



**“You have to build a strong back-end process and funders can help you build those capacities to absorb funding into your processes”**

## **A Conversation with Jayant Rastogi of [Magic Bus](#)**

**Ambika Samarthya-Howard**  
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**Ambika Samarthya-Howard: Can you tell us about yourself, where you started and what Magic Bus does?**

**Jayant Rastogi:** Magic Bus started in 1999, so it's been 26 years. We started with a very noble intention of seeing people who are from marginalized communities and asking how can we get them out of poverty, how can we put them into jobs, back into education? That was our objective, and we realized that this is something which was not as easy as it seemed, and these people required some skills.

At that point in time, we were trying to figure out what skills those were and we realized that they require employability skills, which need special intervention. We have two programs. One is our adolescent program where we work with the girls and boys who are going into sixth class and onwards, which is the pre-puberty or the adolescent stage. While we do work with boys and girls, our programs focus on girls and at least 50% of the participants are girls because we understand that the need there is so much more.

The adolescent age is where maximum dropout from school happens in India. We work to help girls continue to fend off life's challenges, the challenges they have in school and also in their work life. Our outcomes are basically that they stay in school, they don't drop out of school, and then they can have two exit paths. They can go into higher education or they can get into livelihood.

Today we are one of the largest organizations in the education space in the country through direct implementation. This year we'll be able to intervene with 30 lakh (3,000,000) adolescents with almost 52% being girls across 24 states in the country.

**Ambika Samarthya-Howard: Just to be clear, you work directly with schools?**

**Jayant Rastogi:** We work directly with schools and we work directly with communities. We are either in the community or in the school. In most of the places we are in the schools, and these are all government schools or all the schools where we address are catered to the marginalized communities.

**Ambika Samarthya-Howard: To be clear, one of your biggest partners is the government?**

**Jayant Rastogi:** Absolutely. A lot of our schools are government schools. While we started in 1999, our real growth has happened in the last couple of years. Obviously, you have to build credibility and you have to build evidence. So we layered whatever we were doing with a lot of technology. We started bringing technology in even when we couldn't afford it. But as a very small organization, when we bring in technology at the grassroots levels that brings in high integrity, which also brings in transparency, and very high governance.

**Ambika Samarthya-Howard: Can you be more specific about what you mean when you say "you started with technology?"**

**Jayant Rastogi:** What has happened typically is an NGO (non-governmental organization) does not have too much money for technology. So when I joined eight years ago, I realized that we needed to bring in a very high level of governance. Also, our impact would improve if we were able to bring in technology. We brought in very frugal technology because we couldn't afford a lot in those days. We started very simply with enterprise mobility applications so we could see if the children were attending the sessions and coming to the sessions on a regular basis. We brought in technology to help us do that so we could show how the needle had moved for our programs.

When I came in, I went to five of our programs and realized that four out of five programs were not happening and some of the programs had never happened because it was all self-reporting. I realized that you just can't leave these things as it is and you need to bring in a checking process because sitting in Bombay, I really don't know what's happening in corners of Kolhapur, Solapur, Manipur, or wherever. We are known as one of the most automated Indian NGOs because that brings in high governance. It

started building credibility and more and more funders started coming. Today, as a result, we are one of the largest NGOs offering direct education in schools.

**Ambika Samarthya-Howard:** We've spoken to tech-related nonprofits and some using artificial intelligence, but no one is using it specifically for checks and balances. Could you explain how you use technology in the classrooms?

**Jayant Rastogi:** Very simple. We built an enterprise mobility app, which is a very, very low-cost frugal innovation that we did. In the sessions, you want to see that if these are the 25 children who are there: are they the same 25 who are coming in every time? Whether you do it in the community or the school you want them to come again because it takes time to bring change. You need that intervention to happen and you need to get the children to understand. We use the methodology of play for bringing in experiential learning. We also want to do assessments before and after as to what is the difference that it has made, is there really some learning or is it just something which is good to have?

We have brought in technology to begin doing some of these things. But we couldn't get facial recognition as it was very expensive in those days. So before and after a session, we will take a picture of the whole group. If you are wearing a pink frog at the beginning of the session, you would be wearing a pink frog at the end of it. It's a very simple application and doesn't cost too much. That is how we started off. So at least when somebody is reporting that there were 25 children attending a particular session in some remote corner of India, I know that they were actually attending them. That's how it started off. Following those rules, which are very, very simple to do with a GPS, date, and timestamp, which is very difficult to forge. Obviously, we follow all data privacy. The data gets aggregated overall, and it's not available.

