Eruvaka, an aquaculture IoT startup, to Nutreco, a global leader in animal nutrition and aquaculture.[1]

In March 2023, it divested its interest in MITRA, a precision sprayer manufacturer, to farm machinery giant Mahindra; and in September 2023, it divested its stake in Barrix Agro to Sumitomo Chemical India Limited (SCIL), a subsidiary of a Japanese fertiliser and pesticide maker.

More recently, early-stage investors have exited from impact ventures such as AgNext and VeGrow. BharatRohan, which provides services to farmers and companies using hyperspectral Remote Sensing and artificial intelligence, recently had its IPO subscribed 10.07 times.

In financial inclusion, MFIs such as Janalakshmi Financial Services, Equitas Microfinance and Ujjivan Financial Services have all evolved from microfinance institutions into listed entities, providing early investors with profitable exits while expanding access to credit for millions.

Together, these developments reflect an emerging ecosystem where social enterprises are not only driving livelihoods and inclusion but are also building scalable, investor-ready models capable of competing in mainstream markets.

[1] Omnivore VC exits Barrix Agro Sciences, sells stake to Sumitomo Chemical India, YourStory, 2023

5. Case Studies: Models of Social Enterprise for Livelihoods

5.1 Agriculture & Food

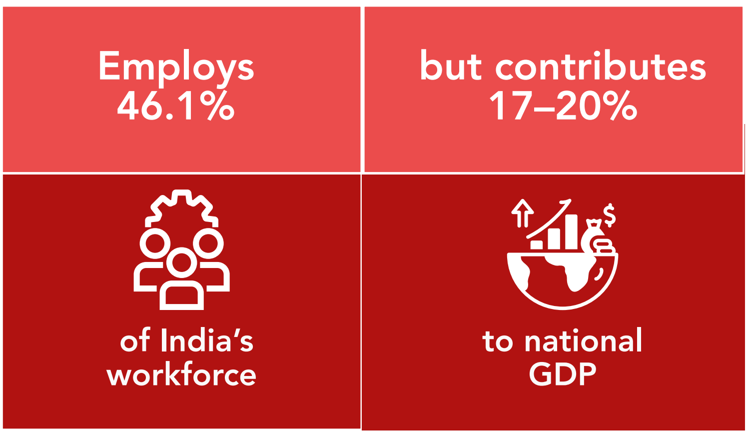
History

Agriculture has long been the backbone of India's economy and a vital source of livelihood, employing nearly half of the country's workforce (with agriculture and allied sectors alone accounting for about 46.1%) and contributing approximately 17-20% to the national GDP. [1]

Post-independence, India's agricultural policy was primarily oriented toward achieving food self-sufficiency and ensuring national food security. Early reforms focused on land redistribution, irrigation expansion, and institutional credit, culminating in the Green Revolution of the 1960s and 1970s, which transformed India from a food-deficit nation to one of the world's largest producers of rice and wheat. Supported by high-yielding seed varieties, chemical fertilizers, pesticides, and state-backed procurement at minimum support prices (MSP), food grain production grew from about 82 million tonnes in 1960–61[2] to over 330 million tonnes in 2022–23.[3]

The Public Distribution System (PDS) and fertiliser subsidies ensured food availability and affordability, while government institutions such as the Food Corporation of India (FCI) and the National Bank for Agriculture and Rural Development (NABARD) played central roles in strengthening production and credit ecosystems. However, over time, the sector began facing structural challenges. The Green Revolution's success was largely regionally concentrated in benefiting states like Punjab, Haryana, and western Uttar Pradesh, while rain-fed and eastern regions lagged behind.

Agricultural landholdings have become increasingly fragmented, with the average operational holding size declining from 2.28 hectares in 1970–71 to just 1.08 hectares in 2015–16.[4] This fragmentation, coupled with rising input costs, stagnant productivity growth, and limited crop diversification, has eroded farm profitability.



[1] Economic Survey 2023–24, Government of India, 2024
[2] Union Budget Archive: Chapter 85, Ministry of Finance, Government of India, 1998–99
[3] Press Release on Agriculture and Farmers Welfare, Department of Agriculture and Farmers Welfare, Government of India, 2023
[4] NABARD Research Chronicle (January 2023); All India Report on Agricultural Census, NABARD; Ministry of Agriculture, Government of India, 2023

Recent Trends

The last decade has seen the rise of agri-tech and sustainable agricultural practices, which offer a great promise in unlocking value for farmers as well as the entire ecosystem, through the use of technology across each part of the value chain. While there was a focus on production in previous decades, there is now an increasing focus on improving the quality of produce as well the efficiency of the supply chain. Further, there is a growing movement in environmentally conscious or climate friendly agriculture that seeks to bring in more long-term thinking into agriculture, with a view to making it more sustainable for farmers, the environment as well as the society at large. Agri-tech innovations are expected to play a big role in this, with technologies spanning precision agriculture tools (including IoT devices, satellite imagery, and AI-driven analytics), biological inputs, innovations that support post-harvest activities like agro-processing and value addition solutions, solutions that optimise output supply chains and create linkages with end-stream consumers and businesses, and fin-tech solutions that facilitate finance and insurance offerings. Climate-resilient practices, crop diversification, and the rise of Safe Food brands can also further enhance sustainability by protecting soil fertility, reducing carbon emissions, and providing nutritious food to consumers.

Challenges and Opportunities

Despite these advancements, the sector has faced significant challenges in delivering the promise of both profits and impact. One of the key issues is that agri-tech solutions often assume scale and uniformity but the underlying agrarian structure is fragmented with smallholdings and informal supply-chains. Without ecosystem alignment amongst farmers, FPOs, inputs providers, and other players in the value chain, technology alone will not deliver impact. In terms of adoption, there is a major challenge in the affordability and adoption of solutions such as high upfront costs for sensors, IoT devices, digital apps, and mechanisation, particularly by smallholder farmers.

In addition to this, there has also been a lack of capital for agri-tech in hardware, biology, synthetic-biology systems, or inputs, that require longer horizons and higher risk. Venture capital has historically favoured digital tech solutions (software platform plays) and there are not too many sources of patient capital.

However, the future looks bright, with multiple high-potential areas emerging for increasing farm incomes and building scalable social enterprises:

Micro-Processing at the Farm Level

Value addition at the farm-gate: micro-processing done at the farm level preserves nutrition value for fruits, vegetables; oilseeds, etc. Further, decentralised models also reduce the burden of capex and overheads of centralised models. Once processed, well-packed and packaged products also usually fetch additional value.

Quality Assessment & Control

Improved quality assessment and control can help farmers realise additional value based on quality of produce; this is done through low-cost quality-testing technologies that measure factors like size, colour, foreign matter, degree of ripening, oil content, etc.

Storage & Supply Chain Improvements

Better storage and supply chain helps farmers save post-harvest losses and also helps them sell in the off-season, when prices are higher.

Soil Health & Nutrient Optimisation

Soil-testing technologies help farmers reduce costs as well as improve yield by helping them optimise fertiliser application and identify additional requirements for improving nutrition.

Early Pest Detection & Smart Input Use

Technologies for early pest-detection and application of inputs (fertilisers, pesticides, etc.) help farmers reduce usage of inputs and also mitigate losses in production.

[1] Economic Survey 2023–24, Government of India, 2024
[2] Union Budget Archive: Chapter 85, Ministry of Finance, Government of India, 1998–99
[3] Press Release on Agriculture and Farmers Welfare, Department of Agriculture and Farmers Welfare, Government of India, 2023
[4] NABARD Research Chronicle (January 2023); All India Report on Agricultural Census, NABARD; Ministry of Agriculture, Government of India, 2023

Biological Inputs (Bio-innovation)

Biologicals (bio-inputs, bio-stimulants) is a rapidly growing sector which can help farmers reduce usage of chemical fertilisers and pesticides in both the short and long term, thus reducing costs and also helping grow better quality of produce.

Smart Input Application & Land Preparation

Technology for improved input application and land preparation is also a major opportunity. For example, spraying of fertilisers and pesticides via drones reduces their usage and consequent purchase, while the use of innovative farm equipment for land preparation such as happy seeders, cycle weeders, and electric weeders improves the efficiency of inputs.

Unlocking Potential in Allied Sectors

Allied sectors like aquaculture and dairy also offer untapped potential, with tech-enabled feed monitoring, water quality management, and quality assurance improving productivity.

Strengthening Market Linkages for Sustainability

In addition to the above, while pure price discovery and market linkage enterprises have seen limited success, they are essential in building sustainable models. Apart from increasing incomes, farm income de-risking is also crucial.

One of the ways to address this is through parametric insurance, which is a type of insurance where payouts are triggered automatically based on a pre-defined parameter (like rainfall, windspeed) rather than on actual assessment of individual losses.

In agriculture, the major advantage with this is that it makes agricultural risk protection faster, more transparent, and more accessible, helping farmers cope with climate variability and income shocks. Farmers don’t need to prove crop loss; payouts are linked to measurable, objective data from weather stations, satellites, or sensors. While this is a sizeable opportunity, there are a few significant challenges that will need to be overcome. The first is capital requirement - as parametric products often cover catastrophic risks (like droughts, cyclones, floods), a single event can trigger large payouts across a region, requiring significant capital reserves. Further, domestic insurers usually depend on global reinsurers (Swiss Re, Munich Re, etc.), which makes them vulnerable to high reinsurance costs and foreign capital flows. Another challenge is around farmer education, most smallholders are unfamiliar with insurance concepts, let alone parametric models. Also, farmers often mistrust products they don’t fully understand, especially after poor experiences with past crop insurance schemes.

A major structural opportunity is the Government of India’s initiative on building an ‘Open Network’ for agriculture (a set of connected digital public infrastructure (DPI) to build an interoperable, farmer-centric system) which is currently envisioned as a combination of data systems (AgriStack) + marketplace / commerce integration (ONDC, eNAM, FPO’s access) to enable farmers to get better access, transparency, and services.

Social enterprises that can combine technology, market access, and financial tools can utilise these opportunities and leverage major trends to create scalable, impactful models for smallholder farmers.

[1] Economic Survey 2023–24, Government of India, 2024
[2] Union Budget Archive: Chapter 85, Ministry of Finance, Government of India, 1998–99
[3] Press Release on Agriculture and Farmers Welfare, Department of Agriculture and Farmers Welfare, Government of India, 2023
[4] NABARD Research Chronicle (January 2023); All India Report on Agricultural Census, NABARD; Ministry of Agriculture, Government of India, 2023

S4S Technologies

Scaling Decentralised Food Processing in India

Year of Founding
2013

Founders
Ashwin Pawade, Ganesh Bhere, Nidhi Pant, Shital Somani, Swapnil Kokate, Tushar Gaware, Vaibhav Tidke

Headquarters
Aurangabad, Maharashtra

S4S Technologies, launched in 2013 in Mumbai by a team of university friends, has rapidly evolved into a leading social enterprise in India's agricultural sector. The company leverages decentralised, technology-enabled processing at the farm gate, tackling post-harvest food loss and improving incomes for smallholder farmers, particularly women.

S4S started out of a lab at Mumbai University Institute of Chemical Technology (MUICT), as a group of people with a common goal:

"It started with a very clear mission - we wanted to provide affordable, scientific solutions to rural areas. The theme was very broad and that's why the name is also Science for Society.", Nidhi recalls.

Initially, with each person working on different technologies, they developed and licensed out many technologies in areas such as water and sanitation, malnutrition, etc. One of the key technologies they worked on was a drying technology, solar conduction dryers (SCDs), that aimed to reduce food spoilage and offer food security for farmers.

A pivotal moment in their journey was when they presented this technology at the Dell Social Innovation Challenge in 2013, which won them an award and gave them the inspiration to transition from being researchers and innovators to becoming entrepreneurs. Co-founder Nidhi Pant recalls a piece of advice they received from Michael Dell himself,

"If you develop this technology and license it out to someone else, you would never be sure whether it is going to be used in that way. He (Michael Dell) gave us that insight and we were very inspired."

Their first success was selling thousands of units globally, but further insights revealed that simply providing hardware wasn't enough to make a sustainable impact. With support and mentoring from well-known investors like Hemendra Mathur and multiple DFIs and Foundations, the team looked at how they could move away from being in the hardware business to building a more scalable model. To do this, they ran surveys and interacted with their customers, farmers who were actually using the product, and inquired into what their major pain points were. Through this process, they realised that smallholder farmers needed to go beyond just food security - they wanted to earn an additional income by selling their products. This experience prompted the team to transition from being just a hardware solution provider to building a business in the food processing industry. Here, while they started off as a platform-based model where it was more supply-driven, the team soon realised they needed to become more market-focused and pivot to owning their own supply chain - this would solve the challenges of aggregating supply in large quantities while maintaining quality and meeting market demand. This would also deliver real, measurable results for rural communities on a consistent basis.

[1] S4S Technologies: About Us, Official Website, 2023
[2] Acumen Case Study: S4S Technologies, 2022
[3] Tracxn

Things started well and the company was doing a run-rate of ₹1 crore a month before the COVID pandemic struck, reducing their business to zero. Deciding to use this challenge as an opportunity, and with funding from Acumen coming in at the right time, the team moved to Aurangabad to focus on some key issues like supply chain scalability and asset-financing for their SCDs. Till then, they had been doing asset financing for micro-entrepreneurs through partnerships with MFIs, NBFCs and banks but this was at very high interest rates. A major breakthrough came when Maharashtra Grameen Bank decided to lend money to finance these dryers but on the basis of some guarantee; here, Shell Foundation came in as a guarantor for the first 300 machines and post the success of this pilot, the State Bank of India came in as a financier under the Mudra scheme, through which the government provides loans to non-farm, non-corporate micro and small businesses.

Today, S4S works with clusters of rural micro-entrepreneurs, equipping them with SCDs and providing the relevant training. They also give them the option of procuring the raw material (agricultural produce) from S4S or other sources. Clusters are intentionally located in regions where different crops are available year-round, ensuring consistent supply and utilisation of the processing units. Women micro-entrepreneurs earn processing fees per kilogram, with many reporting substantial increases in income. As Nidhi puts it,

"It's a decentralised model, but everything is controlled - the raw material, SOPs, quality norms. We take a cluster approach - around 5,000 women in one geography, processing close to each other."

