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Eco Tasar silk: Sales Force Calling it Quits

Sushmita Waraich and [Ajay Chaturvedi](https://iveypubs.my.salesforce.com/003A000001pR12d) wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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On March 5, 2016, Khitish Pandya, the managing director of Eco Tasar Silk Private Ltd. (Eco Tasar), was not his usual cheerful self. He seemed rather annoyed. Pandya was feeling frustrated that, in spite of his best efforts to help all employees understand, accept, and value the business of the organization, he was struggling with his sales team. How could he find an employee who was a good fit for his sales team?

Pandya, A Social Entrepreneur in the Making

Pandya had graduated from a premier business school in India in 1990. In a campus selection at his college, he was the first in his class to be hired by a prestigious public sector undertaking (PSU), a government-owned company. Six months into his job, Pandya was unhappy, as he did not find the work to be sufficiently challenging. With his strong entrepreneurial bent, Pandya harboured a strong desire to create a business of his own.

Although he was newly married, Pandya quit his easy job in the PSU after just over a year. Over the next eight years, he worked on several different assignments, which led to hardships but also satisfied his hunger for challenges. In 2000, he joined the Professional Assistance for Development Action (PRADAN), a national non-governmental organization (NGO) in India that worked for the economic betterment of tribal communities in the villages of the Indian state of Jharkhand. PRADAN helped the traditional Tasar silk cocoon rearers by providing techno-managerial support to increase their incomes from cocoon rearing. PRADAN also organized women from poor households to take up an income-generating activity, such as yarn making from the silk cocoons that were available locally. Pandya was hired to help the organization set up the market linkage for the yarn made by the women in the villages. Subsequently, in 2004, PRADAN facilitated the setting up of Masuta Producers Co. Ltd., a company owned by the yarn makers themselves. The company was staffed with professionals who helped manage the centralized purchase of raw material. The professionals also helped in the marketing of the yarn directly to the weaving communities through value addition—that is, by making the yarn into fabric and other woven items***.***

Pandya, who was looking after the marketing of yarn and also the fabric division at PRADAN, decided to strike out on his own. He and Masuta Producers Co. Ltd. agreed to set up the fabric division as a separate joint venture (JV), wherein Masuta Producers Co. Ltd. provided the initial capital and Pandya managed this company as a co-owner.

PRADAN too realized that it would be better for Masuta Producers Co. Ltd. to remain focused on the activity of yarn production and to create a separate entity to undertake the activity of adding value to the yarn by converting it into such products as sarees, stoles, dupattas, and bedcovers, and then selling these products in the market. Pandya succeeded in convincing the top management of PRADAN that such an action would be a prudent business decision and in the best interests of the community.

In2007,PRADAN promoted Eco Tasar Silk Private Limited, a JV company formed between Masuta Producers Co. Ltd. and Khitish Pandya, the social entrepreneur. The JV served three purposes: first, it helped to expand the demand for Masuta Producers Co. Ltd.’s yarn by using it in its own production; second, its activities generated income for Masuta Producers Co. Ltd., which helped Masuta Producers Co. Ltd. to stabilize its otherwise commodity-based business; third, it served as an outlet for introducing to the market designs made using Masuta Producers Co. Ltd. yarn.

the Handloom Industry in India: A Peek into the Business Dynamics

The Indian handloom industry, operated by weavers who had a deep sense of art and culture, was a true reflection on the diversity and richness of Indian culture. Indian handloom products had always been known for their unique designs and finesse. Handloom products were exceptional by the virtue of the handloom’s flexibility and versatility, which encouraged experimentation. Handlooms were superior to power looms because of their ability to introduce innovative designs, which the power loom could not replicate.

The handloom industry engaged nearly six million workers, making it the second-largest employment provider for the rural population in India, after agriculture. This sector contributed nearly 19 per cent of the total cloth produced in India and added substantially to export earnings.[[1]](#footnote-1)

Silk

Worldwide, India was second only to China in silk production, accounting for almost 18 per cent of global raw silk production. India produced more than 28 thousand tons of silk per annum,[[2]](#footnote-2) with sericulture activities spread across more than 52,000 villages. India enjoyed a unique position in sericulture, as it produced all the commercially useful varieties of silk. The Indian silk industry was a major generator of both employment and foreign exchange for the country.

