

A **PRAXIS** Report for Enmasse™  
GLOBAL ALLIANCE

# Entrepreneurial Households™

A Multi-Trillion Dollar EPIC Opportunity™



## About this Report

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# 01.

## Foreword

Over the past two decades at Elevar Equity™, we have closely observed the dynamic economic resilience of underserved households across India and Latin America. We have engaged with over 50 million households through a portfolio of nearly 50 companies.

Our narrative of the India story, informed by our unique customer experiences, offers an alternative view to conventional thinking – one that recognises the economic power of these households and communities.

At Elevar, we interact regularly with numerous Industrious Communities. Districts like Sirsa in Haryana and Kheda in Gujarat are prime examples of Industrious Communities that have driven, and will continue to drive economic growth. The evolution of these communities from lower-income households to Entrepreneurial Households (EHs)™ is striking. Yet, today, the households in these communities, who are both capable of and willing to spend, remain largely underserved and sidelined by mainstream businesses and capital.

These communities consist of diverse EHs engaged in various economic activities. They demand high-quality core goods and services, especially in education, agriculture, health, and financial services. Financial services, which we view as a super-sector, intersects with various other sectors, offering valuable insights into the EH ecosystem.

Our intersectional perspective gained from our work, including in the financial services sector, has revealed a critical need for these households to gain more visibility. These households are underserved partly because they are under-appreciated. To address this gap, my co-founders and I established Enmasse™.

**Jyotsna Krishnan**

Managing Partner, Elevar Equity  
Co-Founder, Enmasse

**Leveraging Elevar’s years of insights, the Economic Power of Industrious Communities (EPIC)™ has been coined by Enmasse to demonstrate the vibrancy of Entrepreneurial Households and their significant Core Transaction Value (CTV)™.**

Last year, we commissioned Praxis Global Alliance to independently validate our observations and quantify the EPIC Opportunity. This report introduces a novel perspective, shifting from an income-centric to a transaction-centric analysis.

This initiative is just the beginning of an ongoing effort by Enmasse – which has been set up to lay the foundations of scale that go well beyond capital, to curate narratives, data and insights for the customers that Elevar will continue to work with. Our ultimate aim is not to debate figures but to showcase a new perspective on a customer segment poised for generational growth.

**This is no longer a niche opportunity for ‘impact’ capital alone. We are entering a long term growth phase that is relevant for thoughtful, purposeful commercial capital, effectively laying the ground for mainstream participation in the impact space. This opportunity allows for the deployment of commercial capital at scale in themes that leverage inclusive growth trends across important economies like India.**



# 02.

## The Praxis Note

It is a privilege for Praxis Global Alliance to collaborate with Enmasse on this pioneering project. This collaboration underscores the vast economic potential of EHs, as a remarkable investment opportunity for the future. Enmasse's framework on Core Transaction Value (CTV)<sup>™</sup>, Entrepreneurial Households (EHs)<sup>™</sup> and the EPIC Opportunity is an exciting, insightful and new perspective that we look forward to leveraging in our future work.

We would like to thank Elevar for their insights for this project, which are based on their long standing experience with this customer segment. Building on Elevar's initial observations and foundational work, we embraced the innovative idea of assessing economic impact through transactions and viewing EHs as a critical economic unit. Our findings echo Elevar's earlier insights regarding the commercial vibrancy of this segment.

The idea of the EH was instrumental in our estimation of around 247 million EHs in India, as of FY23 – each with high CTV potential. Collaborating with our affiliate, ILattice, we engaged with over 3,000 EHs across 100 districts in India. This bottom-up approach helped create an independent and comprehensive top-down estimate of the number and potential CTV of EHs in India.

Focusing on CTV – inflows, borrowings, business expenditures, and spending on essential goods and services were categorised into separate segments. This breakdown, when thinking of EHs, led us to independently estimate the total CTV of EHs in India at USD 8.8 trillion in FY23, with a projected growth to nearly USD 95.2 trillion by FY43.

Given that we were taking a fresh approach to market sizing that felt almost impossible to begin with, i.e., putting the customer segment first and not focussing on a sector or a product, and that this report may challenge some of the popular perceptions about this market opportunity – we felt it is useful to provide additional visibility into our analysis and estimates, with triangulations from multiple sources.

We hope this new approach of looking at this customer segment and the idea of CTV will receive widespread acceptance, especially among investors and entrepreneurs who are looking for new ways of catering to the aspirational demands from EHs in the coming decades.

**Madhur Singhal**  
Managing Partner and CEO  
Praxis Global Alliance



# 03.

## Context and Objectives

### Context

This report draws on the extensive experience of Elevar Equity, which has helped in conceiving the concept of Entrepreneurial Households (EHs)<sup>™</sup>. While observing underserved and under-appreciated households and working with approximately 50 companies, Elevar Equity identified the EH archetype.

These households exhibit an enterprise-like economic model, combining multiple income sources into significant cash outflows, impacting both, long and short-term prosperity.

A distinctive feature of EHs is their substantial Household Transaction Value (HTV), which better represents their economic vitality, compared to mere income levels. This vitality is also evident in their asset ownership patterns and aspirations, particularly in their substantial investment in High Priority Goods and Services (HPGS) like education, healthcare, financial services, housing, and business activities.



### Objectives

The primary goal of this report is to illuminate the unique income augmentation approaches of EHs and to employ an asset ownership perspective to estimate the number of EHs in India. It also advocates for a shift from an income-based lens to a transaction-centric view to fully appreciate the magnitude of opportunities in providing goods and services to EHs.

This report aims to quantify the national aggregate of Core Transaction Values (CTV)<sup>™</sup> of EHs, spotlighting the potential for customised offerings across the value chain that this new perspective reveals.

It also underscores the timeliness of this opportunity, bolstered by factors like infrastructure development and widespread digitization, which synergistically support the aspirations of EHs, making this an exceptionally significant, and timely economic opportunity, contributing to a cycle of continued prosperity.

This report was commissioned to validate over a decade's worth of ground up observations. The Range Analysis of CTV Estimates was specifically undertaken to allow for some sensitivity analysis, given multiple variables involved in this market sizing estimate. We expect this to evolve over time as richer data sources emerge. Irrespective of the exact numbers, the focus of this report is on the commercial readiness of this market from a business and investment standpoint.

# 04. Executive Summary

## Entrepreneurial Households (EHs)<sup>TM</sup>

EHs are households that significantly enhance their multiple incomes by investing in their businesses and in High Priority Goods and Services (HPGS). For details see page 10. EHs represent a customer segment, rich with transactional activity. These households exhibit an unwavering commitment towards transforming their aspirations for growth into tangible outcomes. For details see page 06.

- EHs are characterised by their savvy allocation of cash towards consumption and investments, which is indicative of their economic vitality, more than traditional income measures.
- Broadly speaking, EHs are positioned above subsistence levels but are not affluent by conventional measures. While using an asset ownership model, proxies like pucca house and credit cards ownership are used as indicators to identify the EH subset from all households in India.
- The CTV (see below) generated by EHs is substantial, embodying over 90% of their overall transactions, as per Praxis estimates.

## Core Transaction Value (CTV)<sup>TM</sup>

CTV is a metric to dissect economic activities into actionable business and investment opportunities, by mapping out cash inflows and outflows. For details see page 11.

- These inflows include all revenues from business and all sources of income and borrowings, while outflows are crucial expenses like business expenses and HPGS. Daily living costs and discretionary spending are excluded while calculating CTV.
- Although livelihood and discretionary spending represent substantial business and investment opportunities, it is the CTV, chosen with greater discernment for its long-term impact, that is of strategic importance to EHs.

## Investment Readiness

Although traditionally viewed as high-risk, EHs have delivered consistent returns for businesses that understand this segment. A significant untapped market exists for providing capital to various economic participants within the EH segment.

- In the recent past, growth in digital transactions and micro-credit uptake highlights the burgeoning financial activities by EHs.
- Businesses serving EHs have yielded a return on capital employed (ROCE) comparable to that of Nifty50 in FY23, and have built sizeable businesses. For instance, Bajaj Finance has successfully catered to EHs, growing their EH focussed loan portfolio to over USD 10 billion.
- Infrastructure developments, such as those in transportation, mobile internet, electricity and irrigation, have supported this growth, and will continue to enable the rapid integration of EHs into India's formal economy.

EHs should now be considered prime candidates for investment, representing a significant, generational opportunity spanning the next two decades.

Current estimates by Praxis, place the CTV opportunity presented by India's 247 million EHs at approximately USD 8.8 trillion in FY23, expanding at a Compound Annual Growth Rate (CAGR) of 12.7% to reach an estimated USD 95.2 trillion in 20 years.

# 05. Entrepreneurial Households





# Defining the Entrepreneurial Household



An Entrepreneurial Household is a transaction-intensive household, channelling multiple incomes into HPGS and smart business investments.

Entrepreneurial Households represent a unique economic model. These households are characterised by their unwavering commitment to transforming aspirations into tangible outcomes.

They channel a dynamic portfolio of **multiple incomes** and a mix of carefully curated **formal and informal borrowings** into **meaningful investments** in their economic future. The income sources within these households are fluid and adaptive - new sources are regularly introduced, while obsolete ones are phased out.

Multiple income sources enable these EHs to withstand economic shocks like the COVID-19 pandemic and adverse climate conditions, leading to improved economic health of the EH.

Their curated borrowings facilitate increased transaction volumes and outflows to achieve aspirations like high quality education and business expansion, and covering contingencies like healthcare.

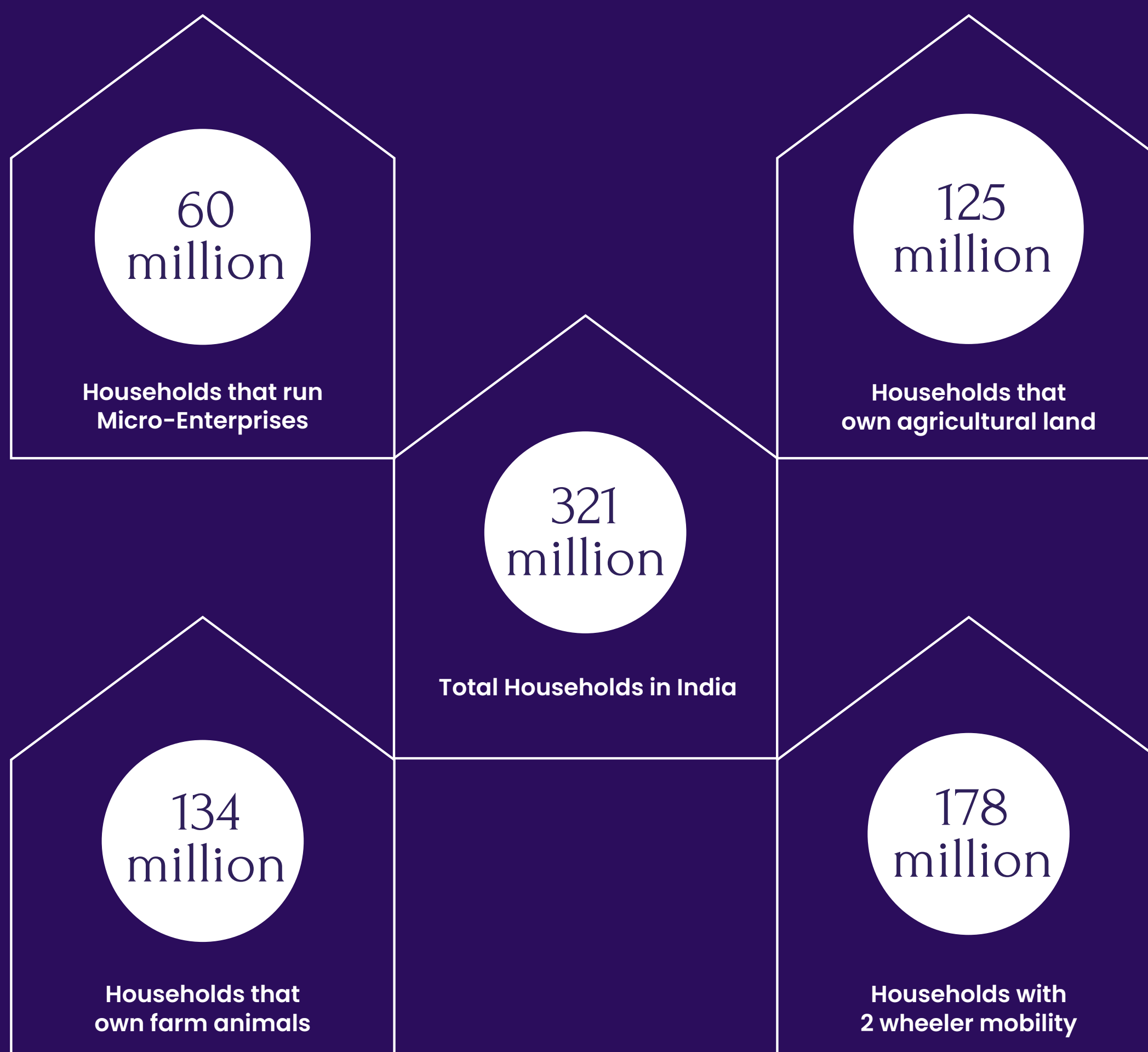
On the outflow side, they are discerning customers who seek long-term value for money in their spends, investments, and acquisition of assets.

- The **defining feature** of an Entrepreneurial Household is its ability to generate multiple incomes and revenues, and seek a mix of formal and informal borrowings.
- The **defining behaviour** of an Entrepreneurial Household is the strategic channeling of various inflows into a high volume of transactions, continuously optimising such cash flows to meet both immediate needs and future goals.

# SNAPSHOT

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## Indian Households Are Entrepreneurial... at Scale



Note(s): Approximate numbers as of FY23

Source(s): National Family Health Survey (NFHS-5), 2021; Centre for Monitoring Indian Economy; Ministry of Micro, Small and Medium Enterprises

# Sizing EHs through the Asset Ownership Lens

## Context

Indian households typically fall into classifications based on income and socio-economic status. Yet EHs as an archetype break this mould with diverse incomes and a propensity for high-value transactions stemming from, and leading to, asset creation—traits not neatly captured by standard data sets.

The true economic vitality of an EH is more accurately reflected when considering its asset ownership alongside its investment activities.