The current B2B business serves large food brands, industrial kitchens, and export traders, with 90% revenue from domestic buyers and exports, and the remainder from the HORECA (Hotels, Restaurants and Catering) segment. Core products consisted primarily of dehydrated fruits and vegetables this includes onion, maize, ginger, garlic, chilli, and others.

In FY 2023-24, S4S generated revenue of over ₹213 crore ($25.8m) with a net profit margin of 3%. Since its incorporation in 2013, S4S has raised over $21.3m in equity. After initially being supported by a series of grants, they reached their first significant funding milestone in early 2019, when Factor[e] Ventures led a $681,000 seed round alongside angel investors. The pre-series A round in October 2020, led by Acumen and joined by Factor[e] Ventures and C-SAW, added another $1.75 million and deepened the company's base for scaling operations and technology upgrades. Series A was achieved in August 2022, after nearly six years of product development and market validation, with Chiratae Ventures, Acumen, and Global Innovation Fund investing $5.6 million at a $19.2 million valuation. This was topped up in March 2023 with $1.8 million from the Global Innovation Fund, bringing the total Series A funding to over $7.4 million and raising the valuation to $24.7 million.[3] Amongst other accolades, S4S was one of the winners of the Earthshot Prize in 2023, winning a grant of £1 million and the company was also the winner of the CISCO Agri Challenge (by CISCO & The/Nudge Institute) in 2022.

S4S integrates impact into its commercial model instead of treating social impact and profitability as separate aims. This alignment of business innovation and social mission has attracted both impact and commercial investors, including Acumen, Accel, Chiratae Ventures, and global development organisations. The leadership views decentralisation as "not just scalable, but commercially superior to centralised processing," as it improves supply chain predictability, resilience, and empowers local communities[1]. Rather than compromising between profit and impact, the team believes well-designed models can be inherently more attractive to commercial capital and scale more efficiently when grounded in local realities.[1]

1 S4S Technologies: About Us, Official Website, 2023
2 Acumen Case Study: S4S Technologies, 2022
3 Tracxn

100,000 smallholder farmers supported by S4S have recorded 10-15% increases in their profits and 2,000 women entrepreneurs have seen their incomes double or even triple, for many and preventing 40,000 tons of food loss each year. The decentralised model has enabled the company to scale rapidly, targeting 500 crore in revenue for 2025, with further ambitions for premium products and margin expansion.[2]

S4S Technologies provides a clear blueprint for agricultural transformation and women's empowerment by marrying innovative technology, market linkages, and decentralised operations with a relentless focus on both commercial and social outcomes.

Source: Agri-Tech Firm S4S Technologies is Combating Food Waste in India, Marico Innovation Foundation, 2019

1 S4S Technologies: About Us, Official Website, 2023
2 Acumen Case Study: S4S Technologies, 2022
3 Tracxn

Akshayakalpa

Reviving Rural Prosperity through Organic Dairy

Year of Founding	Founders	Headquarters
2010	Shashi Kumar and Dr. G.N.S. Reddy	Tiptur, Karnataka

Akshayakalpa was founded in 2010 by Shashi Kumar, a technologist, and Dr. G.N.S. Reddy, a veterinarian, to help farmers create a stable income through dairy farming while also restoring the health of their soil, ensuring that farming remains a viable and profitable occupation.

The seeds of Akshayakalpa were sown long before the company was formally established. It all started in 2001 when Dr. Reddy who was also Kumar's uncle, initiated a program called Yuva Chetana, which worked with young people in villages to help them become entrepreneurs through training and capacity building. The program was supported by 27 individuals working at Wipro, including Shashi, who then started having informal discussions on how farming needs to change in order to improve the economic prosperity of villages. These conversations became serious and in February 2010, they pooled in money to crowdfund and co-found two companies - Akshayakalpa and Stellapps. While Shashi focused on building Akshayakalpa, the rest of the team focused on building Stellapps, another dairy-tech startup.[1]

The initial idea was to set up a communal space for women to learn about agriculture and set up their own enterprises. However, they soon realised that the women they were trying to help needed a different kind of support - these were unmarried women, widows, and some facing societal abuse; they didn't want to be entrepreneurs. What they wanted was psychological and physical safety. This realisation led to a shift in focus for the team at Akshayakalpa - they realised that, instead of working with individuals, they should work with entire farming families and help them become entrepreneurs. To start, the thought process was to improve soil health and create a steady income for farmers. The team saw dairy as a way to make farming attractive to the next generation.

"The milk itself is not the thought process, The soil management is the thought process. The question is, how do you manage the soil? We need cows. So then we thought we'll do very structured dairy as it has a good daily cash flow to the farmer," Shashi elaborates.[1]

Distinct from conventional dairies, Akshayakalpa set up a vertically integrated system where quality control happens at the farm itself. The company uses cow health sensors, soil testing, and ERP-based tracking, making each litre of milk digitally traceable from cow to consumer through detailed data on animal health and feed quality[1]. Marketing is grassroots: farm tours, school visits, and sampling campaigns invite city consumers to connect with rural systems firsthand. Early angel investors supported pilots; subsequent institutional investment enabled production expansion and digital transformation.[2]

In the early years, Akshayakalpa nearly went bankrupt due to high debt and slow consumer acceptance of organic milk. Attracting rural youth to farming, navigating volatile feed and market prices, and investing in consumer education posed ongoing challenges.[3] The company adapted by diversifying into value-added products (cheese, ghee), using renewable energy to stabilise costs, and growing presence via digital channels. By 2025, Akshayakalpa had evolved into a profitable, farmer-owned enterprise prioritising sustainability, traceability, and community wealth.[12]

[1] The Akshayakalpa Interview, tal64, 2025
[2] BAIF Development Research Foundation, Wikipedia, 2025
[3] Growth Case Study: Akshayakalpa Organic Food Brand, The Hard Copy, 2022
[4] 100000: A Goal to a Milestone, Akshayakalpa, 2021
[5] Tracxn

In FY 2023-24, Akshayakalpa generated revenue of over ₹285 crore ($34.5m) with a net loss margin of 7%, well on its way to being profitable. It has raised over $38.8 million in equity till date. Akshayakalpa began its journey with modest seed and angel investments totaling under $1 million between 2012 and 2015, supported by early backers like Ksheera Ventures, Kamadhenu Investment, and Venture Dairy.[4]

Over the next decade, the company steadily evolved from a small farmer-led initiative into one of India's leading organic dairy enterprises. Its valuation rose from $1.4 million in 2012 to $73.3 million by its Series C round in January 2024, marking a twelve-year journey of sustained growth and investor trust. With continued support from key institutional partners such as Lok Capital, Rainmatter, A91 Partners, and British International Investment, Akshayakalpa has demonstrated how a farmer-centric, sustainable business model can achieve both scale and profitability over time.[5]

Akshayakalpa's impact on farmer incomes is clear: farmers typically start with monthly earnings around ₹3,000, and within two to three years of joining the program and shifting to organic dairy practices, their average monthly income rises to approximately ₹1 lakh. This increase comes not just from premium prices for organic milk, but also from new revenue streams like poultry, honey, bananas, and herbs. Their approach rejuvenates land through organic fodder cycles, crop rotation, and intercropping, while bulk milk chilling and processing infrastructure ensures consistent, traceable, chemical-free dairy products for urban markets.

Akshayakalpa has scaled to over 1,750 farmers emphasising participation from women and rural youth, which helps reverse migratory trends and rebuild social cohesion. These farmers generate substantial revenues averaging ₹128,000 per month, per farmer. In 2024, across Bengaluru, Chennai and Hyderabad, over 200,000 unique households consumed the company's products and 50,000 households got deliveries daily.[1]

Akshayakalpa demonstrates that improving rural livelihoods and environmental health can be mutually reinforcing, establishing a scalable blueprint for ethical, producer-led food systems[1].

Source: Akshayakalapa, Official Website

1 The Akshayakalpa Interview, tal64, 2025
2 BAIF Development Research Foundation, Wikipedia, 2025
3 Growth Case Study: Akshayakalpa Organic Food Brand, The Hard Copy, 2022
4 100000: A Goal to a Milestone, Akshayakalpa, 2021
5 Tracxn

Organic Mandya

Cultivation-to-Wellness: An Organic Revolution

Year of Founding	Founder	Headquarters
2015	Madhu Chandan	Mandya, Karnataka

Organic Mandya was founded in 2015 by Madhu Chandan, who had returned to Mandya district in Karnataka after a successful tech career in the US[1]. In Bengaluru, he noticed many people from Mandya working far from their fields - a sign that farming was no longer sustainable. Migration had become the only escape. It was a moment of reckoning: if agriculture lost its footing, villages would lose their dignity and hope. That was when he knew something had to change.

In around 2014, Madhu began experimenting himself - he cultivated an acre of land using chemical-free methods, tested crop mixes and traditional practices, and used this field as a demonstration. With initial evidence from his trial farm of one acre, Madhu invited farmers in small groups and started weekly sessions to share information and methods on organic farming. These sessions fostered trust and knowledge exchange, laying the foundation for the Mandya Organic Farmers Co-operative Society[3].

Soon thereafter, in 2015, Organic Mandya was launched as the marketing and retail arm of the cooperative - to create a direct market for the produce of the farmers and ensure they got fair value. The first store opened on the Bengaluru–Mysuru highway, a strategic location that offered exposure and access to urban customers. The retail model enabled farmers to bypass middlemen, improved price realisation, and simultaneously gave urban consumers access to chemical-free produce from Mandya. The hard work had started reaping rewards but it was just the beginning. As Chandan recalls,

"When I started, there was nothing glamorous about it. It was just about working with farmers, earning their trust, and trying to prove that an honest model could survive."

Over time, the cooperative and retail network expanded: within a few years, thousands of farmers across many villages in Mandya were part of the system, and the brand grew into a multi-store enterprise.

Organic Mandya operates through a hybrid structure that combines elements of a farmer cooperative with those of a private enterprise. On one hand, it is rooted in the Mandya Organic Farmers Co-operative Society, which brings together villages to pool resources, share best practices, and access collective bargaining power for fair prices and better market access. This cooperative ensures that farmers retain ownership, participate in governance, and receive premium compensation for their produce.

On the other hand, Organic Mandya also runs as a private enterprise, a professionally-managed company responsible for processing, branding, and marketing organic products, as well as operating retail stores and digital sales channels.[2] Its direct-to-consumer (D2C) and business-to-consumer (B2C) models use digital platforms and flagship retail outlets. They franchise stores, to sell a wide range of organic foods from cereals, millets, and spices to dairy and specialty beverages.[4] The innovative FICO (Franchise Invested, Company Operated) approach allows for rapid, scalable growth, giving store owners the opportunity to invest while Organic Mandya provides operational support and oversight.[4]

[1] Conversation with Madhu Chandan, Founder Organic Mandya, LinkedIn Pulse, 2024
[2] Organic Mandya: Challenges in Scaling a Social Enterprise, ISB Case Study, 2024
[3] Organic Mandya, Official Website, 2025
[4] Rainmatter Capital / Zerodha Z-Connect: Organic Mandya, 2024
[5] Organic Mandya blog: Community Farming Programs, 2025
[6] Harvard Business Publishing: ISB Case Study, 2023
[7] Tracxn

The organisation provides comprehensive services including soil testing, agri-consulting, and practical training in regenerative agricultural methods, while its community programs encourage terrace gardening, eco-tourism, cow donations, and hands-on experiential learning.[6] Notably, Mandya's multipurpose cropping and desi cow integration have led to the rejuvenation of over 18,000 acres of farmland and significant increases in farmer incomes.[3] These measures have helped reverse youth migration and restore vibrancy to rural communities, with field evidence showing incomes rising much higher than conventional agriculture.[3]

Organic Mandya's growth has been driven by seed and angel investments from sources such as Rainmatter Capital, along with partnerships with retail innovators and supply chain organizations.[5] Its transparent sourcing and farm-to-consumer traceability have attracted urban customers, built brand loyalty, and won industry accolades. The organisation also leads educational initiatives, such as 'Be the Organic Farmer' and FAAS programs that bring agricultural knowledge to both producers and urban families.[6]

The enterprise has faced several challenges, including convincing farmers to adopt organic methods, establishing year-round availability of product, and maintaining cash flow[7]. Persistent efforts in farmer education, direct market linkage, and collaborative problem-solving have been key to overcoming these barriers.[3]

Amongst these, Chandan explains that attracting the right investors has been a major challenge.

"Access to funds has been the biggest challenge. It's a fine balance - investors want money, farmers want the best price. You have to walk that line very carefully without disappointing either."

In FY 2023-24, Organic Mandya generated revenue of over ₹16 crore ($1.98m) and was close to being profitable, with a net loss of 6%. It has raised over $1.79 million in equity till date. The first institutional funder for Organic Mandya was Captela Ventures with $1.6m in December 2018, and their biggest disclosed funder so far is CreedCap Asia Advisors from August 2024. The co-operative structure now includes 12,000+ farmers across 270 villages, including 4,500+ women micro-entrepreneurs and 300 organic farming clubs.

Organic Mandya's future vision is rooted in its OM 2.0 tech stack a transparent, real-time, and data-driven agri-tech ecosystem designed to connect organic farmers directly with wellness-driven consumers across the world. As Chandan describes,

"OM 2.0 is my vision of next-generation agri-tech - a smart system that connects farmers to consumers through real-time data and prediction. It acts like a guiding elder for farmers, from preparing the land to harvesting the crop. Everyone talks about farm-to-fork. We're going beyond that - we call it from cultivation to wellness."

This next-generation system will apply real-time analytics to guide cultivation, logistics, and even consumer wellness feedback, ensuring full traceability from farm to table. By digitizing every stage from seed selection to packaging, the goal is to set new standards for transparency and quality in the organic sector.

Organic Mandya's journey highlights how farmer-centered approaches, organisational innovation, and consumer education can produce resilient and prosperous rural communities. By placing farmers at the center, embracing multi-channel sales, and driving both business and social impact, Organic Mandya offers a replicable model for ethical food system transformation.[1]

[1] Conversation with Madhu Chandan, Founder Organic Mandya, LinkedIn Pulse, 2024
[2] Organic Mandya: Challenges in Scaling a Social Enterprise, ISB Case Study, 2024
[3] Organic Mandya, Official Website, 2025
[4] Rainmatter Capital / Zerodha Z-Connect: Organic Mandya, 2024
[5] Organic Mandya blog: Community Farming Programs, 2025
[6] Harvard Business Publishing: ISB Case Study, 2023
[7] Tracxn

EF Polymer

Biodegradable Solutions for Water-Stressed Agriculture

Year of Founding	Founders	Headquarters
2018	Narayan Lal Gurjar, Puran Singh Rajput and Ankit Jain	Udaipur, Rajasthan

EF Polymer, established in 2018 and now headquartered in Udaipur, India was founded by Narayan Lal Gurjar, Ankit Jain, and Puran Singh Rajput, who are friends from Rajasthan.

