www.iiic.in

IIC IMPACT INVESTORS COUNCIL

2021 in Retrospect

INDIA IMPACT INVESTMENT TRENDS

Foreword

Impact Investors Council's (IIC) mission is to catalyse the flow of private capital to market-based models for social impact in India. As a part of this agenda, IIC releases an annual "Year in Retrospect: India Impact Investing Trends" publication that throws light on investment trends and emerging market developments across key impact sectors such as Financial Inclusion, Agriculture, Healthcare, Technology for Development and Climate-tech.

Our research highlights that 2021 has proven to be a strong year for the Indian impact sector, with more than 300 impact focussed enterprises raising $7 Bn in capital. While investment activity was robust across sectors as well as the stage of development of the enterprise, several late-stage companies have raised significant amounts of capital leading to a 135% growth in overall capital raised in 2021 vis a vis 2020.

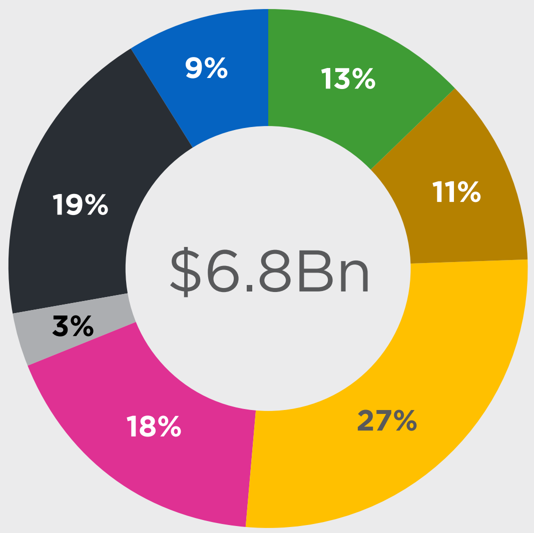
"2021 in Retrospect: India Impact Investing Trends" yet again is an endeavour by IIC to help highlight the potential that our home-grown impact enterprises hold in building successful, scalable and impactful solutions that meet the pressing development needs of India. We hope that asset owners, managers, policy makers and a variety of other stakeholders will gain a better understanding of the impact enterprise market in India through this report, and look forward to your feedback and comments.

Jinesh Shah
Chair, Impact Investors Council
Co-Founder and Managing Partner,
Omnivore

Ramraj Pai
Chief Executive Officer,
Impact Investors Council

EXECUTIVE SUMMARY

REPORT HIGHLIGHTS



- Agriculture............................$889Mn
- Education.............................$785Mn
- Financial Inclusion.................$1.8Bn
- Healthcare...............................$1.2Bn
- Other Sectors.........................$221Mn
- Climate-tech..........................$590Mn
- Technology for Development............................$1.3Bn

2021 Investments by Sector

$6.8Bn
Mobilized by impact enterprises in 2021

345
Equity Deals

135% Rise
in total Investment Volume

Climate-tech Sector
in the Spotlight

62 women-founded
Impact enterprises raise $1.5Bn in Equity Capital

Investment Highlights

294
Indian impact enterprises attracted ~$6.8 Bn in equity investments across 345 deals in 2021

294 Indian impact enterprises attracted ~$6.8 Bn in equity investments across 345[1] deals in 2021. The increasing momentum in the quantum of impact capital deployed over the last three years clearly indicates investors' enhanced support and commitment to solving critical development challenges through market-based models.

Key investment trends in 2021 were as follows:

In 2021, while the number of deals rose marginally by ~5%, there was a significant jump in total investment volume by ~135% as compared to 2020

Overall impact investments in 2021 exhibited a positive investor outlook with strong signs of renewal and recovery in terms of both the number of deals as well as investment volume relative to 2020 and 2019 levels. In 2021, while the number of deals rose marginally by ~5%, there was a significant jump in total investment volume by ~135% as compared to 2020.

The analysis shows that investments in only 14 enterprises accounted for almost 60% of the total impact investment volume in 2021

The post-pandemic growth across sectors has been catalyzed by an increase in the number of big ticket deals (>$100 Mn) in the later stages of funding. The analysis shows that investments in only 14 enterprises accounted for almost 60% of the total impact investment volume in 2021. A significant portion of this volume has been contributed by the ~$1.6 Bn in cumulative funding raised by Pharmeasy (Healthcare) and OfBusiness (Financial Inclusion).

With the maximum number of deals (79), climate-tech emerged as the most popular sector with investor attention in early-stages surging to an all time high. Sectors such as Agriculture, Financial Inclusion and Technology for Development made a strong comeback as their investment volumes rose by more than 2x from their 2020 levels.

Tech-based models have remained a unifying thread across all sectors, focusing on digitization of services for the Bharat audience

Tech-based models have remained a unifying thread across all sectors, focusing on digitization of services for the Bharat audience. However, areas that have bagged pronounced investor attention include agri-market places, digital pharmacies, SME finance platforms, models focusing on enhancing efficiency and business processes of SMEs/Kiranas, rural commerce or social commerce for smaller towns and cities, electric vehicles (EVs), consumer products with alternative materials, online education, training and skill development.

Only one out of every five impact enterprises that have raised capital in the last 3 years has been (co) founded by women

62 impact enterprises founded by women raised over $1.5 Bn in equity capital in 2021, a significant jump over the amount raised in the previous years. However, women representation among founders of Indian impact enterprises has remained fairly constant across 2019, 2020 and 2021 i.e. only one out of every five impact enterprises that have raised capital in the 3 years has been (co) founded by women.

Impact enterprises received ~$6.8BN in investment across 345 equity deals in 2021

[1] This figure only includes the deals with disclosed investment amounts. The total no. of deals including those with undisclosed investment amounts is 381.

Figure 1: Impact investment volume and deal flow across 2019, 2020 and 2021

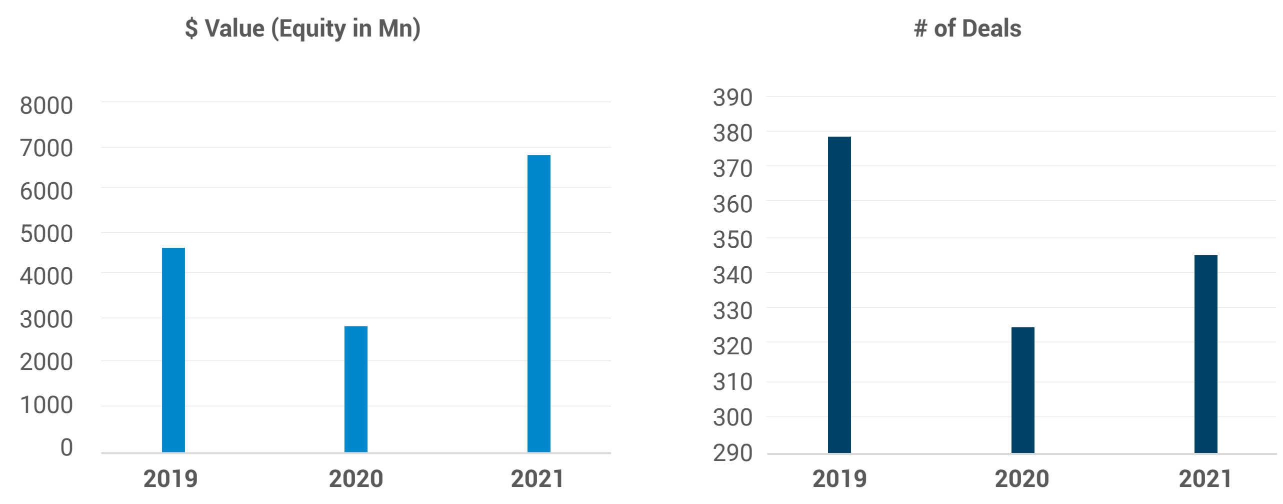


Figure 2: Impact investment volume across stages over 2019, 2020 and 2021

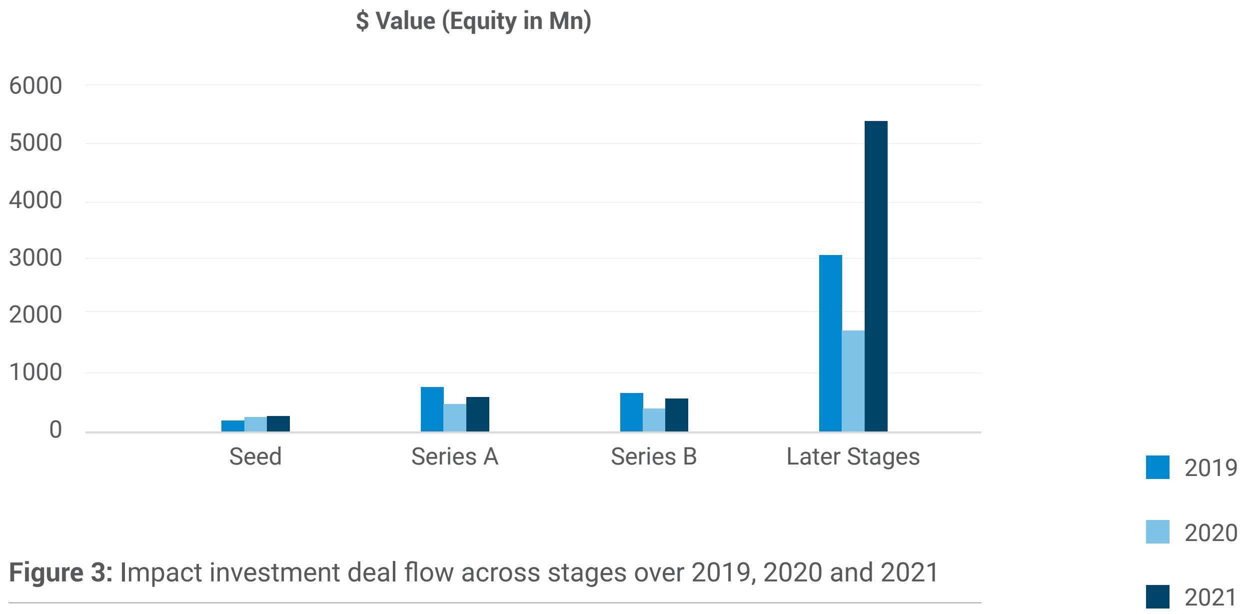
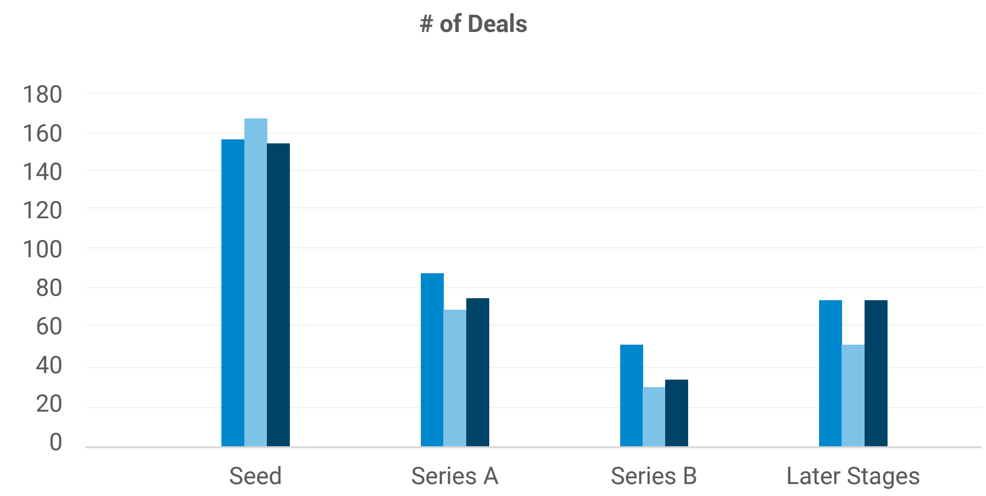
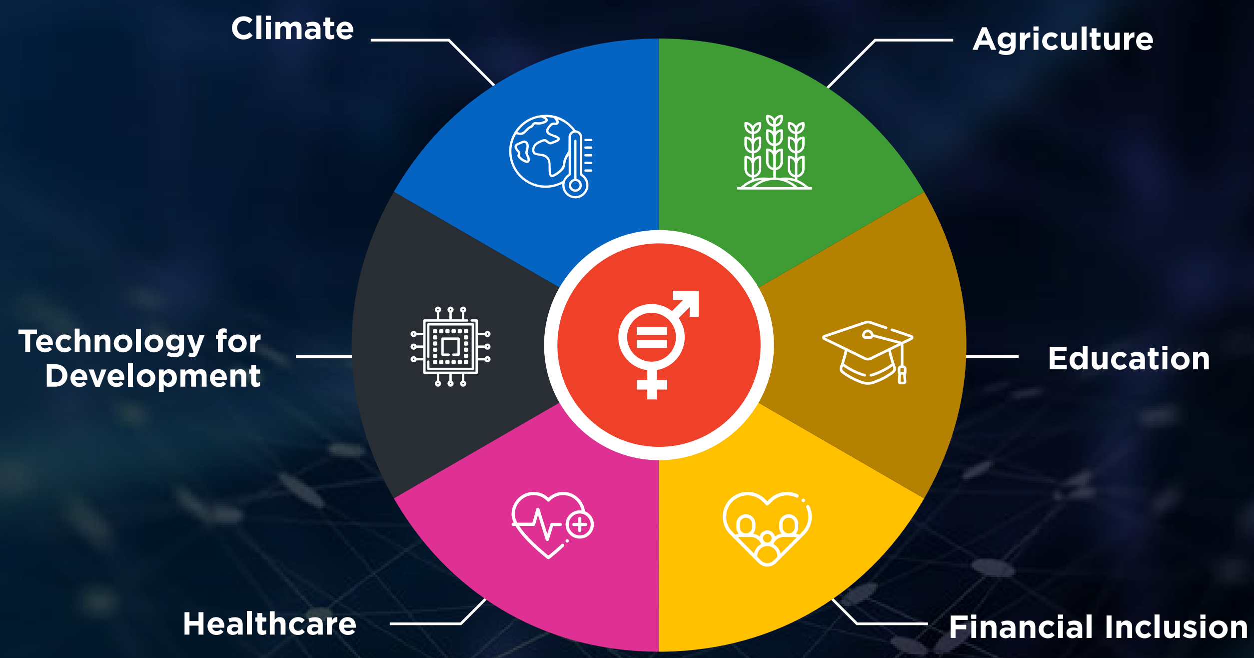