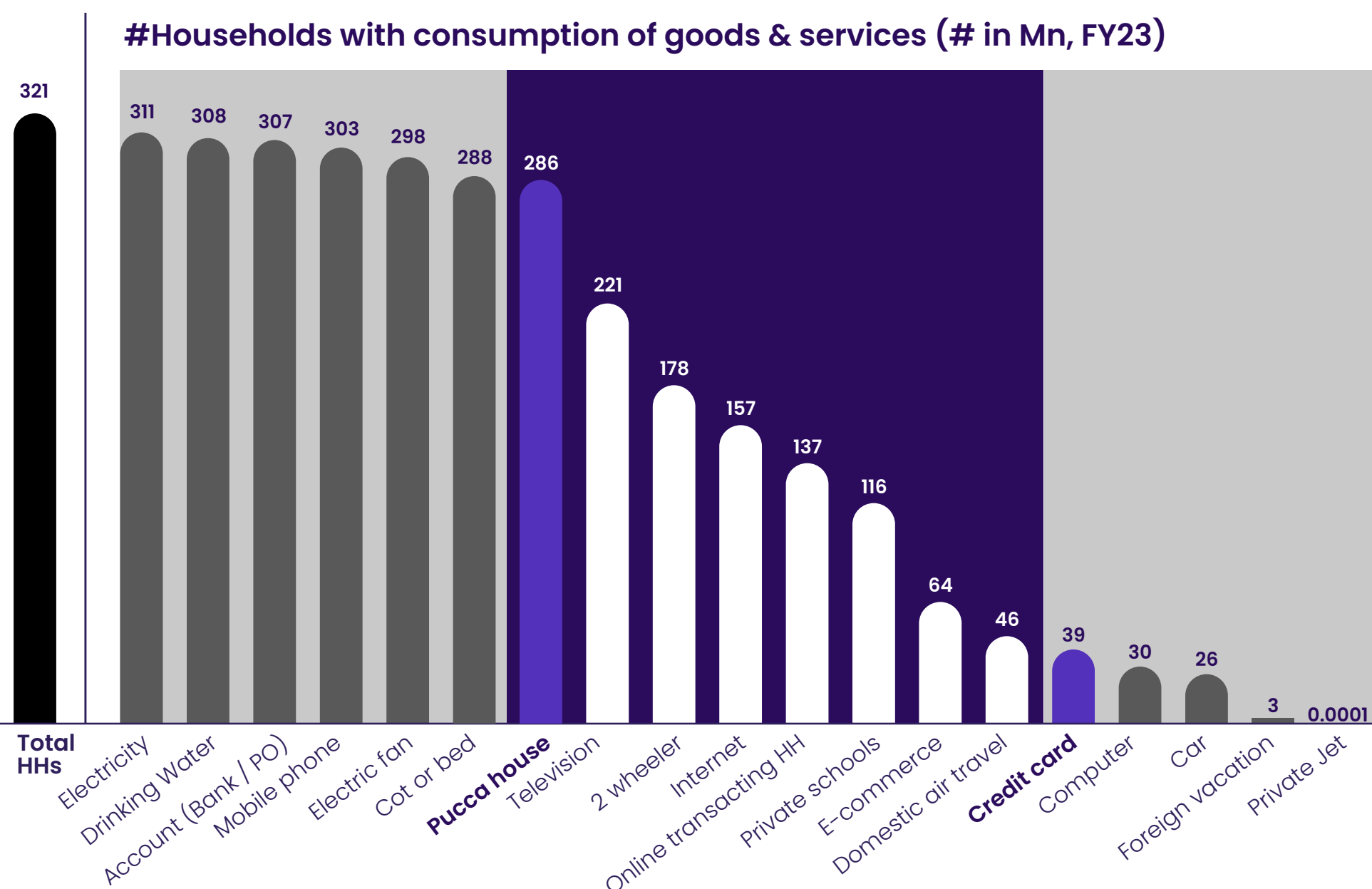
## Methodology

To identify potential EHs, our strategy at Praxis examines the asset ownership landscape among Indian households, with a special focus on two benchmark assets: *Pucca* houses and credit cards.

- *Pucca* houses or, durable and permanent homes are a foundational asset for future acquisitions. Thereby they are a key indicator of a household's investment capacity and are a foundational asset for future acquisitions.
- Credit cards represent the other end of the spectrum, defining credit-worthiness and indicating access to formal, on-demand credit—a sign of mainstream economic engagement and the potential purchasing power.

## Exhibit 1: Households (HHs) and Asset Ownership

Sizing EHs : There are ~247 million EHs in India



- HHs living in *kutchra* homes have limited income to invest in HPGS
- EHs perceive living in *pucca* homes as a necessity and not as an asset. Hence, this is often the first investment made by EHs
- Once HHs have a *pucca* house, they are more confident to invest in HPGS and businesses that helps them meet their growth aspirations
- HHs with access to credit cards (formal unsecured loans) and other goods such as cars, computers, etc., tend to have access to all necessary facilities to ensure growth

Note(s): *Pucca* house is made of permanent materials like concrete, wood, etc. *Kutchra* house is made of temporary materials like hay, grass, straw, mud; Asset ownership refers to access to assets, as opposed to ownership in the classical sense.

Source(s): NFHS 2021, RBI, AIDIS 2019, Industry reports, Praxis analysis

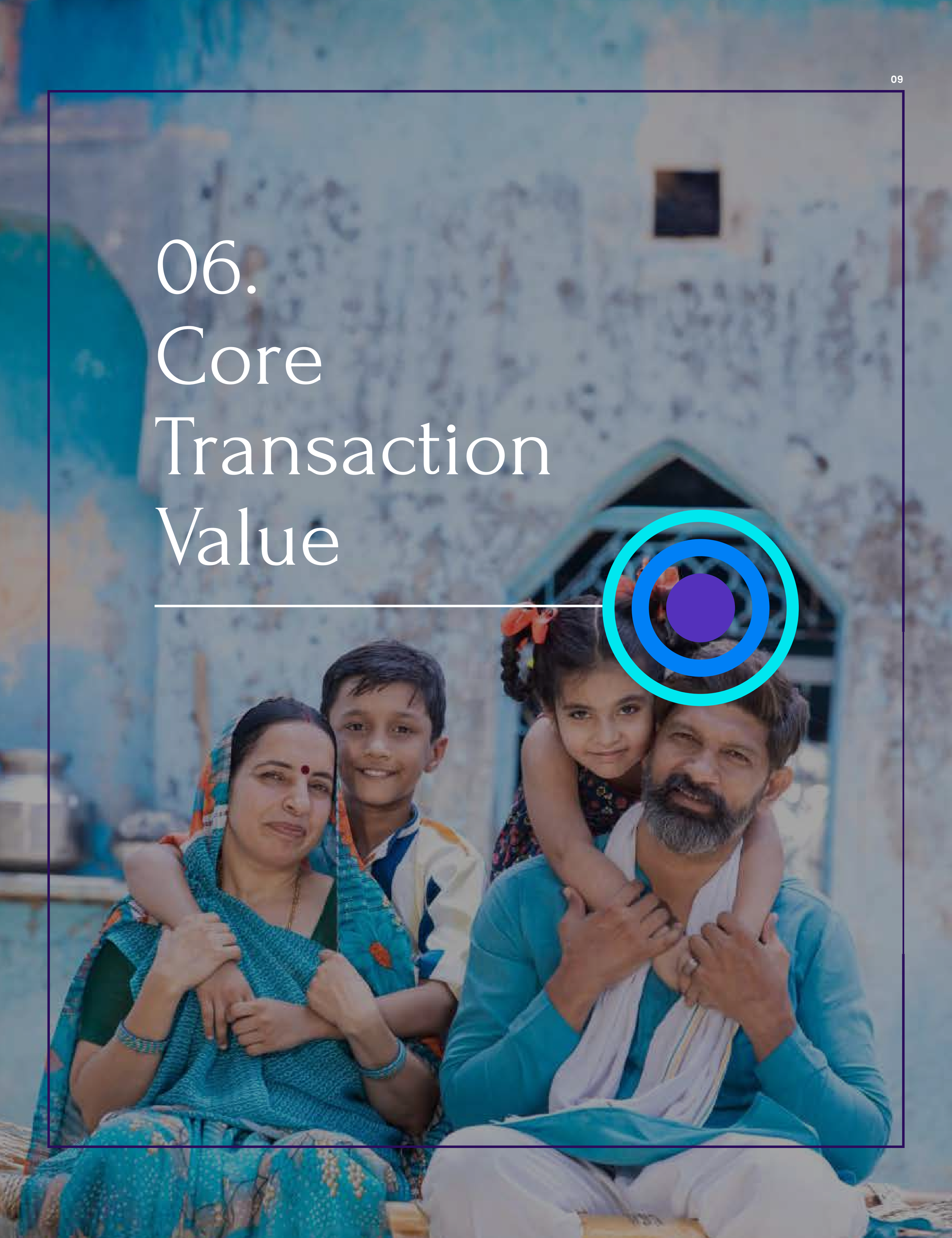
## Conclusion

According to our research at Praxis, approximately 247 million households in India live in *pucca* houses but do not have access to credit cards. This represents a significant pool of households that qualify as EHs. These groups currently lack full

access to a diverse array of high quality goods and services, highlighting a significant opportunity for mainstream economic engagement.

# 06. Core Transaction Value

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# Household Transaction Value (HTV): Shifting the Gaze

By shifting from income to transactions, we reconsider ways of evaluating economic health. Income which is traditionally used to measure individuals, households, and nations, provides merely a static snapshot that offers limited insight into future potential. Instead, based on Elevar's approach to households, this report focusses on transactions, which reveal much more about a household's prospective economic vitality. Also, we note that the household cash flows and business cash flows of EHs are intertwined.

Combining income and spending data with borrowing habits offers a complete picture of a household's economic activity. This shift to evaluating HTV provides a robust indicator of economic dynamism and the ensuing business opportunities. This paves the way for the delivery of targeted goods and services that truly enhance household prosperity.

## Exhibit 2: Breaking down Household Transactions

### Inflows and Outflows: Modelling Household Transaction Value

Cash Inflow		Cash Outflow		
Business, employment and others	Borrowings	Business spends	High Priority Goods and Services	Livelihood Expenses
Revenue from business (e.g., Agriculture, dairy, MSME)	Family & community (e.g., Relatives, neighbours)	Business Expenditure	Education	Survival (e.g., food, groceries, clothing, utilities)
Fixed income (e.g., Salaried job)	Formal institutions (e.g., Banks, NBFCs, MFIs)	Working Capital	Healthcare	Discretionary (e.g., entertainment, personal care, recreation)
One time income (e.g., odd jobs)	Informal lenders (e.g., Money lenders)	Equated Monthly Instalments (EMIs)	Others (e.g., savings, housing, mobility)	
Other income (e.g., Subsidy, pension)				

Source(s): Elevar and Enmasse frameworks; EH interviews; Quantitative Survey IIattice (N=3,053); Praxis analysis

# Core Transaction Value: What is CTV and Why Does it Matter?



## Context

HTV encompasses the entirety of a household's economic activity, presenting a holistic view, that is particularly relevant in the context of EHs. It not only captures the immediate economic choices, like prioritizing education or business assets but also ignites the engines of prosperity, propelling the household towards sustained income and investment growth.

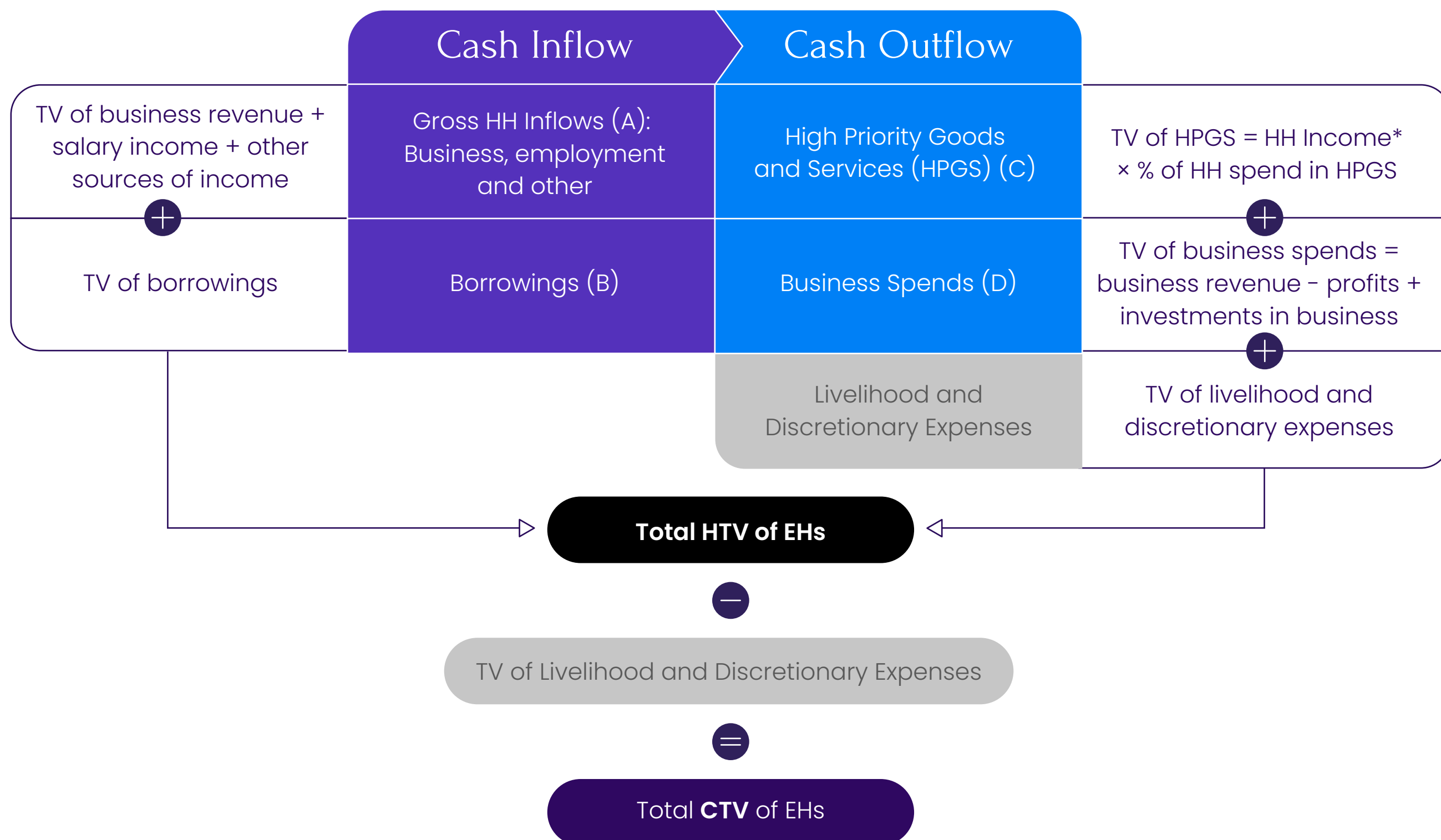
CTV sharpens this focus by dissecting household economic activities which feed virtuous economic cycles into actionable business opportunities for potential investors and entrepreneurs. Inflows include all business revenues, income

and borrowings, while outflows consist of those deemed crucial, like business expenses and expenses on high priority goods and services (HPGS), not counting daily living costs and discretionary spending. Although livelihood and discretionary spending represent substantial business opportunities, it is the CTV (which is chosen with greater discernment for their long-term impact), that is of strategic importance to EH.

# Mapping the CTV and HTV of EHs

## Exhibit 3: Deriving CTV from HTV

### Methodology to calculate the CTV and HTV of EHs



Note(s): TV refers to Transaction Value; Livelihood and discretionary expenses are excluded from estimation of CTV.