The story of EF Polymer began in 2015–16, when founder and CEO Narayan Lal Gurjar's father lost his corn crop in Kerdi, Rajasthan, due to a severe lack of rainfall. He asked Narayan, then a class 11 student with a keen interest in science, to try to find a solution. Narayan began his search and soon came across a potential solution - superabsorbent polymers (SAPs), materials capable of absorbing and retaining several times their weight in water, even under pressure. He decided to create a natural alternative himself and began experimenting with orange peels and other fruit waste, laying the foundation for what would eventually become 'Fasal Amrit', the flagship product by EF Polymer.[1]

Narayan was in college by the time he developed a prototype and he was encouraged by one of his professors to prepare a business plan so that the product could undergo further research, testing, and validation. During this phase, he reached out to Puran Singh Rajput for help, his senior in his village and someone he often looked to for advice. Later, on his way to make a presentation in Jaipur by train, he ran into Ankit Jain, who turned out to be a junior from college. Ankit was immediately interested in the product and pitched in at Jaipur. The three of them went on to found EF Polymer in 2018.[1]

In 2019, EF was selected for the Okinawa Institute of Science and Technology's accelerator program in Japan.

This proved to be a major milestone for the company - Narayan and Puran shifted to Okinawa and not only got a financial grant but also state-of-the-art R&D facilities, which helped them develop and validate the product.[2]

What made the product unique is that was made of 100 percent organic material and had applications across industries such as cosmetics, personal care, medical solutions, and more. By 2021, the company had completed its first major pilot in India and raised a seed round of $360,000 was raised in April 2021 from Beyond Next Ventures and MTG Ventures. Later, it secured Series A funding of $4.1m in 2023 with major participation from Universal Materials Incubator, MTG Ventures, Beyond Next Ventures, and Limetime Ventures. Two Series B rounds followed in 2025.[3]

EF is a company rooted in impact and its people, which Rajput shares as the most rewarding parts of the journey:

"What's most rewarding is .. being from a farming family and having struggled with water ourselves, when farmers share their stories .. about how the product has helped them. Also, when people in our team share their growth and success stories .. it gives us so much happiness and keeps us motivated."

In India, the company works closely with Farmer Producer Organizations (FPOs) to deliver its products to small and marginal farmers at scale. Internationally, it has entered Japan, Africa, and the Middle East through agri-partners, B2B channels, and development agencies.

[1] Drought or excess rainfall? EF Polymer's organic solution to the rescue, Forbes, 2024
[2] OIST-Born Startup, EF Polymer Completes Seed Round of Funding, Okinawa Institute of Science and Technology (OIST), 2021
[3] Tracxn
[4] EF Polymer: Transforming Agriculture Through Innovation, LinkedIn Pulse, 2024 – modified

The company has also expanding our product formats from powders to granules for precision farming and international markets all while staying rooted in farmer-first innovation.

"What truly helps is our on-ground approach - we don't just sell a product, we build trust. We conduct farmer meetings, demo trials, and even co-develop application practices based on local needs. Our success in water-stressed regions like Jaisalmer shows that when we listen first, and customise second, the impact goes deeper."

The company also focuses a lot on its culture, which is shaped by its founders' lived experience: trust, humility, transparent communication, and ecological stewardship are central to recruitment and day-to-day operations.

Despite proven product-market fit amongst its core users, EF Polymer has faced regulatory ambiguity in India and the challenge of adapting messaging for international contexts, requiring the team to respond with agility and persistence.

In FY 2023-24, in only their second year of active sales in the market, they generated revenue of over ₹4.22 crore ($509k) and they have raised over $28.9 million in equity till date.[2] Its first institutional capital only arrived nearly three years after its inception, after four years in operation. EF has also won many awards - they won the Minister's Prize for Environmental Startups by the Ministry of the Environment of Japan in 2021 and were also the winner of the DCM Shriram AgWater Challenge (by DCM Shriram Foundation & The/Nudge Institute) in 2025.

In terms of impact, as of 2025, more than 40,000 farmers have benefited from its interventions, with improved water retention across 30,000 acres and water savings exceeding 36 billion liters. It also enables up to 15% yield improvement. The upcycling of agricultural waste into value-added solutions has averted over 40 million kilograms of CO_2 emissions, demonstrating the intersection of agricultural resilience and climate action.[4]

EF Polymer's journey shows how science-based innovation can address real challenges in agriculture. The company's focus on building sustainable solutions through collaboration and local insight continues to benefit both farmers and the environment. Reflecting on the cultural shift needed for agriculture's future, Puran says,

"If we teach agriculture as a respected and rewarding field, the perception will change. Today, even farmers hesitate to see their children take it up, that must change through education."

1 Drought or excess rainfall? EF Polymer's organic solution to the rescue, Forbes, 2024
2 OIST-Born Startup, EF Polymer Completes Seed Round of Funding, Okinawa Institute of Science and Technology (OIST), 2021
3 Tracxn
4 EF Polymer: Transforming Agriculture Through Innovation, LinkedIn Pulse, 2024 – modified

Sahyadri Farms

Farmer-Led Scale and Innovation in Indian Agribusiness

Year of Founding	Founder	Headquarters
2010	Vilas Shinde	Nashik, Maharashtra

Sahyadri Farms was founded by Vilas Shinde in 2010 in Nashik, Maharashtra, driven by his firsthand experience with the struggles of smallholder farmers who faced low incomes, price volatility, and market exclusion. Coming from a farming background himself, he realised that collective action and farmer-led organisations could fundamentally change the power dynamics in the fruits and vegetables value chain. As he explained,

"I realised that we needed to build a model like Amul for vegetables and fruits."

Starting with just 100 farmers and a modest investment, he established Sahyadri as a Farmer Producer Company, a hybrid cooperative and private structure owned exclusively by farmers.

The company's core vision was to empower smallholder farmers with end-to-end solutions: access to technology, quality inputs, crop advice, state-of-the-art packhouses and processing, and direct market linkages in India and abroad. The early years of Sahyadri Farms were marked by formidable setbacks and hard decisions. Export rejections in 2010 dealt a major financial blow, as the entire consignment of grapes exported by Vilas Shinde and his team was declined by buyers overseas, resulting in losses of ₹7 crore.

Unlike many exporters who passed such losses onto the farmers often leaving them with nothing after a year's work, Vilas Shinde chose a different path. He personally ensured every farmer who had supplied grapes to Sahyadri was paid in full, even though this meant risking his own assets and financial security.[1]

This act of integrity and risk-taking had a profound impact. Not only did it build trust and loyalty among farmer members, but it also distinguished Sahyadri Farms as a company:

"of the farmers, by the farmers, for the farmers and consumers."

It signalled to farmers that their welfare was the company's top priority, regardless of market fluctuations or export failures. In subsequent years, this loyalty translated into stronger participation, as farmers were willing to align closely with Sahyadri's collective procurement, food safety standards, and traceable supply chains. The leadership's commitment established Sahyadri as a resilient, credible partner for thousands of smallholders empowering them with access to new technology, high-quality inputs, crop advisory services, world-class packhouses, and direct market linkages.

Today, transparency, risk-sharing, and shared governance remain the cornerstones of Sahyadri Farms' rise as India's largest farmer-owned agriculture enterprise.

A defining feature of the model is the direct share of profits and premium pricing passed on to member farmers, as well as inclusive practices that foster women's empowerment and rural entrepreneurship. Collective bargaining and scale allow Sahyadri to access premium domestic and international markets for fresh and processed food, with 55% of export value passed back to farmers. Community initiatives also support social welfare, mental health, and agri-tourism, deepening Sahyadri's impact beyond economic metrics[1]. The company has navigated challenges such as price fluctuations, initial market failures, and the need for sustained farmer capacity building.

[1] Sahyadri Farms: A Model for Transforming India's Fruits & Vegetable Sector, The Study IAS, 2025
[2] Tracxn
[3] Sahyadri Farms: Our Story, Official Website, 2025

Through continuous investment in innovation, climate-smart practices, and strong digital and physical infrastructure, Sahyadri has become a replicable model of inclusive agri-business that serves both producers and consumers at scale.

Sahyadri Farms reported annual revenue of ₹1,482 crore ($119m) in FY 2023-24 and has raised $84.9 million in equity funding to date. The company's first large institutional investor was FMO, participating in a debt round in November 2019. Sahyadri raised its Series A round in June 2022, about twelve years since inception from Korys, Incofin Investment Management, Proparco, and FMO.[2] It later raised a Series B round of $45.8m in 2024.

Over the years, Sahyadri has grown to encompass over 18,000 registered farmers cultivating more than 31,000 acres and producing a range of crops such as grapes, tomatoes, bananas, and pomegranates.[3]

Sahyadri Farms have typically seen a 2×-4× rise in income compared with traditional mandi-based systems. The company is now India's largest exporter of grapes and has built a strong domestic presence with value-added products like sauces, jams, and juices. Sahyadri's integrated campus provides facilities for processing, packaging, cold storage, and digital crop advisory, ensuring scale and high standards throughout the value chain[1].

Sahyadri Farms' experience shows how farmer-led collectives, equipped with technology and integrated value chains, can transform rural livelihoods, foster resilience, and deliver globally competitive products without compromising community values[1]. As Vilas Shinde put it:

"Farming, I think, is the most challenging business .. but also with the greatest opportunity. However, people need to take up the challenges with a proper, professional approach and a clear vision."

Source: Sahyadri Farms Website

[1] Sahyadri Farms: A Model for Transforming India's Fruits & Vegetable Sector, The Study IAS, 2025
[2] Tracxn
[3] Our Story, Sahyadri Farms, Official Website, 2025

5.2 Financial Inclusion

History

India's financial inclusion journey has evolved steadily over the past few decades, moving from state-led bank nationalization in the 1970s to the self-help group (SHG) movement and microfinance expansion in the 1990s and early 2000s.

The SHG movement in India evolved in the 1970s and 1980s from grassroots women's collective action inspired by the pioneering work of the Self-Employed Women's Association (SEWA), founded in 1972 in Ahmedabad by Ela Bhatt. SEWA began as a trade union for poor self-employed women - vendors, artisans, and home-based workers - who were excluded from both the formal labor market and the banking system. Recognising that access to credit was a critical barrier to economic independence, SEWA established the SEWA Cooperative Bank in 1974, owned and managed by women themselves. The bank operated on the principle of "savings first, credit later", encouraging women to pool small, regular savings that formed the basis for loans. Credit was provided without collateral, relying instead on group trust, peer accountability, and social cohesion to ensure repayment. Organised into neighborhood collectives, women met regularly to discuss savings, credit use, and local issues, blending financial activity with empowerment and solidarity. This community-owned, trust-driven approach demonstrated that poor women could be effective savers and borrowers, directly influencing later NPO-led SHG experiments and the NABARD SHG–Bank Linkage Programme of the 1990s, which scaled SEWA's model nationally. Soon, MFIs emerged in the 2000s, that then built upon the trust, social capital, and financial behavior nurtured by SHGs, but pursued a commercial and scalable model of microfinance. Alongside SHGs, a few NPOs began transforming into specialised MFIs using the Grameen Bank model (group lending, weekly repayments, focus on women borrowers). Pioneering institutions included BASIX, SKS Microfinance, Spandana Sphoorty, SHARE Microfin, Bandhan, and ASA India. These MFIs initially relied on donor and development finance, but by the early 2000s, began accessing bank loans and equity investments as the Reserve Bank allowed bank lending to MFIs to count toward Priority Sector Lending (PSL) targets.

By 2010, Microfinance Institutions in the country grew rapidly, especially those in Andhra Pradesh (AP), but with increasing cases of multiple lending, over-indebtedness, and aggressive recovery being reported, which led to government clampdown and a sector-wide collapse in repayments. By the end of 2010, many MFIs faced massive defaults and liquidity crunches, halting the decade-long growth trajectory. By the mid-2010s, the government and RBI reframed microfinance within the broader financial inclusion agenda.

[1] Expanding Horizons: MFIN as sector's unifying canopy, 2024

They recognized that many MFIs had developed strong local networks, credit assessment capabilities, and trust among low-income borrowers and could be used as vehicles for rollout of large-scale initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY). In July 2014, the RBI released draft guidelines for Small Finance Banks (SFBs), aimed at 'furthering financial inclusion by providing savings and credit to small businesses, farmers, and unorganised sector workers' and in 2015, granted in-principle licenses to 10 entities to set up SFBs. By 2017–2020, most SFBs became profitable and expanded nationally. Some, like Ujjivan Small Finance Bank and Equitas Small Finance Bank, were listed on Indian stock exchanges.

As of March 31 2024, the gross loan portfolio (GLP) of the microfinance industry was approximately ₹4,33,697 crore (~$48bn.), and it served around 7.8 crore unique borrowers. NBFC-MFIs accounted for 39.4% of the portfolio with bank and SFBs accounting for 33% and 17% respectively.[1]

Recent Trends

In the past decade, India has witnessed a remarkable transformation, propelled by a combination of government policy, digital innovation, and fintech-led solutions. By 2025, over 550 million Jan Dhan accounts[2] had been opened, signaling unprecedented access to financial services in both rural and urban India. This expansion of financial access has been reinforced by the rapid rise of digital public infrastructure - notably Aadhaar for identity, UPI for payments, and the proliferation of fintech companies that offer microcredit, insurance, and savings tools through mobile platforms. Together, these have made formal financial services more accessible, affordable, and relevant for underserved communities. As rural and marginalised households increasingly adopt digital finance, opportunities in entrepreneurship, savings, and credit have improved financial resilience and enabled greater economic mobility.