Figure 3: Impact investment deal flow across stages over 2019, 2020 and 2021

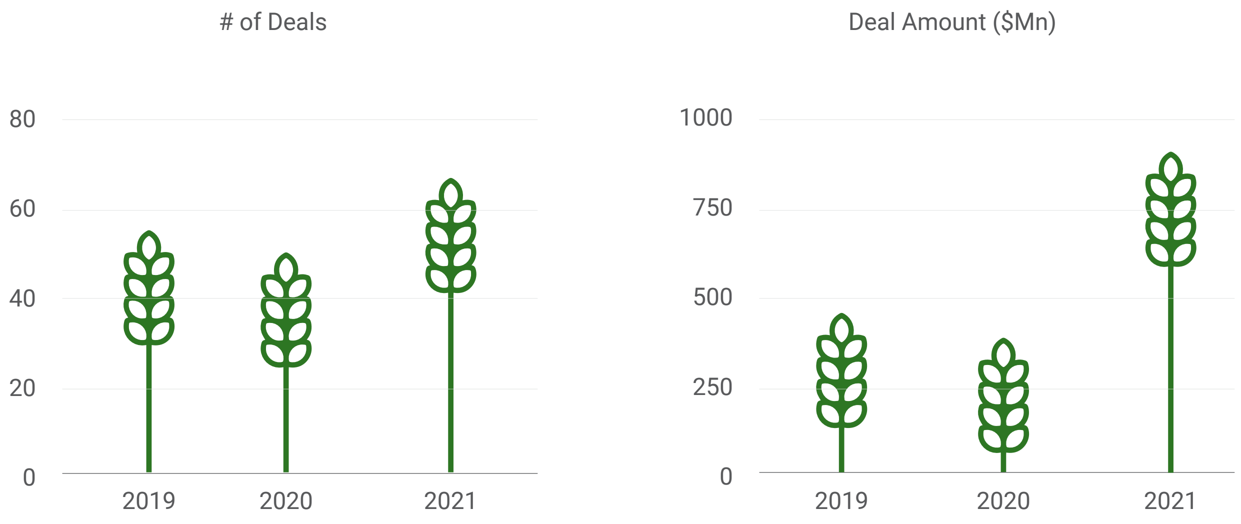


SECTOR LANDSCAPE



Sector Landscape
AGRICULTURE

Figure 4: Agriculture investment volume and deal flow across 2019, 2020 and 2021



Investment Highlights

$889 Mn in 2021, an increase of over 114% from 2020

The agriculture sector has emerged stronger than ever from the pandemic, with the overall investment volume reaching an all time high of $889 Mn in 2021, an increase of over 114% from 2020.

While the deal flow has risen by ~20% (62 in 2021 vs 52 in 2020), the growth in investment volume has largely been driven by bigger deal sizes. In particular, a few enterprises such as Dehaat and Ninjacart that have raised large ticket sizes (>$100 Mn) in later stages of funding as they look to scale up.

Series A & beyond transactions account for 60% of the total sectoral deal flow, compared to 40% in 2020

While investors continue to back seed stage deals, there are increasing signs that the sector is gradually maturing. In 2021, we witnessed a higher volume of transactions in stages Series A and beyond, constituting 60% of the sectoral deal flow, as compared to 40% for 2020.

invested capital ballooning by 16x thanks to big ticket investments in firms such as Agrostar

Enterprises focusing on Market Linkage continue to dominate the agri landscape at ~40% of the sectoral deal flow. The Farm Management and Enterprise Software segment has attracted burgeoning investor attention with the number of deals almost doubling relative to 2020 and invested capital ballooning by 16x to $148 Mn, thanks to big ticket investments in firms such as Agrostar.

Table 1: Agriculture investment volume, deal flow and median deal size across 2019, 2020 and 2021

Agriculture	2019	2020	2021
Deal Value ($ Mn)	485	415	889
# of Deals	55	52	62
Median Deal Size ($ Mn)	3	2	6

Table 2: Agriculture investment volume and deal flow across stages over 2019, 2020 and 2021

Stages	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
Seed	33	21	33	29	38	23
Series A	62	11	66	11	189	18
Series B	101	11	56	5	90	4
Later Stages	289	12	260	7	572	17

Figure 5: Agriculture stage-wise contribution to deal flow in 2021

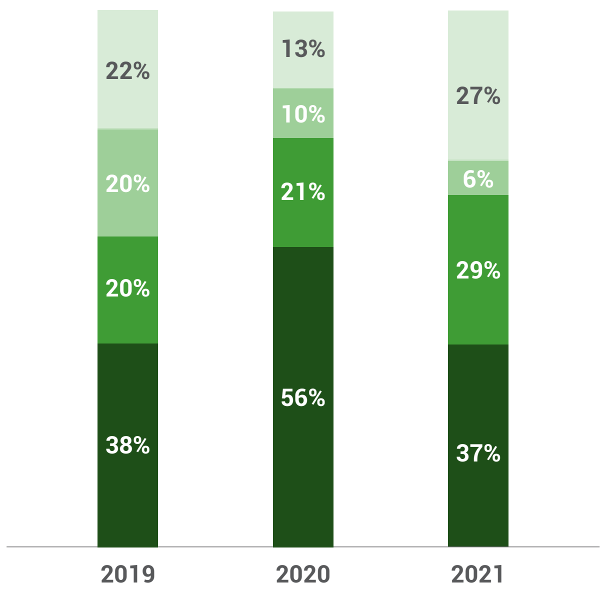
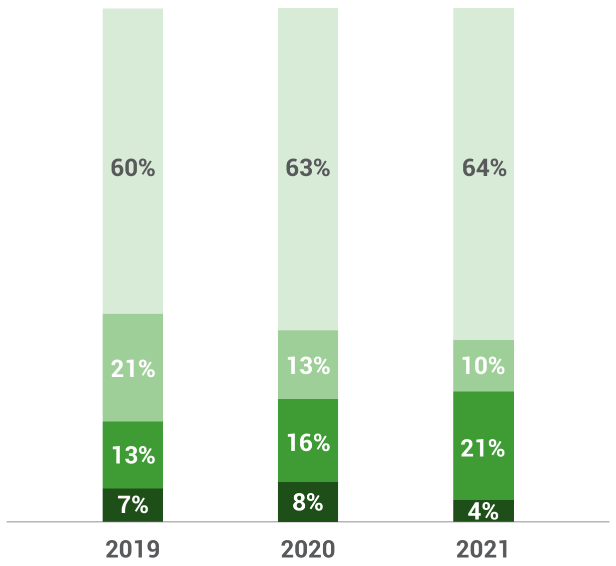


Figure 6: Agriculture stage-wise contribution to investment volume in 2021



Later Stages Series B Series A Seed

Table 3: Agriculture investment volume and deal flow across sub-sectors over 2019, 2020 and 2021

Agriculture	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
Agri Equipment	3	1	3	3	0.31	1
Agri Inputs or Advisory	96	10	27	10	186	10
Dairy	25	4	68	5	49	6
Farm Management and Enterprise Software	17	7	11	6	148	9
Financial Services	57	3	4	2	60	5
Food Processing	45	9	126	5	18	2
Market Linkage	164	15	112	15	387	23
Others	1	1	0	0	37	5
Storage and Warehousing	77	5	63	6	3	1

Table 4: Top 5 recipients of investments in Agriculture sector in 2021

Company	Sub-Sector	Amount (US$M)- Equity
NinjaCart	Market Linkage	155
DeHaat	Agri Inputs or Advisory	145
Agrostar (Ulink)	Farm Management and Enterprise Software	77
Fraazo	Market Linkage	61
Captain Fresh	Market Linkage	55

INDUSTRY SPEAK

omnivore

Jinesh Shah,
Managing Partner and Co-founder, Omnivore

A decade ago, the Indian agritech was a fledgling space, and investments were few and far between. The story today though is one of plenty, both in terms of entrepreneurial talent and investments. Rural smartphone penetration and mobile internet have provided the digital backbone to scale both business-to-farmer (B2F) and business-to-business-to-farmer (B2B2F) models. As the pandemic tore through the economy, consumption dipped, supply chains broke down, public finances deteriorated, and the overall economy slowed. However, when the traditional markets fell apart during the lockdowns, not only did the agritech startups provide critical support but also showed a different way of doing business long term. As a result, the sector ushered in an unprecedented investment boom, with a 100% year-on-year jump in total funding. Early-stage investments into the sector grew threefold as entrepreneurs rushed to solve food system problems underscored by the pandemic.