Key Markets

In the financial year (FY) 2015–16, Indian silk exports stood at US$181.5 million.[[3]](#footnote-3) Most of the export earnings came from ready-made silk garments, which accounted for almost 74 per cent of the total silk export earnings. Natural silk yarn and fabrics comprised 24 per cent of silk export earnings.[[4]](#footnote-4) The major export markets of Indian silk goods were the United Arab Emirates and the United States. Western Europe was another major market, with the United Kingdom, France, Italy, and Germany being the main importers of silk products. The silk products exported included ready-made garments, fabrics, carpets, and natural silk yarn.

Tasar Silk

Tasar was a copper-coloured, coarse silk, mainly used for furnishings and interiors. It was less lustrous than mulberry silk, but had its own feel and appeal. Tasar silk was produced by a silkworm that mainly thrived on a specific variety of trees found in only certain areas of India. The rearing of the worm was done in a natural way, on trees in the open. In India, the states of Bihar and Jharkhand were the largest Tasar silk producers, and Tasar culture was a mainstay for many of their tribal communities. Tasar silk was also produced in the states of Chhattisgarh, Odisha, Maharashtra, West Bengal, and Andhra Pradesh.

The demand for Indian Tasar silk had witnessed modest growth between 2010 and 2013. Earnings from the export of Tasar silk goods grew from $50 million in FY 2010–11, to $54 million in FY 2012–13. The sector had been growing steadily, albeit at a moderate pace.[[5]](#footnote-5)

The Ecosystem for handloom silk

Handloom weaving was a prevalent economic activity in many rural parts of India. A large section of the rural population was completely dependent on this activity as their only source of livelihood.

Despite the various government-launched programs to promote the handloom silk sector, it faced numerous challenges. Firstly, the sector competed with power looms, which benefited from economies of scale, leading to a lower production cost, compared with the cost of producing similar products using the handloom. Compared with handlooms, power looms offered both a more competitive selling price and a profit margin advantage.

Secondly, compared with power looms, handloom production technology, because of its dependence on the speed and skill of the weaver, required more time to produce a given quantity of product. As a result, in the handloom market, supply was unable to match demand. Thus, managing supply order deadlines was often a challenge for companies offering handloom silk products. This situation led to missed sales opportunities even when the market had the potential to buy more products. The power loom players regularly exploited this situation, as they were easily able to fill the demand–supply gap.

Thirdly, the new generation in the silk weaver community was steadily moving toward adopting other vocations. This trend was a result of traditional weaving being seen as less economically beneficial, compared with other vocations. As a result, with each passing year, fewer skilled weavers were available to drive the handloom industry.

Fourthly, the silk handloom sector was largely unorganized, with a large number of small players who were, in most cases, sole proprietorships. In such an environment, assuring quality and best practices to the customers remained a challenge.

Last but not the least, customers in the domestic (i.e., Indian) market were price-sensitive. Also, most domestic customers did not differentiate between handloom and power loom products, which led to adverse conditions for handloom products and favourable conditions for power loom products. In the export market, especially in North America and Europe, customers valued the exotic and creative qualities of handloom fabrics. However, this market was sensitive about product quality, conformity to international standards on production processes, and prompt delivery of products. For the Indian silk handloom sector, these requirements continued to remain a challenge.

The buying behaviour of the customers of silk products, as explained above, distinctly segmented the market into two categories. One market segment was niche, catering to select discerning customers mostly in Europe, North America, and the Middle East. The niche segment had some presence in India; however, this customer base constituted a very small fraction of the overall potential customer base. The other market segment comprised, solely, the customers in India, the local market, who were very price-sensitive and often did not differentiate between handloom and power loom products. This market segment dictated the need for different products and marketing strategies, as per the requirements of a particular market segment.