Source(s): Elevar and Enmasse frameworks; EH interviews; Praxis analysis

\*Definition of HH Income = Profits from business + Salary + Pensions + Other Income

## Conclusion

CTV introduces a pivotal dimension to the narrative of EHs, transcending traditional analyses based on income and consumption. Recognising the limitations of these metrics, CTV incorporates the transformative potential of borrowings and financial services – key drivers of economic expansion. Unlike conventional measures, CTV offers insights into the economic trajectory of households, revealing how similar incomes can

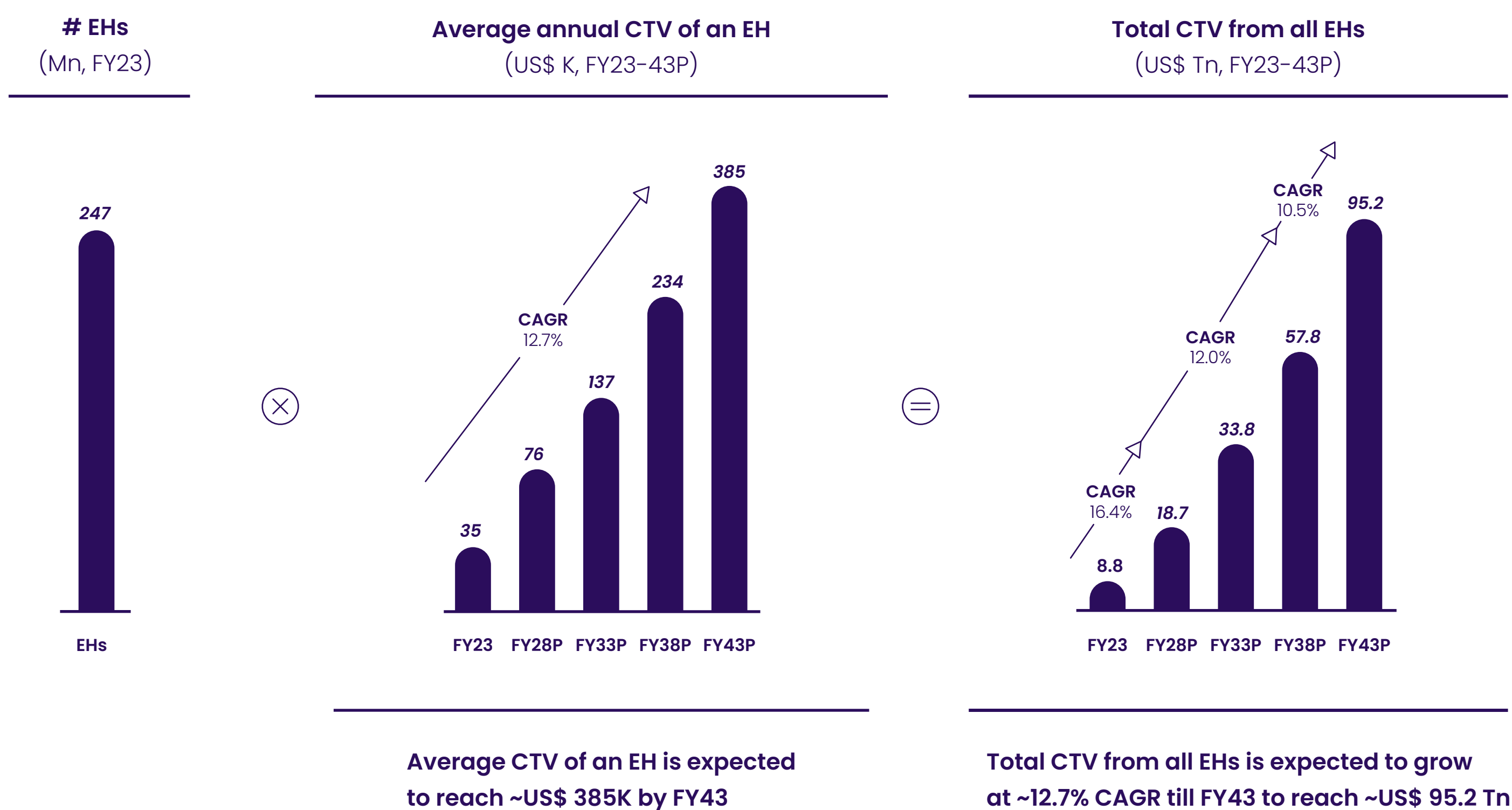
lead to divergent futures based on the management and investment of inflows. By focusing on the enterprise aspect of EHs, CTV uncovers a spectrum of business and investment opportunities, beyond basic livelihood and discretionary spending. It presents a comprehensive, forward-looking metric that anticipates household prosperity.

# CTV of EHs - A Multi-Trillion Dollar Opportunity

Praxis estimates that the Core Transaction Value for the 247 million EHs in India, as of FY23 amounts to USD 8.8 trillion. We estimate that this will grow to an estimated USD 95.2 trillion over the next twenty years, by FY43.

This growth is underpinned by a CAGR of about 12.7%, reflecting this sector's vast and untapped potential.

## Exhibit 4: CTV Estimation for 247 Million Entrepreneurial Households Over the Next 20 Years



Note(s): For the purposes of this report, the exchange rate is assumed to be 1 US\$ = INR 80  
Source(s): Praxis analysis

## Methodology

This cumulative estimation of CTV was arrived at by combining individual estimates for the four components of CTV for EHs (as shown in Exhibit 5), and multiplying them by our estimation of the number of existing EHs. Using comparable growth data and our analysis, we estimated the future growth of CTV till FY43.

For CTV projections, the number of EHs has been assumed to remain constant at 247 million for 20 years. While we believe that some of these EHs will become affluent and some poor HHs will become EHs over time, keeping the EH count constant allows us to better understand the future potential of EHs today. Broadly, this report projects the CTV that these 247 million EHs will generate over the next twenty years.



## Exhibit 5: Components of CTV Estimates

### Break-up of Total CTV of all EHs from 4 broad types of transactions

CTV Components	FY23 (US\$ Tn)	FY28P (US\$ Tn)	FY33P (US\$ Tn)	FY38P (US\$ Tn)	FY43P (US\$ Tn)	CAGR (FY23-43P)
Gross HH Inflows (A)	4.3	9.4	17.1	29.3	48.2	12.8%
Borrowings* (B)	0.2	0.4	0.6	1.0	1.7	9.9%
High Priority Goods and Services (C)	1.2	2.6	4.7	8.1	13.4	12.8%
Business spends (D)	3.0	6.3	11.4	19.5	32.0	12.6%
<b>Total CTV of all EHs (A+B+C+D)</b>	<b>8.8</b>	<b>18.7</b>	<b>33.8</b>	<b>57.8</b>	<b>95.2</b>	<b>12.7%</b>

Source(s): Praxis analysis

\*Given the lack of information on disbursements, CTV for borrowings is based on outstanding debt at HH level. We believe this is extremely conservative given that a large part of EH borrowings are informal and short term in nature and therefore under reported.

## Estimating the CTV of a Typical EH

Having navigated through the landscape of EHs and the concept of CTV, we now pivot towards a detailed exploration of the components of CTV. In the following pages, we will dissect CTV of a typical EH into distinct elements to uncover the nuanced economic activities that underpin the

transaction intensity of these households. By estimating each aspect of CTV separately for each EH, we aim to highlight the depth and breadth of the transactions that characterise EHs – thereby enriching our understanding of their foundational role in driving the Economic Power of Industrious Communities.

# Estimating the CTV of a Typical EH

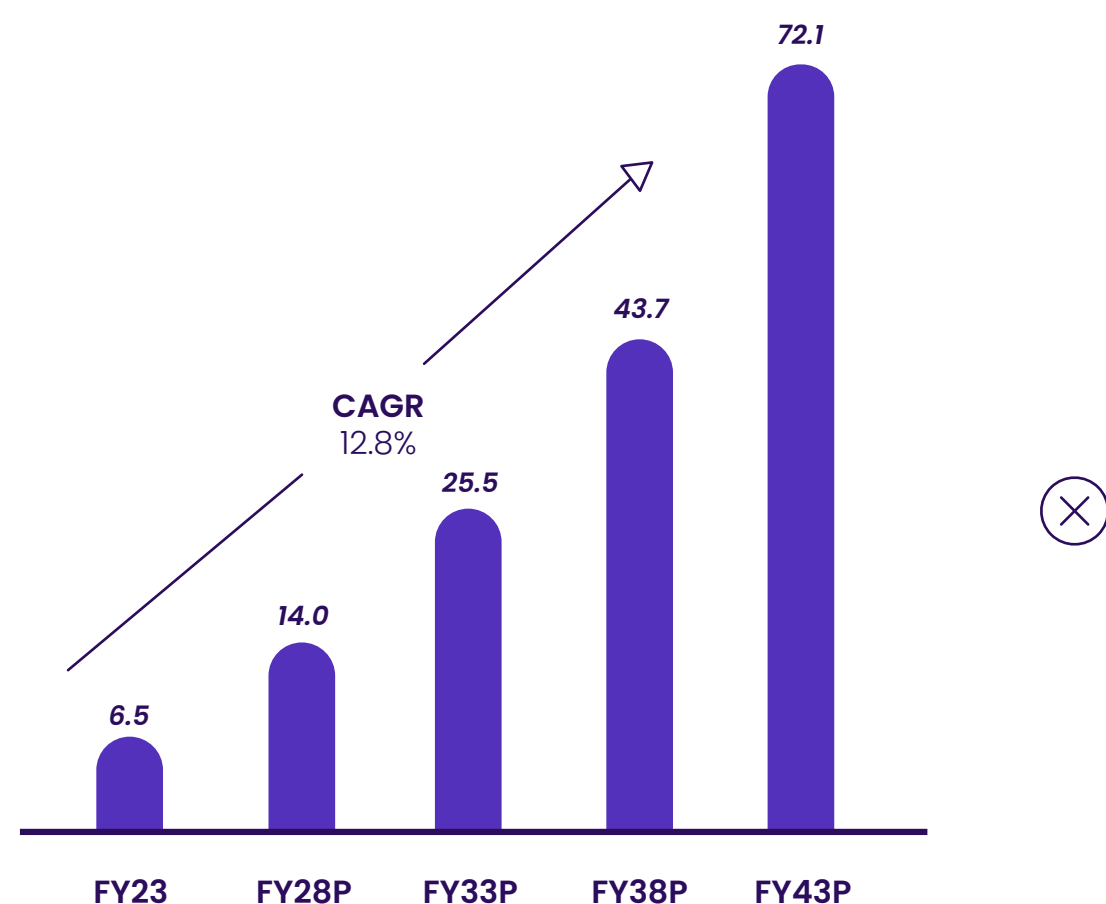


# Component A: Gross HH Inflows

## Exhibit 6: Estimating the HH Inflow Component of CTV

Average annual HH income of an EH  $\otimes$  Income to inflows multiplier  $\equiv$  CTV from Gross HH Inflows

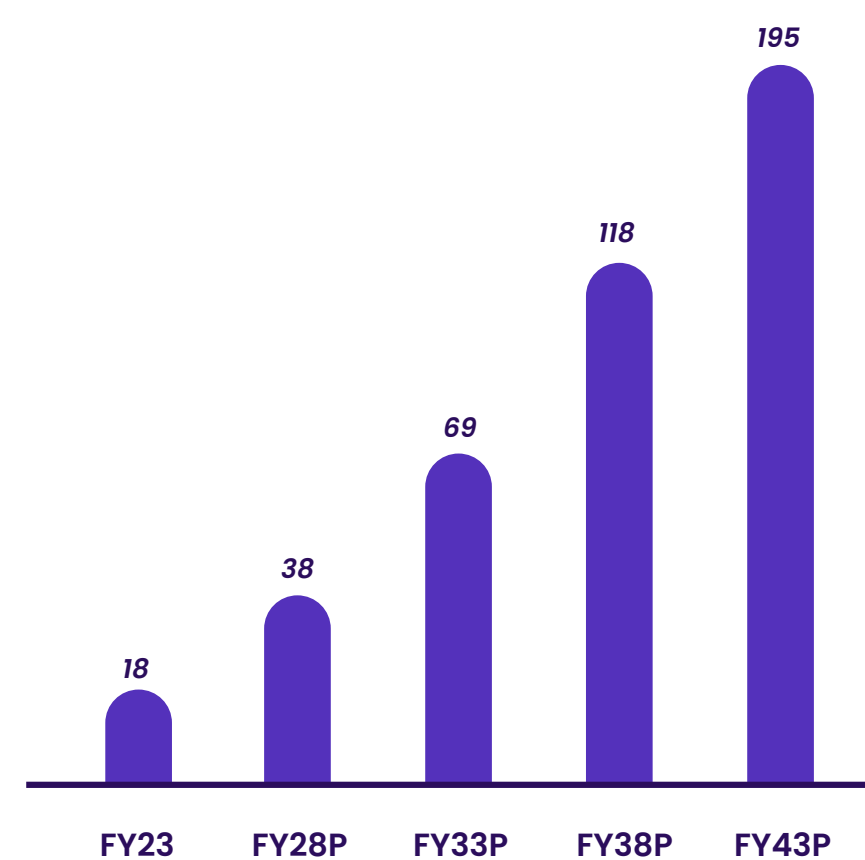
Average annual HH income of an EH (US\$ K, FY23-43P)



Average annual HH Income of an EH is expected to reach US\$ 72.1K+ by FY43

CTV of an EH from Gross HH Inflows (US\$ K, FY23-43P)

Income to inflows multiplier  
(for details refer to Annexure I.B.)



Average annual CTV of an EH from Gross HH Inflows is expected to grow to US\$ 195K+ by FY43

Note(s): Growth estimate for annual HH Income is a combination of China's GDP growth rate parallel and India's expected inflation rate  
Source(s): Praxis Analysis, Macrotrends, Quantitative Survey by ILattice (N=3,053)

The household income of an EH has been estimated from Gross National Income (GNI) and validated by ICE360 survey and macroeconomic insights. For details, see Annexure I.A. Typical HH Income encompasses salaries, business profits, and pensions.

These composite income sources shape the Gross HH Inflows. For calculating business-derived inflows (or revenues), we used business profits and estimated profit margins, which were refined through secondary research and field interactions to arrive at gross numbers. Agricultural and non-agricultural business inflows are calculated by applying a profit margin multiplier, while

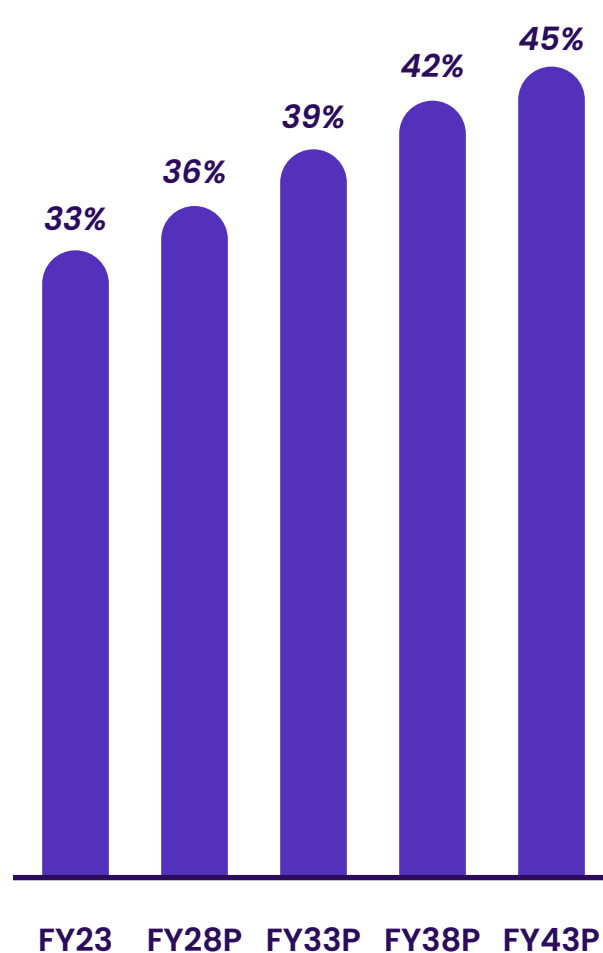
salaries and pensions are integrated directly. An aggregate multiplier, adjusted for urban and rural demographics, fuses these diverse income contributions into a coherent financial portrait and an estimate of the Inflow Component of the CTV from income sources.

Estimates for growth rate of HH Income to FY43 is based on the growth rates witnessed in China (the closest comparable in terms of scale) and adjusted for India's inflation estimates. Refer to Exhibits 12 and 13 for detailed analysis and support in the section "EHs will Propel India's Growth".