Agritech entrepreneurs played an important role in keeping smallholder farmers and food supply chains afloat through the pandemic. While big-ticket funding in India has typically been concentrated on consumer-facing enterprises, investors are discovering a wealth of untapped opportunities further up the agrifood value chain. A significant development this year is the rising deal volume closer to the farm. Agribusiness marketplaces, which provide farmers with online access to a variety of offline products and services, rose to prominence. Agri advisory services and farm management solutions also attracted remarkably higher investments compared to even two years ago. India's fragmented and outdated supply chains were hit hard by Covid-19, and it has not escaped investor attention. Technology startups addressing post-harvest issues such as logistics and transport, food-processing, and food safety and traceability tech emerged as one of the most well-funded areas of the agritech space. Improved awareness among generalist VC funds is evident from their increasing participation in B2B and B2B2F businesses, and it is a trend that will continue in the coming years.

Despite the recent progress, farming in India is still more luck than science. Even today, farmers struggle with arbitrary price-setting, unreliable payment schedules, and low working capital. By 2030, Indian agriculture will be facing dwindling labour availability, high input costs, acute climate vulnerability, and the task of feeding 1.5 billion citizens. While we are off to a good start, we need to do more specifically in the areas of precision agriculture, agrifood life sciences, and agri fintech.

Alongside eliminating the toil, evolving precision agriculture technologies will help curb expenditure on agri inputs. Riding on 5G and, eventually, 7G connectivity, IoT sensors and actuators will allow farmers to virtually manage their farms. Real-time information about biotic and abiotic factors will enable a more targeted use of inputs and eventually minimize carbon footprints. In India, innovations in agrifood life sciences remain neglected by venture capital investors and, as a result, entrepreneurs. Innovations in synthetic biology, chemistry, and biotechnology are critical for the future of Indian agriculture and food systems. Within a decade, Indian farmers will bear the full force of climate change, and digital technologies alone are insufficient to ensure a bright future in rural India. Finally, the majority of smallholders are often locked out of formal financial services owing to hurdles within the existing system. Technology is creating a sturdy and reliable alternative lending system. It is not only bringing in more new credit-worthy individuals but also achieving impactful financial inclusion. However, agri-fintech has to be part of integrated solutions to improve the value chain to add value to farmers' lives.

The burgeoning entrepreneurial talent in our country is rapidly harnessing the power of agritech startups to transform the lives of farmers and rural communities. We may have a long road ahead, but it is a promising journey leading to a brighter future for Indian agriculture.

Sector Landscape
HEALTHCARE

Investment Highlights

In particular, the >$800 Mn raised by Pharmeasy has contributed to almost 70% of the sector's investment volume in 2021

Digital Pharmacies have received almost 70% of the sectoral impact capital in 2021

The healthcare sector faced a challenging environment in 2020, but has seen a strong rebound in 2021 with the volume of investments rising by ~6x to $1.2 Bn.

The deal flow, however, remains flat and continues to lag the 2019 levels. The substantial increase in investment volume has largely been attributed to a few later stage deals. In particular, the >$800 Mn raised by Pharmeasy has contributed to almost 70% of the sector's investment volume in 2021.

The sector has seen a revival in later-stage activity as we observe an increasing presence of deals beyond the seed stage in 2021. While the total number of seed stage deals have almost halved with respect to 2020, the deal flow in stages Series A and beyond has risen by 50% in 2021.

Investor interest has tended to focus on healthcare sub-sectors that have a strong online component such as digital pharmacies that have received almost 70% of the sectoral impact capital in 2021. Primary Healthcare firms that have adapted well to the pandemic have also raised significant capital. The sub-sector has seen invested capital rising 11x from 2020 to $202 Mn in 2021 thanks to funding raised by Pristyn Care.

Figure 7: Healthcare investment volume and deal flow across 2019, 2020 and 2021

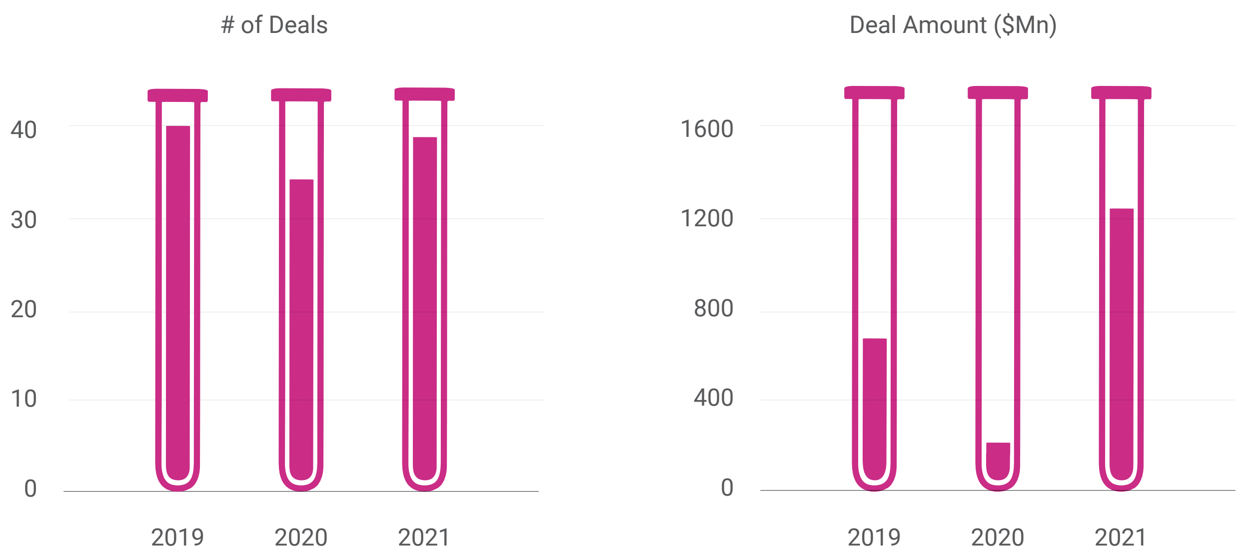


Table 5: Healthcare investment volume, deal flow and median deal size across 2019, 2020 and 2021

Healthcare	2019	2020	2021
Deal Value ($ Mn)	680	203	1208
# of Deals	40	34	37
Median Deal Size ($ Mn)	9	1	5

Table 6: Healthcare investment volume and deal flow across stages over 2019, 2020 and 2021

Stages	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
Seed	23	11	26	20	13	12
Series A	57	9	18	4	28	7
Series B	83	6	25	4	88	6
Later Stages	517	14	134	6	1078	12

Figure 8: Healthcare stage-wise contribution to deal flow in 2021

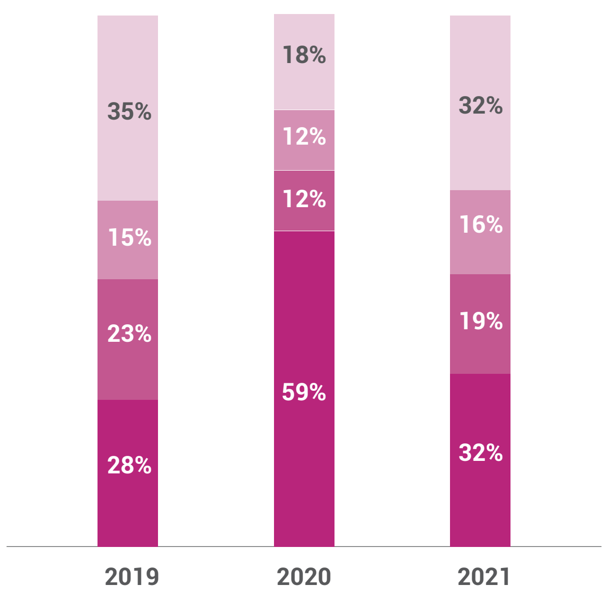


Figure 9: Healthcare stage-wise contribution to investment volume in 2021

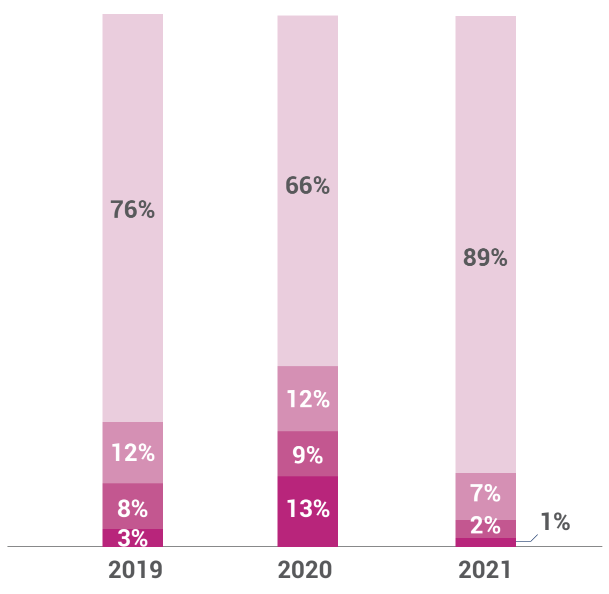


Table 7: Healthcare investment volume and deal flow across sub-sectors over 2019, 2020 and 2021

Healthcare	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
Diagnostics and Decision Support	63	10	82	8	86	7
Health Finance	0	0	3	2	57	3
Medical Devices	33	6	56	7	20	6
Others	1	3	4	4	21	2
Pharmacies (Online and Offline)	465	10	40	4	821	9
Primary Healthcare	19	3	18	8	202	9
Secondary Healthcare	100	8	1	1	1	1

Table 8: Top 5 recipients of investments in Healthcare sector in 2021

Company	Sub-Sector	Amount (US$M) Raised in 2021
PharmEasy	Pharmacies (Online and Offline)	806
Pristyn Care	Primary Healthcare	149
MFine	Diagnostics and Decision Support	64
Glocal	Primary Healthcare	40
Nephroplus	Diagnostics and Decision Support	24

INDUSTRY SPEAK

SOCIAL alpha

Manoj Kumar,
Co-founder and CEO, Social Alpha

2021 didn't show any resemblance of reviving previous years downturn in healthcare investing. While investors are more confident about digital health start-ups after the pandemic, we still have to see any noticeable traction as a result of this renewed interest. The good news is that the pandemic has induced some interest in the private capital markets as barriers to adoption have become lower as many paying customers have taken online appointments, scheduled remote consultations, ordered wearables, test kits and medicines online and an opportunity to invest in scalable business models is visible now.

As poor health and health inequity continue to limit economic prosperity, investing in health has a significant economic payoff for any economy and investor class, despite a higher perceived risk. Lack of affordable, quality healthcare, poor remote access, high out of the pocket expenditure and expensive diagnostics continue to drive exclusion or indebtedness. Lack of innovations in neglected areas –Physical Disability, Infectious Diseases, Mental Health, Elder Care etc and lack of cost-effective rehabilitation tools and assistive technologies further marginalize a large working-age population.

Government and Philanthropy continue to be the sole providers of early-stage capital, but these interventions are often suboptimal and insufficient. Commercializing high impact healthcare innovations is where the risk capital is most needed but least available. We find this gap even more pronounced when the enterprise is based on science and technology-based innovations. Private capital pools continue to be reluctant to underwrite the venture risk. Sometimes investment money is available but the pressure to deliver market returns and liquidity has the potential to sacrifice the mission.

As noticed in the last 3 years of deal data, investors are actually willing to underwrite later stage risk. However, seed to series A continues to be a challenge and has not seen a positive momentum despite the fragility of our healthcare system that was exposed during the covid pandemic. Not surprisingly most of the investments last year were concentrated in online pharmacies, diagnostic chains and upmarket primary care. However, there is some positive news from the sector. Seed investments in diagnostics and decision support continue to get investment from non-profit incubators and angel networks. The only large investment ($5 M) last year in affordable devices was Zoho corporation's investment in Voxelgrids, (Disclaimer – it was incubated and seed invested by Social Alpha).

