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# Manoj Nambiar

*Vice Chairman, Group Executive Council, Aavishkaar Group*

“Having worked with entrepreneurs across the spectrum, I’ve come to realise that given the right opportunity, entrepreneurs, be it micro, small or medium, improve not only their own lives and of their families, but also the larger communities around them.”



## Our Journey of 21 years that has **EMPOWERED MILLIONS**

I am delighted to connect with all of you and share the Aavishkaar Group Impact Report 2022. Through this report we showcase the impact that the different parts of the Group deliver, but more importantly, we bring out the role of the Group ecosystem in deepening this impact.

This year marks the 21<sup>st</sup> year of Aavishkaar Group’s existence, a journey that has empowered millions and provided opportunities to many of us to discover the joy of delivering impact at scale. My personal journey of finding purpose and creating value began in mid-2010, when I came across Aavishkaar Group during my search for an alternative career after 22 years of working in commercial banking. I joined the Group to lead ‘Intellicash’, a microfinance franchise operation, which gave me an opportunity to be back in India and work with like-minded people and challenge set paradigms around poverty, inclusion, impact and scale.

My emotional journey to deliver impact had a hard landing as within 4 months of my joining, the 2010 microfinance crisis unfolded, almost putting us out of business. The turn of circumstances and the open architecture of the group gave me enough latitude to transform group microfinance from advisory to operational excellence and execute on it with the acquisition of Arohan Microfinance in September 2012. Arohan operated in the Low Income States, had assets of INR 280 million (USD 3.7 million) and our strategy was to transform it into a scaled digital financial inclusion entity with exceptional governance.

Today, Arohan boasts assets of INR 41 billion (~USD 539 million) with 4.8 million clients served, and has a truly digital microfinance operation, with 98% women clients.

At Aavishkaar Group, we are proud to have demonstrated that impact and sustainability can support scale and returns as we purposely chase our business model to identify complex social problems that affect a large number of people and support entrepreneurs to find solutions to those problems. Having worked with entrepreneurs across the spectrum, I’ve come to realise that with the right opportunity, entrepreneurs improve not only their own lives and of their families, but also the communities around them. Today Aavishkaar Group through its financial ecosystem which includes Arohan, Ashv Finance, Aavishkaar Capital and Intellicap, supports numerous such entrepreneurs focused on building micro and small businesses across India, Indonesia, Bangladesh, Sri Lanka and East Africa.

I welcome you to read the Aavishkaar Group Impact Report 2022, which describes through stories and numbers, the Aavishkaar Group’s role in building the MSME and entrepreneurial ecosystem and delivering impact at scale.



## Backing Entrepreneurs with PATIENT IMPACT CAPITAL

### Aavishkaar Capital

As a member of the growing venture capital ecosystem in India and as Director of Finance at one of the largest US-based private equity investment firm, I have been part of the venture capital investing roller coaster, from the lull of 2008 post Lehman to a steady and crazy growth post that. While my personal life goals were met at the VC Fund, I had this persistent itch to do more, and beyond I, me, and myself.

I often wondered if someone with my background could find a role that would create a significant change in the larger community. I finally stepped out from my comfort zone of 13 years to explore if I could find a place to fulfill my quest.

Around September 2020, I came across a LinkedIn post that caught my eye. The post was seeking for a senior person to help the institution meet its 'next chapter of growth'. The big surprise was they were looking for a woman and were willing to walk the talk. The conversations that ensued helped me conclude that Aavishkaar Group was on a unique mission of bringing about a larger change using capital, to build sustainable small and medium businesses. I thought here was a place that may use my background to drive the change in society. The decision was quite easy post that and I joined in January 2021.

As the induction rolled on, I was fascinated by Aavishkaar Capital's ability to blend 'impact' with 'investing'. In a world where returns dominate all else, to stand by the

idea of impact that supports over 60 entrepreneurs with mission integrity, creates over 40,000 employment in underserved regions, while reaching millions of lives was fascinating. That they have returned two funds and were on track to return more surprised me. The change from mainstream venture capital, where I came from, with little focus beyond creating value for their shareholders, to a place focused on creating stakeholder value, was a revelation.

Over the last 22 months I have been part of several key initiatives within Aavishkaar Group, operationalising Aavishkaar Foundation to create micro entrepreneurs in an underdeveloped geography to setting up of the first ESG focused Fund to provide blended finance to small and medium businesses to enhance their ESG capabilities. It has all been extremely fulfilling. It's my personal belief that resilient entrepreneurs who do not fear failure and are adaptable to change are the ones who create the biggest value, not only for themselves, but for the society at large, and I am happy to be part of the Group that stands behind such resilient entrepreneurs. I am excited at the possibilities ahead at Aavishkaar and eager to play the role of an 'enabler' and 'change-maker' within the Aavishkaar ecosystem.

**“It's my personal belief that resilient entrepreneurs who do not fear failure and are adaptable to change are the ones who create the biggest value, not only for themselves but for the society at large. I am happy to be part of the Group that stands behind such resilient entrepreneurs.”**

*Shilpa Maheshwari*  
Director Finance, Aavishkaar Group



135 Mn+ (52% Women) Underserved Customers Supported by the Aavishkaar Group via investments and engagements



USD 3.8 Bn Capital Disbursed by the Aavishkaar Group



India, Bangladesh, Sri Lanka  
Indonesia, Kenya

## Shaping an Inclusive Global South by **BUILDING THE ENTREPRENEURIAL ECOSYSTEM**

### Intellectap (An Aavishkaar Group Company)

Since our early years we are taught whether in sports or in education, or in the larger context of life there is a predominant view that winner takes it all. This mindset has contributed to furthering the inequalities in society, with the rich getting richer and the poor getting poorer. It is in this context that I joined the corporate sector nearly three decades ago. My work involved making the already rich Enterprises and their rich Promoters richer through top and bottom-line improvement strategies. Natural resources were to be utilised to the fullest, without bothering about the long-term consequences on the environment that nurtures us all. The key metric that was to be focused on was the quarterly financial results, as this was what was rewarded by the stock market and investors.

Through the journey of self-discovery, realising that individual and companies' benefits are subservient to societal benefits, understanding the role of private sector in climate, jobs and livelihood I realised that no one is better off in the long run, till everyone is better off. Motivated by this thought process, I joined Intellectap, an institution that is focused on building ecosystems, channelling capital to build a more inclusive, sustainable society, progressing the pursuit of global goals 2030 and is the tip of the spear for the Aavishkaar Group.

Intellectap believes that capital, knowledge, networks and technology all need to come together to deliver a better planet for the future generations. The institution has evolved in its thinking from being a services business,

researching problems, to a solution-oriented business focused on solving large societal problem, stitching coalitions of like-minded partners to create impact at scale, and changing people's lives, across the Global South.

To give wings to this vision, Intellectap identifies impact-oriented, small and medium enterprises working to address climate change, small land hold farmer incomes, green jobs, waste free cities, financial inclusion, women economic empowerment, water and sanitation services etc. We help scale the revenues of these impact enterprises through reorganising their business models, constructing their supply chains, providing them access to markets, access to technology, and once they have scaled up to a size, help them raise capital (grant, debt, equity, or a combination thereof). It gives me immense joy of being a passenger on the journey of an institution whose core purpose of creating 'impact at scale' will outlive all of us and help further the pursuit of a goal envisioned thousands of years ago of 'Ram Rajya'.