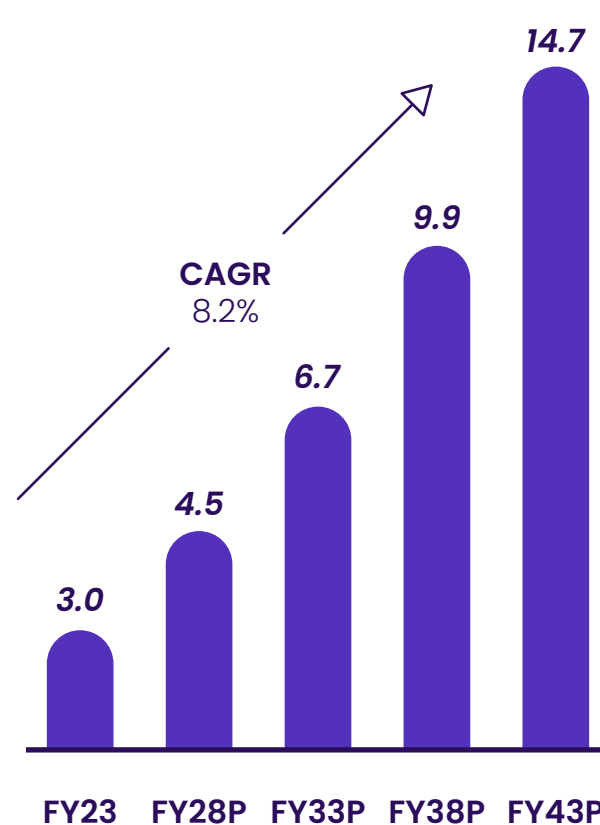
# Component B: Borrowings

## Exhibit 7: Estimating the Borrowing Component of CTV

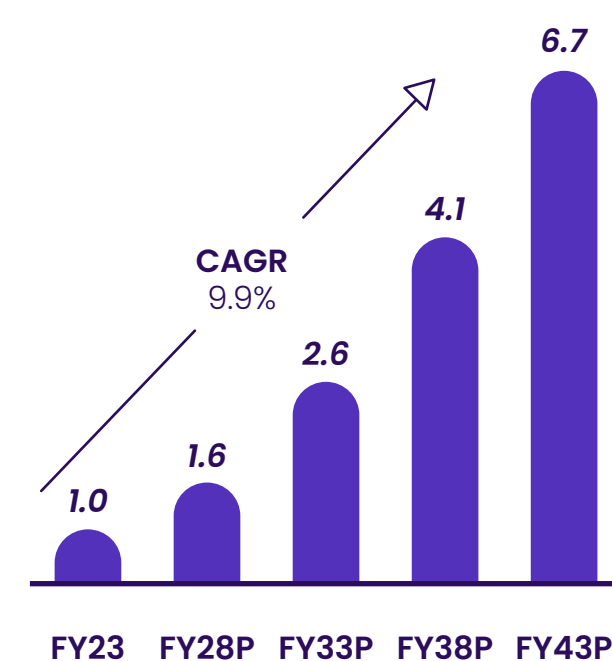
**Incidence of indebtedness**  
(%, FY23-43P)



**Average value of debt for a HH with borrowings**  
(US\$ K, FY23-43P)



**Average CTV of an EH from borrowings** (US\$ K, FY23-43P)



Note(s): Incidence of indebtedness is a percentage of households having any outstanding loan;  
Source(s): AIDIS - 2013 and 2019, Praxis analysis

Given the lack of information on disbursements, CTV for borrowings is based on outstanding debt at HH level. We believe this is extremely conservative given that a large part of EH borrowings are informal and short term in nature and therefore under reported.

Our analysis highlights a growing trend in borrowing activities among EHs, with projections showing a CAGR of approximately 10% in the CTV contribution of borrowings. The Praxis analysis, with the results of the AIDIS survey

suggests that EHs will continue to draw on sources of debt over the next twenty years as they continue to scale up transactions and business activity.

There is a growing confidence among EHs to leverage financial services to meet their needs. This indicates a maturing market with increasing demand for financial products tailored to these dynamic households - thus underscoring the expanding role of EHs in the financial ecosystem.

# Deep Dive - The Elevar Perspective

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## Harnessing the Power of Financial Services: Turbocharging the EH Engine

The rapid expansion of India's digital and financial infrastructure plays a pivotal role in the evolution of Entrepreneurial Households – serving as both the catalyst and the accelerator of their growth. Financial services, particularly in the realm of lending to Micro, Small, and Medium Enterprises (MSMEs), offer insights into the components and drivers of CTV and the unique dynamics of EHs.

Effective lending practices that capture the nuances of EHs require a deep understanding of the interplay between personal and enterprise finances. Focusing solely on one dimension provides an incomplete picture. Through lending, we gain insights into CTV, margin profiles, and spending habits, which illuminates the resilience and economic patterns of EHs.

Elevar's fieldwork underscores the importance of High Priority Goods and Services among these households. There is a clear need for services tailored to the distinct demands of EHs. Navigating this market, however, calls for a sophisticated strategy.

### Positive Flywheel Effect

It is crucial to distinguish between households that leverage borrowings for growth from those burdened by debt. A successful lending model must encompass an understanding of both formal and informal borrowing patterns to establish the exact role that debt is playing.

### Fungibility of Cash Flows

Recognizing the seamless integration of personal and business finances is key to thoroughly comprehending EHs. While tracking the 'end use' of funds might be useful for categorising loan products, a holistic view reveals genuine insights and business opportunities.

### Sector Specialization

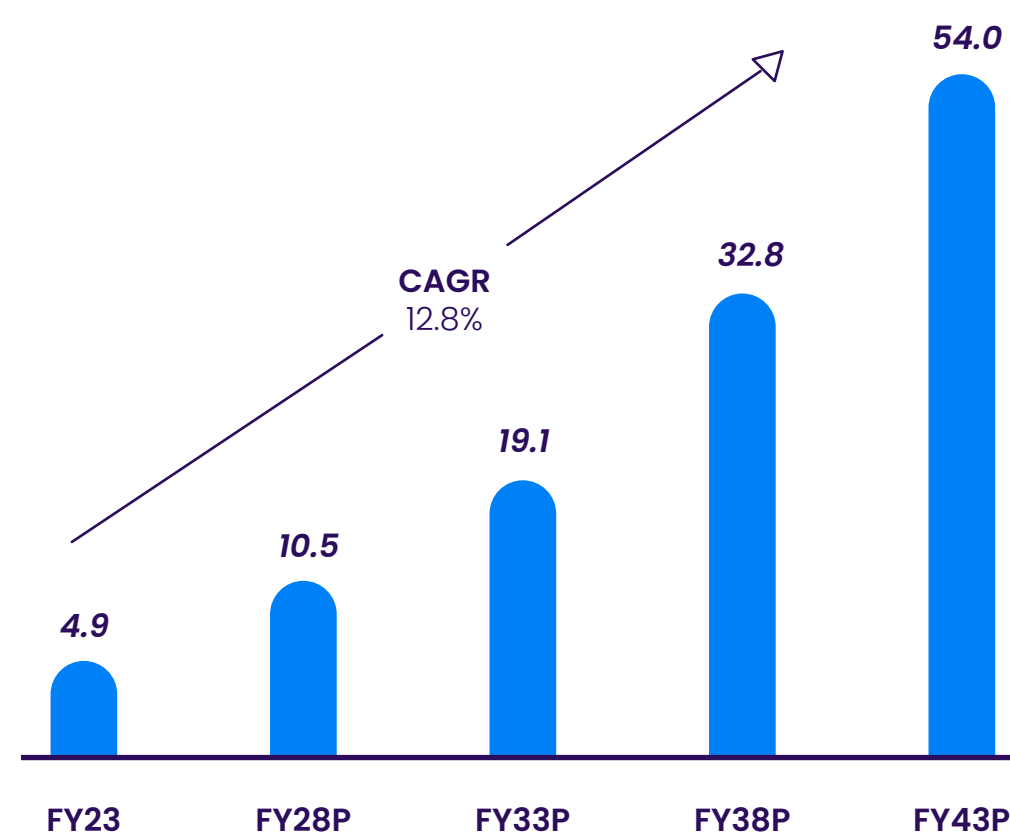
Having a deep understanding of the economic elements and underwriting standards for various assets or business sectors is crucial. The cash flows from an MSME will substantially vary as compared to those from an agricultural enterprise or a school. Furthermore, the criteria for underwriting asset-backed versus unsecured products also differs significantly.

Quantifying lending in this context is challenging. Official statistics, primarily from institutions like the RBI, focus on formal transactions. There are, of course, a vast array of informal, deferred payments in the context of business transactions that essentially function as credit, driving economic activity. This reveals that lending in financial services transcends a mere sectoral classification, becoming a horizontal axis that interweaves through various verticals, integral to their function and not just a parallel component.

# Component C: High Priority Goods and Services

## Exhibit 8: Estimating the HPGS Component of CTV

Average CTV of an EH from HPGS (US\$ K, FY23–43P)



Source(s): EH interviews, Praxis analysis

Spends on HPGS for a typical EH have been estimated as a percentage of HH Income based on field interviews conducted by Praxis. The results were also validated by a top-down triangulation based on household monthly consumer expenditure data from the AIDIS survey. For more details on methodology refer to Annexures 1 and 4.

Our analysis presents an encouraging trend for EHs, focusing on their spending on HPGS. It indicates a substantial growth

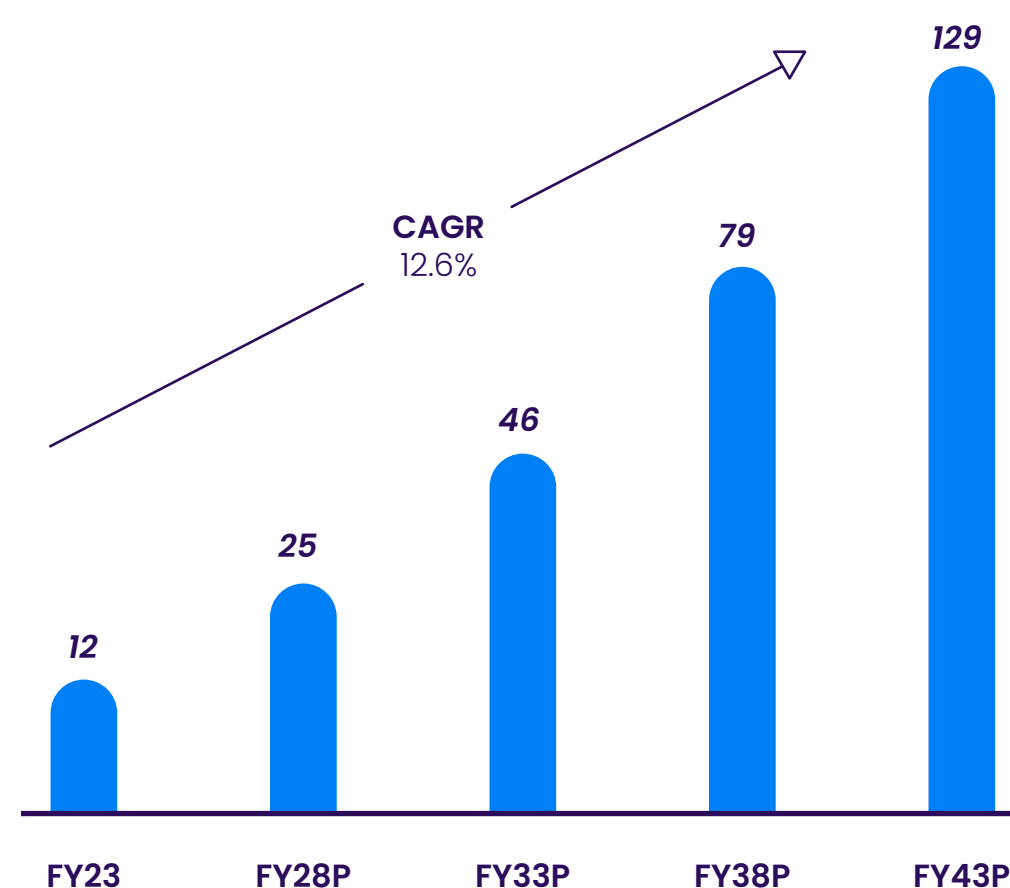
in the Average CTV from HPGS, which is expected to increase from USD 4.9K in FY23 to USD 54.0K per EH in 20 years.

This projection is underlined by a CAGR of 12.8%, signalling a significant uptick in the value and volume of transactions within this component. This growth trajectory emphasises the increasing economic capacity of EHs and highlights the escalating demand for quality goods and services that will drive future market expansions.

# Component D: Business Spends

## Exhibit 9: Estimating the Business Spends Component of CTV

Average CTV of an EH from Business Spends (US\$ K, FY23-43P)



Source(s): Praxis analysis

Business spends have been estimated by Praxis based on business income (estimated as part of Gross HH Inflows) and profit margin assumptions for agricultural and non-agricultural businesses. Additionally borrowings data has also been considered for estimating the business spends. For more details on methodology refer to Annexure 1.

Exhibit 9 above indicates a significant growth trajectory in business spending among EHs, with expectations that the

average spending would escalate from USD 12K in FY23 to approximately USD 129K in 20 years. This represents a CAGR of 12.6%, reflecting the increasing scale of business operations and investments by EHs. This substantial rise in business expenditure underscores the dynamic nature of EHs as they continue to grow and expand their economic activities, suggesting a vibrant future for businesses which are well-positioned to meet the needs of this burgeoning market.

# Range Analysis of CTV Estimates

In addition to sourcing reliable public data on household cash flows, we at Praxis have utilised the data from a 3,000 household survey conducted by 1Lattice for assumptions in our CTV estimations. To bolster our analysis, we cross-verified our income estimates for EHs with additional data, including the ICE 360 survey and broader macroeconomic indicators.

The complexity of discerning precise cash inflows and outflows necessitated a nuanced approach. Therefore, we conducted a sensitivity analysis on the calculation of Component A: Gross HH Inflows - a critical variable to construct a credible CTV estimation range.

Exhibit 10: Total CTV of all EHs Expected To Range between US\$ 7.4 Tn and US\$ 9.6 Tn



Assumptions for Range Analysis on FY23 CTV of USD 8.8 Trillion	Sensitivity Lever for Higher CTV
<ul style="list-style-type: none"> <li>Number of EHs are calculated from macroeconomic data and considered reliable.</li> <li>Sources of income of EHs are taken from the 1Lattice EH survey (N=3,053) and considered reliable.</li> <li>Gross HH Inflows from agriculture and non-agricultural business are estimated based on profit margins. Variation is possible in the profit margin of businesses and thus sensitivity analysis was focused on the impact of this assumption. The base case margins assumed for agricultural businesses is 50% and for non-agricultural businesses is 15%.</li> <li>Spends are primarily derived from income and inflow estimates and thus the sensitivity above also covers for the sensitivity on spends. Accordingly no sensitivity analysis was done separately on spends.</li> </ul>	<ul style="list-style-type: none"> <li>Assuming a 10% lower profit margin in agriculture and non-agricultural businesses given the sensitivity of margins to various factors, including environmental and geopolitical factors, for e.g., the impact of floods and fertiliser shortages influenced by the Russia-Ukraine war.</li> </ul>
	<p><b>Sensitivity Lever for Lower CTV</b></p> <ul style="list-style-type: none"> <li>Assuming 33% higher profit margins for non-agricultural businesses potentially due to low overhead expenses, especially in rural setups. However, there was no change in the assumption for agricultural business margins from the base case, given higher margins are highly unlikely.</li> </ul>



07.

# Investment Readiness



# EHs: A Huge TAM with Many SAMs

Through this research project, we validated that there is an expansive Total Addressable Market (TAM) of 247 million EHs, contributing to a CTV of USD 8.8 trillion through an interconnected economic network.