We believe that the search for non-linear impact and market returns will eventually attract investors over the next couple of years to at least digital health innovations and clinics/delivery models but is likely to be driven by technology-driven remote services, urban clinics and business model innovation (similar to the trends in edtech and fintech) and not necessarily disruptive innovations in diagnostics, devices, therapeutics and other products which can transform the health sector. Risk-return trade-offs of investing in breakthrough innovations are still not understood well by mainstream impact investors who are more comfortable investing in microfinance, education, crafts and agriculture value chains.

Sector Landscape

TECHNOLOGY FOR DEVELOPMENT

Investment Highlights

The sector has observed substantial growth in 2021 with the volume of invested capital rising by 224% to $1298 Mn over the 2020 level.

Significant jump in 2021 (over 100%) in Series B and beyond transactions

SME tech have seen increased interest in 2021, with deal flow rising by almost 3x over 2020

2021 has been a dynamic year for the tech4dev ecosystem. The sector has observed substantial growth in 2021 with the volume of invested capital rising by 224% to $1298 Mn over the 2020 level.

Given that the deal flow has remained flat (49 in 2021 vs 45 in 2020), the substantial spike in investment volume has largely been driven by a number of large ticket deals in the later stages.

Early-stage momentum is consistent to 2020 levels with seed stage deals accounting for almost half the total deals in 2021. However, there is a significant jump in 2021 (over 100%) in Series B and beyond transactions owing to a number of large ticket deals. In particular, Udaan and Dailyhunt have raised more than $200 Mn each.

Enterprises offering Local Language Content and Network continue to attract the most capital (~27% of sectoral investment volume) in the Tech4Dev space. Furthermore, enterprises focusing on SME Tech have seen increased interest in 2021, with deal flow in the sub-sector rising by almost 3x over 2020.

Figure 10: Tech4Dev investment volume and deal flow across 2019, 2020 and 2021

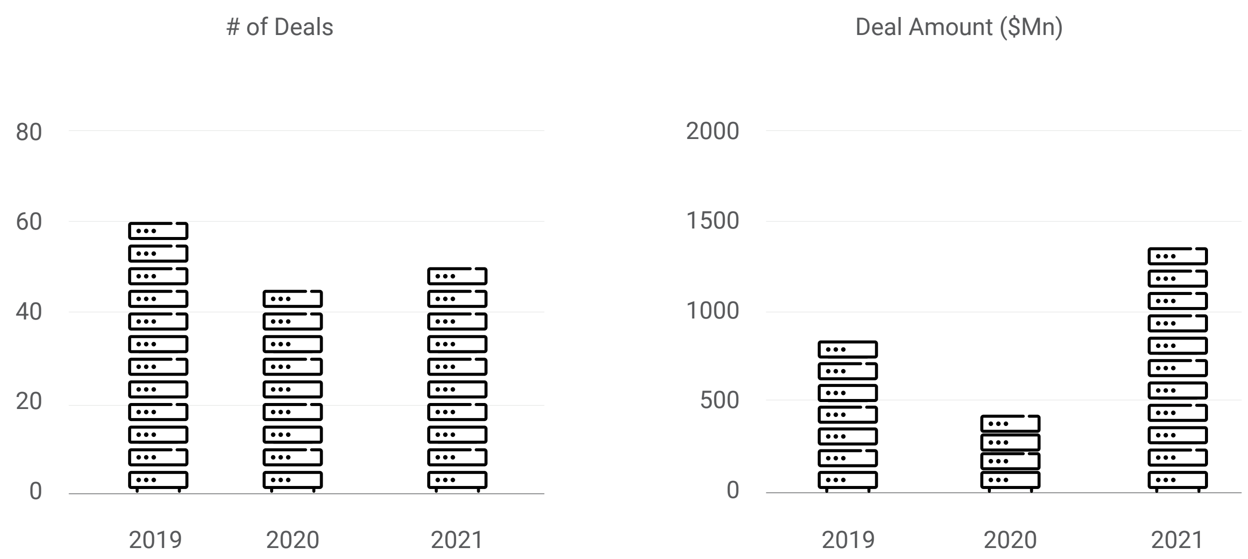


Table 9: Tech4Dev investment volume, deal flow and median deal size across 2019, 2020 and 2021

Tech4Dev	2019	2020	2021
Deal Value ($ Mn)	811	401	1298
# of Deals	60	45	49
Median Deal Size ($ Mn)	2	2	6

Table 10: Tech4Dev investment volume and deal flow across stages over 2019, 2020 and 2021

Stages	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
Seed	32	29	20	21	33	19
Series A	63	20	89	15	83	11
Series B	67	7	74	3	208	9
Later Stages	649	4	218	6	973	10

Figure 11: Tech4Dev stage-wise contribution to deal flow in 2021

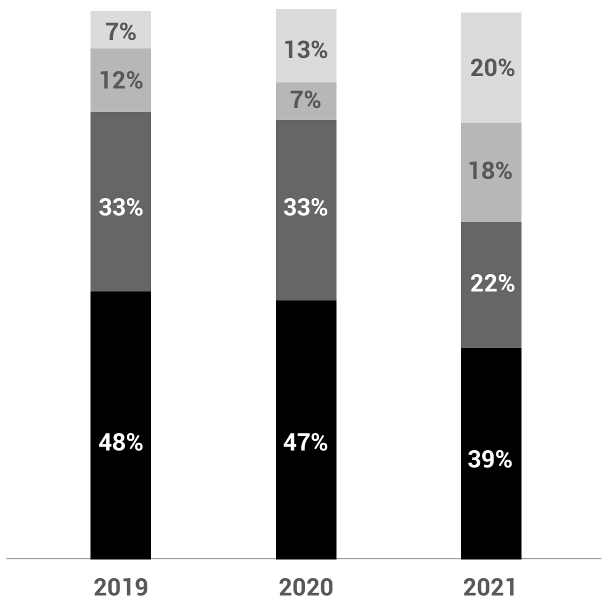


Figure 12: Tech4Dev stage-wise contribution to investment volume in 2021

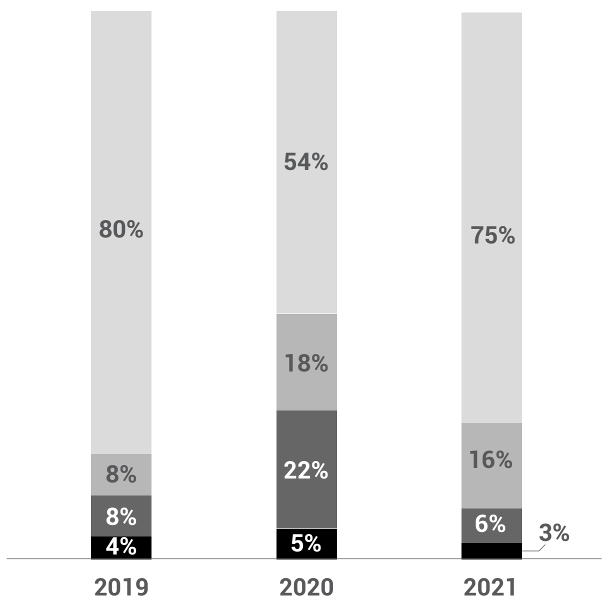


Table 11: Tech4Dev investment volume and deal flow across sub-sectors over 2019, 2020 and 2021

Tech4Dev	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
Future of Work	18	9	17	7	192	5
Local Language Content and Network	111	25	213	17	350	14
Others	20	4	11	1	99	3
SME Tech	53	12	117	10	329	19
Utilitarian Products and Services	610	10	43	10	327	8

Table 12: Top 5 recipients of investments in Tech4Dev sector in 2021

Company	Sub-Sector	Amount (US$M) Raised in 2021
Udaan	Utilitarian Products and Services	280
DailyHunt	Local Language Content and Network	207
Apna	Future of Work	183
Khatabook	SME Tech	100
Jumbotail	Others	99

INDUSTRY SPEAK

Badri Pillapakkam,
Partner, Omidyar Network India

Future of work:
After over a decade of stops and starts, 2021 was the breakout year for blue-collar recruitment with Apna becoming the first unicorn in the space. Payroll & staffing models are seeking to become new-age Teamleases, while solving for steady streams of monetization, harder in the blue/grey collar segment. Phygital training and skilling of workers are becoming core services for these businesses. Remote and distributed work from home post-Covid, has led to a significant need for hiring and staffing delivery workers, logistics staff and gig-workers for tele-calling. The anticipated New Labor Code for New India should bring in interesting tech-led innovations in the recruitment sector, particularly around employment benefits and insurance. Further, Emerging digital jobs such as online selling/ reselling, content creation & sharing, live education and customer service are percolating to the lower middle income population and should become meaningful sources of income in the coming years. This will be exciting to see an 'India to the world' story play out here, similar to the BPO industry of the '90s.

Local Language Content:
Digital content consumption and creation has soared to all-time highs driven by extended stay-at-home, ban on Chinese content apps and subsidized data rates. Short format video, however, dominated growth and funding amongst all segments of local content. While advertising revenues continued to scale well, alternate forms of monetisation such as social commerce, subscriptions, tipping and micro-payments (audio chat rooms) are showing decent traction now. The next few years will see more start-ups targeting micro-communities and Live video will likely be a more popular format for the Bharat audience.

SMETech:
While COVID continued to be brutal for millions of MSMEs across India, they have remained resilient and moved from a survive to revive situation through 2021. Technology has been a crucial contributor in enabling this change. After the domestic retail wave led by the likes of Udaan, Khatabook, Flobiz and Vyapar, digital technologies are changing the landscape across manufacturing, construction & real estate, commerce (B2B distribution and exports), logistics & supply chain. These models are improving business processes such as procurement, sales and marketing, production and fulfillment for micro and small businesses through digitization and intelligent insights. A large number of MSMEs increasingly looking for tools to scale faster, become more productive and cost-efficient has resulted in 2021 investments in innovative applications that are digitizing supply and improving quality of production, while also solving for demand. Retail/ kirana tech continues to attract funding, particularly as small stores help solve last-mile logistics in smaller towns & cities. Workflow automation, productivity enhancement tools, formalization through financial & tax visibility and enabling local and foreign demand discovery will likely dominate SMETech in the next few years. MSMEs shifting from revive to thrive will be critical to India's employment outlook going forward.

Utilitarian Products & Services:
After a decade of B2C commerce in urban India, social commerce in small towns and cities is the new frontier for 2021 investments. Significant scale and large funding rounds in Dealshare (recently turned unicorn) and Citymall, that are serving hundreds of thousands of 'new to online' shoppers are only early starts. These companies have redefined PIN-code based demand generation and logistics in small town India, allowing them to compete against the Flipkarts and Amazons. Rural commerce should emerge as a hotbed over the next few years. While Covid has given a leg up to e-commerce, phygital commerce in smaller towns and cities should gain dominance in 2022/23 as pent-up demand combines with reinvention of the kirana. However, platforms that combine cataloging with demand discovery have demonstrated significant usage, but have not been able to convert into meaningful monetization. Layers of new D2C mass brands targeting the Next Half Billion user, b2b distribution, marketing and discovery through video commerce round up the emerging trends to watch out for under this theme.

Sector Landscape
FINANCIAL INCLUSION

Investment Highlights

In particular, the >$800 Mn raised by Of Business has contributed to a significant chunk of the sectoral investment volume

SME finance remains the leading sub-sector in the financial inclusion space, and has witnessed the fastest recovery in 2021 with a 3.5x rise in investment volume to $1.2 Bn

The Financial Inclusion sector faced a challenging time in 2020 with a steep fall in impact investments. However, the sector has rebounded strongly in 2021 with the total investment volume rising sharply by 146% to $1.8 Bn.