**“We help scale the revenues of these impact oriented, small and medium enterprises by re-organising their business models, constructing their supply chains, providing them access to markets, access to technology, and once they have scaled up to a size, help them raise capital.”**

*Vikas Bali*  
*Chief Executive Officer, Intellectap*



2,900+ Early-stage companies incubated and supported by the Aavishkaar Group



103 Enterprises facilitated capital worth USD 1 Bn+ via investors



Africa and India

## Diversity Equity and Inclusion – FROM SLOGAN TO ACTION!

### Arohan Microfinance (An Aavishkaar Group Company)

With a background in technology, I had first-hand experience in the decentralising power of technology, and how it unbiasedly empowers, enables, and creates a level playing field for all. Today at Arohan, the Aavishkaar Group's Microfinance institution, I am using technology to successfully, both socially and economically, impact millions of women micro entrepreneurs and their families across India. The true spirit of financial inclusion can only be realised with technology, and I am witness to this change, where we serve around 2 million active women customers across some of the most challenging and the remotest geographies in India.

While I celebrated our technological prowess, what shocked me was that while we had 98% women customers, a large majority of our customer-facing staff were men. While our gender-neutral focus made us hire more women, they were largely being hired at the head office. The challenge of building a truly diverse, equitable and inclusive institution did not stop at serving women outside but also to give them support and equity inside our institution. I took the opportunity to plunge myself headlong into this journey.

My first task was to shift focus from new hiring to reducing the number of women leaving the organisation. We launched targeted and repeated communication about the need for Diversity, Equity and Inclusion (DEI), focused on both men and women in the middle management. This sensitised them towards the need to improve our employees' living conditions, prompt

resolution of staff concerns in a fair manner, and conduct training programs for our leaders to recognise unconscious bias. I am delighted to share that these interventions helped increase the number of our women employees from below 4 percent in 2018 to more than 17 percent as of March 2022, an achievement all of us at Arohan are proud to have accomplished.

At Aavishkaar Group, one of the key asks is to push the boundaries to achieve a future that is equal for all and to achieve true inclusion; we at Arohan, after delivering inclusion to 4.7 million cumulative women clients till date, must bring the same diversity and inclusion internally as well, and I am committed to delivering it.

**“The challenge of building a truly diverse, equitable and inclusive institution did not stop at serving women outside but also to give them support and equity inside the institution.”**

*Reema Mukherjee*  
*Head of Digital Growth and Chairperson of Diversity Committee, Arohan Microfinance*



7,717 Employees (18% women) Employees across the Aavishkaar Group



19% Women in Senior Management in Aavishkaar Group



## Fuelling the MSME ENGINES FOR SUSTAINABLE GROWTH

### Ashv Finance (An Aavishkaar Group Company)

I had been a banker for 23 years with Axis Bank and was lucky to be exposed to various facets of the banking operations, including MSME financing. In my last role as Head of Medium Enterprises Group, I oversaw a book of nearly INR 300 billion (USD 4 billion) for medium enterprises. One of the key takeaways for me was that the world of finance has a bias favouring either the large corporates or retail, and this format is surely not going to solve the MSMEs problem of lack of availability of credit.

By some quirk of fate, as I crystallised my views accordingly, Vineet reached out to me with incorrigible persistence to join the Aavishkaar Group to lead Intellegrow - the erstwhile MSME lending arm of Aavishkaar Group. After much deliberation, I joined Intellegrow in 2018 and the first task was changing the focus segment from medium enterprises and mid corporates to micro and small enterprises in alignment with the Group's vision. I then set about building a team for this new vision - a team around distribution, credit and technology. It was not easy.

The change to small ticket lending led to the birth of Ashv Finance in 2020 with the merger of Intellegrow with Tribe3, the fin-tech arm of the Aavishkaar Group. The much-needed technological intervention, with a data science and an engineering team and a homegrown Loan Origination System allowed me to transform a mid-corporate entity into a cash flow based retail entity that serves the lower end of the Micro and Small enterprises.

Today, Ashv manages assets close to INR 9 billion (USD 120 million) and has 35 branches and 150+ spoke locations.

These changes were taking place during unprecedented uncertainty around COVID, and we worked hard to convert the crisis into an opportunity. We had just built a new team and invested in distribution; we decided we will not lay off anyone and back the team in alignment to our ethos of Aavishkaar Group. We backed the cash flow-based rating model built by our data sciences team, tightened our on-banking and started to gingerly book business from August 2020. Through all these challenges, we managed to run off 96% of our legacy book by October 2022.

Today, Ashv's foundation rests on a substratum of technology and data sciences upon which are built verticals of operations, risk, credit and distribution. As we celebrated our 10,000th live customer in October 2022, we understand that what we have managed is to serve a miniscule fraction of the MSME universe of India. What drives us is that there are so many unserved or underserved MSMEs. Therein lies India's potential and promise of a USD 5 trillion economy, and we are wholly committed to do our bit in this journey.

**“As we celebrated our 10,000th live customer in October 2022, we understand that we have served a miniscule fraction of the MSME universe in India, and we are committed to serving many more of the unserved or underserved MSMEs.”**

*Nikesh Sinha*  
Chief Executive Officer, Ashv Finance



9,263 MSMEs (38% Women-led) supported by the Aavishkaar Group



65,546 MSMEs provided with products and services via investments



## Using Grain as Currency to **ENHANCE FARMERS' INCOME**

### Ergos

Almost a decade ago, Praveen and I, while working in Bangalore, returned to Bihar to attend a family function in Samastipur. What started out as a simple conversation with the villagers who were complaining about low prices during that harvest season, became a quest for a sustainable solution. It seemed apparent the farmers could store their grains and sell when the price was right. But what we hadn't realised was that farmers didn't have the 'choice' or 'flexibility' due to lack of local storage and ability to hold without cash liquidity.

Their only option accordingly was to sell everything within 30-40 days of harvest and pay back the money lenders. This was not a problem limited to a few but extended to smallholder farmers across India.

Inspired with the desire to help the farmers we started Ergos with the initial thesis to provide market linkages. Soon it became obvious that farmers needed a more nuanced solution and that led to the development of the blueprint of our business to provide GrainBanks (warehouse) at the doorstep of the farmer to enable them to digitise their produce. This model was intended to empower the farmer by giving them the 'choice' to use their grain as currency to deposit in the GrainBanks or use it as an asset to access finance at low rates or sell in the post-harvest season and thus fetch better prices, thereby improving the farmer incomes by at least 30-40 percent. We came from a marginal background, and only in 2014 when we met Aavishkaar Capital did we find a partner for our vision.

Between Samastipur and Aavishkaar's office in Mumbai, our business plan was streamlined, and team strengthened with capital in 2014. Since then, we raised additional capital from Chiratae Ventures, British International Investment and Aavishkaar's various new funds.

Today our GrainBank farmer app allows farmers to book space at the nearest GrainBank, creates access to real-time prices offered by hundreds of small traders in the vicinity on the GrainBank platform, and transact as well as access a loan against digitised grain. All from their phone in a few clicks on the GrainBank mobile app. The entire transaction can be tracked in their 'digital' passbook on the app. We are able to support several micro-entrepreneurs such as small traders (who may want to buy from our farmers) to service providers (logistics, fumigation, etc.) and food processing companies, most of which belong to the MSME sector at the village level through our inclusive business model.

Ergos today has over 250 GrainBanks (warehouses) across 50+ districts in 3 States in India which service 6,660 villages and have on-boarded about 150,000 farmers. Like all entrepreneurs, we faced numerous challenges in journey but we never wavered in our vision of delivering real impact to millions of farmers.