Eco Tasar’s Business Philosophy

Pandya’s vision was to create a social enterprise that was not just self-sustaining but also commercially competitive, to ensure that it remained capable of effectively supporting the social cause at its core. In line with his vision, Pandya incorporated Eco Tasar with the objective of building a business that created wage opportunities for a large number of producers of handmade yarn, handloom weavers, and other producers in the textiles value chain by promoting a sustainable and fair business model.

Guided and supported by eminent individuals from the social work arena, including Deep Joshi, a Ramon Magsaysay Award winner;[[6]](#footnote-6) Satyabrata Acharya; and Anish Kumar, Pandya formulated the mission of the organization as follows: “Creation of wage opportunity for a large number of producers of handmade yarn, handloom weavers and other producers in the textiles value chain through a sustainable and fair business model.”

Eco Tasar’s Growth Story

From humble beginnings, Eco Tasar, had grown to a strong team of 89 members working full-time for the organization. From only $0.35 million in revenue in FY 2008–09, the company had boosted its revenue to $2.8 million in FY 2015–16. The company had grown at a compounded annual growth rate of 30 per cent over the past five years (see Exhibit 1).

Over time, Eco Tasar had specialized in Tasar and Eri silks. Its expertise was in making well-designed handwoven products using hand-spun silk yarn. The company offered a wide range of high-quality Tasar products that included such off-the-loom items as scarves, stoles, sarees, and shawls, and fabricated items such as cushion and duvet covers. Eco Tasar’s overall number of stock keeping units ranged between 2,000 and 3,000 items that were sourced directly from the artisans. Weaving and dyeing was done as close to the artisans as possible. Lastly and most importantly, Eco Tasar had chosen the path of using only handmade yarn or fabric and had never been enticed by the lure of power looms.

Eco Tasar was focused on design-driven products. The contemporary designs, which exuded an aesthetically understated elegance, appealed to contemporary working women. The products were positioned in the mid-price bracket, making them attractive to those who desired elegance at affordable cost. Eco Tasar was known for providing designs and weaving styles to unserviced and under-serviced markets, giving it an edge over local wholesale suppliers, which typically did not carry such inventory. Moreover, Eco Tasar introduced a large number of designs in quick succession, which kept buyers’ interest alive.

Eco Tasar invested in a fabrication unit to make and sell cushion covers and other home furnishings. It also expanded its weaving base from Bhagalpur to Fulia in West Bengal, a state in northeast India, and was also exploring weaving clusters in South India. It supplied stores across India and exported to the United States, the United Kingdom, Germany, Italy, France, Colombia, South Africa, Japan, Malaysia, Australia, Spain, and Greece. Its clients included Fabindia, Tribes, Nalli, Cinnamon, Amethyst, Casablanca, and Parthas in India; West Elm (sister brand of Pottery Barn Group), John Robshaw Textiles, Novica, Sevya, and Fair Trade Original in the United States and Europe; The White Company in the United Kingdom; and Amor Collections in the Netherlands.

Eco Tasar was on an expansion mission to create greater demand for Tasar silk yarn. The company was leveraging its marketing outreach to help women yarn makers in Madhya Pradesh and Assam, especially those living in poverty, by providing technical training and by sourcing yarn from them. Eco Tasar continued to support Masuta Producers Co. Ltd., by buying more than 30 per cent of the yarn it produced.

In the past decade, Eco Tasar’s social program, in collaboration with PRADAN and other NGOs such as Grameen Sahara, had made a definitive impact in the lives of thousands of village men and women, the yarn makers and weavers. The enterprise undertook a major scaling-up of its operations, from 590 artisans in FY 2011–12 to 1,954 artisans by FY 2013–14, disbursing almost $0.73 million in wages.

Eco Tasar aspired to emerge as a leading player in the handloom silk market by 2020. It had set high benchmarks in the areas of market and social impact and planned to achieve the set standards by employing best practices and the latest technology in all facets of the value chain. The growth vision and the focus areas of the company are summarized in Exhibit 2.