While the 2021 deal flow is robust, the recovery is largely the result of a substantial increase in big-ticket investments (>$100 Mn) in more resilient business models in the later stages. In particular, the >$800 Mn raised by OfBusiness has contributed to a significant chunk of the sectoral investment volume.

The sector's maturity is reflected by the dominance of later stage transactions that contributed to almost 90% of the sectoral investment volume in 2021. At the same time, there is strong early-stage activity with seed stage investment volume rising by 50% to $64 Mn as investors look to fund new and innovative digital lending and non-lending models.

SME finance remains the leading sub-sector in the financial inclusion space, and has witnessed the fastest recovery in 2021 with a 3.5x rise in investment volume to $1.2 Bn. Furthermore, impact oriented FinTechs such as RenewBuy have also attracted significant capital with total investments in the sub-sector almost doubling over 2020.

Figure 13: Financial Inclusion investment volume and deal flow across 2019, 2020 and 2021

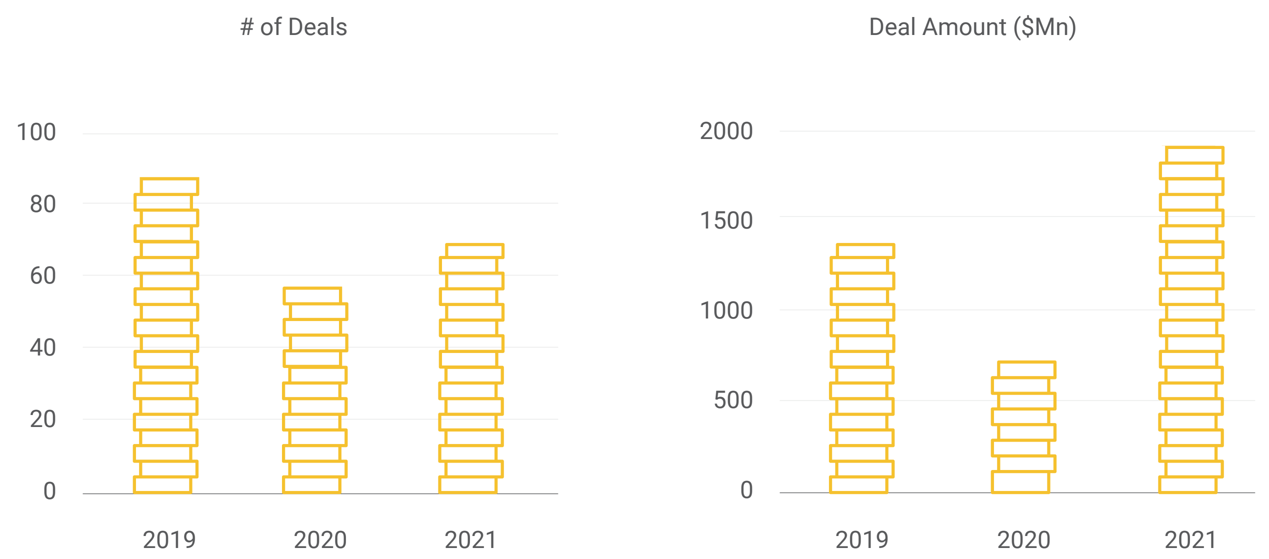


Table 13: Financial Inclusion investment volume, deal flow and median deal size across 2019, 2020 and 2021

Financial Inclusion	2019	2020	2021
Deal Value ($ Mn)	1385	747	1836
# of Deals	87	56	68
Median Deal Size ($ Mn)	6	5	6

Table 14: Financial Inclusion investment volume and deal flow across stages over 2019, 2020 and 2021

Stages	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
Seed	46	23	44	21	64	25
Series A	214	22	213	14	128	14
Series B	242	14	173	10	51	5
Later Stages	882	28	317	11	1593	24

Figure 14: Financial Inclusion stage-wise contribution to deal flow in 2021

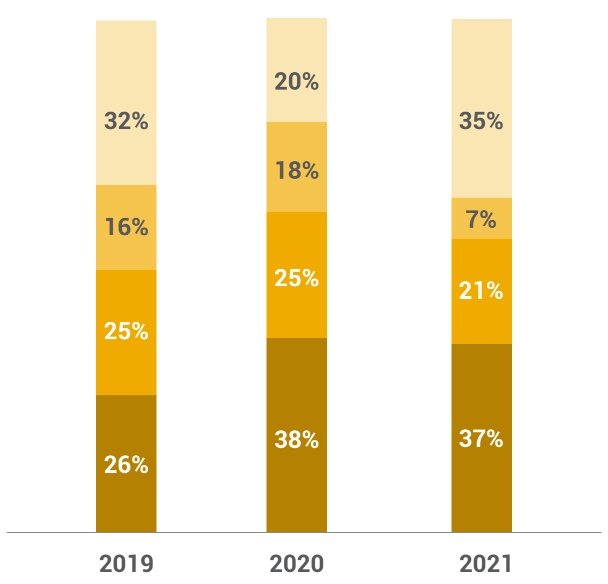


Figure 15: Financial Inclusion stage-wise contribution to investment volume in 2021

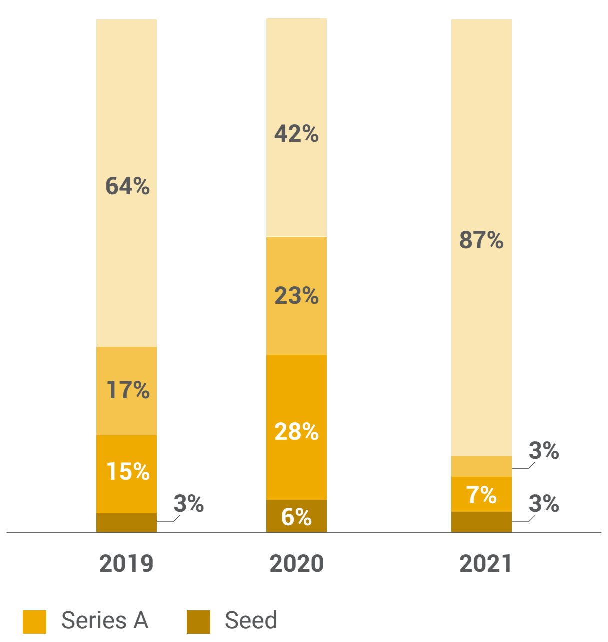


Table 15: Financial Inclusion investment volume and deal flow across sub-sectors over 2019, 2020 and 2021

Financial Inclusion	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
CV Finance	85	6	13	4	15	3
FinTech	95	19	108	13	200	22
Housing Finance	347	8	140	3	327	8
Microfinance	306	20	101	11	93	8
Others	6	3	63	5	33	4
SME Finance	544	31	323	20	1168	23

Table 16: Top 5 recipients of investments in Financial Inclusion sector in 2021

Company	Sub-Sector	Amount (US$M) Raised in 2021
OfBusiness	SME Finance	802
Vastu Housing Finance	Housing Finance	200
Open	SME Finance	100
Veritas Finance	SME Finance	59
RenewBuy	FinTech	55

INDUSTRY SPEAK

Sushma Kaushik,
Partner, Aavishkaar Capital

Impact investments focused on enhancing access to financial products and services continue to remain a prominent space for intervention from investors. Impact driven financial services enterprises attracted ~USD 1.8bn in CY 2021 across 60+ deals which was 2.5x times the investment received in 2020.

While COVID did impact the overall financial services sector, post the second wave, green shoots of recovery were seen in specific secured lenders and fintech platforms. Investment activity was specifically seen in secured lending products like Affordable housing finance, SME Finance and also Retail Buy-Now-Pay-Later (BNPL) etc. Fintech players focussing on new digital natives and digital journeys also saw significant investment traction. The fintech sector was already undergoing exponential growth, with rapid acceptance of digital payments and the right infrastructure and policy push, this sector is expected to grow further.

With the rise in digital adoption, the way financial services (credit, insurance, savings, investments etc.) is consumed is seeing a drastic shift from traditional practices. This is giving way to verticalized plays with finance being embedded within various value chains viz. agri-value chain, FMCG value chain, ed-fintech etc and this is more relevant while servicing the unbanked and underserved.

Banking services to MSMEs are broken and tend to be burdensome and time consuming for this segment. With the emergence of Neobanks, we are seeing a movement from mono-line product offerings to multi-line friction less product offerings to MSMEs.

SME finance saw significant investor interest driven largely by funds raised by digital platforms viz. Ofbusiness, Bank Open etc focussing on ease of business for SMEs.

Significant investment activity was largely observed in growth stage companies (Series C +) while the industry observed tepid investment activity in Series A and B rounds as many investors waited to see the impact of COVID play out. However, several new innovative startups coming up with the aim to service underserved segments continue to attract capital at Seed stage.

Sector Landscape
CLIMATE-TECH

Investment Highlights

Climate-tech has emerged as one of the most active sectors in impact investing in 2021

Seed stage deals account for ~65% of the total deal flow

Sustainable mobility continues to be the most popular segment, accounting for 80% of the total investment volume in the sector

Climate-tech has emerged as one of the most active sectors in impact investing in 2021, with the highest number of deals across all sectors (~23% of all impact investing deals).

The healthy deal flow has also contributed to a strong rebound in investment volume with total investments in the sector reaching an all time high of $590 Mn, a ~200% increase over 2020.

The exponential growth in the sector has been catalyzed by vibrant early-stage innovation activity as seed stage deals account for ~65% of total deal flow. At the same time, a number of large later stage deals such as the $200+ Mn raised by Ola Electric dominate the overall investment volume attracted in 2021.

Sustainable mobility continues to be the most popular segment, accounting for 80% of the total investment volume in the sector. Other mainstay segments in the climate-tech space such as Energy show consistent investor interest and activity across all three years. Furthermore, while Environment and Natural resources has picked up significant pace with a 5x rise in the number of transactions from 2020 to 2021, other emerging climate-tech sub-sectors such are gradually coming to the fore.

Figure 16: Climate-tech investment volume and deal flow across 2019, 2020 and 2021

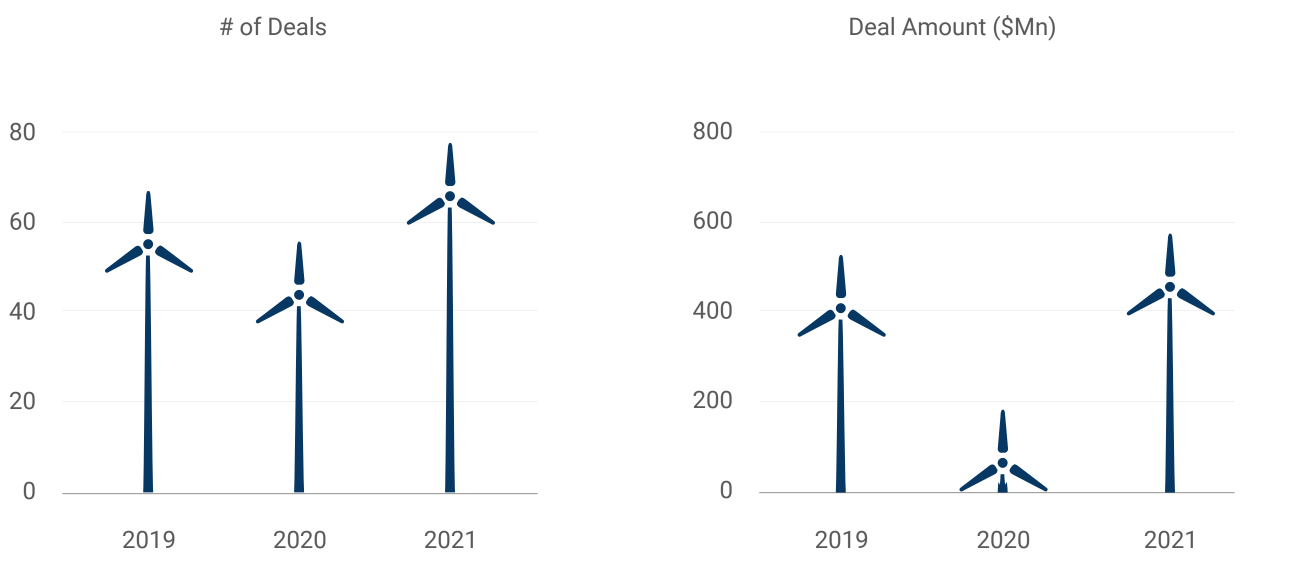


Table 17: Climate-tech investment volume, deal flow and median deal size across 2019, 2020 and 2021