**“Along with empowering farmers to use grain as currency to access low-cost finance and sell during post-harvest season, our inclusive model supports several small traders, service providers and food processing companies who transact with these farmers at the village level.”**

*Kishor Jha and Praveen Kumar  
Co-Founders, Ergos*



532,997 Livelihoods created via investments



214,428 Livelihoods created for Women via investments



India

## Blending Grit and Support to SCALE A HOME-BASED BUSINESS IN NAGPUR

### Aai Gruh Udyog

I come from the Wadi village area in Nagpur in Maharashtra. For many years as an employee, I watched my boss run his business successfully. Inspired by this, I wanted to build something of my own too. In the beginning this sounded outlandish, not just to my family members, but even to me! I was constantly reminded that a job with a stable income was important. However, I didn't want to give up and started making candles from my home. The positive response I received, served as a huge motivation for me to not give up. I set up my home-based candle manufacturing business, called Aai Gruh Udyog in 2004.

I got the initial raw materials from my friend who was running a similar business, and also invested INR 3,000 (~ USD 40) of my personal savings. I used to sell the candles door-to-door with great enthusiasm, and there was significant demand for them as they were of superior quality and more affordable than available options. However, candle business is highly seasonal in nature with highest sales between monsoon and Diwali and summer being the leanest period. I decided to diversify and bought a machine to make ice candies.

During lockdown, it had become extremely challenging to buy raw materials in small quantities by cash, and I was desperately looking for loan options to purchase raw materials in bulk. It was then that I came across Ashv Finance. The whole loan application process was fast and seamless, that laid my fears to rest. With my first business loan from Ashv, I was able to procure bulk supplies at a

cheaper rate and operate without any major hindrances during the lockdown.

Today, the production capacity of candles has increased by almost 20 times, and I employ 4-5 women from my neighbourhood, creating livelihood opportunities for them. I have set up 6 machines in my rented godown to produce flavoured ice candies that are shipped to nearby cities like Chandrapur, Bhandara and nearby regions. Running a business has taught me many important life skills like managing my own finances. I can proudly share that I have never missed a loan payment, ensured my children are educated, and been able to support my family throughout the pandemic. My business has enabled me to not only transform my own life, but also bring about a positive change in my village.

**“As a small business owner, I've not only been able to transform my own life and family, but also create positive changes in my village”**

*Sachin Sawaitul*  
*Owner, Aai Gruh Udyog*

*In picture (Left to Right): Alka Fulzale, Rekha Arun Dhomne, Arun Dhomne, Sachin Sawaitul*



110,448 Jobs created by MSME clients  
43,848 Jobs created via investments



3,588 Women-led MSMEs supported by the Group



India

## A Decade of BUILDING AN ENTREPRENEURIAL ECOSYSTEM IN AFRICA

**Sankalp Forum, Intellecap (An Aavishkaar Group Company)**

Nine years ago, I bought a one-way ticket to Nairobi, Kenya to take on a three-month assignment with Sankalp Forum, an Intellecap Initiative. I had met with the head of Sankalp Forum during an India-based fellowship, so I knew the assignment was real. But without a job description, office space, or even a co-worker in the continent, the only certainty was the exciting prospect of creating an incredible platform for entrepreneurs in an entirely new geography.

In retrospect, what a leap of faith it was! I was delighted to work directly with social entrepreneurs doing amazing things to “change the world.” I was smitten with Sankalp’s approach of not only focusing on the entrepreneurs, but on supporting the ecosystem around them, and the idea of better South-South collaboration. The ecosystem at the time was very niche in Africa with few players, but was abuzz with energy, and hungry for a platform like Sankalp Forum.

The first Sankalp was kicked off in East Africa in 2014 and hosted about 350 participants. By 2016, Intellecap Africa was a 10-member team, and we hosted 800 people at Sankalp. The following year, Sankalp reached 1,000 attendees and it seemed the ecosystem had exploded with players. As I write this, I am working towards launching Sankalp West Africa in June 2023 thanks to Sankalp’s successes in East Africa, and the demand to bring this platform to the other side of the continent.

Sankalp has cultivated collaborations, enabled job opportunities, facilitated investments, and harnessed knowledge across various sectors. By sharing a global context in local settings, Sankalp has ensured the ecosystem is always able to keep its finger on the pulse of the impact investing scene and learn from on-ground practitioners. There is no doubt in my mind that Sankalp has provided a fertile ground for entrepreneurs to do what they do best, provide innovative and affordable products and services to underserved communities.

The entrepreneurs showcased through the Sankalp Africa Awards have provided affordable loans to high-risk populations, quality and affordable health services to those who need it the most, innovative insurance and savings schemes for low-income populations, and affordable housing innovations, just to name a few. These incredible enterprises have increased their revenues (on average) by 88 percent, created 350 new full-time jobs, and gone on to raise USD 112 million worth of investments. Truly, these entrepreneurs are changing the world for the better, and I am honoured to have been a part of their journey through Sankalp.

“I’ve dealt with tents blowing away, angry attendees, protestors, terror threats, and a pandemic, and yet here we are, with an ecosystem that is stronger than ever. I hope Sankalp will continue to pave the way for impact investing to become mainstream, such that impact will be central for all businesses, rather than profits.”

*Arielle Molino*  
Principal, Sankalp Africa



17 Global and 12 Africa Sankalp Conferences



2,332 Enterprises showcased and connected to  
over 800 investors



## Uplifting millions of MICRO BUSINESSES IN UNDERSERVED MARKETS

### Utkarsh Small Finance Bank

I had grown up in the interiors of Uttarakhand State in India, where I had seen the hardships of life on account of limited means and tough geographical conditions. When I moved to Delhi in my early childhood, I witnessed the hardships faced by people due to lack of livelihood opportunities, formal education, and health issues. Later, during my time in the Banking, Financial Services, and Insurance (BFSI) sectors, where I spent two decades in various capacities, I witness the dual realities of the state of financial services sector – the financial exclusion of millions of low-income households in India and also the power of micro finance to uplift the millions. I witnessed how the provision of small capital helped them transform into micro business owners and find a way out of poverty.

I stepped out of my comfort zone, resigned from my cushioned banking job, with limited or no capital to start a socially responsible, sustainable and scalable institution in Uttar Pradesh – a State with one of the largest population of poor in India but also with a significant opportunity to enable livelihood opportunities. During the very early days, while setting up Utkarsh Micro Finance in 2009, I met the Aavishkaar team and shared my vision to bring into the financial inclusion fold – a State that had one of the lowest credit penetration (in terms of the industry's lowest credit-deposit ratio).

Aavishkaar agreed to not only support me with seed capital, but also incubated Utkarsh and provided all support we required to get started. Today, Utkarsh is

a Small Finance Bank and is a responsible and ethical institution, spread over 235 Districts across 23 States and Union Territories, with over 700 branches, out of which over 530 are microbanking branches, serving over 3 million customers. 'Inclusion' has and will always be at the core of all that we do.

The journey has been challenging to say the least, with external events resulting in disruptions where we had little or no control – first the Andhra crisis, then demonetisation and, most recently the pandemic. We learnt from each of them and my conclusion is that the best one can do, is to find the right partner who stands by you through the trials and tribulations. Aavishkaar has been that true 'investor plus' partner for us whether it is primary capital infusion through various funds or guidance for shaping the strategies for growth and expansion.

As I look back at Utkarsh's journey, I can only say that we decided to dream and then built on the dream, which got wings through our partners and their support, patronage, and guidance. The right to dream is for all of us and my message to all is 'Dare to Dream' and aspire to change lives.