Challenges and Opportunities

Despite India's success in expanding access, several challenges persist. Many low-income borrowers still face digital literacy gaps, limited financial awareness, and inadequate last-mile infrastructure, which hinder the effective use of financial services. Moreover, while microfinance has extended credit to millions, its direct link to sustainable livelihood improvement remains weak. A large share of microfinance loans are often used for consumption smoothing, covering expenses like food, healthcare, weddings, and school fees, rather than for productive investments. Further, typical MFI loans of ₹10,000–₹30,000 are often too small to enable meaningful business or farm expansion. In contrast, models like BRAC in Bangladesh and BASIX (in its early years in India) demonstrated how integrating credit with skilling, technical assistance, and market linkages could lead to genuine livelihood enhancement rather than just debt cycles. While MFIs like Ujjivan, that have transitioned into universal banking (as SFBs) continue to try and marry impact and scale, there is still much to be done in financing livelihoods in India.

520 million Jan Dhan Accounts	**₹4,33,697 crore** GLP of the microfinance industry	**7.8 crore** Unique borrowers from MFI

[1] Expanding Horizons: MFIN as sector's unifying canopy, 2023-24
[2] Press Information Bureau, GOI, 2025

BASIX

Reimagining Livelihoods Development

Year of Founding	Founder	Headquarters
1996	Vijay Mahajan	Hyderabad, Telangana

In 1996, Vijay Mahajan, a development practitioner with over 15 years of experience at PRADAN, founded BASIX with a single mission - to promote sustainable livelihoods at scale. Having witnessed the collapse of rural credit systems in the late 1980s, when small loans to the poor fell from nearly 20% to below 5% of total bank credit, Mahajan recognized a structural failure in India's development financing. Traditional banks had withdrawn from serving the poor, and existing poverty alleviation schemes had become heavily politicised.

Drawing on his earlier work at PRADAN, Mahajan envisioned BASIX as a social enterprise group, not just an 'NGO'. Its goal was to blend the discipline of commercial finance with the purpose of development - to prove that lending to the poor could be both viable and impactful. Since the Reserve Bank of India did not then allow small private banks, BASIX began as an NBFC, later lobbying successfully for the creation of Local Area Banks, a precursor to today's Small Finance Banks.

Mahajan's insight was that credit alone was not enough. To help rural entrepreneurs succeed, they needed an integrated package of financial services, livelihood support, and institutional development.

"I realised that access to finance was not just about credit," Mahajan later recalled, **"it was about creating an ecosystem for livelihoods - one that integrated finance, skills, and markets."**

This led to BASIX's unique "Livelihood Triad" model, comprising three vertices:

1. Financial Services - credit, savings, insurance, and money transfers;
2. Agriculture and Enterprise Development Services (AgEDS) - training, input supply, and market linkages; and
3. Institutional Development Services (IDS)- forming and strengthening cooperatives, producer groups, and self-help federations.

Under this model, Indian Grameen Services (IGS) - a non-profit subsidiary - provided technical assistance and enterprise support, while the NBFC delivered financial products. The two worked in tandem, helping clients transition from survival to sustainable enterprise.

By 2010, BASIX had reached 1.8 million credit clients and 4 million insurance customers[1] across rural India, managing a loan portfolio of approximately ₹1,800 crore at its peak in September 2010.[2] Nearly half of its borrowers also received agricultural or enterprise development support - a rare feat in microfinance. It had helped create over 1,000 producer organizations, federations, and cooperatives, empowering farmers, artisans, and rural women to gain scale and market access. Beyond its own operations, BASIX played a pivotal role in building India's microfinance sector. It was the first MFI in India to:

- Raise international equity from IFC, HDFC, and ICICI;
- Secure an external commercial borrowing (ECB) for microfinance;
- Obtain a credit rating for an NBFC-MFI; and
- Securitise a microloan portfolio in the secondary market.

[1] India: BASIX celebrates 10 years of livelihood promotion and protection in Rural India with Aviva and Royal Sundaram Alliance, Aviva, 2012
[2] Basix seeks Rs 800 cr CDR, Rs 500 cr in fresh funding, Economic Times, 2012
[3] Tracxn

Recognising that one organisation could never reach all of India's poor, Mahajan helped found Sa-Dhan (the MFI association) and later MFIN, serving as their first president. He also represented India at the global CGAP housed at the World Bank, influencing international policy on inclusive finance.

When the Andhra Pradesh microfinance crisis erupted in 2010, BASIX was among the worst hit, losing nearly ₹700 crore over three times its capital base. Though Mahajan's leadership helped stabilise the broader sector, BASIX's NBFC could not recover. Its Local Area Bank and later its Business Correspondent company, Sub-K, were eventually sold. Reflecting on that period, Mahajan says,

"We built the ecosystem, but lost our enterprise. While I may have failed as a CEO, I take solace in the fact that we built the sector. And eventually, I think that's what matters .. it's not about BASIX surviving but thousands of us growing in the future."

Out of this period of turbulence emerged Sub-K Impact Solutions, a BASIX subsidiary launched in 2010 to bridge the gap between banks and the unbanked through a Business Correspondent (BC) model. Sub-K (meaning "for everyone" in Hindi) leveraged local agents, mobile technology, and partnerships with banks to deliver doorstep services - savings, remittances, bill payments, and later micro-credit, to low-income customers. As the financial inclusion ecosystem matured, BASIX and Sub-K pursued growth through capital infusions (raising over $21m) and partnerships.

In the period post the crisis, BASIX also diversified its portfolio beyond finance.

- BASIX Krishi was established in 2012 to provide fee-based agricultural services - input supply, soil health management, crop advisory, and market linkages, working with over 500 Farmer Producer Organizations (FPOs) and reaching nearly a million farmers.
- BASIX Urban Waste Ventures (BMW) entered municipal waste management, now operating in four of India's five cleanest cities, including Indore and Bhubaneswar.
- Indian Grameen Services (IGS) continues its original mission of promoting self-help groups and federations, now serving tens of thousands of women's groups across Bihar, Jharkhand, and Madhya Pradesh.

Later, in one of its major strategic transactions, Sub-K sold a loan-portfolio along with its delivery infrastructure to Pahal Financial Services (backed by Gawa Capital) in September 2025. The deal involved acquisition of a ₹700 crore loan-portfolio and over 250 BC outlets (business correspondent network) from Sub-K, while the latter retained its remaining "customer service point" (CSP) agent network business.

While BASIX no longer runs a lending business, its ecosystem of subsidiaries continues to deliver livelihood services across rural and urban India. Cumulatively, they reported annual revenue of ₹55.7 crore ($6.7) in FY 2023-24.[3]

Over nearly three decades, BASIX has indelibly shaped India's financial inclusion movement. Many of its alumni went on to lead other social enterprises and small finance banks. The Livelihood Triad remains one of the earliest and most comprehensive frameworks for integrated livelihood promotion in India.

Vijay Mahajan remains both a pioneer and a pragmatist. Reflecting on the evolution of the sector, he notes, **"This idea that you can 'do well while doing good' sounds appealing - but in reality, it's a fragile balance. True social impact demands patience, purpose, and true public-minded capital."**

Though BASIX as a financial institution no longer exists in its original form, its philosophy continues to inspire - a reminder that building an ecosystem can sometimes be the greatest legacy of all.

[1] India: BASIX celebrates 10 years of livelihood promotion and protection in Rural India with Aviva and Royal Sundaram Alliance, Aviva, 2012
[2] Basix seeks Rs 800 cr CDR, Rs 500 cr in fresh funding, Economic Times, 2012
[3] Tracxn

Ujjivan

Scaling Purpose-led Micro-Credit

Year of Founding	Founder	Headquarters
2005	Samit Ghosh	Bangalore, Karnataka

Ujjivan Small Finance Bank traces its roots to 2005, when Samit Ghosh, a banker with decades of international experience, returned to India deeply moved by the vast number of working poor excluded from the formal financial system. Ghosh's motivation was shaped by a deeply personal reflection on his late father's legacy, who was a 'coal-miner's doctor' - someone who lived his life on the principle of creating an impact on society.

"It was an epiphany - I was talking to my father, who had long passed, and asked him, 'Are you happy and proud of what I have achieved in life? I'm a successful banker. I have a beautiful home. My children can study in the best schools anywhere in the world. I don't want anything.' He responded with a 'So what?' For my father, material gains did not mean very much at all",[1]

Ghosh recalled. Reflecting on his father's lifelong work as a public doctor and hospital builder in Jharkhand, he felt a sense of moral duty to serve those in need. Inspired by this epiphany and aiming for lasting social impact, Ghosh decided that he should use his education and experience in banking for over 30 years to provide financial services to those who were excluded from the system. He noticed that while microfinance had gained momentum, most banks and lenders ignored urban low-income earners, especially women, who lacked collateral and basic documentation.[2]

These segments were generally considered un-bankable as the transaction sizes were too small but Ghosh felt that technology could provide financial services at scale in a way in which it was financially viable.

In order to learn more about this, he spent some with Grameen Bank in Bangladesh learning about microfinance and felt that if he could combine the back-end technology of retail banking with the 'front-end' of microfinance and heart of the impact sector, there could be a successful model. Ghosh founded Ujjivan in 2005 with a commitment to bridge this financial divide with a vision to provide the urban and semi-urban underserved with dignified, accessible financial services that could transform lives and livelihoods. Launching as an NBFC in Bengaluru, Ujjivan adopted the Joint Liability Group (JLG) lending model (where individuals are organised in groups, guaranteeing each other's loans), offering collateral-free loans primarily to women in urban neighborhoods. However, the JLG model was only the first step in lending at Ujjivan. The loan sizes would eventually get bigger and borrowers would avail of loans individually, their risk assessed by their past history.

While Ujjivan scaled rapidly in the following years, Ghosh has faced significant challenges throughout. As he recalls, the first step itself was probably one of the hardest - raising the first cheque.

"The first round is always difficult as there is no track record - its all about trust. I had a clear idea of what I wanted to do and I conveyed that I would do it with all sincerity and perseverance – there was a huge market opportunity and with good tech, we could build a viable business model."

In 2010 came the next major challenges, with the 'Andhra crisis' rocking the Microfinance industry, leading to the demise of multiple large MFIs.

[1] Former banker Samit Ghosh's epiphany, Forbes, 2015
[2] Banking on Purpose & People: The Samit Ghosh Playbook, Money Majlis Podcast on Spotify, 2025
[3] Tracxn

However, with a geographically diverse base of borrowers and low exposure to Andhra Pradesh, the company managed to navigate the crisis.

But moving forward, Ghosh felt there was a need to rethink micro-financing and diversify the current single offering into multiple financial services for the poor. This vision materialised in 2015, with the introduction of Small Finance Banks (SFBs) and the RBI granting in-principle approval to ten institutions to set up SFBs, one of which was Ujjivan. By this time, Ujjivan had already served over 2.5 million customers across 24 states, managing a loan book exceeding ₹4,000 crore, with backing from major investors such as IFC, CDC, and Lok Capital.

As an SFB, Ujjivan expanded its offerings from microloans to a broader suite of financial products, including savings and current accounts, fixed deposits, individual loans, micro and small enterprise (MSE) loans, affordable housing loans, and vehicle loans.

Ghosh recall here that hardest part of the transition to being an SFB was getting the right people.

"One of the hardest challenges was to induct people from the regular banking world who are not used to a purpose-led org. Their mindset would always be different from ours i.e. we were here to provide services to the aspirational class. But you need bankers to run a professional business and we had to set the right processes to select people with open minds and shift their mindset."

In December 2019, with more than 550 branches serving over 4.9 million customers, the bank launched a successful Initial Public Offering (IPO) to meet RBI's listing requirements, raising over ₹750 crore.

In FY 2024-25, Ujjivan generated revenue of INR 7,201 crore ($852m) with a net profit margin of 10%. They have raised over $154 million in equity till date. Ujjivan Small Finance Bank has made a notable impact on financial inclusion and social empowerment in India.

As of March 2025, Ujjivan served over 9.5 million customers across 750+ banking touchpoints in 26 states and union territories. The majority of its clients are women, and Ujjivan has enabled more than 50,000 women to access credit for entrepreneurship, home improvement, and education. The bank's innovative Micro Deposits programme reactivated over 2.5 million dormant accounts and raised the average balance of participants by nearly 30% compared to non-participants.

The bank has remained committed to empowering women and low-income borrowers while innovating with technology (such as doorstep mobile banking and customer tablets), financial literacy initiatives, and custom products tailored to underserved and unbanked population.

Getting quality people to work for Ujjivan who have similar values has not been an easy task. Ujjivan's journey illustrates how a founder's personal motivation, paired with a relentless focus on client needs and operational discipline, can build an enduring institution for financial inclusion in India. The bank continues to adapt, tackling ongoing challenges in credit quality, regulatory compliance, and market dynamics, but its core purpose of boosting livelihoods with dignity and accessibility remains unchanged.

1Former banker Samit Ghosh's epiphany, Forbes, 2015
2 Banking on Purpose & People: The Samit Ghosh Playbook, Money Majlis Podcast on Spotify, 2025
3 Tracxn

Rang De

Democratising Credit through Social Investing

Year of Founding	Founders	Headquarters
2005	Smita Ramakrishna and Ramakrishna NK	Bangalore, Karnataka

When Ram and Smita Ram founded Rang De in 2008, their vision was clear - to make credit accessible, affordable, and fair for India's underserved entrepreneurs. At the heart of their idea was a simple yet radical premise: ordinary people could directly invest in the dreams of others, not through charity, but through social investing.

Over a decade later, Rang De has evolved into one of India's most innovative and trusted peer-to-peer (P2P) lending platforms, registered as an NBFC–P2P under the Reserve Bank of India. The platform connects individual social investors to potential borrowers, that include micro-entrepreneurs, smallholder farmers, and artisans, ensuring credit reaches where it is needed most, at fair terms and with full transparency. As Ram notes:

"The problem we set out to solve was massive - only about 14% of India's eligible population has access to formal credit .. and even for those who do, it's rarely on fair terms. We wanted to challenge that injustice and give people agency .. the right to decide how much to borrow, when, and on what terms."

Inspired by the successes and challenges within the microfinance sector and by Muhammad Yunus' work, they envisioned a peer-to-peer model rooted in technology, transparency, and investor choice.[1]

In the early years, Rang De operated as a non-profit peer-to-peer platform, channeling small loans from individual investors to entrepreneurs across India through partnerships with grassroots organisations. The model was collaborative by design, working closely with NPOs and social enterprises already embedded in local communities. Unlike traditional microfinance institutions (MFIs), Rang De avoided group-based lending. Each loan was individualised, tailored to the borrower's specific livelihood, repayment capacity, and cash flow.