We've tried using technology. Some schools have computers and some of them we have given tablets to in some of the programs, but there is the last mile connectivity issue and technology can be expensive. So we wanted to get a social return on investment. We are using technology to see the governance of our programs: to see that we are measuring every child in those sessions, which will make a difference, which will get them to learn something, and then there's some outcome. We use technology to bring in the governance and the credibility of our programs.

**Ambika Samarthya-Howard:** I see how you check attendance and progress, but how do you check impact?

**Jayant Rastogi:** Before any program that we start, we do an assessment of the levels of learning. It could be gender equity, it could be problem-solving, it could be communication skills. We have a standard. Sometimes we do it ourselves, sometimes

we do it through a third party depending on the funding. Then we do a midterm review and then we do an end of the program review and see what is the impact. We publish these reports on our website. Every year we publish aggregated reports on what impact we have had. That's how we measure it.

**Ambika Samarthya-Howard: Can you talk about what impact you're seeing and explain how the model works?**

**Jayant Rastogi:** When I came in as a CEO, I wanted to bring the technology to a sector where people don't like to be measured. They don't want to be tracked. A lot of my colleagues asked me: "Don't you trust us? Why are you tracking?" You want to give the right messages to your team. Obviously, you do trust your team, you do trust your own people, but then if you find something which is not working and which is being really misused, you also want to stop that. I had to take a step back and ask: is it trust or what is it? Then I thought about it, I said, "I have kids, I trust them, but I have to have oversight." I need to see that they're doing the right things. That they're not into drugs, they're studying properly, they're spending time at school. I said, it's a duty to see this because most of the people that we have on the ground are first-time earners in the families. We have a duty to show them the right behavior and to create the right environment and the right culture because if you're not doing that, then we are not doing our job. If not, these people will see that you could do anything and get away with it. I explained to the team and the team understood. It took us 18 months to implement it because there was a behavioral change issue. People didn't want to do it because they were getting exposed. The children that they were reporting on were not there. But it was really good learning. Then when funders started trusting us and believing us. Our funder net promoter score now is around 92%, meaning 92% of our funders are very happy to recommend and fund us.

**Ambika Samarthya-Howard: What is it that you're measuring impact-wise? You're measuring specifically employability skills?**

**Jayant Rastogi:** This year we'll have 250,000 young people, 60% are girls, who will be part of our program. These are school dropouts or graduates who can't get jobs. I'm sure you've seen the data that 50% of Indian graduates are not employable. We bring in employability skills and then we place them. Our placement record is around 85% of the people who come into our programs.

We work again with the government, we work with private colleges, and we work with communities where young people need to get into jobs. We measure the salary levels, how many people we've been able to place and also retention: how long did these people stay in jobs. We also measure life skills in terms of gender equity, communication skills, problem-solving, negotiating abilities, and critical thinking.

We also are trying to bring in systemic change. We are saying that we are embedding our program and our content curriculum into the government system because it has such fantastic impact. The new education policy is giving us a lot of tailwinds because they're also talking about life skills now. A lot of governments are now coming in and asking us to take a program to the entire state.

We're now working in 10 states where we are trying to get into different school systems and working with the state government. Education is a concurrent subject. You have to work at the central level and you also have to work at the state level. We are working across both. In terms of assessments, in terms of how we do the life skills, because we are one of the first few people who brought life skills into the country. We are working with NITI Aayog, we are working with NCERT PARAKH in terms of assessments and all that in terms of policy, advocacy, et cetera. Then we work with the state governments in terms of rolling out these programs, training the teachers, building a cascade where they can deliver these programs in the different schools.

**Ambika Samarthya-Howard: The government system in India, specifically the school system, is both local, regional and federal. Which levels are you working at when you're working within the schools?**

**Jayant Rastogi:** We typically get into a particular geography and we either work at the state level or at the district level where we get permissions for getting into the schools.

**Ambika Samarthya-Howard: I'd like to move onto funding models. Since 1999, what has happened to your funding.**

**Jayant Rastogi:** What we've done is build a high level of governance so that you have more evidence. Earlier, it was difficult getting funding because once you start, you have credibility. Funders want to give money for a good cause. So we brought in operational efficiency. I call it the 4Ps. It's people and having a good culture. You need to have good processes so that you can take care of your people and you have to be passionate. They want to come to the offices everyday and deliver.