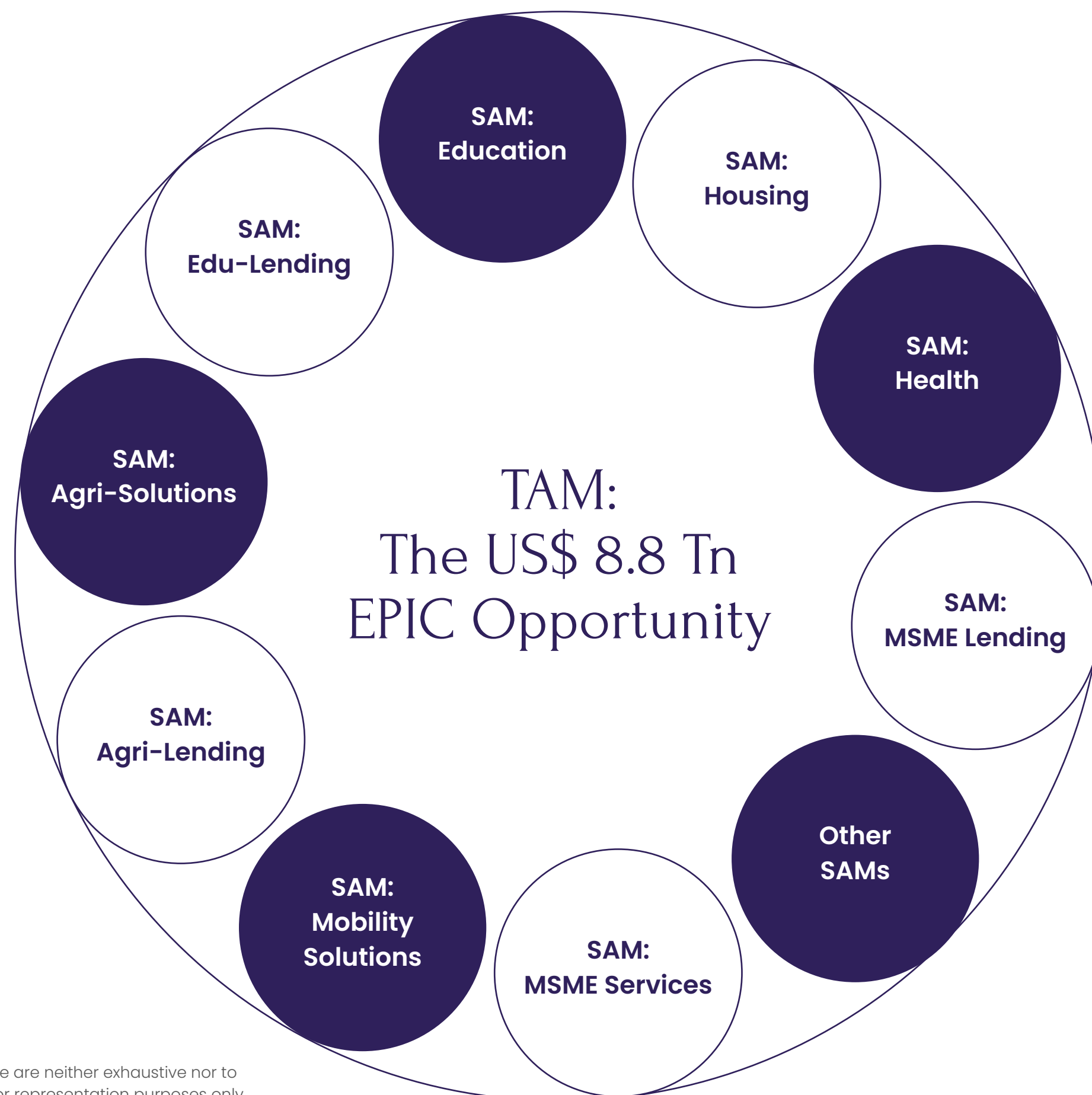
There exists a rich tapestry of Specific Addressable Markets (SAMs), that arise from the varied needs and aspirations of EHs, and cut across sectors such as education, housing, healthcare, agriculture, MSME and financial services. Our focus on the CTV within this framework highlights the significant potential for growth.

EHs, with their diverse economic activities, are not confined to a single opportunity. Instead, they are a collection of myriad prospects that straddle various sectors, bound by

commonalities in their financial behaviours and income diversification. This nuanced understanding compels us to delve deeper into the transaction intensity of these households' economic activities. This intensity holds the key to unlocking tailored goods and services that can significantly boost the economic engine that EHs represent.

**Unfolding the layers of CTV and TAM, helps us map out a future that not only predicts economic outcomes but also shapes them.**

## Exhibit 11: EHs Represent a Rich Tapestry of Multiple SAMs Within a Multi-Trillion US\$ TAM



Note(s): The SAMs indicated above are neither exhaustive nor to scale. They have been included for representation purposes only.

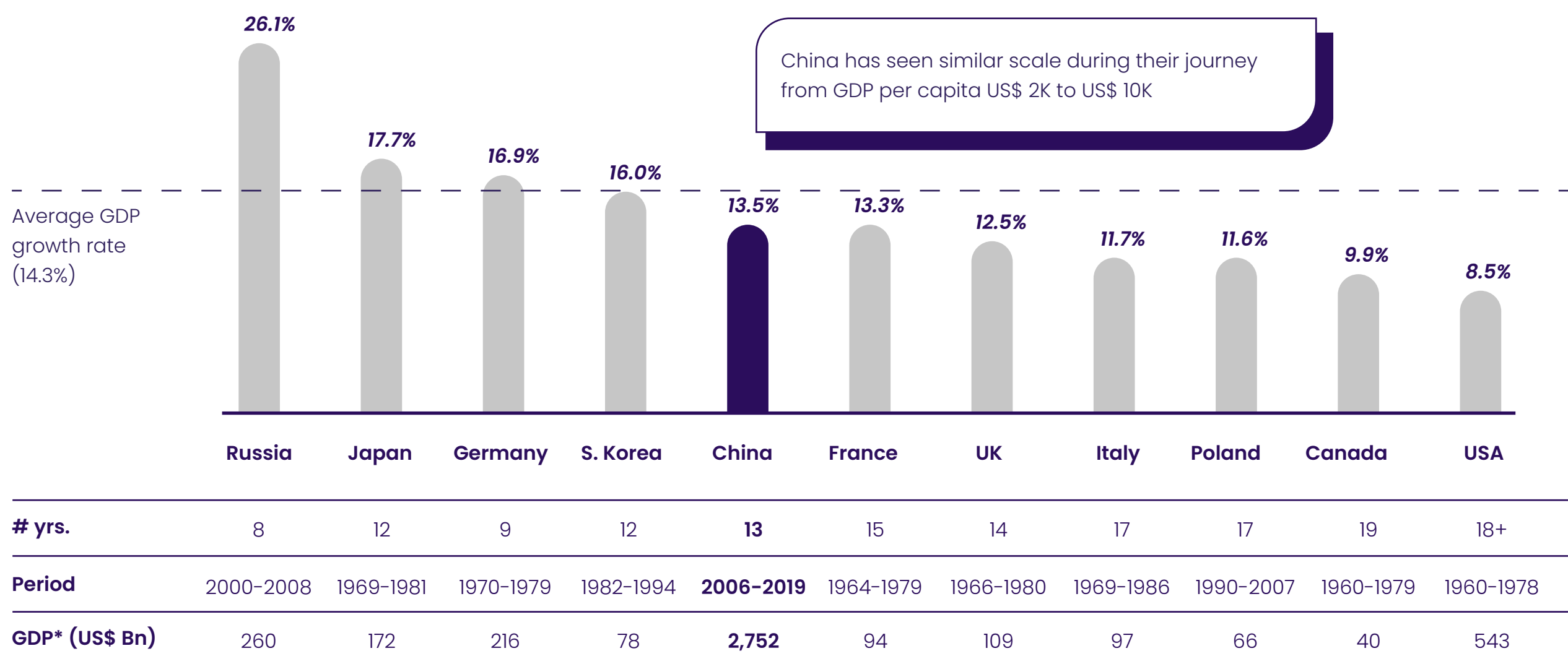
# EHs will Propel India's Growth Story

At Praxis, our analysis pinpoints that the era of EHs is upon us. We draw parallels between India's potential trajectory and the rapid per capita income growth seen in several major economies at around the USD 2,000 per capita GDP mark. This is illustrated by the past performances of countries like China and South Korea.

Similarly, the top 5 states in India with the highest GDPs have demonstrated impressive growth in per capita state GDP. These developments are not just coincidental but indicative of the ripe conditions under which EHs can thrive. We believe that akin to these examples, EHs in India are poised to harness this momentum.

## Exhibit 12: EHs will Propel India on Growth Paths Similar to Other Major Economies - From a Scale Perspective, China Could be the Closest Comparable to India

Countries witnessing GDP per capita growth from US\$ 2K-10K recorded 14.3% growth in their GDP during the same period

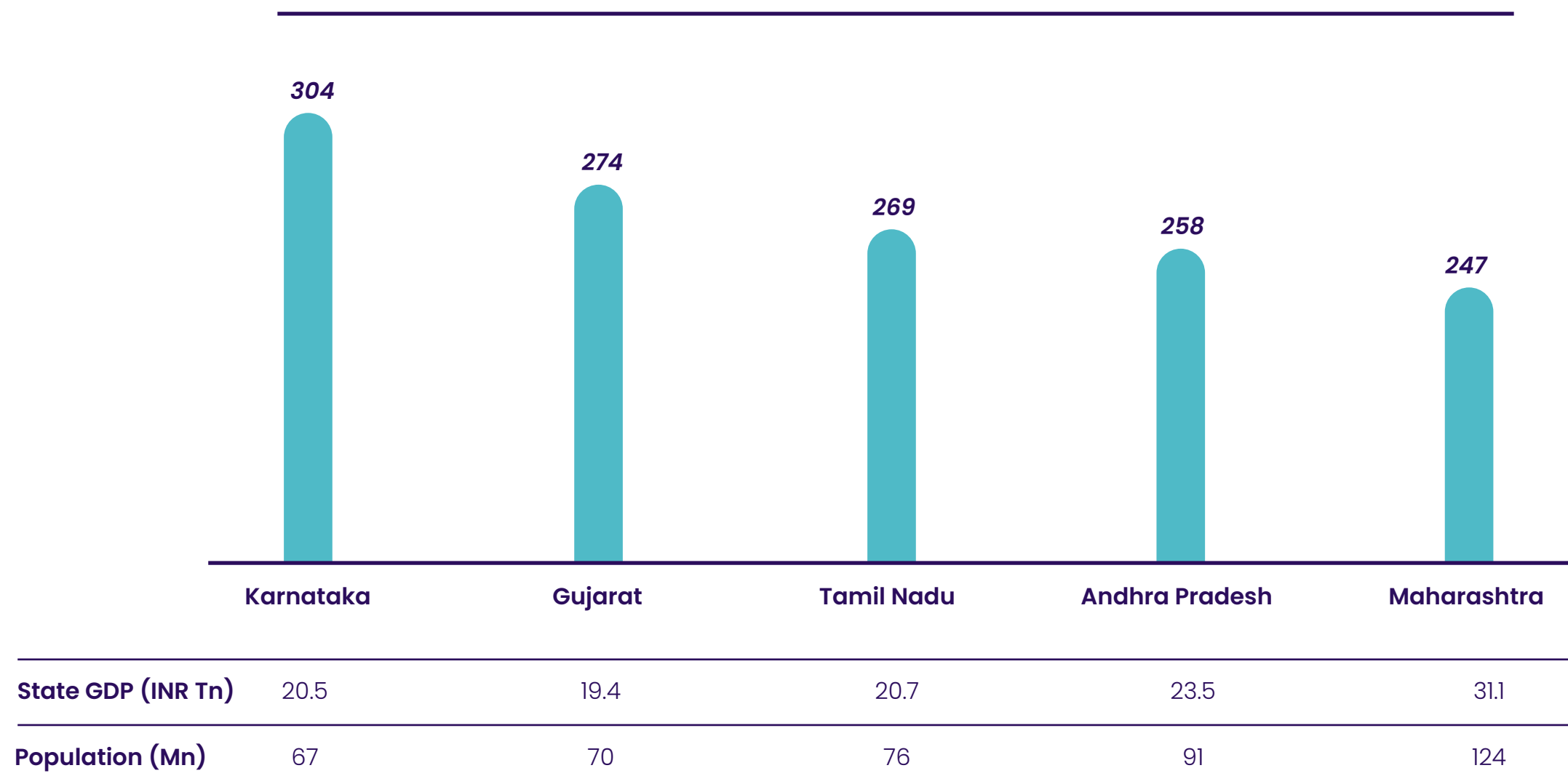


GDP growth rate for country during GDP per capita US\$ 2K to US\$ 10K (%)

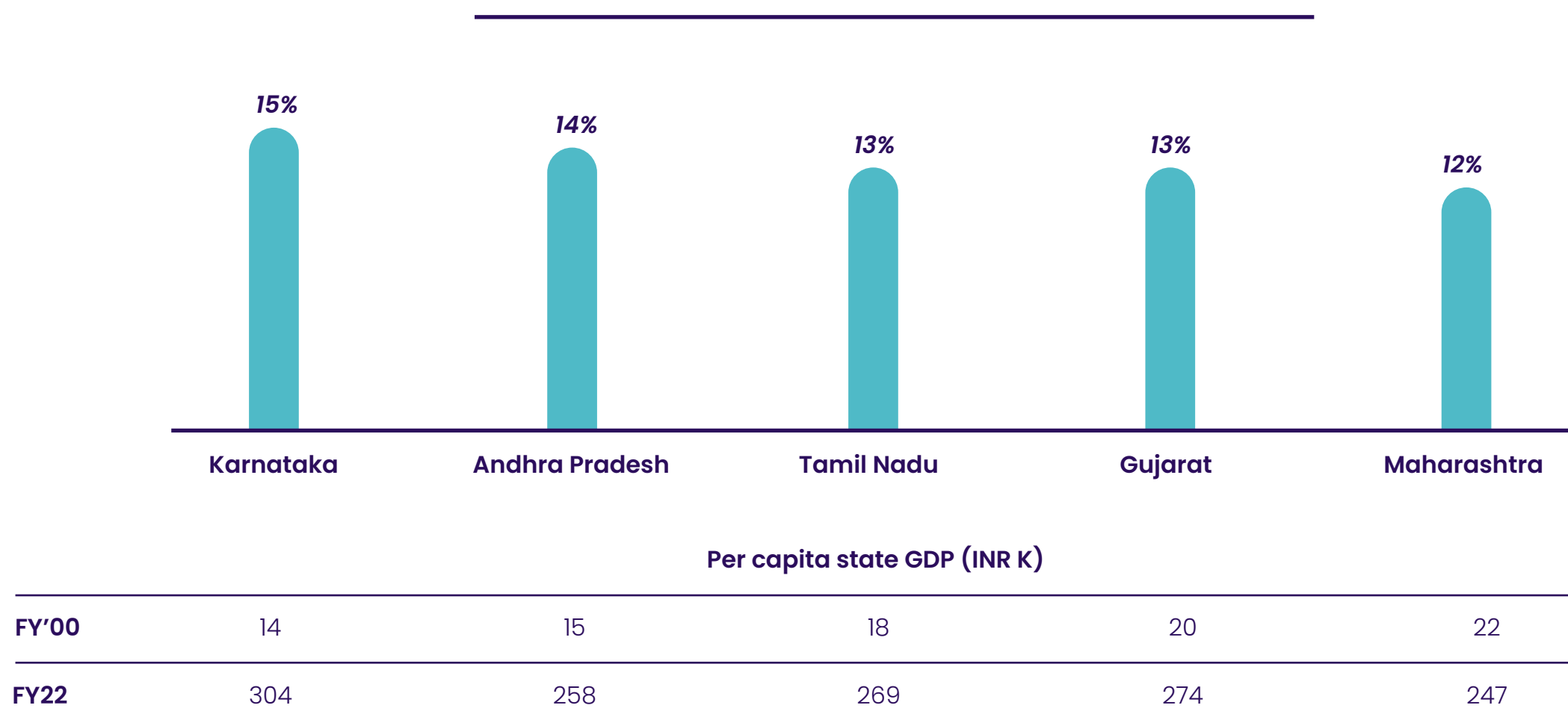
Note(s): Analysis was based on Nominal GDP data and per capita information available from 1960 onwards. GDP data in the table above is the GDP of these countries at the time when their GDP per capita was ~US\$ 2K, with USA being an exception with a GDP per capita of ~ US\$ 3K in 1960  
Source(s): World development indicators, World Bank website, Praxis analysis

### Exhibit 13: Top 5 States in India, in Terms of GDP Contribution, Achieved 12%+ Growth in Per Capita State GDP between FY'00 - FY22

Per capita state GDP for top 5 states by contribution to India's GDP (INR K, FY22)



Per capita state GDP growth CAGR (% , FY'00-FY22)



These top 5 states by GDP contribution achieved 12%+ growth over a 22 year period

Note(s): Andhra Pradesh includes the current states of Andhra Pradesh and Telangana; Analysis was based on Nominal GDP data  
Source(s): RBI, MoSPI, Praxis analysis

# This is the Age of CTV of EHs


EHs today can leverage an ecosystem primed for rapid CTV growth. The operational challenges of the past, such as cumbersome documentation for personal identity and income proof, along with limited accessibility and business resources, are being swiftly addressed. The advent of digital Aadhaar-linked e-KYC, the Unified Payments Interface (UPI),

improved rural road connectivity, access to electricity and affordable high speed mobile internet has laid the foundation for CTV growth. Furthermore, enhanced access to inclusive finance and microcredit, the landscape is now primed for EHs to enhance their integration into the formal economy.