Climate-tech	2019	2020	2021
Deal Value ($ Mn)	536	195	590
# of Deals	64	57	79
Median Deal Size	1	1	2

Table 18: Climate-tech investment volume and deal flow across stages over 2019, 2020 and 2021

Stages	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
Seed	30	39	59	37	90	51
Series A	347	19	60	14	155	20
Series B	102	4	12	3	57	4
Later Stages	57	2	64	3	288	4

Figure 17: Climate-tech stage-wise contribution to deal flow in 2021

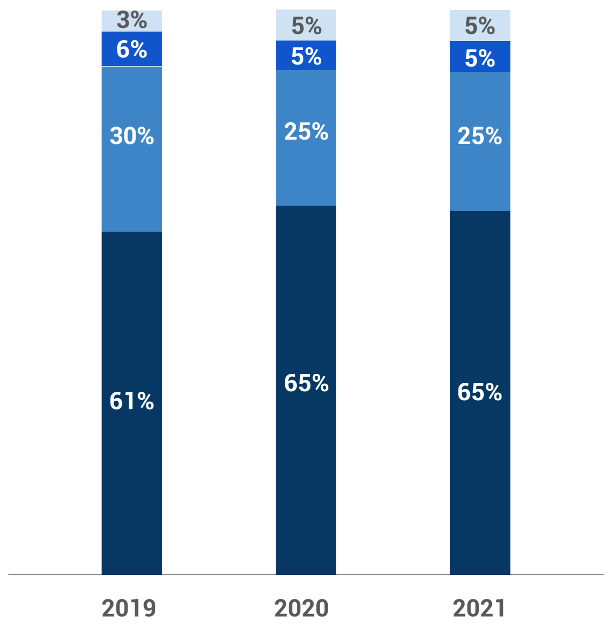


Figure 18: Climate-tech stage-wise contribution to investment volume in 2021

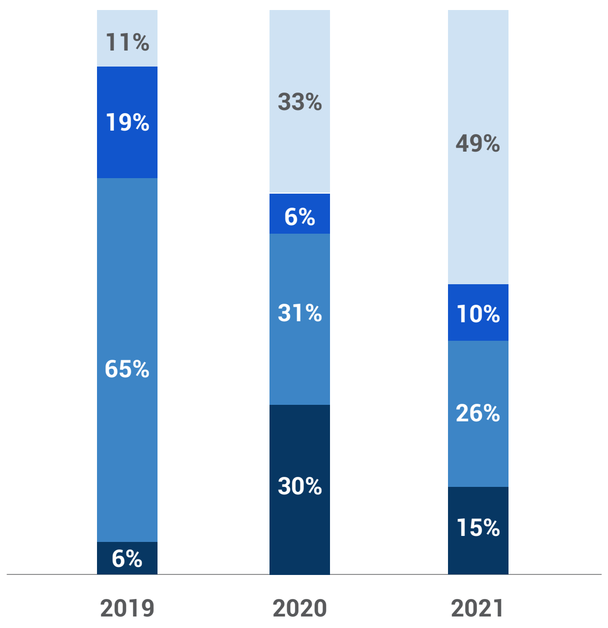


Table 19: Climate-tech investment volume and deal flow across sub-sectors over 2019, 2020 and 2021

Climate-tech	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
Energy	82	9	45	11	44	10
Sustainable Mobility	398	30	84	24	468	39
Environment and Natural Resources	7	7	1	2	18	10
Waste Management & Circular Economy	6	6	54	9	8	4
Climate-smart Agriculture & Food	18	9	6	6	12	6
Others	25	3	5	5	40	10

Table 20: Top 5 recipients of investments in Climate-tech sector in 2021

Company	Sub-Sector	Amount (US$M) Raised in 2021
Ola Electric	Sustainable Mobility	253
Ninety One	Sustainable Mobility	30
Blu Smart Mobility	Sustainable Mobility	25
Simple Energy	Sustainable Mobility	22
Revolt Intellicorp	Sustainable Mobility	20

INDUSTRY SPEAK

Sangam

Karthik Chandrasekar,
Founder and Partner, Sangam Ventures

2021 started with images of extreme wildfires around the world and a damning report from IPCC scientists labeled "code red for humanity" ahead of the COP-26 conference which sadly didn't catalyze any significant commitments from world leaders to tackle climate change except for the Indian Prime Minister's promise to get India to Net Zero by 2070. The Global South is going to lead the growth in future emissions unless it can access desperately needed long-term capital to leapfrog into a green future.

Thankfully, 2021 was also the year that saw the smog lift off the climate change sector with many prominent fund managers (Larry Fink and Chris Sacca) and [celebrities] (Jeff Bezos and Robert Downey Jr.) launching climate focused funds, and [electric carmaker and Tesla's founder,] Elon Musk becoming the richest man in the world. [Some of the same trends were reflected in India with the set up of RainMatter Foundation and Gautam Adani becoming the richest man in Asia.]

Energy Transition
Investors and corporates now see the global energy transition to renewables and electricity and shift to electric mobility as inevitable. With the increasing mix of renewables on the grid, the need for flexibility via energy storage and demand-response systems should increase in the coming years though who is incentivized to invest in the same is still unclear given the state of the utility sector, but change is coming! On the other hand, with the lowest price of solar in the world, the market has started talking about the opportunity to invest in building a green hydrogen ecosystem especially for applications where electrification is not possible.

The focus of investors for India continues to be on Solar PV deployments and with a bias to build platforms in 2021.

Electric mobility saw a flurry of deal making in all stages and sizes and from a diversity of investors accounting for a majority of climate tech deals! The largest were focused on deployments and financing of 2-W, 3-W, shared mobility and middle-mile logistics. With some generous incentives from both local and federal governments the adoption of passenger vehicles is on the rise and is going to be closely linked with the evolution of the charging and swapping infrastructure around the country. The play in road freight and buses which form the lion's share of emissions is still nascent but a massive opportunity for disruption with hydrogen and other alternative-fuels alongside EVs.

Energy efficiency which has the potential to match renewables and electrification in reducing emissions has not gotten the level of investor interest that it deserves - its scale remains largely dependent on the availability of long-term capital focused on decoupling of energy from economic development.

Transforming how we make & use goods
2021 showed the volatility in global commodities and the need for resilience in supply chains. Industries like steel and aluminum are now ripe for disruption to move towards more local sourcing from recycling along with fuel switching away from coal. With the shift in how we live and work during COVID and beyond, we expect more sustainable urbanization happening across the country with a focus on smart mobility and waste management.

With the rise of direct-to-consumer brands we are seeing a shift happening in alternative materials for clothing and packaging and a shift away from single use plastics with the use of bio-inputs like bamboo, seaweed, and agri-residue. We also see a gradual shift starting at the higher end of the market in preference for more sustainable consumer goods, including our relationship with our food towards less processing and more nutrition. While the e-commerce and AgTech boom in India captures some of these opportunities, there is now a realization of a bigger climate play coming as investors and governments look for nature-based solutions in agriculture and land use for keeping and sequestering the carbon in our soils and shifting away from fertilizer and other fossil fuel driven inputs. This will see significant government support as noted in the recent budget as well as international support in the form of firming carbon prices in the coming years. Last but not the least, with the growing interest and proficiency in the Indian startups in data, automation, drones and spatial tech, there is very high potential for disruption of traditional industries and agriculture to drive efficiencies and mitigate carbon emissions and navigate climate change related risks.

Investment Highlights

The sector observed an increase in overall investment volume by 7% whereas the total number of deals declined by 27%

The sub-sectors K12 and Test Prep continue to attract a significant portion (>90%) of the total investment volume into the sector

Thanks to the rapid opportunities in digitization of education during the Covid-19 Pandemic, the sector continues to attract reasonable investor attention and is consolidating in 2021 after witnessing exceptional growth in 2020.

The sector observed an increase in overall investment volume by 7% whereas the total number of deals declined by 27%. This small uptick in overall investment volume is attributed to larger ticket sizes in later stage deals such as Unacademy and Vedantu that alone raised more than ~50% of the sector's investment volume.

There has been a general decline in the total number of deals across all stages relative to 2020 (~30% fall in early stage activity and ~50% fall in late stage activity).

The sub-sectors K12 and Test Prep continue to attract a significant portion (>90%) of the total investment volume into the sector. Furthermore, edu-finance as a segment has been facing increasing headwinds and has experienced a dip in investments (both by volume and number of deals) in 2020 and 2021 relative to 2019.

Figure 19: Education investment volume and deal flow across 2019, 2020 and 2021

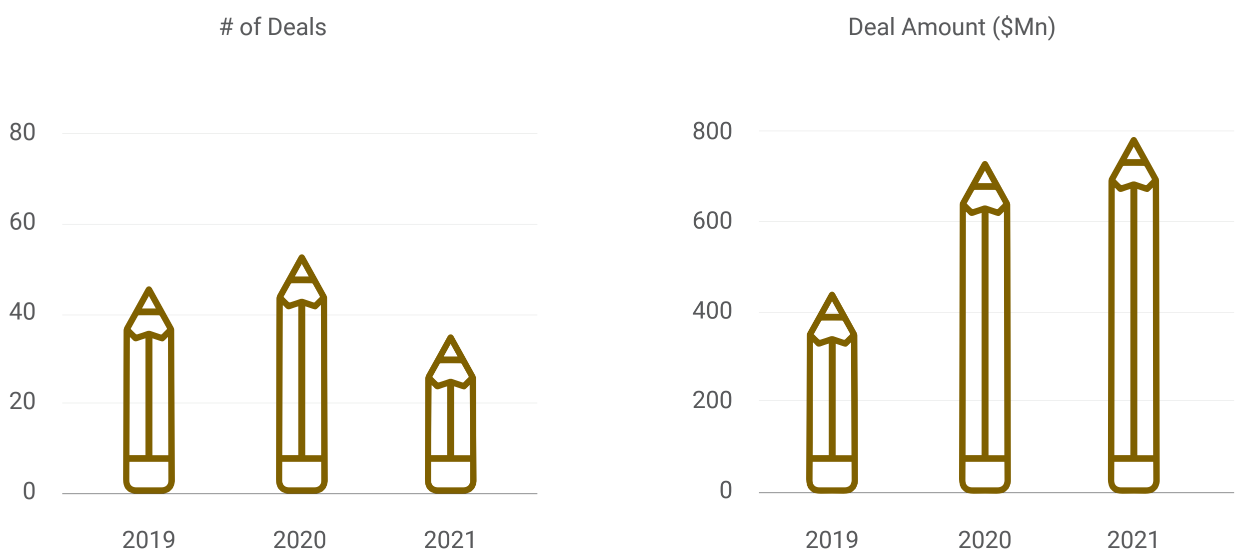


Table 21: Education investment volume, deal flow and median deal size across 2019, 2020 and 2021