**“Inclusion has always been at the core of all that we do. As I look back at Utkarsh's journey, I can only say that we decided to dream and then built on the dream, which got wings through our partners and their support, patronage, and guidance.”**

*Govind Singh*  
*Managing Director and Chief Executive Officer,*  
*Utkarsh Small Finance Bank*



10,391,946 People supported with Affordable Financial Services via Investments



10,135,448 Women supported with Affordable Financial Services via Investments



India

## Reshaping the Transaction Model FOR CORPORATES AND SMEs IN BANGLADESH

### Sindabad.com

Armed with a Computer Science degree from Stanford, MBA from Harvard, and after working in Google for many years, I wanted to use digital technology to make a difference. Back in Bangladesh, I joined my family business and noted the realities of small and medium enterprise (SME) in Bangladesh. I spent an inordinate amount of time and effort in getting the raw materials and consumables required for my manufacturing business from various suppliers at best prices and quality, and I was not the only one facing this problem!

I noticed a major opportunity to start a digital business around the problem statement and Sindabad.com was founded in 2015 to offer transparency and efficiency into the procurement process of SMEs. We were a one-stop procurement service, offering competitive cost of procurement through disintermediation with our platform putting more income for SMEs who could directly sell to large corporate/industries. Our intervention triggered employment for low-income population in the warehousing and fulfillment operations. Our digital financing solutions such as 'Buy Now Pay Later' and 'Invoice Factoring' created significant financial intermediation to the cash starved sector.

Sindabad is the largest B2B e-commerce platform in Bangladesh and we found in Aavishkaar an able partner and investor in 2016. This partnership allowed me to mature personally, as we worked shoulder to shoulder to understand on ground problems and have managed to improve our sales by 3.6 times in a short period.

Today Sindabad.com serves 30,000 SMEs customers with 5 warehouses, with next day deliveries of our products across Dhaka city. As I reflect on my own growth, I have seen my ambition soar beyond Dhaka to serve up-to 100,000 SME customers within the next year. Sindabad strives to create an impact in the community through job creation and empowering both our SME customers and suppliers. As we scale, I can see the transformative impact for the entire economy in Bangladesh in adopting different digital technologies, including Sindabad.com.

**“As I reflect on my own growth, I have seen my ambition soar beyond Dhaka to serve up-to 100,000 SME customers within the next year. Sindabad strives to create an impact in the community through job creation and empowering both our SME customers and suppliers.”**

*Asif Zahir*

*Founder and Managing Director, Sindabad.com*



27,948,162 people provided with Essential Services via Investments

14,111,993 women provided with Essential Services via Investments



Bangladesh

## Greening the TEXTILES AND APPAREL VALUE CHAINS

### CAIF, Intellecap (An Aavishkaar Group Company)

For most part of my 22-odd years of professional life, innovation, growth, and strategy have been central to my roles at different organisations across multiple countries. The journey has been extremely enriching and humbling, during which I have had the privilege of advising Allinder and the City of Amsterdam to set a 10-year sustainable city roadmap, and also mentoring, impact entrepreneurs.

I joined Intellecap in 2019, to lead the ambitious idea of institutional building of Circular Apparel Innovation Factory (CAIF). Intellecap seeded this initiative to extend its role in ecosystem building from financial inclusion and impact investing to greening the textile and apparel value chain in collaboration with The DOEN Foundation and Aditya Birla Fashion Retail Ltd. CAIF's singular purpose is of greening the textiles and apparel value chains (which is one of the largest employers – directly or indirectly) in the global south. To achieve this momentous change, we leverage Intellecap's ecosystem approach to provide access to capital, knowledge, networks, and technology (solutions) to support the transition of the textile industry towards circularity. CAIF works with large corporates to support thousands of MSMEs not just in India but increasingly outside India as well to help inculcate the idea of circularity in the more distributed supply chains of the textile industry.

Today, CAIF has launched large-scale, multi-year, and ambitious initiatives further within India and beyond,

in Bangladesh. In India, we have established a robust business case for circular economy solutions and initiated the process of building the circular textiles waste ecosystem model. We have also worked with leading global and local brands to support their tier-1 and tier-2 manufacturers achieve net-zero, within an ambitious 3 to 5-year time frame. Our move in Bangladesh is to support the ecosystem to build capabilities amongst MSMEs to create green, circular jobs for women garment workers, and building end-to-end value chains for waste streams from textiles and plastics in the ready-made garment sector.

As we complete 5 years in 2023, we are launching an initiative to help cities and municipalities to become circular across 5 key waste streams, including plastics, e-waste, and built environment waste. Building an institutional framework from scratch to influence change is possible only within the open institutional framework of Aavishkaar Group. As I pen my own story I continue to be inspired by other human stories – those of my peers and co-workers at Intellecap and at Aavishkaar Group, in making this world a better place.

“CAIF works with large corporates to support millions of MSMEs not just in India but increasingly outside India as well to help inculcate the idea of circularity in the more distributed supply chain of textile industry.”

*Venkat Kotamaraju*

*Partner and Director, CAIF and Climate Solutions, Intellecap*



2,257,887 MT CO<sub>2</sub> Emissions reduced  
via Investments

159,649 MT Waste recycled via  
Investments and Engagements



India and Bangladesh

## Enabling Farmers to CREATE PROFITABLE BUSINESSES AT SCALE

### AgroStar and INI Farms

Sitanshu and I come from a business family background with no association with farming. I pursued higher education in the United States and worked in the retail sector there, while Sitanshu gained experience in consulting with KPMG in Mumbai, India. It was Sitanshu's idea to step out of the corporate world and build something of our own. We teamed up with a vision to build a business in the agri space, attracted by the sheer size but unaware of the complexities and challenges of building something of scale in this space.

We interacted with hundreds of farmers and discovered how entrepreneurial they are but unfortunately have to deal with a broken and fragmented agri ecosystem. The challenges of farmers manifested themselves in front of us - lack of access to quality inputs, no access to timely scientific agronomy knowledge, all of which had a direct impact on farmers' yields and income. We were convinced that this was a large and meaningful problem to solve and realised that the only way to solve this at scale was through technology. AgroStar - India's first 'missed call' platform for farmers was thus born in 2013!

We soon realised that we would require capital to build and achieve scale. We were lucky to connect with Aavishkaar and our discussion was not about the TAM or how large the market was or how deep rooted the problem was, as they knew it already! The time spent together was used to discuss how we would solve the complex problem. Was the solution scalable? We could clearly see that the Aavishkaar team understood what

we were trying to build. It was an easy decision for us to partner with Aavishkaar, and in 2013 they became our first institutional investor.

Today, we have built India's largest farmer centric, digital platform, where we enable over 7 million farmers to go digital, grow better and sell their produce globally across 25 countries. Our solutions have helped farmers in the remotest parts of the country solve the problems related to pests and disease, increase their yields from 30 percent to 100 percent and reduce their cost of production by upto 25 percent. We have also delivered over 10 million agri inputs at the doorstep of farmers, which has helped them improve the quality of their produce, resulting in a direct impact on their income and profitability.

Through our recent acquisition of INI Farms, we have partnered with Purnima and Pankaj, two exceptional and like minded entrepreneurs who have built an Indian Fruits and Vegetables brand 'Kimaye' that enjoys shelf space in the most quality conscious supermarkets around the world. Together, we are now committed to taking more farmers to the world stage by helping them grow better and take their produce to every corner of the world. We are optimistic about the next decade where we intend to make agriculture meaningful and a profitable business for all, especially the smallholder farmers.