## Exhibit 14: CTV Potential of EHs can now be Brought into the Formal Economy

	Operational challenges before	Operational improvements on ground
<b>Personal Information</b>	<ul style="list-style-type: none"> <li>Multiple documents needed to get complete identity</li> <li>Time consuming document verification process</li> </ul>	<ul style="list-style-type: none"> <li>Most EHs can do digital Aadhaar based e-KYC with instant verification</li> <li>Reduced documentation and seamless loan processing</li> </ul>
<b>Income proof</b>	<ul style="list-style-type: none"> <li>Agricultural HHs exempted from tax and had no ITR documents</li> <li>All income sources not included in ITR</li> </ul>	<ul style="list-style-type: none"> <li>P2M UPI payments have created an audit trail for these EHs and made them lendable</li> </ul>
<b>Accessibility</b>	<ul style="list-style-type: none"> <li>Poor road connectivity</li> <li>Lack of medium of communication</li> <li>Lack of bank branches, ATMs, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Rural roads constructed under PMGSY</li> <li>Access to bank accounts due to JAM trinity</li> <li>Increased smartphone and internet penetration</li> </ul>
<b>Business Resources</b>	<ul style="list-style-type: none"> <li>Non availability of electricity, load shedding</li> <li>Lack of mechanical equipment</li> </ul>	<ul style="list-style-type: none"> <li>Access to uninterrupted supply of electricity</li> <li>Access to irrigation, FPOs, farm machines, trained workforce, etc.</li> </ul>

High Low



Severity of Operational Challenges

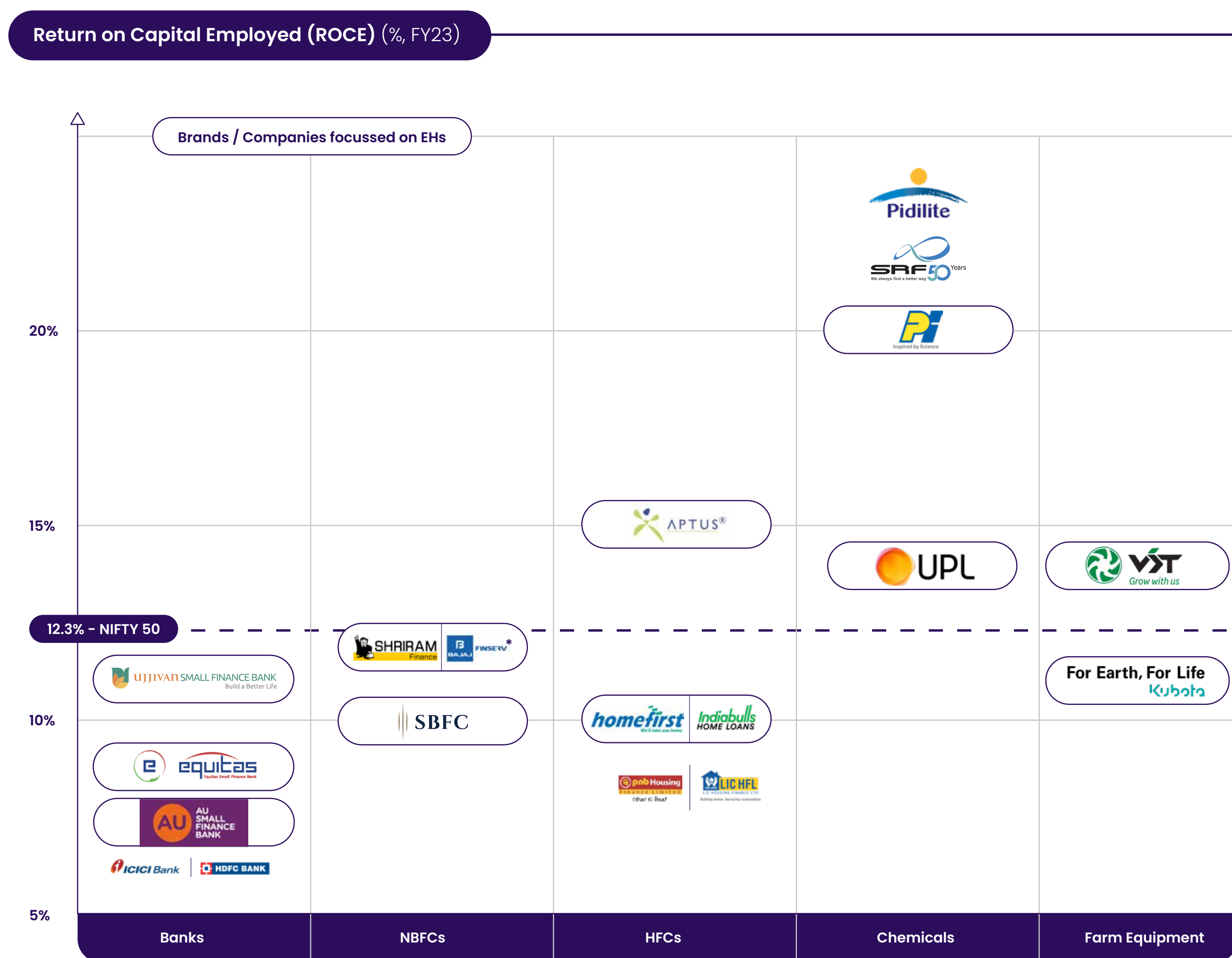
Source(s): EH interviews, Praxis analysis

# The Time for EHs is Now

EHs have demonstrated a robust readiness for business that can yield attractive returns, especially for those brands that cater to their needs. In FY23, companies targeting EHs have seen an ROCE, comparable to the average ROCE of Nifty50 stocks, indicating the lucrative nature of engaging with this sector. The ROCE for these brands outperforms standard

benchmarks, signaling the potential rewards of investing in and providing services to the dynamic and growing market of EHs. This performance serves as a compelling call to action for businesses to consider EHs as a prime focus for their strategies.

Exhibit 15: Brands Focusing on EHs Generated an ROCE comparable with Nifty50 in FY23



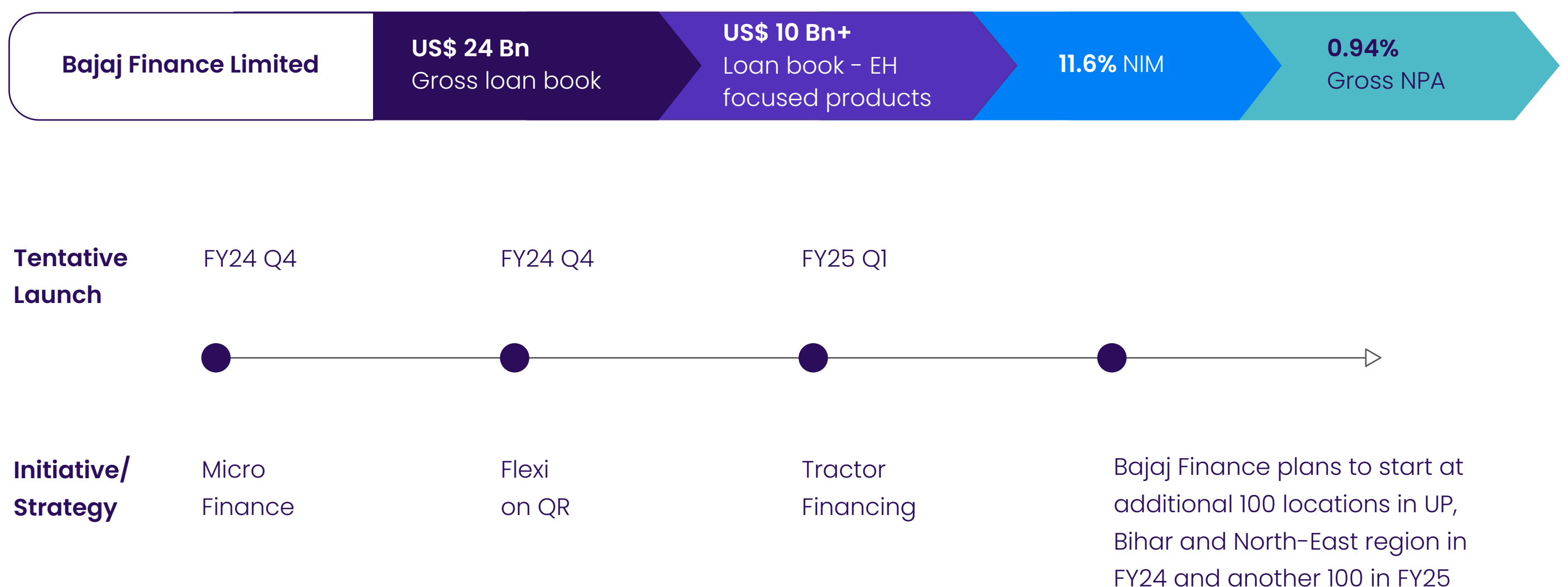
Note(s): NBFC: Non Banking Finance Companies; HFC: Housing Finance Companies; Logos and brandmarks have been sourced from the websites of the relevant companies.  
 Source(s): Company Annual reports, MCA, Praxis analysis  
 \*Represents ROCE of Bajaj Finance Limited

# Business Case Study: Bajaj Finance Limited

Bajaj Finance's success underscores the power of recognizing the unique financial needs of EHs. By expanding their loan book to more than USD 10 billion specifically from products focused on the EH-archetype customers, it has demonstrated the viability and potential profitability of focusing on this segment. Their diverse loan distribution, which includes products catered individually to both, EHs and non-EHs, shows a deep understanding of the sector's nuances.

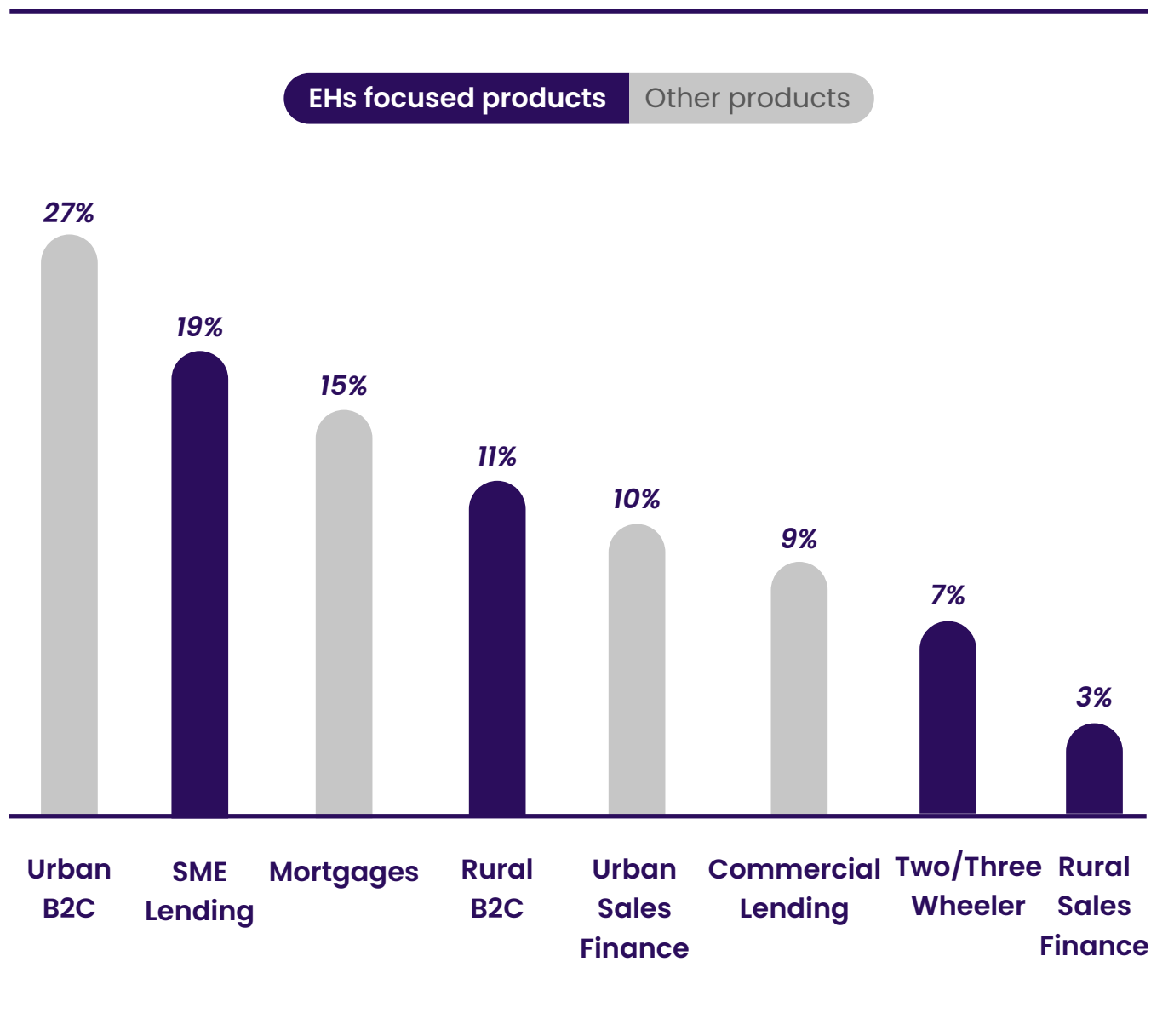
The initiatives of Bajaj Finance, such as tractor financing and microfinance, coupled with their expansion plans and innovative strategies, signal a commitment to bolster the financial inclusion of EHs. This is all underpinned by healthy financial indicators for its business, such as a substantial net interest margin and low gross non-performing assets, validating the company's forward-thinking approach.

## Exhibit 16: Bajaj Finance has Understood the Unique Needs of EHs and Scaled their Loan Book on EH Based Products to US\$ 10 Bn+



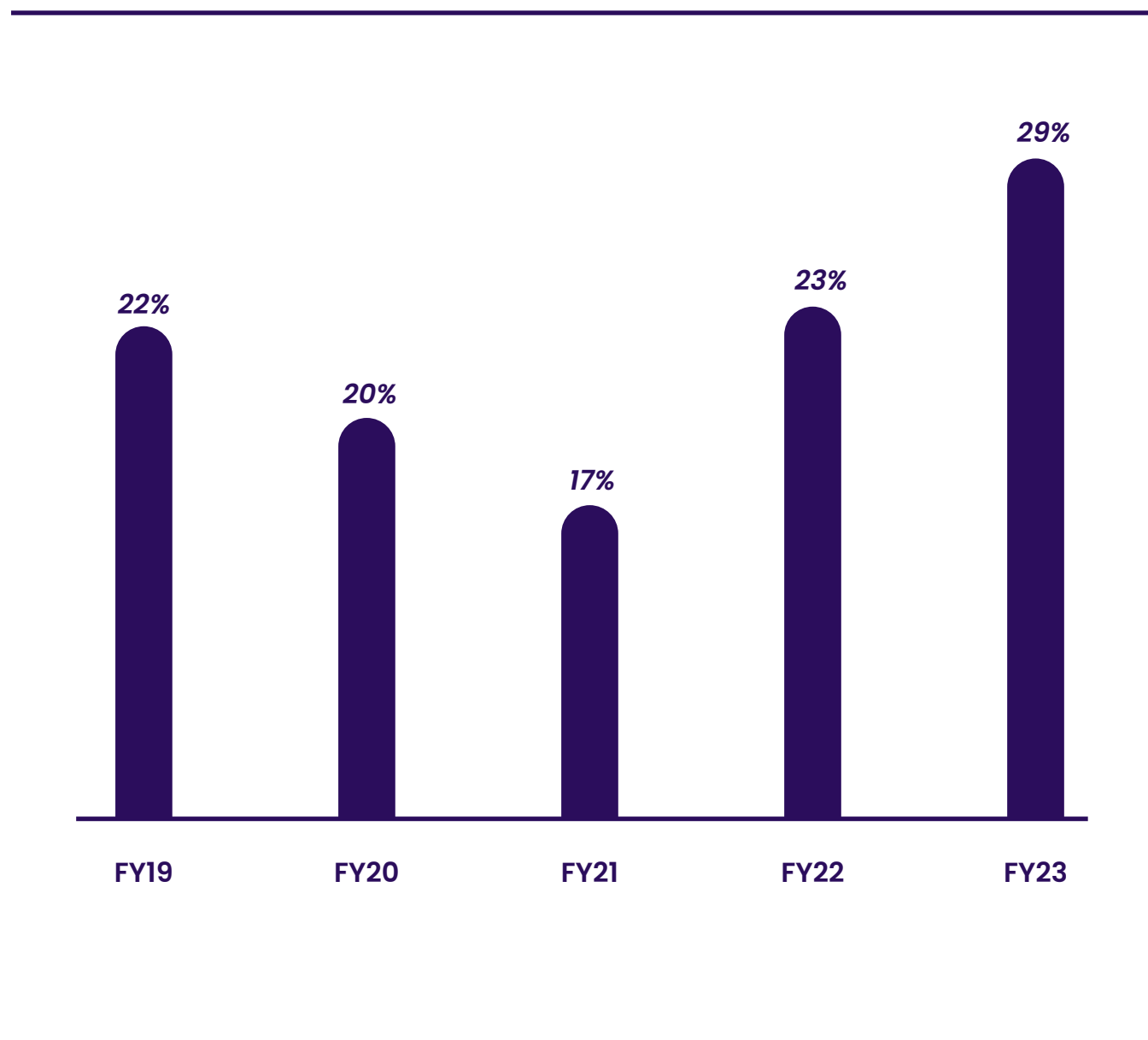
**Bajaj Finance is all set to build an ecosystem of products to serve EHs better in the near future**

Distribution of loans by Bajaj Finance (% , FY23)



Bajaj Finance provides point of sale financing for Bajaj Auto and other EH focused products

Net profit margin of Bajaj Finance (% , FY19-23)



Bajaj Finance’s net profit margin has grown with a good share of customers being EHs

“At the heart of our business lies innovation and financial inclusion. Over the last 16 years, Bajaj Finance has enabled India’s growing mass affluent and middle-class population access to all kinds of financial services to realize their dreams.”