In 2012, Eco Tasar was recognized with a Sankalp-Samridhi Award[[7]](#footnote-7) for creating a business that, in addition to being viable and competitive, focused on the welfare of artisans living in poverty. Eco Tasar was also recognized as a valued partner in testimonials posted by clients such as West Elm.

Challenges along the Growth Path

Pandya was satisfied with the growth of his business. He enjoyed receiving recognition in the industry, and the company had achieved a comfortable market share. His supplier and distribution networks were stable. He had good employees and valued their loyalty. The attrition rate of his employees was lower than that of the industry.

However, the path of growth had its challenges. In the early days of the organization, Pandya had a small team that included designers, production personnel, and an accountant. In addition to managing the complete administration of the business, Pandya also handled the important functions of marketing and sales, although his designers sometimes pitched in to also act as marketing professionals. This arrangement continued for some time; however, as the company grew, Pandya started to feel stressed while also managing other functions. “It’s time to look for a few marketing professionals,” Pandya thought. To drive sales, he decided to hire young graduates who had qualifications in the domain of design. Pandya assumed that it would be easy to train these young minds.

the Decision to Hire Marketing Professionals with Experience

One day, when Pandya arrived early at the office, he was surprised to see the designer, Jatin Chandra, already at work, trying to clear some backlog, as he was expecting a new order. Pandya sat down with Chandra and said that he wanted to share some of his concerns with him. Pandya said that the company had hired some talented young employees to handle the marketing tasks but that the required training was draining his energy. He said that, despite all his efforts, he still received unexpected calls from those employees when they were unable to handle customers’ queries.

He noted, “It does put me off, but then, they are not to blame. Maybe they are not experienced enough to handle such queries and maybe they will take some more time to learn.” Chandra advised Pandya that, in view of the scale at which the business was growing, it was time for the sales responsibility to be handled by people who had experience.

The day carried on as usual, but Pandya ruminated over Chandra’s suggestion. Finally, by the end of the day, he concluded that Chandra’s suggestion was a good idea that merited implementation.

Pandya arranged for advertisements to be published in the leading daily newspapers, seeking suitable candidates for positions of marketing professionals. Response to the advertisement was good. Several candidates from larger export houses responded; in most cases, they desired to change jobs mostly for a salary increase and a higher position. After screening the candidates, Manish Mathur was selected. Mathur had 11 years’ experience in marketing at a mid-sized textile firm that used power loom technology. Pandya mused, “With a 20 per cent hike over his current salary, as per his expectations, Mathur should be motivated enough to put in his best. His experience will help us boost our sales and I can concentrate on operations.”

the Baggage of past work experience

On May 1, 2008, Mathur joined Eco Tasar and began two weeks of orientation. Pandya had Mathur accompany him to all his meetings and encouraged him to ask as many questions as needed to clarify any uncertainties. In his initial five months, Mathur did his best by meeting with clients and trying to convince them of the romance of handwoven textiles. With persistent efforts, Mathur was able to secure larger orders from existing clients, and he was successful in developing two new clients, which marginally increased sales. Mathur was settling in well, and he expected to secure larger deals in the near future. This trend was also reflected in his sales results curve in previous companies: gradual at first and increasingly steep thereafter. Mathur set challenging goals and shared them with Pandya. Pandya was happy to see enthusiasm in his new marketing manager, but advised him to be realistic and patient in his approach, as this market differed from the markets that Mathur had previously dealt with.

As time passed, Mathur’s body language started to reflect what seemed to be impatience and disappointment. He was planning to achieve sales growth at exponential scales and yet he was struggling to achieve even low linear growth. Sales were not moving as expected, but Pandya did not become impatient.

One day, Pandya saw Mathur in an animated discussion with the finance manager in his cubicle. He went closer and overheard Mathur saying, “It is no fun doing business with such small timers. I have never been used to catering to small customers. At bigger companies you get to make bigger sales and accordingly your incentives shoot up.”