"Every partnership and every credit solution was bespoke," Smita recalls. **"We designed credit interventions from scratch - based on what the community needed, not what we thought they should need.**"

Their partnerships extended across the livelihood spectrum - from dairy cooperatives and farmer collectives to artisan clusters and small urban entrepreneurs.

When the RBI introduced regulations for peer-to-peer lending in 2017, Rang De transitioned into a for-profit NBFC–P2P, becoming one of the first social enterprises in India to do so. The regulatory framework, while stringent, gave Rang De credibility and a new platform for scale. Ram calls the NBFC–P2P structure "revolutionary."

"Imagine - you can now lend directly to a farmer in Assam or an artisan in Odisha from your phone, and the RBI monitors the transaction. The borrower gets a credit score as if they had taken a loan from a bank. You become, in a sense, a reluctant banker - and that's revolutionary."

Under the regulation, Rang De cannot lend from its own books. It merely facilitates connections between lenders and borrowers. This enables an extraordinary leverage effect: with just ₹2 crore of net owned funds, the platform can facilitate loans worth hundreds of crores.

[1] Rang De - Uplifting Rural Entrepreneurs Across India, Razorpay Blog, 2024
[2] Rang De Business Model, Rang De Official Website, 2024
[3] Tracxn

Rang De's innovation lies not just in its mission, but in its model. The enterprise deliberately avoids profiting from borrowers' interest payments - a key safeguard against exploitation. Instead, its revenues come from three transparent sources:

- Platform fees paid by partner organisations (such as not-for-profit organisations or livelihood missions) for using Rang De's infrastructure.
- Processing fees charged to cover banking, escrow, and compliance costs.
- Compliance fees paid by social investors.

"We don't earn from spreads. Not a single paisa," says Ram. **"Our model is built to protect borrowers from the high-interest trap - not just when we're small, but even as we scale."**

This "SaaS for social credit" model allows Rang De to remain financially sustainable while ensuring transparency and fairness. Borrowers face zero penalties and zero late fees - their only risk is a temporary dip in their credit score if they delay repayment.

In FY 2023-24, Rang De generated revenue of ₹3.55 crore ($428k). The company has raised $2.14 million in total equity funding to date. Rang De was supported by incubators and accelerators including Google for Startups and Indigram Labs.[3]

Its first institutional seed investment was received in 2022.

Despite seeming to have modest financials in comparison with general MFI models, Rang De's model delivers significant impact: over ₹100 crore has been disbursed to over 90,800 borrowers, 93% of them women, at interest rates between 6–8%, tailored to borrower needs.

This capital has been raised from 11,200+ social investors. Loan repayment rates remain strong with an NPA of less than 4%. Jobs created by Rang De-supported borrowers exceed 240,000, the majority benefiting women. Notable projects include facilitating e-rickshaws in Matheran and climate-resilient loans for agriculture, demonstrating the potential for inclusive P2P capital to target nuanced livelihood, gender, and sustainability outcomes.[1]

The founders believe the journey ahead will depend on collective participation - of citizens who see themselves not just as donors or investors, but as co-creators of a fairer economy. **"If we want India to truly become developed,"** Ram says, **"we must ensure that credit - and dignity -reach everyone."**

Source: RangDe Blogs

[1] Rang De - Uplifting Rural Entrepreneurs Across India, Razorpay Blog, 2024
[2] Rang De Business Model, Rang De Official Website, 2024
[3] Tracxn

Haqdarshak

Enabling Last-Mile Access to Welfare in India

Year of Founding	Founders	Headquarters
2016	Ankit Doegar and PR Ganapathy	Delhi

The story of Haqdarshak began with a simple but striking realisation - that most citizens in India do not know what welfare benefits they are entitled to. For founder Aniket Doegar, the problem became personal while teaching Grade 2 students as part of the Teach for India fellowship in Pune. Attempting to help his students secure scholarships, he discovered that even with a laptop and an internet connection, locating government scheme details was nearly impossible.

"Almost 85% of the country is eligible for some form of government benefit, yet the most vulnerable citizens lack both information and application support," Aniket recalls.

In the years that followed, while working with organisations across Maharashtra, Rajasthan, and Delhi, Aniket continued to encounter the same gap - welfare schemes were abundant, but access was broken. In 2014, he set up a non-profit prototype, hoping to create a "Wikipedia for government schemes." However, as he soon learned, information alone wasn't enough - the people who needed the schemes most were rarely online.

In 2015, a chance meeting with P.R. Ganapathy, then President at Villgro, catalysed the idea's next evolution. Ganapathy, who had also been exploring similar problems in welfare delivery, offered early backing - both as a mentor and Haqdarshak's first angel investor. By 2016, the founders registered Haqdarshak Empowerment Solutions Pvt. Ltd., deciding to operate as a for-profit social enterprise rather than a hybrid or non-profit.

"We knew from the start this was a scale problem," says Aniket. **"It couldn't be solved through pen and paper or grants. Technology had to be at the core."**

Today, the company digitises and keeps a repository of over 5,000 government and private welfare schemes, which is paired with a mobile app and a rules-based eligibility algorithm that matches citizens to programs ranging from agriculture and livelihood assistance to social security pensions, cash transfers, and more.[1]

Between 2016 and 2019, the model was tested and refined through pilots supported by Tata Trusts, Gates Foundation, and Nasscom, among others, where they realised access is as much about personalised support as it is about information. The Haqdarshak network soon expanded across Maharashtra, Rajasthan, and Madhya Pradesh, reaching hundreds of thousands of rural citizens who had previously been invisible to the welfare system. Thousands of "Haqdarshaks": local, often women are now trained as welfare agents to facilitate form filling, documentation, and application tracking for beneficiaries. These agents not only connect citizens with critical entitlements and subsidies but also earn a supplemental livelihood from each transaction, providing a dual social and economic benefit to underserved communities.[2]

In its early years, Haqdarshak envisioned itself as a direct-to-citizen platform. But as the model matured, the team realised that end

[1] Haqdarshak: About Us, Official Website, 2025
[2] Acumen Case Study: Haqdarshak, 2024
[3] Tracxn

users - often low-income citizens - could rarely afford to pay for services. The organization therefore pivoted to a B2B2C model, serving citizens through partnerships with corporations, philanthropic foundations, and governments.

"Ninety-nine percent of social enterprises operate in this structure," Aniket explains. **"Your end user can't pay the full price, so you find a payer who values their inclusion - an employer, a CSR partner, or the state."**

The turning point came during the COVID-19 pandemic, when millions of informal and migrant workers lost access to income, welfare, and basic identity documents. Corporates suddenly realized that they had no visibility into their extended workforces - 80% of whom were off their formal payrolls. Haqdarshak stepped in, helping companies like Tata Steel, HUL, and Mahindra identify and support their contract workers with social protection schemes, health insurance, and direct benefit transfers. This period catalyzed Haqdarshak's corporate and institutional partnerships model, which now accounts for 95% of its revenue. By 2023, the enterprise was working with 400+ corporate and CSR clients, reaching 1.5-2 million citizens annually through a network of 45,000 trained field agents.

In FY 2023-24, Haqdarshak reported an annual revenue of ₹36.8 crore ($4.45m). The company has raised $3.29 million in equity across five funding rounds.[3] Haqdarshak has been incubated by organisations such as Upaya Social Ventures and Village Capital which were among its earliest institutional supporters and have played significant roles in its growth trajectory. Acumen was its first institutional investor in 2020.[3]

By 2025, Haqdarshak had reached over 8 million families, unlocked $3 billion in social benefits, trained and enabled over 55,000 agents-70% of whom are women, to develop digital and financial skills and earn a livelihood.[1]

Haqdarshak's journey has not been without hurdles. Working with government systems often comes with opaque processes, technological challenges and inefficiencies. Capital too remains a persistent challenge. As a for-profit social enterprise, Haqdarshak is ineligible for most philanthropic funding but still carries the regulatory and tax burdens of a commercial entity.

The vision is to reach 100 million citizens by 2030, not just directly but through training, licensing, and platform partnerships.

"We've moved from Haqdarshak to Haqdarshan," Aniket says. **"The goal now is to enable everyone - from NGOs to state departments - to use our technology and training systems to reach citizens anywhere in the country."**

Source: Beyond Capital Fund

[1] Haqdarshak: About Us, Official Website, 2025
[2] Acumen Case Study: Haqdarshak, 2024
[3] Tracxn

5.3 Waste to Wealth

History

Historically, India's waste systems were largely circular, rooted in community reuse and minimal waste generation - organic materials were composted, metals and fabrics were repaired or repurposed, and informal recyclers played a key role in keeping cities clean. Much of the waste was organic - over 70% of municipal solid waste (MSW) in the 1990s consisted of biodegradable material, and informal waste collectors played a central role in recovery and recycling. However, as urbanisation accelerated and plastic consumption and waste both grew multifold. Today, India generates around 4.1 million tonnes of plastic waste annually, ranking just behind the United States and the European Union, even though its per-capita waste remains below the global average.[1]

The informal recycling sector, consisting of marginalised workers, especially women and migrants, manages a significant share of this burden, often under harsh and unregulated conditions. This workforce, accounting for an estimated 1.5 to 4 million people are engaged in informal waste collection across India. This broad group includes marginalized waste pickers who collect recyclables from streets and landfills, itinerant buyers who purchase scrap materials, and workers at Materials Recovery Facilities (MRFs) involved in sorting and baling waste. In addition, many are employed in housekeeping roles for corporations or work with Urban Local Bodies (ULBs) in waste collection and street sweeping activities.[1]

Recent Trends

Regulatory change started to reshape this dynamic about a decade ago, most notably with nationwide initiatives such as the Swachh Bharat Mission, the 2016 Solid Waste Management Rules, and the 2019 Waste to Wealth Mission[2]. These policies marked a shift toward scientific treatment of waste, mandated source segregation, and promoted formal contracting and technological upgrades. However, advances vary significantly across regions, with a few states developing robust mandated collection systems, while most areas remain dependent on voluntary efforts or underfunded local authorities.[1]

Recent years have also seen an acceleration in the adoption of circular economy principles, with multiple Indian cities, private enterprises, and public agencies focusing on transforming waste into usable inputs for fuel, energy generation, compost, and secondary raw materials[3]. The sector has attracted investment from private equity, venture capital funds, and climate financing vehicles seeking scalable and climate-positive business models. Various entities are leveraging automation, IoT, and artificial intelligence for waste sorting, collection logistics, and digital asset tracking, which has improved system efficiency, transparency, and resource recovery rates.[4] Hard policy levers, such as Extended Producer Responsibility laws mandating recycling quotas for plastics, batteries, and electronics, are increasingly used to drive compliance by large producers.[2]

[1] What Waste Workers Want, Acumen, 2025
[2] ClearIAS, Waste to Wealth, 2024
[3] ET Edge Insights, 2025
[4] India Employer Forum, 2025
[5] Plastic waste in the country, Ministry of Environment, Forest and Climate Change, 2024
[6] India's e-waste surges by 73% in 5 years, DowntoEarth, 2024

Challenges and Opportunities

Despite these advances, core problems remain: increasing waste generation is not being met fast enough as the sector contends with inconsistent enforcement of regulations, infrastructure gaps, and challenges in integration of informal workers[12].

Plastic waste generated in India increased from 3.3 metric tonnes (MT) in 2018-19 to 4.1MT in 2022-23, of which about 2.5MT were processed, with the rest either dumped in landfills or incinerated, posing growing environmental and public health challenges. India has also witnessed a surge in electronic waste (e-waste) generation over the past five years, rising from 1.01MT in 2019-20 to 1.751MT in 2023-24. Approximately 57 per cent of e-waste, equivalent to 990,000 MT, remains unprocessed in the country. Similarly, increasing Municipal Solid Waste (MSW), biomedical and healthcare-related waste and food-related waste being dumped at large dump-sites continue to emit methane and pose surface-fire and air-pollution hazards.[5]

Further, informal waste workers in India operate under hazardous and unsafe conditions, often handling mixed waste with a high risk of infection and injury, yet with minimal access to protective gear, sanitation, or healthcare. They typically earn meager and irregular wages, around 71% report earning less than ₹10,000 (US $118) per month, and face chronic job insecurity. 3 out of 10 are migrant laborers, recruited by informal contractors without written agreements or social protections. [6]

Many live in precarious settlements, with one in four residing in huts or temporary shelters lacking clean water, electricity, or proper sanitation. Despite their crucial contribution to India's recycling ecosystem, these workers remain economically vulnerable and socially marginalised, receiving little institutional recognition or support.

However, these challenges also offer many opportunities.

The scale of India's waste stream creates openings for upcycling initiatives, urban mining of e-waste, and digital services that connect collection, processing, and end-user industries. Substantial opportunities also exist in expanding decentralised composting, small and mid-sized recycling operations, and bio-CNG and waste-to-energy plants in cities and peri-urban areas[32]. Tighter implementation of source segregation and producer responsibility laws is projected to unlock significant economic value - studies estimate ₹14 lakh crore in added GDP and as many as 1.4 crore jobs by 2030.[3]

Startups and mature ventures alike are piloting solutions ranging from digital traceability of plastics to local processing hubs for dry waste, while municipalities experiment with public-private partnerships and outcome-based contracts for collection and processing services.[7] Persistent bottlenecks are the need for sustained investment in new technology, policy enforcement at the municipal level, and converting informal waste workers into formal sector employees with wage protection, occupational safety nets, and benefits.[12]

[1] What Waste Workers Want, Acumen, 2025
[2] ClearIAS, Waste to Wealth, 2024
[3] ET Edge Insights, 2025
[4] India Employer Forum, 2025
[5] Plastic waste in the country, Ministry of Environment, Forest and Climate Change, 2024
[6] India's e-waste surges by 73% in 5 years, DowntoEarth, 2024

Hasiru Dala

Social Justice via Entrepreneurship for Waste Pickers

Year of Founding	Founders	Headquarters
2010	Shekar Prabhakar and Nalini Shekar	Bangalore, Karnataka

Hasiru Dala founded by Nalini Shekar after her return from Pune to Bengaluru in 2010, out of a determination to secure dignity, rights, and formal status for the city's marginalised waste pickers, who for decades had remained invisible to both policy and society. The non-profit Hasiru Dala Trust, was formally established in November 2013.