In this sector, on the not-for-profit side, you are here for your passion. You are here to do something good. So you need really passionate people who are aligned to the vision and mission of the organization. That's the first P. Our net promoter scores when I joined were -35, which meant in our employee net promoter score none of our employees were recommending us as an organization to work for. Today, we are the best organization to work for, great places certified. Our employees say that we are one of the best NGOs to work for in the country. We've brought in good culture and we've brought in good practices.

The second P about the programs and the impact, of which I've already spoken. It's the technology, the governance, the maker checker process. Our evidence is there for everybody to see and funders see what the outcomes are.

The third P is about your processes. We were the first to introduce ERP (enterprise resource planning), HRMS (human resources management system) and to have the applications to talk with each other. We brought a lot of technology today into Magic Bus and now we are seen as one of the pioneers in bringing technology into the sector. Anybody who wants to do something on the technology sites now comes and wants to partner, be that AWS (Amazon Web Services) or Microsoft or whoever it is. That's also given us tailwinds. We also have FPD (fraud prevention detection) and are probably the only NGO with it. We scrub 100% of our livelihood data and we see that when we report something, it's absolutely 100% percent authentic. Sometimes there are cases where there are data integrity issues. We pull the data back, we tell the funder that this is a mistake we've made and we again do the targets. That helps you build high governance credibility.

Then the fourth P are partners, which are funders, government partners, or employers. We take in feedback and do surveys where we actually check with them. Our funder net promoter score is obviously a result of the survey that we do. We measure and track anything and everything that we do. This has gotten us a lot of credibility and that is how we have built a diversified funding portfolio. Typically, NGOs would have one or two streams of funding, but we have four streams of funding. We have corporate funding, which is quite big in India. Corporate funding was already in place before I came here. We just helped grow it and it's growing exponentially for us now, because the government is also very stringent in terms of measuring corporate funding. They want to see the impact and they do a social audit and a financial audit. Last year, our top 30 funders grew 65% with us in terms of the funding.

Another is institutional funding and that came in with the new team. This is a risk capital for innovation, for trying something different. The corporations don't have an appetite for that so that's where we started the institutional funding. It's becoming big because instead of just funding programs they're also funding our vision in terms of the new stuff we want to do.

For example, we've launched a platform called FutureX, a technology-enabled platform which is the future of scaling. We've got a good amount of money for that because they believe in our vision for the sector, or how we want to address the domain or solve these problems at scale. We consider Rippleworks an institutional funder.

The third stream is retail funding with digital and face-to-face interactions and that is growing as well. The fourth is from international markets and the galas we do. We are

opening our fifth stream, which is employee volunteering and employee giving, which is still picking up. So we have four mature and growing revenue streams. It de-risks the organization, and it helps us ensure that there's a good amount of money.

I call it good quality money because what you get in retail and what you get from institutional funders is higher quality money because you can do what you want to do. You can try new stuff, you can build your teams. You can get good people, you can build good processes. Then there's the programmatic money, which is for programs, which is what you're there for.

**Ambika Samarthya-Howard: What is the best timing for the different types of funding?**

**Jayant Rastogi:** I don't think there's any right or wrong answer on this, but my opinion is that first you need money to start, what we would call the seed capital. It's always good to then have the institutional money first because you want to get good people and to set the organization, build it, and put it together.

Then you have to have programmatic money because as an NGO you are doing programs. But I think it has to be both programmatic and institutional. All money that is helping you scale up the organization, get the right people, the right content, curriculum, practices. I think both are really important.

**Ambika Samarthya-Howard: What makes a good institutional partner?**

**Jayant Rastogi:** The Rippleworks process, as with a lot of institutional funding processes, is very, very rigorous and that is the really good part because you have to articulate an idea and a vision for the organization. When you're presenting to a third party it helps you own those ideas. It helps you polish and articulate it much better. It also clears your vision and ideas.

With many of our institutional funders, we've had intense discussions where they were helping us and challenging us on our strategy. Our first institutional funder was Azim Premji Philanthropic Ventures (APPI). They spent almost 18 months helping us put together a strategy and once they were convinced, then they funded us. Those were the days we were very small and that money really meant a lot to us.

That really helped us build all these processes and the four Ps. Subsequently, our vision, strategy, and direction were far more clear. It also gave us the risk capital to try new things and do innovation projects. The institutional money helps us do that also.