Education	2019	2020	2021
Deal Value ($ Mn)	407	732	785
# of Deals	47	58	37
Median Deal Size	2	2	2

Table 22: Education investment volume and deal flow across stages over 2019, 2020 and 2021

Stages	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
Seed	33	28	32	30	25	21
Series A	21	6	27	9	21	7
Series B	24	6	73	6	61	3
Later Stages	330	7	600	13	678	6

Figure 20: Education stage-wise contribution to deal flow in 2021

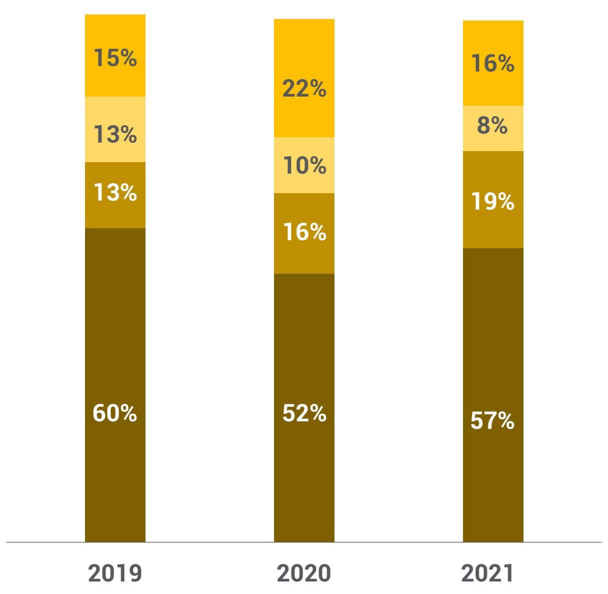


Figure 21: Education stage-wise contribution to investment volume in 2021

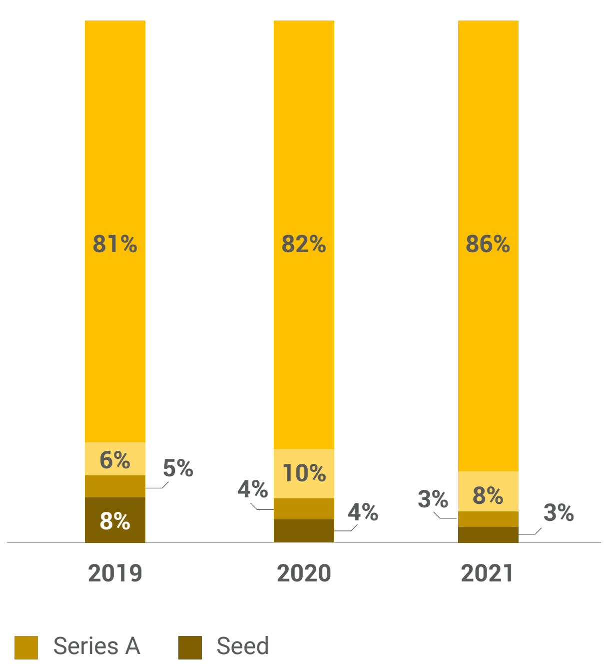


Table 23: Education investment volume and deal flow across sub-sectors over 2019, 2020 and 2021

Education	2019		2020		2021	
	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals	$ Value (Mn)	# of Deals
Early education	0	1	0	1	6	2
Edu-Finance	241	12	14	5	15	2
Employability	20	8	72	12	10	9
Higher Education	2	3	5	2	33	4
K12	77	17	277	23	255	11
Others	0	0	2	1	0	1
Test Prep	66	6	362	14	468	8

Table 24: Top 5 recipients of investments in Education sector in 2021

Company	Sub-Sector	Amount (US$M) Raised in 2021
Unacademy	Test Prep	440
Vedantu	K12	100
Classplus	K12	65
DoubtNut	K12	31
LEAD School	K12	30

INDUSTRY SPEAK

Srikrishna Ramamoorthy,
Senior Partner, Unitus Ventures

Two years ago, online education, training and skilling went mainstream as the pandemic kept Indians locked in their homes. Unprecedented school closures led to wider and deeper penetration of digital learning. Job-tech services too saw increased adoption as the market got tougher and workers strived for greater employability. Investments in these segments are on the rise and we only expect this to continue to grow as India focuses on economic recovery and growth.

Investment Trends

With over 250 million school going students, the Indian education sector is one of the largest in the world and private investment is expected to grow to USD 225 billion by 2025. As the way India works and learns changes, start-ups are also seeing the potential of smaller towns that have traditionally been underserved. There is also growing understanding of how technology can ensure wider access to quality education across the country. Edu-tech start-ups raised USD 4.7 billion in funding last year and it is now the third most funded sector in the country. Investments so far have largely been in platforms offering K12 education, private tuitions, and test preparation services. In fact, Byjus, Unacademy and Vedantu secured the lion's share of funding at 43%, 7.8 % and 5% respectively. As employability, and skills mismatch continue to be significant challenges, the job-tech sector is also witnessing increased investments. Soft skills, language training, skills development, employability training and upskilling programs are high on investors' radar. Gigification of work is another significant area of focus as demand for contractual or freelance workers continues to grow.

Market Developments

Thanks to the pandemic, there is growing understanding of how technology can take education to the remotest regions of India. The roll out of the National Education Policy with its focus on digital education and a robust learning network will be a gamechanger for this sector. This coupled with further penetration of 4G services across remote and rural India can usher in a new era of learning. There is increasing interest in education and training services in local languages and those that address the wide skills mismatch in the industry. Content is king and platforms offering personalized, and immersive experiences are also gaining popularity.

Future Outlook

The future of education across all levels and even in government run schools may well be hybrid in the future. As investors, we are interested in start-ups leveraging newer technologies like Augmented and Virtual Reality and Artificial Intelligence for more immersive training experiences. India's educated youth population is one of its biggest strengths but creating well-paying meaningful jobs for them remains a key challenge. There is a huge demand for specialized skills training and solutions that connect blue collar workers and college students to the right employers. Specialized employment services are rapidly emerging, for example, portals that connect English speaking Indian teachers to students across the world. Virtual internships and on the job training platforms are also likely to see significant investments, as are solutions designed specifically to address the gender gap in the workforce. Start-ups offering new payment models like Learn Now Pay Later will also gain traction.

For most Indians education and training hold the ticket to a better life. Unfortunately, access to quality education, lack of employment opportunities and significant skills mismatch remain significant challenges The emergence of ed-tech and job-tech platforms is helping address some of these challenges and they are especially important as the country continues to grapple with pandemic. For those of us in the business of investing in this space, the possibilities are endless.

Sector Landscape
OTHER IMPACT SECTORS

Table 25: Top 5 recipients of investments in Other Sectors in 2021

Company Name	Sub-Sector	$ Mn
Porter	Logistics	100
BlackBuck	Logistics	68
GoBOLT	Logistics	20
Vahak	Logistics	6
Gigforce	Livelihoods	3

Sector Landscape
GENDER

Investment Highlights

Of the 597 impact enterprises that received equity investments across 2019, 2020 and 2021, 130 were (co) founded by women

Of the 597 impact enterprises that received equity investments across 2019, 2020 and 2021, 130 were (co) founded by women. These women (co) founded impact enterprises raised a total of $2.3 Bn across the three years, in sharp contrast to the $11.5 Bn in funding raised by impact enterprises founded by men.

The share of women (co) founded impact enterprises in the impact deal flow has remained fairly constant across 2019, 2020 and 2021, ranging from 21% to 23%.

In 2021, women founders raised 22% of the total impact capital, a 5x jump from 2020 thanks to big ticket investments in women-founded enterprises such as OfBusiness.

Technology for Development and Financial Inclusion have performed relatively favorably vis-a-vis other sectors in 2021 with 26% of the impact enterprises that raised capital in either sector having been (co) founded by women.

Figure 22: No. of Women (co) founded Impact Enterprises receiving impact investments across 2019, 2020, 2021

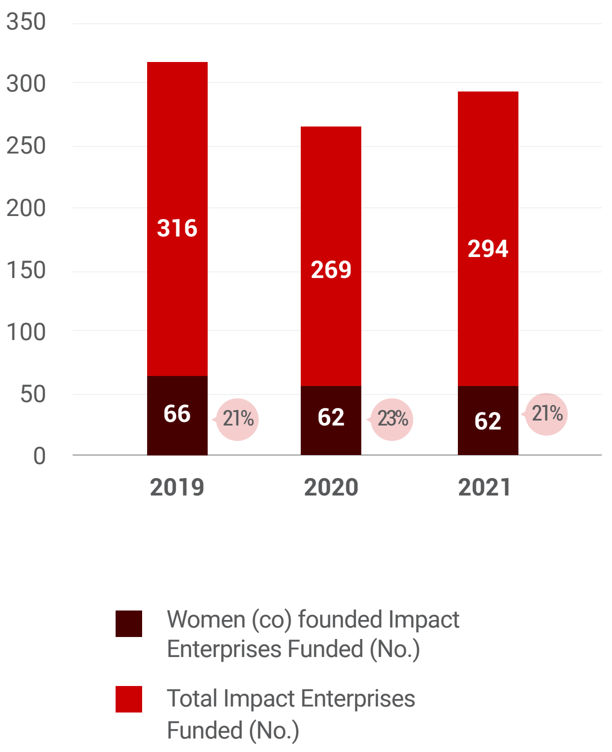
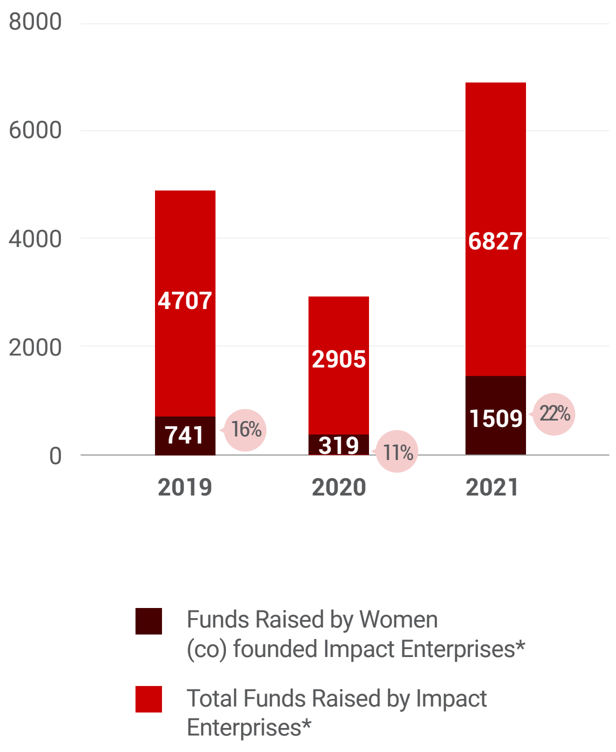


Figure 23: Funding raised by Women (co) founded Impact Enterprises across 2019, 2020, 2021



*All figures are in $ Mn

Table 26: Sectoral Overview: Percentage of Impact Enterprises that were (co) founded by women and raised capital across 2019, 2020 and 2021

Sectors	2019	2020	2021
Agriculture	17%	27%	13%
Education	17%	28%	24%
Financial Inclusion	26%	21%	26%
Healthcare	24%	16%	19%
Other Sectors	19%	21%	23%
Technology for Development	18%	25%	26%
Climate-tech	21%	21%	19%

INDUSTRY SPEAK

Vidya Chandy,
Vice President, Impact, Chiratae Ventures

Gender as an impact thematic area has been in the spotlight due to the heightened inequities created by the pandemic. In response to asset owner calls for ESG differentiation and gender lens investing through initiatives such as the 2X Challenge*Indian responsible investors have increased gender considerations in their strategies in 2021, with a few being certified for the 2X Challenge as well. This is a welcome development, as the 2021 Gender Gap Index ranks India at 140 out of 156 countries, and private markets can play a major role in correcting this.