**“We have built India's largest farmer centric, digital platform, where we enable millions of farmers, grow better and sell their produce globally. We are optimistic about the next decade where we intend to make agriculture meaningful and profitable business for all, especially the smallholder farmers.”**

*Sitanshu Sheth and Shardul Sheth  
Co-Founders, AgroStar*

*In picture (Left to Right): Sitanshu Sheth, Pankaj Khandelwal, Purnima Khandelwal and Shardul Sheth*



11,120,486 Farmers supported via  
Investments and Engagements

20-30% increase in Farmers Income via  
investments

AgroStar

AVISHKAAR  
CAPITAL  
A AVISHKAAR GROUP



# REFLECTIONS FROM OUR STAKEHOLDERS



**Jaap Reinking**

*Director Private Equity, FMO*

FMO's relationship with Aavishkaar Group started in 2006, when we invested in one of the first funds that Vineet created. As a longstanding partner of the Group, FMO has been on this journey of 'Serving the Bottom of the Pyramid', 'People, Profit and Planet', 'Sustainable Investing' or more recently 'Impact Investing' for 16 years already. The use of these different terminologies is almost deliberate, as at the core, these different terms stand for exactly what FMO and Aavishkaar have in common: investing in entrepreneurs and by doing so enabling them to make a difference in society.

The narrative of Impact Investing has changed over the years: in the early years the focus was on improving the livelihood of the unserved or underserved parts of a population, mainly by making MSME-finance available. During the initial years, we also recognised that these investments should be done responsibly so the Environmental and Social angle became part of the investments. Then, the introduction of mobile phones changed the landscape of Impact Investing as it unlocked information at an affordable price, making technology access more mainstream. Tech solutions became part of MSME finance, agriculture, education, healthcare, enabling off- and mini grid networks for energy and delivery of consumer goods.

Today, as both inequality and the number of people living below the poverty line have increased due to the pandemic, there is a clear need to scale up the impact investing efforts, either through established institutions who embrace technology or via new ventures. In addition, the consequences of climate change today present a significant and challenging new reality to the field of impact investing. And therefore, it is now a core part of the impact investing imperative, along with the increased focus on gender.

Aavishkaar embraced the 2x Initiative acknowledging that a shift towards equal access to opportunities for women is an indispensable piece of the puzzle to unlock the full human capital in society.

FMO and Aavishkaar have always been at the forefront of these developments and worked as aligned partners. That is also one of the strengths of Aavishkaar: they have always understood that to make a difference in impact investing, sharing knowledge and networks is vital. You can only be successful when you create alliances and build platforms for knowledge, networks and capital to converge, and Sankalp Forum and India Impact Investors Council (IIC) is a testament to that.



# REFLECTIONS FROM OUR STAKEHOLDERS



Nuveen's investment in the Aavishkaar Group is an excellent fit with our inclusive growth theme for impact investing that focuses on finding innovative solutions to solve some of the key socio-economic and environmental challenges and creating access to essential services for the low-income and underserved people across emerging markets.

## Rekha Unnithan

*Managing Director,  
Co-Head of Private Equity Impact Investing,  
Nuveen*



## Frank Streppel

*Global Head of Investments,  
Triodos Investment Management B.V.  
Member of the Board of the Social Performance  
Task Force (SPTF)*

The Aavishkaar Group is a global leader in impact investing and an inspiration to many. Aavishkaar is unique in the way as it addresses the challenges in our society in a comprehensive manner with its deeply rooted mission to contribute to livelihood improvement and an inclusive society as the foundation for all activities.

From microfinance services (to support income generation and utilisation of talents) and SME finance (to support sustainable entrepreneurship and job creation) to the Sankalp conference, Fund management activities and Investment services (to offer support, inspiration and a high-quality platform to extend services to a global community) – all these activities find common ground and inspiration in the impact ambitions of the Aavishkaar Group.

Global challenges in our society and environment are vast. Impact solutions require scale and vision. Aavishkaar Group has proven its exemplary role for decades, building on high professionalism, strong entrepreneurship and a deeply rooted vision. Aavishkaar has grown to set international standards in impact investing.

Triodos Investment Management is a proud partner of Aavishkaar Group.

# REFLECTIONS FROM OUR STAKEHOLDERS



I was introduced to Aavishkaar Group in 2017 and decided to join its Board to closely understand a business that claimed to have a commitment to impact as its core thesis. Today, I am serving my second term and through the process have gained insights on the intricate complexity of capital's interaction with impact, scale and returns.

Aavishkaar Group is driving pools of capital to support the MSME sector not just in India but in South Asia, South East Asia and East Africa. The uniqueness of this Group stems from its approach to work across the entire capital ecosystem to cater to the needs of micro, small and medium enterprises with provision of patient equity, debt, mezzanine and advisory across the possible growth stages.

What has been inspiring is that, despite these complexities, the institution has scaled its impact with the two non-banking finance companies Arohan and Ashv Finance, providing access to capital loans to 4.8 million micro borrowers, and 9,000+ small enterprises, which support more than hundred thousand MSME jobs and livelihoods. Aavishkaar Capital, through the impact fund, has invested in over 60 MSMEs, reaching over 100 million livelihoods across challenging geographies.

While these are impressive numbers, what has been more engaging is the ability to see weakness in its impact thesis and take corrective measures guided by the Board. As the Head of the Group Board Human Resource Committee, when we pointed out that Arohan

serves millions of women clients but has less than one percent women employees, the Managing Director - Manoj Nambiar accepted a personal KRA of improving the women employee percentage overall and specifically in the field. He has taken the number to 17 percent in 3 years and is expected to take it beyond 25 percent. It is this empathy towards a cause that makes Aavishkaar Group's approach to impact unique and proactive, and makes me feel that they will contribute significantly to the vision of the Sustainable Development Goals of building a world without hunger, without inequity and without poverty.

**U.K. Sinha**

*Independent Director*



# REFLECTIONS FROM OUR STAKEHOLDERS



**Craig Gifford**

*Head of South Asia Private Equity Funds,  
British International Investment (BII)*

The genesis of BII's partnership with Aavishkaar Capital was based on a joint objective to increase access to capital for early stage businesses, enabling them to transition from proof of concept to growth in their operations. Aavishkaar's proven track record in delivering impact, positions it as a preferred co-investing partner with proven ability to facilitate greater financial support to India's innovative entrepreneurs in businesses across sustainable agriculture, financial inclusion and essential services.

Innovation and understanding of low-income beneficiaries is core to Aavishkaar's investment strategy. Aavishkaar has demonstrated the risk appetite and capabilities to identify and invest in new business models targeting inclusive businesses and to mentor promoters in their growth journey from seed stage to scaled businesses, in spaces that mainstream investors cannot. Examples such as INI Farms, Milk Mantra, Agrostar, Nepra, Arohan, etc demonstrate Aavishkaar's pioneering approach which has evolved from lessons learnt across 2 decades of investments.

Aavishkaar has signed up to and implemented gender investment criteria. It is one of the first fund in Asia, and in India to qualify for 2x flagship and has built a gender balanced team. They are also considering climate solutions in its investment and monitoring processes.



**Deepak Goel**

*Chief Investment Officer,  
Shell Foundation*

Shell Foundation has worked with Aavishkaar for over a decade, working together through systemic changes in the social enterprise and impact investing space, because we recognise a common purpose to deliver development outcomes by the growth of African and Indian markets.

What this latest impact report shows is how the Group, through the provision of a comprehensive support ecosystem through its various entities, has been able to create a sustainable and scalable impact ecosystem to back entrepreneurs with high-risk capital, network and other non-financial support, thereby unlocking innovative ideas and building companies of the future. Aavishkaar Group provided much-needed leadership to the ecosystem through its sector development initiatives like Sankalp Forum, an initiative of Intellectap and as a founding member of the India Impact Investors Council (IIC). These continuous efforts have crowded in new investors, energised entrepreneurs and brought favourable policy changes in the ecosystem. The Group's work has improved the lives and increased resilience of millions of under-served populations in South East Asia and Africa; Shell Foundation is immensely proud of the association and partnership. We're particularly impressed by the Aavishkaar Group's commitment to becoming Gender Neutral by 2030.