Initially, Mathur had not noticed Pandya approaching. When he did see Pandya, Mathur and the manager stood up and greeted him. Pandya greeted them back and sat down with them. Having overheard Mathur’s complaint, Pandya addressed him: “I can see that you possibly are a little dissatisfied with the kind of transactions you are handling. You do not seem to be comfortable with having to deal with multiple albeit smaller customers. You are rather more comfortable in working on fewer but larger deals.” Pandya further said, “That is the challenge here. Every business encounters different challenges and that is where you get to learn and grow.”

“I will be able to make huge sales if it were not just handloom products. There is no point being rigid about this; business needs to make better profits,” shot back Mathur.

Such conversations would continue endlessly, but Mathur made no attempt to try to adapt to the situation. One and one-half years into Mathur’s job, Pandya called Mathur and said that Mathur’s discontentment and his continual comparison between big and small companies was not helping him. Pandya asked him to take time, develop the right perspective toward the business that he was now in, and change his attitude. Later, in November 2009, Mathur spoke arrogantly to a customer who had submitted a small order. This incident made Pandya realize that things were likely not working out with Mathur, and he asked him to leave Eco Tasar for the best interests of the company and himself. Pandya said, “You should not be working for an organization where you look at it as a step down in your career.” Mathur left Eco Tasar in December 2009.

Immediately thereafter, on December 15, 2009, Rahul Rai joined the company. He had previously worked for almost eight years at a mid-sized export house. Rai expressed a desire for more responsibilities and challenging assignments. Pandya saw in Rai a good candidate for the role of marketing. Rai, too, went through a carefully planned orientation schedule, which allowed him time to understand the business and settle into his new position. Pandya familiarized Rai with the business philosophy, the supply chain, the designing and production processes, and the clients in the market, both current and prospective.

Rai settled into his job, and Pandya soon noticed that Rai was putting in long hours as he made concerted efforts to develop new clients and secure larger orders from the current clients. Rai made good progress, which Pandya appreciated. However, as time passed, Rai began to show signs of poor motivation and frustration. He began to struggle to meet his own set marketing targets.

One day during an informal gathering in the office, Rai walked up to Pandya and shared:

Things were so structured in my previous organization. Here, one has to do many related tasks. There, it was nice having a set job description and working only for a particular vertical. We didn’t have to do other unnecessary tasks. Don’t you think it is a sheer waste of time? In addition, it is tough to convince customers. Here, in the time that it takes to convince one customer, in my previous organization, I would have made three sales.

Pandya thought that Rai was looking for a support system. It seemed as though Rai had not done any homework before joining Eco Tasar. Although his expectation of a pay increase had been met, he never shared that he would be unable to work in a multitasking environment.

This attitude was not acceptable to Pandya. Considering the company’s marketing targets and, over the past two years, Rai’s limitations in achieving those targets, Pandya decided to support him with another marketing professional. In February 2012, Ravish Ranjan joined Eco Tasar and was happy after the salary negotiation. He came from a company that was of similar size as Eco Tasar in terms of revenue and had a reasonably large market share in the domestic market. Pandya recalled that Ranjan had told him during the interview that he was stagnating in terms of his learning and development.

Ranjan seemed to settle in well. He and Rai appeared to be a compatible and focused team. However, seven months into his job, Ranjan reflected his concerns: “At other places, you made huge sales in one go and earned attractive incentives, whereas here, you need to cater to individual consumers and end up selling only in small quantities. My patience is running out with such small orders.”

Pandya tried to explain the situation to Ranjan: “I think that is where your selling skill comes into the picture. Eco Tasar is thriving on boutique customers. You need to put in some effort to sell artisanal products with a story. It is never the same when you are selling stuff in bulk . . . the dynamics are different.” Ranjan was an entrepreneurial worker. He had no problems multitasking, as was typically expected in such a set-up.

Over time, Ranjan would repeatedly suggest to Pandya that the business would do well to enter into the polyester business. On one occasion, Ranjan said, “Polyester sells like hot cakes. For polyester items, you can sell 5,000 pieces for $3 each, whereas a similar piece in silk would sell for nothing less than $12.”