The VC industry itself has seen more funds with female partners, senior leaders and employees emerge in the last year, in part due to platforms such as WinPE. At the portfolio level, data for the last 3 years shows female (co) founder representation steady, an increase in % value funded, and representation across funding stages showing improvement from its pre-pandemic levels. In 2021, women founders are predominantly (# of deals) in financial inclusion, technology for development and education, with annual increase in climate tech.

For consumers, more products and services are targeting women and girls through innovations in a large number of diverse areas such as: urban clean mobility, access to gig work, vernacular m-commerce, intimacy healthcare, teaching aids, farming practices, breast cancer care, peer parenting communities, nutrition, at-home fitness, etc. Pandemic-era digitalization has now made it easier for companies to tap new business opportunities and reach women at home, creating a more equitable market.

That said, female representation at the senior leadership levels at portfolio companies could be improved and employment ratios still lag, in part due to India's low female labor participation rate.

Beyond the traction seen in 2021, there are a few areas of focus that can help advance gender lens investing:

1. Climate change action – as this takes centerstage, gender considerations can be integrated early on to ensure women are participants in the opportunities that arise (jobs, enterprises), and are ensured a just transition: this is now also a part of the 2X Challenge strategy.
2. Web3 - The buildout of Web3 is seeing a lot of interest in India. While its goal of a decentralized, democratic internet indicates it will lend itself better to equitable access and a just transition, this will be an interesting one to watch.
3. Responsible AI - IT industry body Nasscom's work-in-progress on responsible AI is a great start, which can percolate down to early-stage companies and investor strategies as well to address bias propagation.
4. Data-driven approach - More data is needed at the industry level to understand gender DEI** and value chain in the Indian startup ecosystem better and align stakeholders on targeted, informed interventions.
5. ESG policy - Finally, gender DEI can be absorbed into ESG policy. If looked at from the perspective of 'do no harm', this has the potential to supercharge gender lens investing.

There is both a great need and an opportunity for the startup ecosystem in India to address gender issues through investments and innovation, and with 2021 striking the right note, we can look forward to gender lens investing mainstreaming in the coming years through co-ordinated effort.

***2xchallenge.org**
**** Diversity, Equity, Inclusion**

ANNEXURE 1

Definition of Impact Enterprise

We have used the following definition and criterion to identify 'impact enterprises' in our research.

"Any corporate entity which buys or sells goods and/or services with a clear intent and focus to generate measurable, positive, social and environmental impact alongside a financial return."

The following inclusion criteria was applied by the IIC Research team to select the enterprises.

1. **Mass market focus:** key stakeholders (clients, suppliers) are low (EWS/LIG) or middle income (MIG)
2. **For profit business –** focused on innovation and scalability – no not-profit or hybrid models
3. **Focus on basic service delivery** to underserved population (access and affordability)
4. **Focus on providing livelihoods** or income enhancement for low-income clients or suppliers
5. **Impact intentionality:** impact as stated objective and/or measured by firm or impact investor
6. **For-profit enterprises with a sustainability lens** i.e. positive environmental and/or climate impact stated as one of their core objectives

ANNEXURE 2

Sub-Sector Categorization - Methodology

Sector	Sub-Sector	Methodology for Impact Enterprise Selection Based on Sector
Agriculture	Agri Equipment	Enterprises which help increase production efficiencies by offering an affordable product or service that improves the yield quality and prevents losses. Example: Mitra
	Agri Inputs or Advisory	Enterprises which support the pre-production part of the agriculture value chain – wherein, they provide access to affordable and quality agriculture inputs and other advisory on sustainable, efficient farming practices. Example: Gramophone
	Dairy	Enterprises which ensure efficient outcome, by providing input (cattle feed, vaccination) support and post-production storage facility for smallholder dairy farmers. Example: Milk Mantra
	Farm Management and Enterprise Software	Enterprises which support the production process by providing ancillary tech-enhanced solutions to improve farm management efficiency. Example: Cropin
	Financial Services	Enterprises which offer collateral-free financing across agriculture value chain leveraging farm collectives. Example: Samunnati
	Food Processing	Enterprises which source farm produce and offer packaged products to end consumers, providing a buyer to farmers. Example: Soulful
	Market Linkage	Enterprises which offer direct access to markets, and help them in getting a fair price for their fresh produce. Example: Waycool
	Storage and Warehousing	Enterprises which offer accessible storage, warehousing and logistics support to prevent harvest loss. Example: Arya Collateral
Education	Edu-Finance	Enterprises which provide customized credit products to the underserved school, students, or teachers. Example: Varthana

Education	Employability	Enterprises which support livelihoods, by providing necessary vocational skill training. Example: Labournet
	Higher Education	Enterprises which provide affordable and accessible higher learning opportunities to low-income students. Example: Sunstone Eduversity
	K10	Enterprises which offer affordable and accessible learning solutions for students between 1st to 12th grade. Example: Vedantu
	Test Prep	Enterprises which help in preparation of competitive exams (government or otherwise) at affordable prices. Example: Adda247
Healthcare	Diagnostics and Decision Support	Enterprises which provide affordable, tech-based diagnostic services to the underserved in Tier 2 and 3 cities. Example: Niramai
	Health Finance	Enterprises which provide tailored financial planning solutions to plan, save and pay for medical bills. Example: Affordplan
	Medical Devices	Enterprises which use AI based tech support to provide efficient medical support and service to patients. Example: Axio Biosolutions
	Pharmacies (Online and Offline)	Enterprises which provide affordable medicines and other services to end-users, online and offline. Example: 1MG
	Primary Healthcare	Enterprises which offer high-quality, affordable medical services in the underserved markets. Example: Drishti Eye Care
	Secondary Care	Enterprises which offer affordable medical treatments at specialized hospitals, in Tier 2 and 3 cities. Example: Be Well Hospitals
Financial Access	CV Finance	Enterprises which offer specialized credit products for various vehicles (like pre-owned two wheelers). Example: WheelsEMI
	FinTech	Enterprises which leverage technological support, automate and improve financial services (including but not limited to savings-tech, insure-tech, tech based lending models) to provide last mile solutions to the unbanked and underserved. Example: Smartcoin
	Housing Finance	Enterprises which provide financing solutions for affordable housing in urban and semi-urban areas. Example: Ummeed Housing Finance
	Microfinance	Enterprises which provide access to collateral-free credit to those living in remote areas (tier 2, tier 3 cities, rural areas. Example: Ujjivan Financial Services
	SME Finance	Enterprises which provide collateral free loans to small business entrepreneurs. Example: Kinara

Technology for Development	Future of Work	Enterprises which connect gig economy workers with relevant job opportunities through a tech-based-platform. Example: Awign
	Local Language Content and Network	Enterprises which provide content in vernacular medium, hence increasing reach to the non-English speaking population of India. Example: Dailyhunt
	SME Tech	Enterprises which support SMEs by providing them with ancillary tech-based solutions to improve operational efficiencies. Example: i2e1
	Utilitarian Products and Services	Enterprises which offer accessible, affordable goods and services through a tech-based platform, helping both the buyer and supplier ends of the value chain. Example: Dealshare
Other Sectors	Logistics	Enterprises which leveraging tech support to optimize the logistic management process; while also trying to limit the impact on the environment. Example: GoBolt
	Mobility	Enterprises which offer affordable, accessible, last mile connectivity to users. Example: Bounce
	WASH	Enterprises which offer affordable and accessible products that help distill and treat water, and other sanitation-based services. Example: 3S
	Livelihoods	Enterprises which provide job opportunities to semi-skilled workforce in India (like artisans, craftsmen and others). Example: Jaypore
Climate-tech	Energy	For-profit enterprises that provide new, disruptive clean energy generation technologies such as green hydrogen generation, fuel cells etc. Example: Sea6 Energy For-profit enterprises that enable lowered emissions through improved energy storage, management, re-use, recycle for various end-use applications. Example: Ion Energy Labs For-profit enterprises providing energy optimization solutions across sectors for energy loss/reduction such as energy data analytics, energy accounting, predictive maintenance etc. Example: Zenatix For-profit enterprises providing increased energy access for off-grid, rural use towards improved livelihoods, productivity, incomes Example: Oorja Development Solutions Note: This excludes large-scale energy infrastructure enterprises (such as utility-scale renewable energy, rooftop solar business etc.) and other large projects under the broader lens of 'green finance'.

Climate-tech	Sustainable Mobility	For-profit enterprises providing low carbon mobility solutions for people and goods. Example: Tork Motors For-profit enterprises improving supply chains, energy storage and management, components for sustainable mobility/clean vehicles (clean logistics, fleets, connected vehicles, novel batteries, charging etc.) Example: Log9 Materials
	Climate-smart Agriculture	For-profit enterprises that offer climate-focused precision agriculture, monitoring & advisory services to farmers as well as stakeholders in the agri value chain. Example: Satyukt Analytics For-profit enterprises that focus on supply-chain innovations and provide better market linkages, carry out contract-based farming and/or provide cold-chain solutions like cold storages and logistics for minimising food loss. Example: Ecozen For-profit enterprises that use deep-science material innovations to create eco-friendly agri-inputs. For example: Telluris Biotech For-profit enterprises that are offering organic farming solutions and products. For example: Carmel Organics
	Waste Management & Circular Economy	For-profit enterprises that provide services for post-consumer waste collection and pick-up, and in some cases combine with analytics to measure, track and control waste from collection to recycling. Example: Lets Recycle For-profit enterprises that have proprietary in-house recycling technology solutions and are creating upcycled/recycled products for commercial, industrial or household use. Example: Lucro Plastecycle For-profit enterprises using deep-science innovations to help convert waste streams (agro/industrial/municipal solid/other waste) to value-added products like bio-plastics, food, feed, energy and fuels and other household/ personal products. Example: Green Joules, Phool
	Environment & Natural Resources	For-profit enterprises providing solutions to control or reduce pollution in the air and ambient environment. For example: Clairco, AirOk Technologies For-profit enterprises focused on providing and improving access to clean drinking water, water management and conservation for household and commercial purposes etc. For example: Aquvio, Pyotam For-profit enterprises that capture GreenHouse Gases, store and/ or convert to value-added products. For example: Chakr Innovation
	Others	For-profit enterprises that provide other types of materials, products, services and solutions that help mitigate emissions and/or adapt to climate change effects cutting across sectors and/ or end-use applications. For example: Blue Sky Analytics

DISCLOSURES

Data and Information in this report is made available in good faith with the exclusive intention of helping market and ecosystem players, policymakers and the public build a greater understanding of the Indian impact investing market. The data is collated from sources believed to be reliable and accurate at the time of publication. Primary sources of data are VCCircle, Inc42, Venture Intelligence and other media sources. Readers are urged to exercise independent judgment and diligence in the usage of this information for any investment decisions.

Some of the information provided in this report is supplied by third parties. It is important that all users understand that third party information is not an endorsement of any nature and has been put together with the sole purpose of benefiting stakeholders.

Authored by the IIC Research Team

Ramraj Pai, Chief Executive Officer
ramraj.pai@iiic.in

Deepanshi Balooni, Manager
deepanshi.balooni@iiic.in

Vedant Batra, Assistant Manager
vedant.batra@iiic.in

About Impact Investors Council:

Impact Investors Council, India (IIC) is a member-based national industry body formed with an objective to build and strengthen the impact investing eco-system in India. To know more about our work, visit https://iiic.in/ or reach out to secretariat@iiic.in

IMPACT
INVESTORS
COUNCIL

www.iiic.in