We believe that Group's work would accelerate gender equity, social mobility and growth in local markets. Shell Foundation is committed to working with Aavishkaar Group to transform 3 billion lives across the Global South countries.

# Aavishkaar Group **MANIFESTO**

Why is the world still unequal?  
Why doesn't everyone have the same opportunity?

These are the questions that we face  
And these questions have no easy answers.  
At Aavishkaar, we chase problems worth solving.

We're driven to create choices for the emerging 3 billion,  
Choices that allow them an opportunity to a better life,  
Choices that shape the future for all of us, not just some of us.

We do this by fueling entrepreneurs and building businesses  
By creating an ecosystem of changemakers,  
The ones who don't submit to the tough reality of today,  
But the risk-takers who have the vision for a better tomorrow.

We back them with capital – financial and intellectual,  
We back them with conviction.

**We are the Aavishkaar Group.**  
**We exist to bridge the opportunity gap for the emerging 3 billion**



# Sowmya Suryanarayanan

Director - Impact and ESG, Aavishkaar Capital

“Good Impact thesis drives Great Investment Returns.”



## To Count the Impact the Context Matters

### AAVISHKAAR GROUP IMPACT THESIS

Aavishkaar Group was conceptualised to embolden entrepreneurs to solve large complex social problems. To us, it was evident that intractable social problems require ingenious approaches and an audacious vision that only entrepreneurs can provide. We wanted to build an ecosystem that would encourage entrepreneurs to unleash their caged ingenuity on issues that had remained unaddressed over centuries. We understood the underlying risk with such an approach, but we wanted to take them, to deliver substantial impact. With this thought process, Aavishkaar Group started supporting these inventive entrepreneurs with capital, knowledge, and networks.

**To track Return on Impact - we need to seek measurable outputs in the short-term, and strive for potential outcomes over a longer horizon.**

While the commercial side of the measurement equation was easy to solve, the challenge was to measure impact outputs and outcomes, and then align them to investor interest. While the journey of Aavishkaar Group started in 2001, its reporting on Impact Measurement and Management coincides with the identification of the term ‘Impact Investing’ in 2008. Aavishkaar produced its first impact report in 2009 and has since been evolving its understanding of impact and reporting every year.

**Impact is Contextual and every impact outcome must be understood in the context of its Intervention as different stakeholders perceive impact differently.**

Right from our early days, we were driven by our deep understanding of the local context. We look at impact in all its dimensions, taking into account the obvious and direct impact on the ground that one can measure, for instance, the 154,000+ jobs created through our MSME clients and investees, the 11 million+ farmers supported or 159,000 MT+ waste recycled via our investments and engagements, and go beyond the obvious to look at complex impact. For instance, the improvement in soil quality and crop productivity due to innovative farm practices or the improved impact on health due to prevention of pollution in water aquifers as a result of waste management. We

came across instances where small companies delivered high impact leverage like in the case of our investee company that converted millets to high end breakfast cereal. Millet has a multi-layered impact on environment, income of marginal farmers, water conservation and soil health, delivering significant leverage relative to the small size of the company.

**Our Impact is limited as we invest and support in Ecosystem Building. The Larger impact is delivered by our Entrepreneurs.**

We seek to make a distinction between our own impact, and the impact delivered by the entrepreneurs supported by us through our investments and engagements. Aavishkaar Group impact, therefore, is captured by the 9200+ MSMEs financed by Ashv Finance, the 2300+ enterprises that were provided a platform and showcased to investors through Sankalp Forum and the ability of our Funds in identifying 49 (out of 59) first-generation entrepreneurs, 30% women founders/co-founders, etc. and having a capital leverage of 3.25x for every USD or INR invested in our investee companies.

Our entrepreneurs and MSME clients, meanwhile, have provided 135 million+ underserved people with jobs and livelihoods, reduced risks and vulnerabilities by providing access to essential services and products, and made a positive environmental impact during the same period.

Building on two decades of work around impact creation, we acknowledge the need to continue building our Impact Measurement and Management framework to align with emerging opportunities. We will also continue to take up new challenges that hold us accountable like the 2x Flagship Initiative that challenges us beyond our own commitment to Gender neutral status to make equity inevitable.



# OUR IMPACT IN NUMBERS

## Assets Under Management

**\$1.2 Bn** 

## Total Capital Disbursed

**\$3.8 Bn**

**\$382 Mn**  
MSME finance  
disbursed

**\$3.2 Bn**  
Microfinance  
disbursed

**\$258 Mn**  
Equity capital  
disbursed

## People and Presence

**Presence in  
53+ countries**



7700+ Total employees

18% Women employees

19% Women in Senior  
Management

## Ecosystem Building Initiatives



- **2332** Enterprises showcased through Sankalp (Global + Africa), connected to over **800** investors
- **29** Sankalp Conferences (Global + Africa) - world's largest Convening on Impact Entrepreneurship