**Ambika Samarthya-Howard: Can you tell me about the funding that you received from Rippleworks? Did you do capacity building, project funding, talent grants?**



**Jayant Rastogi:** We have used this money for many different things. We have used it for human resources such as internal training, learning, and development. We are using it for technology and we are using it to build our internal processes. It's also for fundraising. So we are using it across all the four Ps that I spoke about. Our retail fundraising is also funded through Rippleworks. Retail money can be used for doing whatever is really important for the organization. The Rippleworks funding helps us put together a team to go to malls or digital marketing. You build a chain of people giving \$100, \$200 on a regular basis. Retail fundraising is very manpower intensive. The cost of fundraising is high, but then if you get the model right, then you have a lot of money available for things that are really important for you.

**Ambika Samarthya-Howard:** Did you have to explain that model during the grant-making process with Rippleworks?

**Jayant Rastogi:** The model already existed because we had already started off with another funder, but we wanted to grow it. At Rippleworks, we had to explain it to them and convince them. They thought that this was a great idea to do and they funded it through a grant.

**Ambika Samarthya-Howard:** You're one of the few people I've talked to that has this much diversification of funds. Do you have any thoughts about the current funding landscape and do you think everybody can and should have diversified funding models?

**Jayant Rastogi:** Ideally speaking, risk mitigation is always a good strategy for any organization. It is really good to have a diversified funding portfolio, but how many organizations have the capacity to build it is the question. There's a Harvard white paper on funding models that says any NGO will have one or at the most two funding streams. When I came in, I was extremely ambitious, and I said, "Let's just go for more funding streams. I think we have the appetite, the technology is there, and we can do that." So we have been able to build four of them. Obviously, two of our funding streams are really, really big as compared to those that other two are relatively much, much smaller.

The hope is that each one of them is growing well and that you have a balance of restricted and unrestricted monies. I think it depends on the organization because some organizations exist purely on institutional money. Some of them might be just the retail money. I haven't seen too many organizations who have all the four streams.

**Ambika Samarthya-Howard:** To confirm, RippleWorks helped you define and expand the retail funding? This is the first time I've heard someone cite this type of help in supporting a funding model. Do you see this as capacity building?



**Jayant Rastogi:** Rippleworks did not help us flesh out the model. The model already existed. They funded the model. When you say capacity building, I'm thinking, what is capacity building? Capacity building is building your processes, building your people processes, building your fundraising, building your programs. It is everything. That's what capacity building is all about.

One of the biggest problems NGOs have is absorbing the money they receive. For small amounts of money, they can consume it, they can absorb it properly but when large chunks of money come in, they can't. You have to build a strong back-end process and funders can help you build those capacities to absorb funding into your processes.

Today, even if I get a \$2 million, \$3 million or \$5 million programmatic grant, it's not going to stress me out because my back-ends are so strong that I can roll out that program. We have a modular model, like a Lego block. I can plug in that funding. We are able to execute—although I'm not saying it is very easy—but we do it with relative ease and with a lot of integrity because we have the back-end process there to support it.

When institutional funders help build capacity, they're looking at all the four Ps. They could look at either one of them or the other three, or four of them. For me, that is capacity building. Again, it would depend on what the organization needs. Some other organizations may be considering different areas such as talent and AI, but for us artificial intelligence is the next thing on our agenda.

In the programs, we've already brought AI. But internally at Magic Bus, we are wondering how to use AI for scaling? For example, we have a funder utilization report and every month, we have to send close to 700 or 800 such reports. These used to be done by people manually doing those reports. We brought in AI and now funder utilization goes directly from an ERP to a funder utilization format that is sent out to funders. You don't need the manpower and we're bringing in operational efficiency. We do a lot of this work as we really scale up because we are hiring up to 150-200 people month. So how do you plan for that in advance and know that your processes are able to stand the test of time?

**Ambika Samarthya-Howard:** You hire 150-200 people a month that are direct service providers?

**Jayant Rastogi:** Yes, That's been the scale of late and yes that is primarily their job to roll out curriculum.

**Ambika Samarthya-Howard:** How do you keep track of any of that?

**Jayant Rastogi:** Simple answer is we have built processes to keep track of them.

**Ambika Samarthya-Howard:** I don't know anyone who's scaling capacity at that level. Has that always been the case since the beginning of Magic Bus?

**Jayant Rastogi:** No, not at all. This is recent. We had to build credibility and high governance. We had to build a name for ourselves and then funders started coming in and they want their money put to good use. Now that has happened and it's the reason we are being able to grow and we're getting funding. That was not the case earlier.