In their efforts to embed waste pickers into Bengaluru's public waste system, they achieved an early milestone in the journey when, in 2013, waste pickers were finally provided occupational identity cards by the Bruhat Bengaluru Mahanagara Palike (BBMP). The cards not only gave waste pickers a sense of identity and ended harassment from authorities but also enabled waste pickers to access social security schemes, financial inclusion through bank accounts, and welfare programs like those for scholarships, healthcare, and housing. Alongside identity, the trust worked on education, ensuring that waste-pickers' children remained in school at least till 10th standard, and provided scholarships, hostel access, and mentorship so the next generation could aspire to alternative livelihoods. Healthcare for entire families, financial literacy, and leadership training also became integral to this holistic model of empowerment.

By 2014, however, new opportunities, and challenges, arose. The Bengaluru Municipal Corporation (BBMP) began enforcing the Bulk Generator Waste Management Rule, under which large waste producers (like apartment complexes and corporate campuses, that generate waste exceeding 50kgs per day or have more than 50 dwelling units) had to manage their own waste through empanelled private service providers.

Several resident associations turned to Nalini Shekar, suggesting that Hasiru Dala could become one such service provider. Without a formal business plan, the trust took the leap - becoming BBMP's first empanelled vendor (Empanelment No. 001) - and began serving 3 apartment complexes. Within a year, that number grew to 40.

It quickly became evident, however, that a not-for-profit structure could not sustainably manage such a fast-growing, operationally intensive business. It was decided that a private limited company would be the right structure as it would help attract more capital, the right talent and also enable ease of operations. This led to the formation of Hasiru Dala Innovations (HDI), a private limited company, in 2015, with Prabhakar taking up the role of CEO of the company.

HDI's model is rooted in economic justice - ensuring waste-pickers are not merely labourers but active participants and entrepreneurs within the circular economy. The company identifies capable waste-pickers and supports them to become waste-picker entrepreneurs responsible for primary waste collection from bulk generators. Each entrepreneur manages collection of three waste streams - organic, dry recyclables, and rejects, and is paid a monthly service fee based on the number of clients they handle. In addition, they retain ownership of the recyclable dry waste they collect, which they can sort and sell independently.

"Ideologically, we believe that recyclables should be the property of the waste picker. We will be one of the only waste management company in the world which does not take revenue from recyclables," Prabhakar stated.

[1] Tracxn
[2] Hasiru Dala: Official Website, 2025

Their model currently consists of four different lines of business. First, they provide waste management services for BWGs i.e. apartment complexes, corporates, and institutions. Waste pickers who demonstrate entrepreneurial skills become waste management entrepreneurs (WMEs), signing B2B contracts with 'bulk generators'. WMEs handle primary door-to-door collection and initial sorting. Uniquely, they own the dry recyclables they recover and sell, earning a predictable monthly fee per client serviced and additional revenue on materials. Second, they provide waste management services at large events where waste pickers are hired for weddings, marathons, festivals, concerts, and sporting events. By being paid above local wage rates, pickers can supplement incomes flexibly, without obligation to a fixed employer. Third, for plastic aggregation, Hasiru Dala runs a multi-stream, fair-trade certified plastic aggregation business, sourcing PET, HDPE, LDPE, and PP from more than 100 informal suppliers, including its own entrepreneurs. H&M and Unilever, among others, source material for packaging and apparel buttons from Hasiru Dala's traceable supply chains. Plastics are finely sorted, baled, and sent for recycling or upcycling. And lastly, the company also has a joint venture with Carbon Masters for a Biogas plant, which is the state's largest municipal solid waste biogas plant, processing up to 35 tons of wet waste daily. The resulting compressed biogas is supplied to restaurants and, via pipeline, for use as vehicle fuel. This venture not only diversifies income but drives the organisation's circular economy vision.

The journey has not been easy. As Shekar Prabhakar notes, **"Every day is a challenge."** The waste-management sector in India remains highly informal, politically entangled, and often violent toward change. HDI has faced truck hijackings, arrests of waste-pickers, and threats to staff - yet has persisted through a mix of community solidarity, legal action, and institutional partnerships.

Another barrier is the public's unwillingness to pay for waste services. Despite Bengaluru's progressive waste-management rules, most residents still believe disposal should be free, as part of municipal taxes. As Prabhakar observes, **"People will pay for landscaping and CCTV cameras, but not for waste management - though it's their smallest expense."**

HDI reported ₹16.5 crore ($2m) in annual revenue for the year 2023-24 and $1.02m in total equity funding. Over several rounds, they have attracted impact-led investors such as Rainmatter, Next Bharat Ventures, Ennovent, Beyond Capital Fund, Upaya Social Ventures, Social Alpha, and Tata Social Enterprise Challenge Incubation. They turned EBITDA positive within 23 months of launching HDI.[1]

They have created 33 micro waste entrepreneurs and generated 355 predictable green-collar jobs. Environmentally, Hasiru Dala has successfully diverted 1 lakh tonnes of waste away from landfills and mitigated over 1.31 lakh tonnes of carbon dioxide and equivalent greenhouse gases.[2]

"Those who get into social entrepreneurship have to be clear that they have added an additional layer of complexity to success… managing the tension between your purpose and financial survival," Prabhakar notes.

Hasiru Dala's model shows that waste-pickers need not be displaced by the formal circular economy - they can and must be included within it. By integrating dignity, entrepreneurship, and environmental sustainability, HDI offers a blueprint for how India's transition to circularity can be both green and just.

[1] Tracxn
[2] Hasiru Dala: Official Website, 2025

Bintix

Generating Valuable Insights from Waste

Year of Founding	Founders	Headquarters
2018	Roshan Miranda and Jayanarayan Kulathingal	Hyderabad, Telangana

Bintix was founded in Hyderabad in 2018 by Roshan Miranda and Jayanarayan Kulathingal, both driven by deep scientific expertise and years of experience in the waste management sector[12]. Roshan Miranda, a Ph.D. in Genetics and former BCG consultant, had spent years building market solutions for nuisance wastes and advocating for sustainable recycling. Jayanarayan Kulathingal, with a Ph.D. in Molecular Medicine and extensive pharma and research experience, brought rigorous data-driven thinking to Bintix's operations[12]. Their combined experience enabled them to realize that the informal, chaotic approach to urban waste in India could be transformed by applying meticulous data analysis, scalable tech, and structured community engagement.[12]

Given their experience in the sector, the team understood the issues well - while rigid plastics, papers and metals were managed reasonably well, managing flexible plastics like chips packets, chocolate wrapper, carry bags were a huge challenge. These usually end up in the environment either through burning or by entering the water bodies or by just getting dumped and occupying space, as they do not degrade. To solve this, the team initially tried to work with companies on their EPR mandate where Bintix would have to manage the entire process from collection to compliance, but they realised very soon that this space was prone to irregularities in dealings and decided to figure out a different approach. They also tried working with recyclers to convert that into materials like bricks and tiles but the value realised was not enough to warrant collection,the way it worked with rigid plastics. That's when they hit upon the idea that if waste could be seen as a reflection of what society consumed, then one could understand and study waste, and hence also understand consumer consumption behavior. So, instead of focusing on recycling, they realised they could pioneer a process that would leverage the hidden value i.e. data, in what households throw away. Roshan recounts:

"We started Bintix as a waste-to-data company... Data from waste is a hundred times more valuable than the material itself" - a philosophy that underpins their approach to business and impact.[4]

To do this, Bintix works with waste management entrepreneurs in every city and enables them to collect the waste and then catalog the data. It then sells the waste back to waste pickers so that they can sell it to recyclers in the local area. Households that subscribe to this service are provided QR-coded blue bags and they use an app to schedule weekly pickups. During collection, every bag is scanned and weighed. This logging not only streamlines logistics but also provides a micro-level record of what types and volumes of waste each household generates.[12] At the warehouse, AI-driven tools catalogue and sort thousands of product types, while contaminated bags are flagged for follow-up - a process that maintains quality and accountability. Households are paid directly into their e-wallets for compliant waste, incentivising segregation at the source and rewarding consistent good behavior.[13]

The granular data collected is Bintix's primary asset. This information is sold to major brands and corporations keen to understand real-world trends in disposal and packaging use, including Kellogg's, Hershey's, ITC, and Unilever.

[1] Upaya Social Ventures Invests In Bintix, 2024
[2] Bintix: Official Website, 2025
[3] Bintix Waste Research Founder Interview, 2024
[4] Tracxn
[5] Bintix: A Technology-Driven Solution for Zero Waste and Social Progress, 2024

Insights from Bintix's operations are used by these firms to improve packaging, measure producer responsibility compliance, and guide product stewardship initiatives. Beyond FMCG, the company is now expanding its analytics to serve the pharmaceutical sectors.

Looking at the future, the major challenge that Bintix faces is effective waste segregation. Despite incentives, sustained public participation in sorting waste at source remains a work in progress and only gradually improves as awareness spreads.[1] The company also faces operational hurdles in recruiting and retaining skilled talent, given waste management's reputation as a "physically not endearing" field. However, this also acts as a good filter for culture; while the company pays market salaries, it is also able to attract people who are motivated to make a difference.

"We recruit those who care about impact," Roshan emphasizes, noting that their hiring strategy is as data-driven and values-centric as their operations.

Last but not least, the key challenge is scaling up is the behaviour change required in the supply chain - the model requires workers to be diligent about each pickup and for there to be careful data cataloging of every bag, ensuring accuracy of data.

Financially, Bintix reported annual revenue of ₹5.69 crore ($687k) and has raised $537,000 in equity funding across two rounds. Srichakra, a leader in recycling, was the first institutional backer during the angel round in 2018; Waste Ventures and a group of angel investors joined in a 2019 seed round. The company has also received grants from organisations such as Social Alpha, H&M Foundation, Ministry of Housing & Urban Affairs (MOHUA), and Agence Française de Développement, fueling its technology upgrade and geographic expansion.[4]

Socially, Bintix stands out for creating structured, digital jobs for marginalised workers especially women who often see income increases up to 237% after gaining technical skills and moving out of informal labor.[5] Bintix currently serves more than 36,000 households across Hyderabad, Mumbai, Bangalore, Chennai, Kolkata, and other cities, diverting over 5,000 tonnes of recyclable material from landfills and reducing CO_2 emissions by more than 11.2 million kg annually.[12] Collaboration with partners like Waste Ventures India and SN Greenovation, as well as licensing their tech overseas, extends their impact beyond local geographies.[12]

Bintix's case demonstrates that the integration of technology and community engagement can create both commercial value and measurable social/ environmental outcomes. By turning household waste into actionable business and public policy intelligence, Bintix offers a compelling model for sustainable urban waste management in India and beyond.

Source: Circular Economy Catalyst

[1] Upaya Social Ventures Invests In Bintix, 2024
[2] Bintix About Us, 2025
[3] Bintix Waste Research Founder Interview, 2024
[4] Tracxn
[5] Bintix: A Technology-Driven Solution for Zero Waste and Social Progress, 2024

5.4 Skilling & Employment

History

India's skilling ecosystem has evolved significantly over the decades. Post-independence, the focus was primarily on formal education, while vocational training remained limited. Industrial Training Institutes (ITIs), established under the Ministry of Labour and Employment, were the first formal attempt to provide technical and vocational education. However, coverage was limited and did not meet the needs of a rapidly growing workforce.

From the 1990s onwards, post-liberalization, the government began prioritising skill development as a national agenda. Key initiatives included the creation of the National Skill Development Corporation (NSDC) in 2009, aimed at catalysing private sector involvement in skilling, and the launch of the National Skill Development Mission (NSDM) in 2015. NSDM, also known as the Skill India Mission, set ambitious targets to train 40 crore individuals by 2022 (later extended), signaling a shift towards large-scale vocational training with employability outcomes. Under the mission, the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) was rolled out as the flagship scheme, offering short-term courses, certification, and monetary incentives for trainees and training partners.

These programs have covered a wide range of sectors including construction, retail, beauty and wellness, healthcare, logistics, electronics, and hospitality, with courses typically lasting a few weeks to a few months.

Recent Trends

In recent years, India has witnessed a surge in skilling initiatives, both from the government and social enterprises. Programs like the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), National Apprenticeship Promotion Scheme (NAPS), and the Skill India Digital Hub (SIDH) have been instrumental in enhancing employability. For instance, the Automotive Skills Development Council (ASDC) under NAPS nearly doubled its apprenticeship contracts from 1.02 lakh in FY 2022–23 to 1.9 lakh in FY 2023–24, with plans to reach 2.5 lakh contracts in FY 2024–25.[1]

Social enterprises have also played a pivotal role in bridging skill gaps. Organisations like Unnati Foundation have launched vocational training centers, such as the one in Kakinada, Andhra Pradesh, aiming to train and place over 2,000 youth annually in sectors like BFSI and BPOs The Times of India.

Similarly, Deshpande Skilling's SkillPlus program in Dharwad focuses on enhancing employability through industry-specific training for recent graduates. In addition, companies like Zoho Corporation have pioneered rural employment by establishing offices in towns like Tenkasi, Tamil Nadu. Their "Rural Revival" initiative trains local talent in software development, offering long-term employment, reducing urban migration, and boosting local economies.[3] Urban Company (UC) has invested ₹72 crore in training its workforce. With 150+ training centers and 250 full-time trainers, UC upskills service providers in home services, beauty, plumbing, and cleaning, and integrates them into paid employment.

[1] Unpacking the Current Scenario of India's Skilling Landscape, SPRF, 2025
[2] Unnati Foundation launches vocational training centre in Kakinada, Times of India, 2025
[3] Zoho official website
[4] How Our INR 72 Crores Investment In Training & Skilling Transformed Service Partners Into Professionals…, Urban Company, 2023

They have upskilled ~45,000 service partners, with plans to reach 500,000 by 2030 (Urban Company, 2025).[4]

While there has been some impact, the programs have not lived up to their potential due to lack of demand-side linkages (industry, employers, markets), livelihood pathways (entrepreneurship, credit, mentoring), and outcome-based accountability (tracking income and retention). For example, only 18% of those trained under PMKVY reportedly secured jobs. Skilling by itself rarely transforms livelihoods unless it is anchored in employment or enterprise opportunities. There is usually a mismatch between skills provided and industry demand. Training programs often teach generic or outdated skills while employers need job-ready, sector-specific competencies. Further, without direct employer linkage, discovery of trained individuals in an open market is challenging and often these persons remain unemployed or underemployed.