## Industry Bodies



## Group Initiatives



## Clients Served and Impact Output

**59** Enterprises  
disbursed Equity  
Capital directly

**29%** Women-led  
Enterprises

Per \$1 invested,  
Enterprises  
raised **3.25X**



**4.8 Mn** Microfinance clients  
served directly

**98%** Women clients

**9200+ MSME clients served directly**

**38%** Women-led MSME clients

**73** Women-led MSMEs supported  
with capacity building services  
by the Group

**103** Enterprises facilitated capital worth

**USD 1 BN+** via investors

**2916** Early-stage companies incubated  
and supported by the Group



**154K+ Jobs Created**

**43K+** via investments  
(7% Women)

**110K+** via MSME clients

**74%** Companies with operations in Low Income  
States in India and Frontier Countries

## Outcome and Impact

### FINANCIAL SERVICES



**297** Enterprises supported

**10.3 Mn** People supported  
with affordable financial services  
via investments  
(98% Women)

**79 Mn** People provided with  
access to financial services  
(50% Women)

### SUSTAINABLE AGRICULTURE



**655** Enterprises supported

**11 Mn** Farmers supported  
via investments and  
engagements  
(30% Women)

**20-30%** Increase in  
farmers' income

### ENVIRONMENTAL SUSTAINABILITY



**732** Enterprises supported

**2.3 Mn MT** CO2 emissions  
reduced via clients and investments

**160K MT** Waste managed and  
recycled via investments and  
engagements

**30-40%** Increase in waste  
pickers' income

### ESSENTIAL SERVICES



**1246** Enterprises  
supported

**28 Mn** People  
provided with essential  
services via investments  
(50% Women)

### MSME and LIVELIHOODS SUPPORT



**1342** Enterprises  
supported

**598K** MSMEs supported  
and Livelihood Generated  
via investments  
(40% Women)

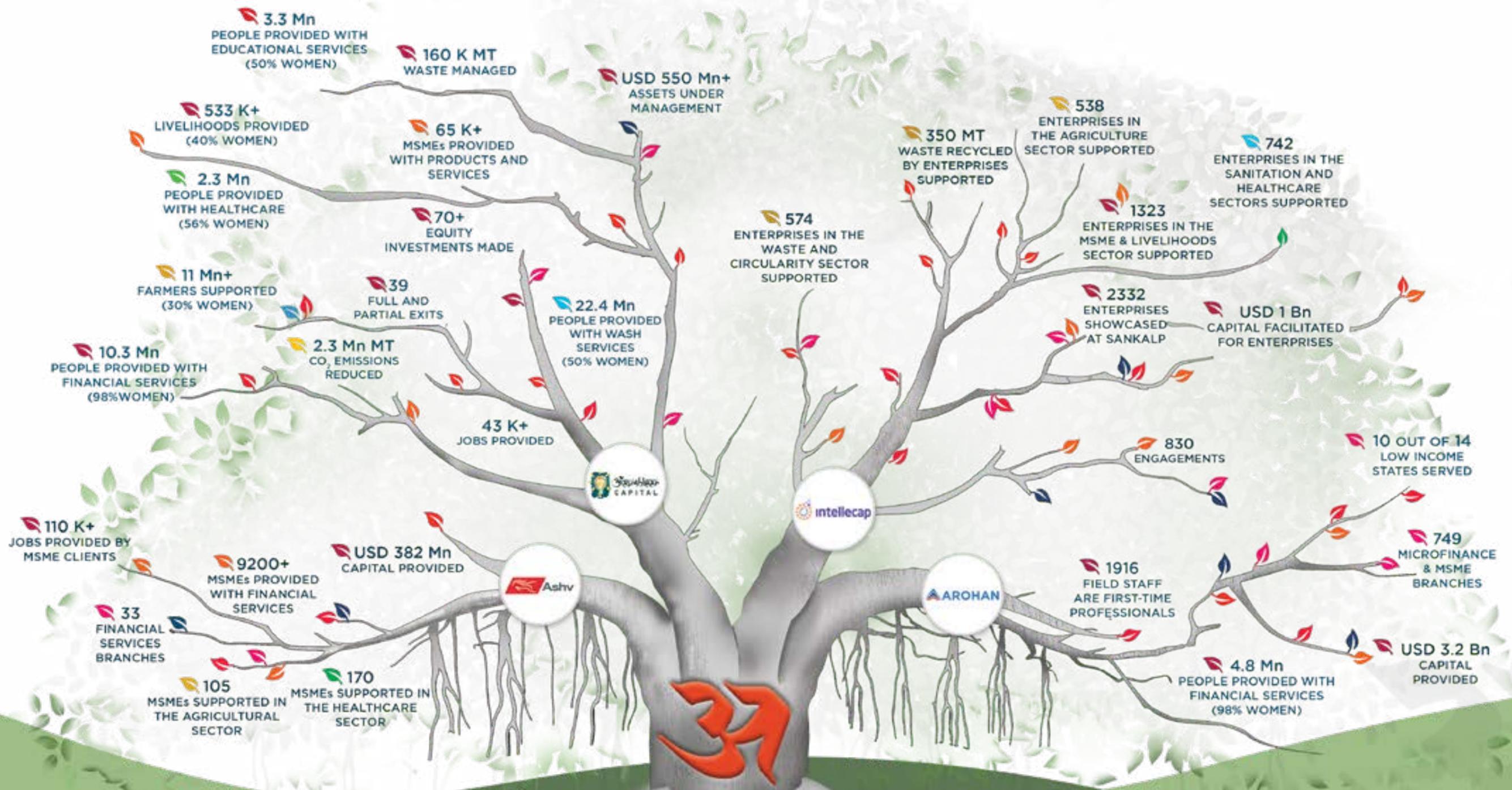
# Building Our Impact Ecosystem

## THE AAVISHKAAR TREE

The Aavishkaar Group is diverse and the tree forms a perfect metaphor of our attributes like growth, resilience, grounded, inclusion and sustainability. The Group companies - Aavishkaar Capital, Arohan, Ashv and Intellecap, have their own distinct characteristics but are rooted in these common attributes.

While they individually address a significant part of the journey of low-middle income customers, together they form an enabling ecosystem for the emerging 3 billion. Impact is in the DNA of our Group Companies. Each leaf represents the impact we have been able to create through our journey and takes the colour of the United Nations Sustainable Development Goals (SDGs).

Aavishkaar Group is actively contributing to 14/17 SDGs



# Vineet Rai

*Founder and Chairman, Aavishkaar Group*

“Climate change is one of the biggest stumbling blocks in our passionate chase towards the goals of No Hunger, No Poverty and No Inequity by 2030. As a response, Aavishkaar Group is committed to enhance its horizon, and align its impact framework with action on climate change across mitigation, adaptation and resilience, and dedicate resources and capital to it.”



## Challenging the Climate Consequence: AAVISHKAAR GROUP LOOKS AT THE FUTURE OF IMPACT

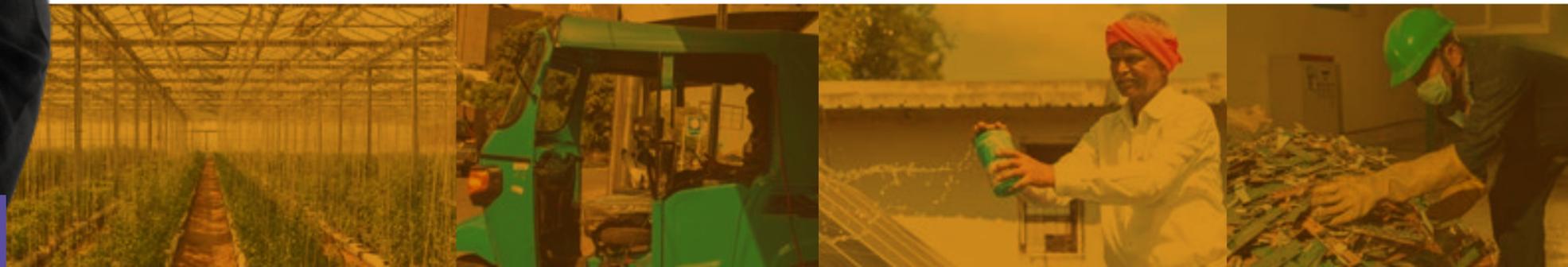
Welcome to the Aavishkaar Impact Report 2022. While turning these pages you would have encountered stories of leadership, empathy and impact highlighting the human side of Aavishkaar’s impact journey. On the other hand, this report has impact numbers – direct, indirect and leveraged to showcase how risk taking and scaling deliver outsized impact. Despite two decades of delivering profit with purpose, we are still learning, and our understanding of impact and its dimensions continues to evolve as new challenges alter the context around us.

Aavishkaar emerged on the scene at the turn of the century in 2001 as one of the global pioneers that backed entrepreneurial energy with capital to unleash new solutions at the vexed social issues of poverty, inequity and exclusion. We started documenting our impact around 2009, as the term ‘Impact Investing’ was coined, and questions were raised around the efficacy of impact at scale.

Over the last few years, climate change has started to pose the biggest challenge to our work on delivering impact. A large amount of good work done by us, and the other impact entrepreneurs is being wiped out by its catastrophic impact. It is becoming increasingly clear to us that climate change is one of the biggest stumbling blocks in our passionate chase towards the goals of No Hunger, No Poverty and No Inequity by 2030.

Within Aavishkaar Group, our intellectual capital resides at Intellecap which has been doing exceptional work in the climate advisory space. It has helped multilateral and philanthropic institutions across the globe to design financial instruments for scaling up climate action in Asia and Africa, has helped government agencies to prepare ground for national carbon strategy but more excitingly has worked with small and marginal farmers to build their resilience and adaptation. Taking the leadership shown by Intellecap in uniting the impact framework of the Group with action on climate change, Aavishkaar Group through Aavishkaar Capital, Arohan and Ashv Finance is going to step up its efforts in mitigation, adaptation and resilience around climate change and commit its resources and capital to it. Within climate change, we will be putting significant emphasis on natural resource based biosequestration for many reasons, including that it beautifully weds the impact focused investment that Aavishkaar Group has been delivering with the mitigation and adaptation needs of climate change. The Group would also look to build on specific initiatives around e-mobility and through financing of energy alternative products designed for the low-income population.

As our impact horizon expands, we would need to suitably enhance our impact framework to incorporate the wider canvass of change and hopefully, towards a deeper contribution to impact on the ground.