**Ambika Samarthya-Howard:** You've made this success sound easy. What hasn't worked?

**Jayant Rastogi:** Nothing is easy in life. There's a dearth of talent and this monthly hiring of 150 to 250 gives me sleepless nights. We want absolutely great talent but there's not too much talent in the development sector today, if you ask me. We need people who can work with technology, who can work with good processes, who can work with a lot of agility. People get overwhelmed when they come to an organization like ours because the speed of decision-making is fast. So we have to screen people because otherwise you can waste a lot of money in training. That's one of the biggest challenges we have.

Second is when you scale, your quality should not dip. Your quality should keep on improving or at least stay the same. This is the reason I started fraud prevention detection because you have to motivate your people to do well. You also need checks and balances. Is what I'm saying really happening?

So we have data triangulation. We have cameras in our livelihood centres. We have biometrics. We check whether the employment letters are real using artificial intelligence. We check against the Aadhar card (India's national ID) and match those statistics as well as contact past employers. There's a whole lot of verification that we do internally. But funders find out and they feel that these guys are doing the right job and they are delivering on it.

**Ambika Samarthya-Howard:** What is your advice for someone trying to do what you're doing?

**Jayant Rastogi:** I used to work for a corporation. I headed up Motorola for South Asia. When I came out of Motorola, I did two technology startups of my own and it took me a long, long, long time because I was so tuned to looking at data, analyzing it, and over-analyzing it that I never was taking any steps to start my own startup. A very bright young guy from one of these top colleges, said "Jayant G, if you keep on doing this, it's

not going to help you. Take the step, move out, please start something, and you will learn.” I took that advice.

The other thing is you will never get anything 100%. Even if you have 15, 20, 30% of the facts that are required, please start it, whatever you're doing. The other thing is when you're ideating, don't put any constraints, really think big. Then you can decide how much you can do? What is it that you need to do? What scale can you achieve?

**Ambika Samarthya-Howard: What are the top three things you need to unlock scale and sustainability?**

**Jayant Rastogi:** You need really good, passionate people and they should be committed. They should feel like coming to the offices and doing their work. I think that's definitely, for me, the most important.

**Ambika Samarthya-Howard: How did you get from -35% on the net promoter scale to now being one of the top places to work?**

**Jayant Rastogi:** First, you really have to care about your people. People understand and they're all smart. They understand whether you're putting out a facade or you genuinely care for them. The second is you have to be clear, and you have to take some tough measures. Also see that you're paying them decently depending on what you can afford. Tell them that you're serious about governance. Align the organization's visions to the personal ambitions that people and that we are helping the country.

I think if you are a good human, you have empathy, and understand what the other people feel, you'll get it right. That's my belief.

I would also say that before you get funding build your backend systems because you need really strong processes for high governance credibility and for building capacity.

**Ambika Samarthya-Howard: Anything else?**

**Jayant Rastogi:** The third is obviously the money, which is the funding, right?

**Ambika Samarthya-Howard: Do you have other feedback for Rippleworks or funders in general?**

**Jayant Rastogi:** Capacity building grants are very beneficial for organizations and they have helped us tremendously. Where most NGOs fail is receiving a grant that they can't absorb and use. There has to be a process to see what the return on investment is for money that they have given. I think this is something that they should strengthen.

**Ambika Samarthya-Howard: So there should be more reporting not less?**

**Jayant Rastogi:** I don't think it's more reporting. I think there should be something funders can measure perhaps through a third-party assessment or something. Some NGOs may not like that, but if you are sure about your outcome, you don't mind a third-party. I think they should be measuring people who are doing well and who can use scaling up. They should fund them more and more. Rippleworks provides a one-time grant, but if they feel that something has helped, they should be happy to go back again. If money they have provided has been used properly and helped the organization to scale, then they should allow funding a second, third, fourth time, depending on the vision and the direction of the organization.

**Ambika Samarthya-Howard: Thank you for your time today.**

*Ambika Samarthya-Howard (she/her) is the Solution Journalism Network's Chief Innovation Officer: She leads on innovation and technology, leverages communication platforms for the network strategy and creates cool content. She has an MFA from Columbia's Film School and has been creating, teaching and writing at the intersection of storytelling and social good for two decades. She has produced content for Current TV, UNICEF, Havas, Praekelt.org, UNICEF, UNFPA, Save the Children, FCDO, Global Integrity and Prism.*

*\* This interview has been edited and condensed.*