Rural enterprises can play a pivotal role in filling this gap i.e. by creating the demand for skilled workforce and in many models, like Rural Shores and Zoho Corp, train the workforce before hiring them.

As the cost of talent is lower in rural India and these companies operate in national and global markets, they earn a higher margin on their sales and are able to invest the premium into workforce skilling and training. They also play a pivotal role in strengthening local economies by anchoring value creation and spending within the community, rather than allowing wealth and talent to migrate to urban centers.

By generating jobs, leveraging local resources, and supporting small-scale industries, such as agro-processing, handicrafts, and service ventures, these businesses stimulate local demand and multiply income inflows, which in turn are reinvested in schools, infrastructure, and additional enterprises. This self-reinforcing cycle helps communities become more self-reliant, reduces poverty, and preserves traditional skills and cultural heritage. Women-led and youth-driven enterprises in villages have proven effective in boosting household incomes and promoting social empowerment. Instead of fostering urban concentration, vibrant rural entrepreneurship keeps economic benefits circulating locally, improves living standards, and builds resilience against migration pressures.

[1] Unpacking the Current Scenario of India's Skilling Landscape, SPRF, 2025
[2] Unnati Foundation launches vocational training centre in Kakinada, Times of India, 2025
[3] Zoho official website
[4] How Our INR 72 Crores Investment In Training & Skilling Transformed Service Partners Into Professionals…, Urban Company, 2023

LabourNet

Empowering India's Informal Workers

Year of Founding
2006

Founders
Dr. Gayathri Vasudevan and
Rajesh Anchiparambil Raveendran

Headquarters
Kanpur, Uttar Pradesh

LabourNet was founded in 2008 by Dr. Gayathri Vasudevan, following its beginnings as a project under a not-for-profit in 2006. The organisation was born out of an ambition to create structured employment linkages for India's vast informal workforce - masons, electricians, plumbers, painters - who formed the backbone of India's unorganised sector but lacked access to steady work and social security. As Gayathri puts it,

"We started with a simple belief - workers deserve recognition, fair pay, and opportunities to grow."

In its early years, LabourNet operated as a matchmaking platform, connecting workers to customers through a call-centre-based model that segmented Bengaluru into 48 zones. In an era before digital infrastructure, Google Maps, or digital payments, the company used offline tools - worker registration drives, phone-based verification, and a "LabourNet Card" that doubled as an identity and insurance document. Workers paid ₹30 for the card, which also bundled life and health insurance through partners such as National Insurance and Healing Fields.

Despite significant social impact, with over 60,000 workers registered and early partnerships with consumer brands like Nerolac and Bosch, the business model struggled with revenue leakage and operational costs. Quality workers often bypassed the system, taking work directly rom clients, and without the JAM (Jan Dhan-Aadhaar-Mobile) infrastructure that would later transform India's informal economy, scaling the model proved difficult.

By 2011, LabourNet underwent its first major pivot. Dr. Gayathri brought in Rajesh A.R., a co-founder from TeamLease and a senipr executive at Manipal Global, to strengthen business operations. Recognising that the core value lay in the skills of workers, the company shifted from matchmaking to upskilling and certification of informal labour. LabourNet partnered with large public infrastructure projects, such as metro rail networks in Bengaluru, Delhi, Hyderabad, and Kochi, power plants and highway contracts. It deployed trainers to certify welders, masons, and fabricators, focusing on quality, safety, and productivity. Companies like Larsen & Toubro and Tata Projects engaged LabourNet for on-site skill training.

However, by 2015–16, the infrastructure sector faced a systemic downturn. Many construction firms such as Gammon, HCC, and Essar went bankrupt, and public infrastructure contracts were delayed. LabourNet's model, tied closely to these companies, faced financial strain. The organization then pivoted again - this time toward state-led skilling programs under Construction Welfare Boards and Industry Departments. While this brought volume, it shifted the focus from productivity-linked outcomes to compliance metrics. Trainers found themselves reporting attendance and test scores instead of on-ground efficiency, and the model began to feel increasingly like education rather than livelihood promotion. This period, while operationally successful, exposed the challenges of aligning public funding models with private enterprise efficiency.

In 2019, LabourNet redefined its approach once again, this time aligning itself with India's growing formal manufacturing and services economy. It transitioned from being primarily a training organization to a blue-collar staffing and workforce management company,

[1] Tracxn
[2] Case study: LabourNet: Bangalore-based social enterprise, UNESCO UIL, 2023
[3] LabourNet: Empowering Informal Sector Labourers, IIM Bangalore Case, 2012
[4] LabourNet Services - India's Top 50 COVID-19, World Economic Forum, 2022

offering upskilling, insurance, and housing as value-added services.

Today, LabourNet payrolls over 10,000 workers each month, providing labour for leading firms such as Ather Energy, Yamaha, Nestlé, and Motherson Sumi. The company's service suite includes on-site upskilling, healthcare facilitation, insurance, and housing assistance - each priced as add-ons for client firms and workers.

Dr. Gayathri attributes LabourNet's longevity to one core principle - resilience. In an industry where multiple players such as Babajobs and Aasaanjobs shut down, she emphasises persistence over perfection. **"When you don't have money in the bank and still need to pay your people - that's when resilience counts,"** she says.

In FY 2023–24, the company reported revenues of ₹154 crore ($18.6m), remaining profit-before-tax positive for three consecutive years. It has raised a total of $19.7 million in equity funding. The company reached its first Series A round in December 2013, five and a half years after inception, led by investors such as Acumen and the Michael & Susan Dell Foundation. [1] LabourNet operates in 25 states, runs 71 Livelihood Centres and 183 schools, and has trained more than 100,000 workers through "Earn and Learn" programs.[2,3] By 2024, LabourNet had impacted over 13 million livelihoods, helping unemployed and under-employed workers boost their income, often by 10% or more within three years of training. Many participants went from "just getting by" to becoming microentrepreneurs, supervisors, or skilled tradespeople.[4]

While LabourNet's growth story reflects India's evolving labour landscape, structural challenges persist. Margins remain thin, and few investors are willing to fund working capital-heavy, low-margin social businesses.

Looking ahead, LabourNet is betting on industrial estates, electronics manufacturing, and services in the auto ecosystem as its primary growth engines. The company continues to explore work-integrated skilling models with employers, while also engaging with policymakers to expand the capital instruments available for the social enterprise sector.

As Gayathri puts it, **"Social entrepreneurs are market makers - we go where nobody else wants to go. And if we can build markets there, even slowly, that is true impact."**

Source: Widgets, We Forum

1 Tracxn
2 Case study: LabourNet: Bangalore-based social enterprise, UNESCO UIL, 2023
3 LabourNet: Empowering Informal Sector Labourers, IIM Bangalore Case, 2012
4 LabourNet Services - India's Top 50 COVID-19, World Economic Forum, 2022

Zoho

Building Global Tech from Rural India

Year of Founding	Founders	Headquarters
1996	Sridhar Vembu, Tony G. Thomas and Sreenivas Kanumuru	Chennai, Tamil Nadu

In 1995, Zoho's origins took shape through two parallel, bootstrapped ventures - one in the United States and the other in India. In East Tambaram, Chennai, a small team led by Vembu's brothers Kumar Vembu and Sekar Vembu, and Shailesh Kumar began operations from a home office. Kumar had recently returned from the United States after a short stint there and initiated contract software development work in telecom software, which provided the team's initial revenue stream. This work laid the financial and technical foundation for what would eventually evolve into Zoho Corporation. At the same time, in New Jersey, USA, co-founder Tony Thomas launched a bedroom startup focused on developing a Java-based library for the SNMP API protocol. He was soon joined by Sreenivas Kanumuru, who would later go on to found vTiger. The venture received its first financial support from Tony's elder brother, Joy Thomas, an accomplished IIT Madras alumnus, who extended a personal loan to sustain the fledgling operation. As of late 1995, Vembu was not in the picture, other than introducing Tony to his brothers and advising them on the business.

In May 1997, as Tony was looking for someone to sell, and Vembu offered to try his hand at it. in 1997, they crossed $350K in sales and we ploughed it all back into R&D for their next product. Till then, they were still operating as independent companies, one in India and one in the US, the India one doing product R&D, and the US one doing sales. As the company gained traction, the founders decided to strengthen its commercial capabilities by bringing in a professional salesperson. The addition marked a turning point: within a year, revenues tripled in 2000, setting the enterprise on a clear path toward the US $10 million milestone.

Recognizing the need for focused leadership during this phase of rapid growth, Tony Thomas encouraged Sridhar Vembu to assume the role of Chief Executive Officer, a transition that formally consolidated the company's leadership structure. Soon after, the dot-com and telecom slowdown of 2001, followed by the September 11 attacks, brought a sharp decline in business activity. Demand from clients fell, and the company faced a period of uncertainty that tested its ability to adapt and sustain operations. The leadership team recognised the need to move beyond contract development and create proprietary software products. This strategic shift led to the launch of ManageEngine, a suite of IT management tools designed for enterprise networks and servers. The focus on product innovation helped stabilise the company's finances and reduced dependence on cyclical contract work. ManageEngine and Zoho.com which were born in 2002 and 2005 respectively.

The company started developing a suite of cloud applications covering productivity, email, and customer relationship management (CRM). These products formed the foundation of what became the Zoho suite. In 2009, the company rebranded from AdventNet to Zoho Corporation, signaling a clear shift from enterprise network management to a broader focus on business software. The name "Zoho," derived from "SOHO" (Small Office/Home Office), reflected its commitment to making powerful, affordable tools for smaller organizations.

As the company scaled, this philosophy gave rise to Zoho's pioneering rural hub-and-spoke model, with the first rural office launched in Mathalamparai, Tenkasi, in 2011 with just six employees. Over the next decade, Zoho established major offices in towns like

[1] Zoho expands rural initiatives, opens new hub offices, Business Standard, 2023
[2] Zoho's Tenkasi office has contributed to growth of district, New Indian Express, 2021
[3] The Leadership of Zoho CEO Sridhar Vembu, Constellation Research, 2021
[4] Tracxn

Tharuvai, Mathalamparai, Madurai, and Renigunta, now employing approximately 2,000 people in rural and tier-2 centers.[1] These distributed operations are intentionally sited near workers' home communities, creating local jobs, encouraging reverse migration, and investing in holistic development education, healthcare, sanitation, agricultural improvement, and infrastructure.[2] Studies show Zoho's rural presence has tangibly uplifted household income, improved school resources, empowered women, and inspired regional entrepreneurship.[2]

Central to Zoho's rural vision is its Zoho Schools of Learning initiative, which recruits high-potential youth, often without formal college degrees, and immerses them in industry-relevant software development, communication, and life skills training. This initiative serves as both a bridge for rural talent into productive tech employment and as a model for what 'future-ready' education can look like in underserved settings.[3] Today, 15–20% of Zoho's workforce are Zoho Schools alumni, with dozens of rural-founded startups created by graduates. Zoho's rural offices are not secondary outposts but hubs of core R&D including AI and deep tech disproving the notion that true innovation is exclusive to urban technology parks. Sridhar Vembu's leadership and the philosophy of "transnational localism" have reframed work-life balance, employee growth, and regional development in Indian industry. The social architecture of Zoho's campuses integrates not only co-working and leisure spaces, but also school and agricultural programs for employees and their families.

Zoho reported annual revenue of ₹8,346 crore ($1.01bn.) in 2023-24, all achieved without any external investors.[4]

By decentralising opportunity and sharing prosperity, Zoho demonstrates how businesses can bridge the urban-rural divide, cultivate talent where it exists, and generate impact that outlasts financial returns. Its rural initiative and talent pipeline model are increasingly cited as blueprints for distributed growth in the tech sector.[2]

Source: ZOHO schools website

[2] Zoho expands rural initiatives, opens new hub offices, Business Standard, 2023
[3] Zoho's Tenkasi office has contributed to growth of district, New Indian Express, 2021
[4] The Leadership of Zoho CEO Sridhar Vembu, Constellation Research, 2021
[5] Tracxn

6. Insights from the Ecosystem

India may need to generate about 143-324 million additional jobs by 2050, an IMF report estimates.[1] To be able to bridge this gap, India's growth must happen inclusively, making social entrepreneurship a critical pathway in this journey. To understand how this could be done better, we asked various founders, investors, incubation managers and others for their perspective. Below, we have presented some of the insights drawn from their responses.

What are important factors in building a successful social enterprise?

Building a successful social enterprise begins with **purpose-driven, resilient founders**. When challenges arise, as they inevitably do, founders who are mission-oriented can pivot, persist, and continue to move forward rather than giving up.

Equally important is **a complementary leadership team and a strong second line of management.** Leadership teams with complementary skills helps the team cover more ground early on. Also, their ability to delegate effectively, trust the next line of management, and make agile decisions enables the organisation to grow sustainably without over-relying on the founder.

Thirdly, teams that have **practical, first-hand experience** in the sector or among the communities they serve are better equipped to design relevant solutions and navigate real-world challenges. Getting one's hands dirty i.e. understanding market dynamics, customer pain points, and operational realities, ensures enterprise's offerings are grounded and impactful. Finally, finding the right mentors, advisors, and incubators significantly influence a social enterprise's trajectory. Experienced mentors bring not only the networks and the credibility but also operational wisdom, helping founders raise aspirations, anticipate challenges and plan strategically.

What does it take to be successful as an investor in the impact sector?

Proactive Deal Sourcing: In the impact sector, the best opportunities rarely arrive through conventional deal flow channels. Many promising founders operate in rural or semi-urban contexts, often without access to mainstream investor networks. Successful investors must actively scout deals, staying closely connected with incubators, accelerators, NPOs, and local ecosystem enablers. Building relationships with grassroots organizations, social innovation hubs, and universities can help uncover high-potential enterprises early, before they appear on the radar of mainstream investors.

Hands-on Portfolio Support: Early-stage social enterprises often lack strong business management skills, networks, or access to markets. They need much more than just capital. This requires investors to spend significant time with their portfolio companies, understanding their needs and co-creating solutions. Investors must play the role of strategic partners, helping founders with:

- Business model refinement and unit economics
- Governance structures and compliance
- Connecting with corporates, government programs, and follow-on investors
- Navigating operational bottlenecks like supply chain, distribution, or regulatory approvals

On-Ground Engagement: Successful investors engage at the field level and spend time to understand the context of these sectors. They are able to assess such models

[1] Advancing India's Structural Transformation and Catch-up to the Technology Frontier, IMF, 2024

by spending more time in seeing how products and services are being delivered, talking to end-users, and validating impact claims.