-Annual Report FY23, Bajaj Finance Limited

Source(s): Company annual reports, Company websites, Praxis analysis



# 08.

## The EPIC Moment is Now



Praxis' comprehensive analysis reveals that EHs are not merely participating in the economy - they are driving it with a USD 8.8 trillion in CTV as of FY23. This figure is projected to surge at a CAGR of 12.7% to an extraordinary USD 95.2 trillion, within the next twenty years. Such growth is underpinned by the increasing formalization of EHs, facilitated by access to digital infrastructure and business resources, which are integral to their burgeoning investment readiness.

Drilling down into the components of CTV, we see an array of multi-billion dollar sectors ripe for investment. These opportunities align with and emerge from the CTV components: revenue and income from diverse sources, responsible borrowing, strategic spending on HPGS, and robust business expenditures.

Specifically, as of FY23, the CTV opportunity of EHs from Gross HH Inflows alone, stands at USD 4.3 trillion. In addition to this, business spends of USD 3 trillion and HPGS of USD 1.2 trillion account for significant portions of the overall CTV opportunity. As formalization progresses, we anticipate these figures to rise substantially, expanding the scope for meaningful business engagements.

The transition to viewing household economic activity through a transaction-led lens unveils a richer, more dynamic set of opportunities for moving capital. This sentiment is echoed by several leading financial service providers, who have already begun to harness the potential of EHs, recognizing that access to credit not only empowers further investment in HPGS but also creates a cascading effect of economic empowerment.

Our report illustrates that now is the time to act, to invest, and to grow with the EHs as they redefine the contours of the Indian economy.

**Serving EHs has proven profitable, yet they remain a segment that is underserved. Despite EHs historically being perceived as high-risk, data indicates that they are, in fact, de-risked and diversified at a household level and hence are ready for commercial engagement. With the right strategic approach, there is immense potential to tap into this market, fostering both financial inclusion and economic growth.**

09.

# Annexures



# Annexures

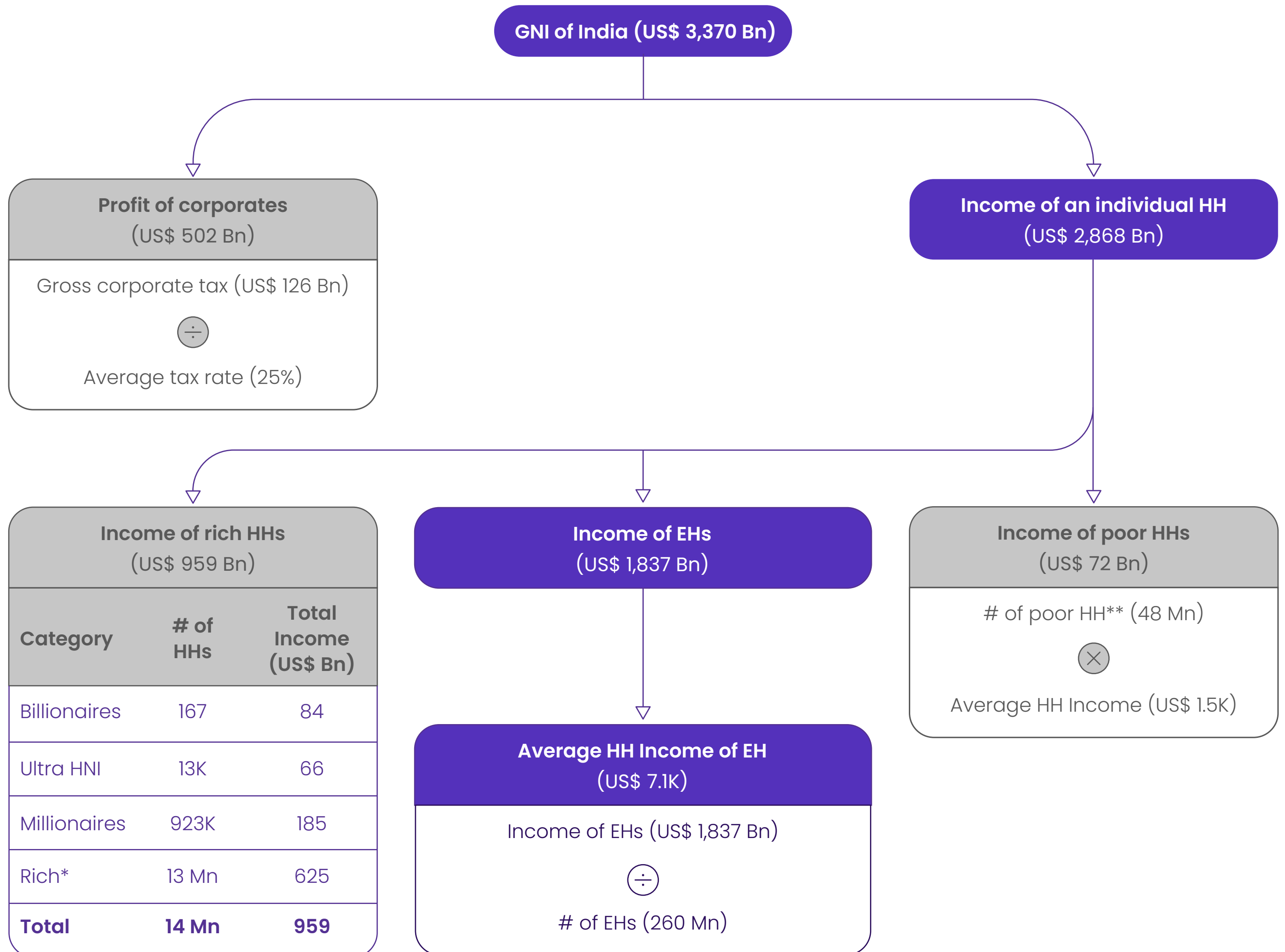
## Annexure 1: CTV Estimation Methodology - FY 23

	Methodology	Data Sources
Number of EHs	<p><b>Total HHs =</b> Population <math>\div</math> Average HH Size = 321 million  <b>HHs with Pucca House =</b> 286 million  <b>HHs with Credit Card =</b> 39 million  <b>Total EHs =</b> 286 million - 39 million = 247 million</p>	NFHS 2021, RBI, AIDIS 2019, industry reports and Praxis analysis
HH Income Estimates	<p><b>Gross National Income (GNI) of Individual HHs =</b> GNI of India - Profits of corporates (estimated based on corporate taxes paid)</p> <p><b>Income of EHs =</b> GNI of all individual HHs - Estimated income of rich HHs - estimated income of poor HHs</p> <p><b>Refer Annexure 1.A. for more details</b></p> <p>Note: The income estimates of EHs were also validated with data from ICE360 survey</p>	MoSPI, Niti Aayog, Macrotrends, Knight Frank report, Praxis Analysis, NFHS 2021, ICE360 survey
<b>Estimating the Components of CTV</b>		
<p><b>A. Gross HH Inflows</b> (Business revenue + salary income + other sources of HH income)</p>	<p><b>CTV of Gross HH Inflows =</b> HH Income <math>\times</math> Inflows Multiplier</p> <ul style="list-style-type: none"> <li>Praxis has estimated the inflows Multiplier for each source of HH Income</li> <li>Contribution of each of these sources to the HH Income is estimated from the lLattice survey to derive a weighted multiplier</li> </ul> <p><b>Refer Annexure 1.B. below for more details</b></p> <p><b>Multiplier =</b> 1 for salary income, pension and other sources of income  <b>Multiplier =</b> <math>(1 \div \text{profit margin})</math> for agricultural and non-agricultural businesses</p> <p>Note: Multiplier is used to derive the business revenue from business profits</p>	Praxis Analysis, Macrotrends, lLattice survey

	Methodology	Data Sources
B. Borrowings	<p><b>CTV of Borrowings =</b>  Incidence of Indebtedness <math>\otimes</math> Average debt of HHs with borrowings</p>	AIDIS surveys: 2013 and 2019, Praxis Analysis
C. High Priority Goods and Services	<p><b>CTV of spends on HPGS =</b>  HH Income <math>\otimes</math> % of HH spends on HPGS</p> <p>% of HH spends on HPGS have been estimated based on EH interviews conducted by Praxis</p> <p><b>Refer to Annexure 4 for more details</b></p> <p>Note: This was also validated based on data from AIDIS survey</p>	EH Interviews, Praxis Analysis, AIDIS 2019
D. Business Spends	<p><b>CTV of Business Spends =</b>  Business revenue - business profits + investments in business</p> <ul style="list-style-type: none"> <li>• Business revenues and profits estimated as part of Component A</li> <li>• Investments in business for working capital or capex = all borrowings of EHs (Since EHs spend most of their borrowings for business growth)</li> </ul>	Praxis Analysis

## 1.A. Estimation of HH Income

**Estimation of annual HH income of EHs: Top-down estimates from GNI of India indicates average HH income of EHs ~US\$ 7.1K in FY23**



Note(s): Basis the above analysis, average HH Income for Urban EHs is assumed to be US\$ 7K, while for Rural EHs it is assumed to be 10% lower at US\$ 6.3K

Sources(s): MoSPI, Niti Aayog, Macrotrends, Knight Frank report, Praxis analysis

\*Rich families have an annual HH income > US\$ 37.5K (INR 30 Mn); \*\*# of poor HHs data based on NHFS FY21. All other data for FY23

The GNI method set out above has only been used for estimating HH Income for EHs. The above analysis indicates ~ USD 7K as the HH Income for 260 million HHs with income profiles similar to that of EHs. Basis the above analysis, average HH Income for Urban EHs is assumed to be USD 7K, while for Rural EHs it is assumed to be 10% lower at USD 6.3K. The income estimates for EHs has also been validated with

data from the ICE360 survey (Refer to Annexure 3 for more details).

Kindly note that the number of EHs has separately been estimated at 247 million, as explained in the section "Sizing EHs through the Asset Ownership Lens " and in Exhibit 1.

## 1.B. Estimation of Gross HH Inflows from HH Income

- HH Income typically consists of the following heads: salary, agricultural business income (profits), non-agricultural business income (profits) and other income (pension, etc.)
- The mix of the above sources of Income for a typical rural or urban HH was assumed based on 1Lattice survey data.  
**Contribution % from each of the above sources of income =**  

$$\frac{\text{Number of HHs with income from each of these sources}}{\text{Total count of sources of Income for all the HHs surveyed}}$$
- **Gross HH Inflows =** Business revenue + salary income + other sources of HH income
- To get to HH Inflows the agricultural and non-agricultural business incomes need to be converted to business revenues
  - Praxis has estimated the typical business margins of agricultural and non-agricultural businesses as 50% and 15%, respectively
  - Business margins were estimated based on Praxis' secondary research, and corroborated with on-field discussions. This was done after looking at different agricultural businesses like farming, dairy, livestock, etc., and non-agricultural businesses like kirana stores, retail stores, small manufacturing and trading business, etc.
- **Business Revenue =** Business profits  $\times$  CTV Multiplier;
- **CTV Multiplier =**  $1 \div \text{profit margin \%}$   
 for Non-agricultural business =  $1 \div 0.15 = 6.7$   
 for Agricultural =  $1 \div 0.5 = 2.0$
- Income from salary and pensions are directly added to Gross HH Inflows as described above and thus the multiplier is 1.0
- Weighted average multiplier for urban and rural HHs has been estimated based on the contribution of each of the income sources to a typical HH and their respective multipliers

	Sources of annual income of a typical EH	Contribution (%)	CTV Multiplier
Urban	Salary	42%	1.0
	Agricultural business	18%	2.0
	Non-agricultural business	33%	6.7
	Others (Pension)	8%	1.0
	<b>Weighted CTV multiplier</b>		<b>3.0</b>
Rural	Salary	38%	1.0
	Agricultural business	37%	2.0
	Non-agricultural business	21%	6.7
	Others (Pension)	5%	1.0
	<b>Weighted CTV multiplier</b>		<b>2.5</b>

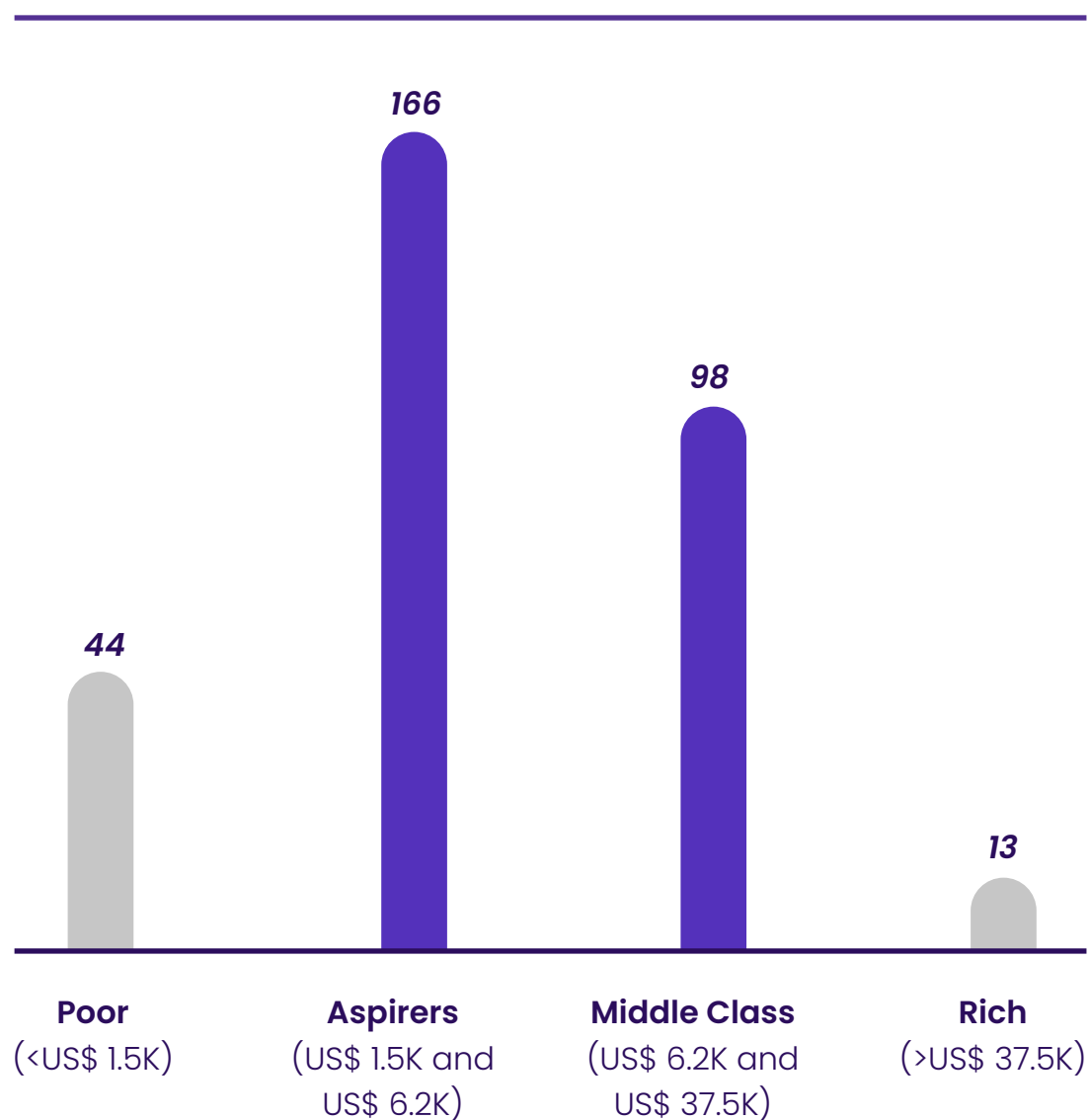
## Annexure 2: CTV Estimation Methodology - Growth Estimates - FY23 - FY43