# Aavishkaar Group

## **LEADERSHIP**

This report wouldn't have been possible without the support from our esteemed Board of Directors, Shareholders and the Group Executive Council.

### **GROUP INDEPENDENT DIRECTORS:**

**Mr. U K Sinha, Mr. Dinesh Kumar Mittal, Ms. Matangi Gowrishankar,  
Mr. Rajat Mohan Nag, Mr. Sumantra Banerjee, Mr. Rakesh Rewari,  
Mr. Gurjit Singh**

### **GROUP SHAREHOLDERS:**

**Nuveen - TIAA, FMO, Triodos, Shell Foundation, Tano India, TR Capital,  
Maj Invest, SIDBI, DWM International, ON Mauritius**

### **GROUP EXECUTIVE COUNCIL:**

**Ms. Swati Rai, Mr. Anurag Agrawal, Mr. Manoj Kumar Nambiar,  
Mr. Nikesh Kumar Sinha, Mr. Vikas Bali, Mr. Vineet Rai**

## GLOSSARY:

### **Affordable Financial Services/ Access to Finance (Sector):**

Enterprises whose impact value-proposition is focused on providing low-interest and/or collateral-free loans, or microfinance, as well as services such as affordable insurance and ATM access. Customers in this category can also be classified as people for whom indirect livelihoods are created, i.e. when Aavishkaar Group companies or investee companies offer customers an opportunity to increase their income or support their livelihood through microfinance, but leave the option of livelihood creation to the individual. For the purpose of this report, Arohan numbers have been included separately.

### **Assets Under Management (AUM):**

AUM of Aavishkaar Group is calculated as the summation of AUM of Aavishkaar Capital, Arohan and Ashv Finance. AUM of Aavishkaar Capital is calculated as the summation of fair valuation of unrealised portfolio + uncalled capital commitments.

**Clients:** Entrepreneurs or individuals who have received debt or equity capital, enterprise-growth or consulting support from the Aavishkaar Group.

**Capital Facilitated:** The quantum of capital received by social enterprises through investors via Aavishkaar group companies.

**Capital Disbursed:** The quantum of capital directly provided by Aavishkaar Group companies in the form of debt or equity capital.

**CO<sub>2</sub> Emissions Reduced:** The amount of CO<sub>2</sub> emissions reduced by way of solar or other renewable technology adoption by the Aavishkaar Group's investments

and engagement/indirect clients and/or Group companies and their direct clients, in metric tons.

**Circularity:** Circularity or a circular economy is an economic system that eliminates waste and the continual use of new resources. Circular systems reuse, repair, refurbish, remanufacture, and recycle to create a closed-loop system, minimising the use of new resource, and the creation of waste, pollution, and carbon emissions.

**Engagements:** Represent Aavishkaar Group's consulting projects, primarily through Intellectap.

### **Environment Sustainability (Sector):**

Enterprises whose impact value-proposition is focused on producing a product or service that is an eco-friendly alternative.

**Essential Services (Sector):** Enterprises whose impact value-proposition is focused on providing low and mid-income population with affordable, high-quality education services, healthcare, water, sanitation, clean energy access, etc. to improve access to basic services for a dignified life.

**Enterprises:** Impact-driven, social enterprises to whom Aavishkaar Group companies have provided equity capital or growth-support.

**Frontier Countries:** Frontier Countries include Bangladesh, Pakistan, Sri Lanka and Indonesia.

**Jobs Created:** Contract and permanent jobs created directly by Aavishkaar Group's investments/engagements/portfolio companies /clients, primarily in the organised sector. This excludes jobs created by the Group companies

themselves and they have been included under employees of the Aavishkaar Group.

**Low-Income States (LIS):** As defined by the World Bank and Oxford Poverty Human Development Index as the following Indian states: Bihar, Jharkhand, Uttar Pradesh, Madhya Pradesh, Odisha, West Bengal, Rajasthan, and Chhattisgarh.

### **Livelihoods Support (Sector):**

Enterprises whose impact value-proposition is focused on generating sustained and fair livelihoods for individuals, such as for rural artisans, truck drivers or waste pickers, and so on, primarily in the unorganised sector. The impact created to help generate income for individuals are classified as direct livelihoods created.

### **Micro, Small and Medium**

**Enterprises (MSMEs):** Enterprises whose impact value-proposition is focused on including MSMEs, typically micro and small entrepreneurs in their supply chain, for example as delivery partners, or providing services to MSMEs, such as financial services, in order to support their livelihood generating activity. The impact created to help generate income or livelihood by providing finance to MSMEs are classified as direct livelihoods created.

### **MSMEs <sup>[1]</sup>**

Micro: Investment in Plant and Machinery or Equipment: Not more than USD 0.13 Mn and Annual Turnover: not more than USD 0.6 Mn.  
Small: Investment in Plant and Machinery or Equipment: Not more than USD 1.3 Mn and Annual Turnover: not more than USD 6.6 Mn.  
Medium: Investment in Plant and Machinery or Equipment: Not more than USD 6.6 Mn and Annual Turnover: not more than USD 33 Mn.

### **Sustainable Agriculture (Sector):**

Enterprises whose impact value-proposition is focused on supporting farmers with sustainable inputs (like seeds, fertilizers and irrigation), low-cost, high quality agronomy advice, fair and equitable pricing or market access, and/or including farmers through fair-wage and sustained supply chains. The impact created to help generate income for farmers are classified as direct livelihoods created.

### **Underserved Customers (People provided with products and services):**

Represents underserved, marginalised or excluded customers, mostly from economically weaker sections or in poverty, who received a service or product through one or more of Aavishkaar Group investments and/or portfolio companies. This excludes any product or service provided directly from the Group companies.

**Waste Managed:** The amount of solid waste managed or recycled by Aavishkaar Group's investments and engagements, in metric tons (MT).

**2X Flagship Initiative:** 2X Flagship Funds are part of the 2X Challenge, a multilateral initiative launched by the DFIs of the G7 countries, with the objective to mobilise USD 3 billion to support projects that empower women and enhance their economic participation. Funds awarded status as 2X Flagship Funds are established, high performing private equity funds, focused on emerging markets, that have committed to investing with a gender lens using the 2X criteria.  
<https://www.2xcollaborative.org/>

<sup>[1]</sup>Ministry of Micro, Small and Medium Enterprises, GOI.

# ACKNOWLEDGEMENTS

We are eternally grateful and thankful to all our entrepreneurs, micro, small and medium business owners, and our leaders who have shared their journey with us in building the Impact ecosystem.

We thank the teams from Aavishkaar Capital (Ajay Maniar, Sushma Kaushik, Disha Gandhi, Sanchayan Chakraborty, Shashvat Rai, Subit Saurav, Nazmul Karim, Tarun Mehta, Shyamkant Joshi and Amol Ganu), Arohan (Soubhagya Nayak and Prashant Rai), Ashv Finance (Rahul Jaiswal, Rohan Parekh, Yash Gotekar, and Prathamesh Prabhu), Intellectap (Venkat Kotamaraju, Priti Ahuja and Gagandeep Bakshi), for their support in building this report.

## AAVISHKAAR IMPACT AND ESG TEAM:

Authors: Sowmya Suryanarayanan, Sanskriti Kapoor and Tannya Garg

## SENIOR ADVISORS:

Anurag Agrawal, Atreya Rayaprolu, Manoj Kumar Nambiar, Nikesh Kumar Sinha, Shilpa Maheshwari, Vikas Bali and Vineet Rai

## MARKETING AND COMMUNICATIONS TEAM:

Kanishka Dasgupta, Sudhanshu Dikshit

## DISCLAIMERS

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