To this comment, Pandya replied, “That’s where I differ. My enterprise stands for artisans. Eco Tasar’s mandate was to create work for others through our work. I am quite clear that I would not switch over to any other model even at the cost of forgoing opportunities for huge profits.”

Ranjan persisted: “I still suggest you reconsider this sales model. For me, it is business first and then society. Sorry to say, but Eco Tasar will find it very difficult to survive. You know, getting into polyester . . . I will be able to bring in a lot of sales through my contacts from my previous organization.”

Pandya tried to explain to Ranjan that he needed to rethink his sales strategy:

It doesn’t matter. You do not need to get that many customers. Try to hunt up and cater to the smaller ones who really prize handloom material. That is what Eco Tasar came into existence for. If the artisans put so much of effort into creating finery and magnificence in a piece, then I think the salesperson also needs to go that extra mile and convince the customer to buy. However, a switch from the current sales model is not remotely possible!

A few months dragged on with poor sales; then on December 25, 2013, Ranjan walked up to Pandya and said, “I have tried my bit. Since I am on an incentive scheme, it is difficult. It might be a very respected sales model, but it is getting difficult for me to sustain. I can no longer continue unless you rethink the product.” Within a week of this conversation, Ranjan left Eco Tasar.

Pandya now felt that those who had experience in for-profit organizations were not suitable for working at Eco Tasar. He then considered seeking someone with experience in a not-for-profit organization.

In February 2014, Pandya hired Binu Raj, who had worked in an NGO that was involved in promoting cottage industries in the undeveloped areas of central India. During the interview, Raj had exhibited a strong passion for working for social causes. Like he had for the others, Pandya ensured a thorough orientation period for Raj.

Raj settled into Eco Tasar well and was comfortable with the work. However, over a period of time, Pandya realized that sales targets did not seem to be Raj’s primary focus. Although Raj enjoyed his trips to the villages where Eco Tasar sourced its yarn and was often promising the weavers better prospects, his enthusiasm in the core production processes was not translating into a drive for sales. This situation, however, never seemed to perturb Raj.

Pandya was happy that Raj had settled into the work and was not complaining about sales issues. However, Pandya was also concerned that Raj was not able to drive up sales. Even more disturbing was the fact that Raj did not seem to be troubled by the often moderate-to-weak sales figures, quarter after quarter.

Pandya’s Dilemma

Pandya wondered, “I have tried people with different backgrounds but all seemed to have failed in letting go of the baggage of their background. They were either unable to adjust to the values of the organization, or did not understand the need for being sufficiently competitive to ensure sustainability.” While Pandya knew that demand existed for Eco Tasar’s products, he was not able to understand what had gone wrong with the marketing professionals. Pandya wondered whether he would be better off going back to the earlier arrangement, wherein he ran the show himself with young graduates and trainees supporting him.

Pandya continued to wonder what he should do to address the issue.