What do investors look for in early-stage social enterprises and their founders?

With regard to **founders,** firstly, it is most important that they should be purpose-driven. This is usually the most important attribute of a founder and what makes them resilient when faced with the challenges of running a social enterprise. Also, this should be backed by commitment and skin in the game: they should demonstrate personal investment (time, effort, or capital) and long-term commitment to the enterprise's mission.

Investors also seek founders who have a deep understanding of the Problem Statement, Founders should have first-hand knowledge of the social or economic challenge they are addressing, ideally through prior experience or close engagement with the community.

Thirdly, they should also have the ability to adapt and quickly respond to changing circumstances, market dynamics, or on-ground realities without losing sight of the core mission.

Last, but certainly not the least, the founder should have an entrepreneurial mindset: Interest in building a scalable business model, not just running a grant-supported initiative.

With regard to the model and **the enterprise,** impact investors prefer models that have clear and measurable impact: These usually have direct relationships with customers and communities, where impact can be tracked and measured at the ground level, rather than relying on indirect or trickle-down benefits.

Second and perhaps equally importantly, such enterprises much balance impact and financial sustainability. Social enterprises need to remain mission-driven while being resilient, scalable, and attractive to investors. They must generate revenues, control costs, and eventually reach financial self-reliance.

While profitability may take time, investors expect a clear roadmap toward unit economics and sustainability, rather than a perpetual 'burn model' reliant on external funding, grants or subsidies.

Lastly, there should be a potential scalability of both business and impact, whether it is by expanding operations across geographies or tapping into new customer segments or any other strategy, without diluting the value proposition.

What are the main challenges faced by social enterprises and their founders?

Balancing Profits and Impact

The dual mandate of a social enterprise, achieving social impact while remaining financially viable, creates constant tension. At times, the pure social problem the enterprise set out to solve may not generate enough revenue streams to sustain the business. This forces entrepreneurs to diversify into adjacent products or services that bring in cash but may dilute focus, leading to the risk of 'mission drift'. Managing this balance is one of the most persistent challenges. Further, social enterprises often fall into a 'funding blind spot"\'. Traditional philanthropy and grants typically target non-profits, while mainstream investors look for high-growth, high-return businesses. This leaves social enterprises with very limited access to concessional or programmatic capital, which could otherwise help them build infrastructure, invest in community engagement, or pilot high-risk models before they become commercially viable. Without this cushion, entrepreneurs are forced to make harder trade-offs between deep social impact and financial sustainability.

Adequate, suitable capital

Lack of patient venture capital: social enterprises must innovate to solve complex social problems and very often this requires a great deal of time from lab work and pilots to working solutions on the ground. In the current scheme of things, most investors do not have the time or deep pockets to invest in such ventures, which require funding that spans across the stages of development from early phase to later stage scale-up and growth.

Lack of capital for infrastructure and working capital

There is a critical need for greater investments in infrastructure and more affordable working capital in sectors such as agriculture, waste management and other informal sectors. For example, in agriculture, more investments in storage and processing in agriculture could improve farm-level incomes and greater working capital would allow them to hold, process and sell produce at better prices. As social enterprises often work in sectors that are characterised by long cash cycles, fragmented stakeholders, and unpredictable external factors (monsoons, price fluctuations, supply chain delays), traditional banks are reluctant to provide flexible working capital to such businesses due to perceived risk.

Attracting talent and building teams

Attracting great talent has been a challenge for almost all social enterprises as sectors in which social enterprises work are often viewed as 'unattractive' and not as aspirational, due to the social stigma or perception associated with them. Capital limitations also make it hard for them to compete for the best talent in the market. This makes it hard for them to create strong management teams, especially a second line of command.

Further, social enterprises often bring in engineering, design, and product teams from the private sector who are used to speed, efficiency, and metrics-driven decision-making. On the ground, however, they need to work closely with NPOs, community organisations, or government partners who prioritise process, trust-building, and consensus.

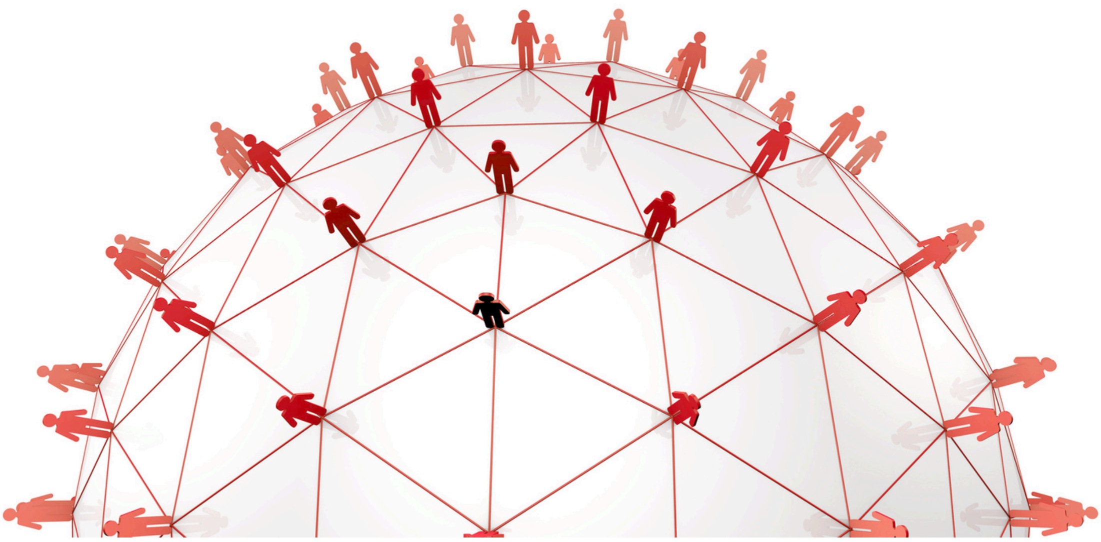
The resulting clash of cultures can create tension: tech teams may see field partners as "slow," while grassroots actors may feel alienated by jargon-heavy, top-down approaches. This cultural gap, if unmanaged, undermines collaboration and delays execution.

Policy environment

Schemes take too long to implement - there are often delays in payments and closure of tenders takes a long time. For example, food processing has the potential to unlock a lot more income than the IT sector - the Central Government, Ministry of Food Processing Industries and State departments have schemes on rural processing units but it's a challenge to tap into the schemes - they are tied to bank loans and it is usually a back-ended subsidy.

Ease of business in rural and semi-urban areas

Most social enterprises need to operate beyond cities, where they face challenges in even the ordinary functions of business. Lack of quality infrastructure and services for basic facilities like electricity and water, interference from local groups with vested interests and difficulties in availing schemes without kickbacks are common issues that enterprises face in rural or semi-urban areas. This is a hindrance to smooth, regular functioning and consequently adversely impacts their bottom line.



7. Way Forward

India's Next Growth Frontier: Scaling Mission-Led Enterprises for Inclusive Prosperity

India has built a vibrant and globally recognised startup ecosystem over the last decade-powered by entrepreneurial talent, risk capital, accelerators, and enabling policies. This ecosystem has shown that with the right support, innovation and scale are achievable at speed. The next frontier is to direct more of this entrepreneurial energy, capital, and ingenuity toward solving India's most fundamental development challenges. Even if a small share of India's startup momentum flows into livelihoods, inclusion, and climate resilience, the societal and economic returns will be transformative.

Social enterprises sit at the heart of this opportunity because they operate in the very segments that will shape India's productivity and consumption over the next decade-informal workers, low-income households, small farmers, women entrepreneurs, and rural nano and micro-businesses. By enabling these populations to earn more, build resilience, and participate fully in the economy, they expand domestic demand and fuel inclusive GDP growth. Realising this potential is essential for a Viksit Bharat 2047.

A Proven Model with Untapped Scale

Evidence from the past decade shows that social enterprises are not 'charity-first' businesses. Many have demonstrated strong unit economics, scalable models, and competitive returns-while delivering meaningful impact. Founders in this space are as strategic and execution-driven as mainstream startup founders, often with deeper user insight and community trust. A growing pool of exits and growth investments confirms that value creation is real and monetisable.

Yet, scaling in these markets often requires more patient and flexible capital. Current fund structures are typically not designed for 10–15 year build cycles, leading to premature pressure to scale or exit. Blended finance shows promise, but structures take too long to close and stakeholder alignment remains complex. Correcting this capital mismatch is now critical.

What Will Unlock the Next Wave of Scale?

Fit-for-Purpose Capital & Funding Pathways

- Expand patient, flexible, stage-appropriate capital to support experimentation and long build cycles
- Create clear capital pathways from grants → catalytic/blended finance → equity and scale capital
- Adopt field-immersed, context-led investing to strengthen relevance and alignment
- Build transparent expectation alignment with founders to protect mission and reduce pressure

India can become a global leader in social enterprise financing by adopting vehicles such as impact-linked instruments, revenue-based financing, longer-tenor funds, and scaled blended finance platforms that crowd in commercial capital.

Enabling Policy, Government Partnerships & DPI Rails

- Introduce light-touch, enabling policies that reduce friction and crowd in private + philanthropic capital
- Provide targeted incentives for impact-first models (e.g., tax/GST considerations, procurement, innovation support)
- Simplify access to schemes and enable co-creation with ministries and states
- Leverage India's DPI stacks to accelerate trusted scale across identity, payments, commerce, and data

Globally, light-touch policy has enabled social enterprises to scale responsibly-e.g., the UK's CIC model and the US Benefit Corporation structure. India can adopt a similar enabling approach without creating a subsidy-dependent sector.

Strengthening the Social Enterprise Ecosystem

- Build talent pipelines and second-line leadership programs tailored to mission-driven organisations.
- Expand mentorship, field-based technical assistance, and GTM partnerships (distribution, aggregators, corporates).
- Create peer-learning forums, reflection spaces, and founder wellbeing support to sustain resilience.
- Scale evidence, data, and impact measurement platforms to reduce information asymmetry for investors and partners.
- Foster partnerships with corporates, marketplaces, and distributors to unlock demand and durable distribution.
- Design risk-sharing mechanisms (first-loss pools, guarantees) to crowd in commercial capital where early-stage risks are high.

These ecosystem actions amplify the impact of capital and policy by improving founders' readiness, reducing execution risk, and accelerating adoption.

India is well positioned to build a strong and enabling social enterprise ecosystem-one that creates livelihoods, resilience, and income for millions while driving inclusive growth. With fit-for-purpose capital, enabling policy and DPI rails, and a strengthened ecosystem of incubators, mentors, distribution partners, and measurement platforms, mission-led ventures can scale effectively and responsibly to deliver measurable impact and long-term value. This collective effort is central to achieving a Viksit Bharat by 2047.

Acknowledgements and Notes

Thank you for your insights that contributed to this research

Anilkumar SG, Founder and CEO, Samunnati
Arindom Datta, Senior Advisor, Sustainability/ Technology
Ashish Khetan, President & CIO, Indigram Labs Foundation
Ashutosh Sharma, Program Manager, IIT PARFI PRAYOGI
Hemendra Mathur, Co-founder, ThinkAg and Venture Partner, Bharat Innovation Fund
Naman Jain, Investment Associate, Upaya Social Ventures
Nikhita Nadkarni, Principal, Acumen
Poyni Bhatt, Former CEO, SINE IIT Bombay
Pranay Bhargava, Rural MSME Accelerator and Micro Equity Fund
Ria Das, Manager, Caspian Equity
Sai Pramodh, Vice President, Caspian Debt
Sunder Ram, Senior Manager, Agriculture and Rural Value Chains, Villgro
Aniket Doegar, Founder, Haqdarshak
Dr. Gayathri Vasudevan, Co-founder, LabourNet
Madhu Chandan, Founder, Organic Mandya
Puran Singh Rajput, Co-founder, EF Polymer
Ramakrishna NK, Co-founder, Rang De
Roshan Miranda, Co-founder, Bintix
Shekar Prabhakar, CEO, Hasiru Dala
Samit Ghosh, Founder, Ujjivan
Smita Ramakrishna, Co-founder, Rang De
Vilas Shinde, Founder, Sahyadri Farms
Vijay Mahajan, Founder, Basix
Ayushi Bhati, The/Nudge Institute
Chinmayi Kulkarni, The/Nudge Institute
Ishadaya K, The/Nudge Institute
Gayathri Swahar, The/Nudge Institute

Reports

India Impact Investment Trends 2024, IIC
India Private Equity Report 2025, Bain & Company
Social Entrepreneurship in India: Quarter Idealism and a pound of pragmatism, Madhukar Shukla, 2024

Authors

Subhashree Dutta	Shrey Deb	P Anvitha Reddy
the^delta	The/Nudge Institute	The/Nudge Institute

This report is an independent research effort aimed at providing an evidence-based overview of India's social enterprise landscape, with a particular focus on for-profit models that enable livelihoods. Every effort has been made to ensure the accuracy and reliability of the data, insights, and interpretations presented. However, the^delta does not claim absolute completeness or guarantee against potential errors or omissions. The views and analyses expressed herein are derived from publicly available information, stakeholder inputs, and secondary research, and do not necessarily reflect the official position of any organization referenced.

All data sources, quotes, and visuals have been duly credited wherever applicable. Images and design elements used in this report have been created using Canva's licensed resources and publicly available images from organisational websites or other online sources, strictly for non-commercial and illustrative purposes. Selected AI-assisted tools (such as ChatGPT and Perplexity) were used to support secondary research synthesis and editorial refinement. All analysis, conclusions, and recommendations represent the independent assessment of the authors and have been validated through expert inputs and source triangulation. Readers are encouraged to use this report as a reference to inform dialogue, strategy, and ecosystem-strengthening initiatives in the field of social entrepreneurship and livelihoods, while exercising their own judgment in interpretation and application.

Please reach out to info@thedelta.org.in for any queries

*While we have made every effort to acknowledge all ecosystem supporters, some may have been inadvertently omitted. We deeply appreciate your commitment to our programs and sincerely apologise for any oversight.

is delta

where *bold* ideas take root

https://thedelta.org.in/

info@thedelta.org.in