	Growth Projections	Data Sources
HH Income Estimation	Growth rate of HH Income estimation (as referred to in Exhibits 12 and 13) is a combination of the GDP growth rate parallel of other major economies (with China being considered the closest comparable on scale) and India's estimated inflation rate for the next 20 years	Macrotrends, World Bank
Borrowings	Growth rate of the incidence of indebtedness and Average debt per HH with borrowings has been estimated based on historical growth rates between FY13 to FY19	AIDIS: 2013 and 2019
Inflows Multiplier, % of HH Spends on HPGS, Profit Margins of Businesses	No changes in the assumptions from the FY23 estimates	

## Annexure 3: Triangulation for HH Income

Bottom-up analysis of ICE 360 survey indicates an average HH income of EHs around US\$ 6.6K

**Distribution of households by income categories**  
(% of HH, FY21)



Category	Income range (US\$ K)	# HHs	Average Income (US\$ K)
Aspirers	1.5-6.2	166	3.1
Middle class	6.2-37.5	98	12.5
<b>Total</b>	-	<b>265</b>	<b>6.6</b>

### Observations

- The combined populations of aspirers and middle-class were taken as representative of EHs
- The number of HHs in the aspirers and middle-class categories (265 Mn) is within a 10% margin of our estimation of the number of EHs (247 Mn)
- Average annual HH income from ICE 360 survey (US\$ 6.6K) is closer to our estimates of weighted average HH Income of urban and rural EHs (US\$ 6.5K)

Note(s): All incomes are pre-tax annual household incomes  
Sources(s): ICE360 survey, Praxis analysis

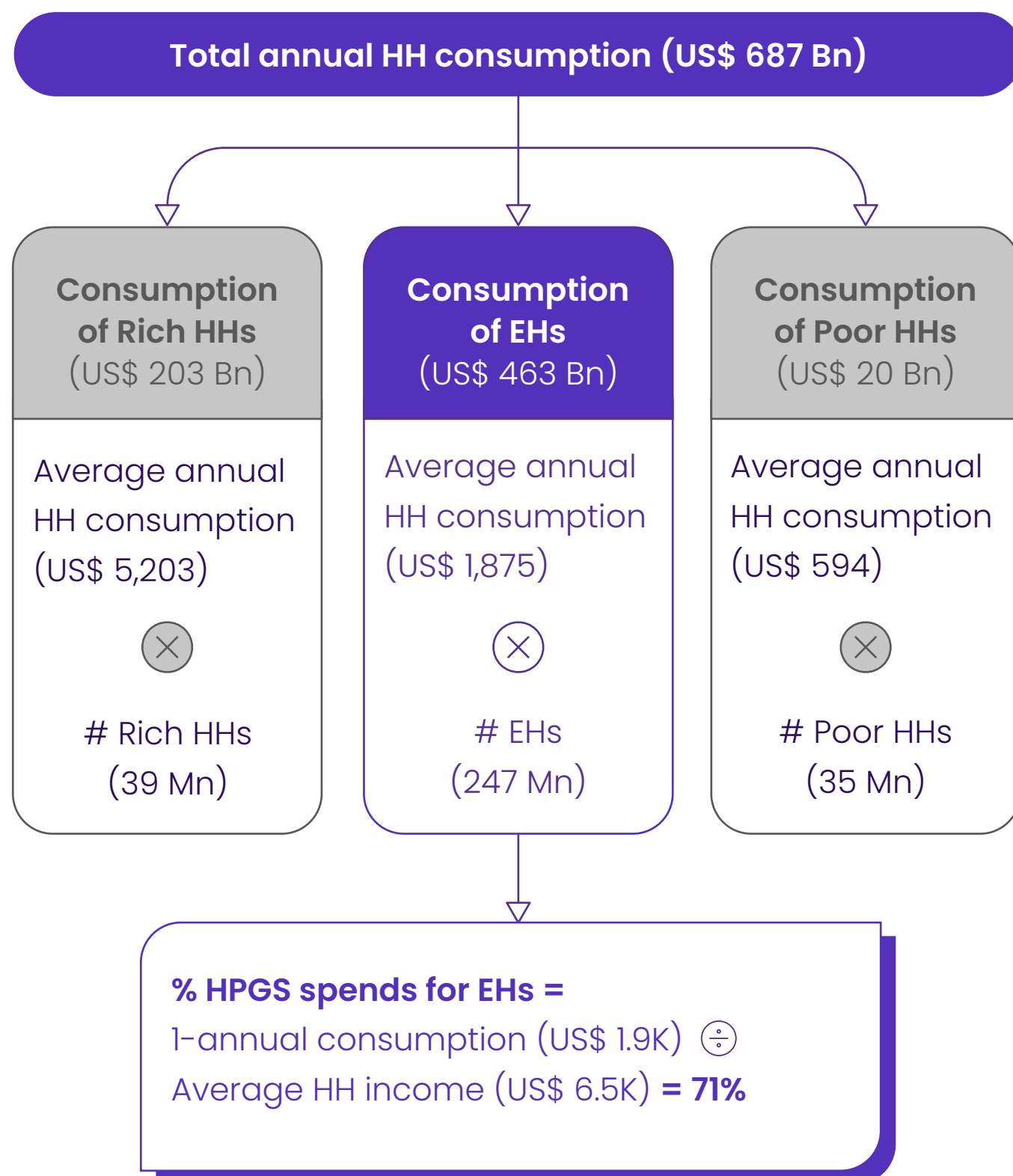


## Annexure 4: Triangulation for HPGS Spends

Top-down triangulation from AIDIS data indicates % spends of EHs on HPGS was 71% of income in FY23

% HPGS spends using macroeconomic data (71%) are similar to the observations on the field (75%)

Stress testing of % HPGS spend indicates less than 5% variance in total CTV potential of EH



% HPGS Spends Assumption	Total CTV Potential (US\$ Tn)	Variance From Base Case (%)
75% (field observations)	8.8 (base case)	0%
71% (triangulation)	8.7	-0.7%
70%	8.7	-0.9%
60%	8.5	-2.7%
50%	8.4	-4.6%

For the triangulation of HPGS spends of HHs, Praxis has estimated the livelihood and discretionary spends (consumption expenses) of a typical EH from AIDIS data and assumed the rest as spends on HPGS. Consumption expenses of the HHs include all livelihood and discretionary spends like food, clothing, footwear, utility expenses, etc., in addition to expenses on purchase of household durables.

- Total HH consumption for India for rich and poor HHs is extrapolated from AIDIS data
- Total HH consumption minus consumption of rich and poor HHs gives the total consumption of EHS
- Subtracting the consumption expenses of EHS from total expenses will give us the HPGS spends of an EH

Note(s): Rich families have an annual HH income > US\$ 37.5K (INR 30 Mn); # of poor HHs data based on NHFS FY21; All other data for FY23  
 Source(s): AIDIS 2019, Praxis analysis

## Annexure 5: Data Sources

**Primary Sources:** Quantitative Survey of 3,000+ HHs across 100 Districts (conducted by ILattice), in-depth Conversations with 25 EHs and Case Studies; **Secondary Sources:** Government Reports, Company Annual Reports and Other Industry Analysis

### Government and Industry Reports

Report	Publisher
• All-India Debt and Investment Survey (AIDIS), 2013	• NSO, Government of India
• All-India Debt and Investment Survey (AIDIS), 2019	• NSO, Government of India
• Changing Structure of Rural Economy, 2017	• NITI Aayog
• Cost of Capital Survey Report, 2021	• Ernst & Young
• Transforming Bharat, 2021-22	• Dvara Finance
• NABARD Annual Report (2022-23) - Empowering Rural Financial Institutions	• NABARD
• The Rise of India's Middle Class, ICE 360 Survey, 2023	• PRICE
• Insights into Rural Entrepreneurship, 2022	• Development Alternatives Group in collaboration with DIU
• Role of Allied Agriculture in DFI, 2018	• Ministry of Agriculture
• Annual Trends and Reports in Banking, 2022	• RBI
• Digital Payments in India: A \$10 Tn Opportunity, 2022	• Collaboration between BCG and PhonePe
• PhonePe Pulse, 2021	• PhonePe
• Retail-O-nomics Report, 2022	• Paynearbuy
• The Wealth Report 2023	• Knight Frank
• National Family Health Survey (NFHS-5), 2021	• Ministry of Health & Family Welfare
• Periodic Labour Force Survey, 2019	• NSO, Government of India

### Government Institutions and Ministry Websites

• Ministry of Agriculture and Farmer Welfare	• Ministry of Water Resources
• Ministry of Rural Development	• TRAI
• Ministry of MSME	• Ministry of Education
• Ministry of Road Transport and Highways	• Ministry of Corporate Affairs
• Ministry of Statistics and Program Implementation	• Centre for Monitoring Indian Economy

### Company Annual Reports (FY23)

Aptus Value Housing Finance India Ltd	AU Small Finance Bank Ltd	Bajaj Finance Ltd	Equitas Small Finance Bank Ltd
Escorts Kubota Ltd	HDFC Bank Ltd	Home First Finance Company India Ltd	ICICI Bank Ltd
Indiabulls Housing Finance Ltd	LIC Housing Finance Ltd	PI Industries Ltd	Pidilite Industries Ltd
PNB Housing Finance Ltd	SBFC Finance Ltd	Shriram Finance Ltd	SRF Ltd
Ujjivan Small Finance Bank Ltd	UPL Ltd	VST Tillers Tractors Ltd	

### Quantitative Survey by ILattice (N = 3,053)

Geography	Number of EHs
North Zone	806
East Zone	622
Central Zone	431
West Zone	592
South Zone	602
<b>Total</b>	<b>3,053</b>

### EH interviews by Praxis (N = 25)

Location	Number of EHs
North Zone	10
East Zone	-
Central Zone	4
West Zone	9
South Zone	2
<b>Total</b>	<b>25</b>

## Annexure 6: Glossary

<b>AH</b>	Affluent Household
<b>AIDIS</b>	All-India Debt and Investment Survey
<b>Bn/B</b>	Billion
<b>CAGR</b>	Compounded Annual Growth Rate
<b>CTV</b>	Core Transaction Value
<b>DIU</b>	Development Intelligence Unit
<b>EH</b>	Entrepreneurial Household
<b>EMI</b>	Equal Monthly Instalment
<b>FDI</b>	Foreign Direct Investment
<b>FPO</b>	Farmer Producer Organisation
<b>FY</b>	Financial Year (1st April to 31st March)
<b>GDP</b>	Gross Domestic Product
<b>GNI</b>	Gross National Income
<b>GNPA</b>	Gross Non-Performing Asset
<b>HC</b>	Healthcare
<b>HH</b>	Household
<b>HNI</b>	High Networth Individual
<b>HPGS</b>	High Priority Goods and Services
<b>HTV</b>	Household Transaction Value
<b>INR</b>	Indian Rupees
<b>ITR</b>	Income Tax Returns
<b>JAM trinity</b>	Jan Dhan accounts, Aadhaar cards, Mobile numbers
<b>K</b>	Thousand
<b>KYC</b>	Know Your Customer

## Annexure 6: Glossary

<b>Ltd</b>	Limited
<b>MCA</b>	Ministry of Corporate Affairs
<b>MFI</b>	Micro Finance Institution
<b>Mn/M</b>	Million
<b>MoRTH</b>	Ministry of Road Transport and Highways
<b>MoSPI</b>	Ministry of Statistics and Program Implementation
<b>MSME</b>	Micro, Small and Medium Enterprises
<b>NBFC</b>	Non-Banking Financial Corporation
<b>NFHS</b>	National Family Health Survey
<b>NIM</b>	Net Interest Margin
<b>NPA</b>	Non Performing Asset
<b>NPCI</b>	National Payments Corporation of India
<b>NSO</b>	National Statistical Office
<b>P</b>	Projected
<b>P2M</b>	Peer to Merchant
<b>PMGSY</b>	<i>Pradhan Mantri Grameen Sadak Yojna</i>
<b>Pop</b>	Population
<b>PRICE</b>	People Research on India's Consumer Economy
<b>RBI</b>	Reserve Bank of India
<b>SAM</b>	Specific Addressable Market
<b>SFB</b>	Small Finance Bank
<b>SME</b>	Small and Medium Enterprises
<b>TAM</b>	Total Addressable Market
<b>Tn/T</b>	Trillion

## Annexure 6: Glossary

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<b>TRAI</b>	Telecom Regulatory Authority of India
<b>TV</b>	Transaction Value
<b>UPI</b>	Unified Payments Interface
<b>USD/US\$</b>	United States Dollar

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# 10. About Us

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# Enmasse and Elevar Equity

The Economic Power of Industrious Communities (EPIC)<sup>™</sup> has been coined by Enmasse to showcase how trillions of dollars of Core Transaction Value (CTV)<sup>™</sup> are being generated by hundreds of millions of Entrepreneurial Households (EH)<sup>™</sup> and the industrious communities they live in. The learnings accumulated over a decade at Elevar have been core to articulating the EPIC Opportunity<sup>™</sup>.

Enmasse<sup>™</sup> is a network of people and organisations committed to the prosperity of Entrepreneurial Households and Industrious Communities – by curating narratives, studying data and constructing intelligence at scale.

Elevar Equity<sup>™</sup> is an equity investor that invests early growth capital in businesses that focus on underserved customers and households. Over the last 20 years, Elevar has served 50+ million households through their investments in ~50 category-creating companies focused on products and services essential for household growth.

Elevar and Enmasse have independent strategies but a shared purpose – to reach hundreds of millions of underserved Entrepreneurial Households over the next 20 years. The EPIC Opportunity is a story twenty years in the making as low income households blossomed into Entrepreneurial Households, and articulates their potential and vibrancy over the next twenty years.

**For more details, visit [enmasse.world](https://enmasse.world) and [elevarequity.com](https://elevarequity.com)**

For collaboration and inquiries:

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# Praxis Global Alliance

Praxis Global Alliance is the next-gen management consulting firm revolutionizing how consulting projects are delivered. It delivers practical solutions to the toughest business problems by uniquely combining domain practitioner expertise, AI-led research approaches, and digital technologies. The company operates three business units, including Praxis Global Alliance Financial Investor Group (FIG), offering pre-deal support, commercial due diligence, post-acquisition value creation, Praxis Global Alliance Business Enablement and Transformation (BET) for practitioner-led business advisory and consulting, and PraxDigital™ delivering data engineering and analytics, AI, OpenData and visualization solutions to clients across verticals.

Present in 4 locations in India, Praxis Global Alliance has successfully served 40+ countries with a team of over 200+ consultants and data scientists. Team Praxis works with C-suite to the front-line executives across business streams, helping them with end-to-end business enablement, organizational transformation, and revenue maximization support in an agile environment.

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# 11. Acknowledgements

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## 12.

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