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Exhibit 1: ECo tasar’s Consolidated Statements, 2011–2016 (for year ending March 31)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Income: |  |  |  |  |  |  |
| Revenue from Operations | 48,875,455 | 53,438,384 | 108,973,968 | 169,008,347 | 16,720,0671 | 147,099,588 |
| Other Income | 131,448 | 98,070 | 22,031 | 13,125 | 16,378 | 21,521 |
| Total Revenue | 49,006,903 | 53,536,454 | 108,995,999 | 169,021,472 | 167,217,049 | 147,121,109 |
| Expenses: |  |  |  |  |  |  |
| Cost of Materials Consumed | 22,989,942 | 25,134,456 | 57,424,556 | 59,342,405 | 82,250,922 | 69,914,631 |
| Direct Expenses | 11,127,414 | 10,282,610 | 24,887,541 | 40,040,462 | 37,068,341 | 10,948,956 |
| Changes in Inventories of Finished Goods, Work-in-Progress, and Stock-in-Trade | (1,651,419) | (3,708,708) | (12,213,071) | 1,296,216 | (14,891,942) | 2,821,492 |
| - Employee Benefit Expense | 4,915,096 | 4,578,323 | 7,712,997 | 10,030,827 | 13,584,227 | 18,924,673 |
| - Financial Costs | 2,309,835 | 1,774,701 | 1,077,878 | 3,429,257 | 2,331,522 | 23,862 |
| - Depreciation and Amortization Expense | 202,886 | 314,097 | 399,650 | 424,856 | 1,129,658 | 1,581,390 |
| - Other Expenses | 5,412,188 | 7,059,116 | 4,856,657 | 6,489,051 | 11,664,452 | 15,979,676 |
| Total Expenses | 45,305,942 | 45,434,595 | 84,146,208 | 121,053,074 | 133,137,180 | 120,194,680 |
|  |  |  |  |  |  |  |
| Profit before Exceptional and Extraordinary Items and Tax | 3,700,961 | 8,101,859 | 24,849,792 | 47,968,398 | 34,079,869 | 26,926,429 |
| Exceptional Items |  |  |  |  |  |  |
| Profit before Extraordinary Items and Tax | 3,700,961 | 8,101,859 | 24,849,792 | 47,968,398 | 34,079,869 | 26,926,429 |
| Extraordinary Items |  |  |  |  |  |  |
| Profit before Tax (VII -VIII) | 3,700,961 | 8,101,859 | 24,849,792 | 47,968,398 | 34,079,869 | 26,926,429 |
| Tax Expense: |  |  |  |  |  |  |
| - Current Tax | 1,151,000 | 2,497,778 | 8,058,791 | 15,781,414 | 11,392,496 | 9,076,914 |
| - Deferred Tax | (6,625) | 5,547 | 3,547 | (284) | 108,958 | 132,087 |
| Profit from the Period from Continuing Operations | 2,556,586 | 5,598,534 | 16,787,454 | 32,186,701 | 22,578,416 | 17,717,428 |
| Profit for the Period | 2,556,586 | 5,598,534 | 16,787,454 | 32,186,701 | 22,578,416 | 17,717,428 |

Note: ₹ = INR = Indian rupee; US$1.00 = ₹50.87 on March 31, 2012; US$1.00 = ₹54.30 on March 31, 2013; US$1.00 = ₹59.96 on March 31, 2014; US$1.00 = ₹62.27 on March 31, 2015; US$1.00 = ₹66.25 on March 31, 2012.

Source: Company files.

Exhibit 2: ECO TASAR’S Aspirations 2020—Creating a Social and Market Impact by Leveraging Technology

Social Impact

* Touch at least 20,000 producers by 2020.
* Target 25% of Eco Tasar sales to be allocated to wages.
* Cycle back profits of Eco Tasar for equitable distribution among all stakeholders.
* Make village women a key focus area.
* Partner with and support grassroots NGOs involved in employment initiatives.
* Provide a package of benefits, such as medical insurance.

Market Impact – Footprint

* Become one of the largest domestic distributors of natural fabrics.
* Increase the international footprint to at least 40 countries.
* Build a customer base including
* at least 2,000 leading boutiques within India;
* at least 100 international customers; and
* at least 100 online partner stores with co-branding.
* Hire leading designers.
* Increase reach to many more cites and Tier II towns in India.

Technology Leverage

* Manage the database of weavers through the use of mobile apps.
* Launch a customized e-commerce store that
  + caters to retail customers in India and overseas;
  + features a rich portal that simulates a user environment for the customer;
  + changes the dynamics of purchasing a saree from home; and
  + provides unique experience to the B2B partners.
* Backend systems:
  + Implement a mini ERP to manage billing, inventory, shipping, customers.

Note: NGOs = non-governmental organizations; apps = applications; B2B = business-to-business; ERP = enterprise resource planning.

Source: Company files.

1. S. Sudalaimuthu, “Handloom Industry in India,” accessed September 16, 2016, www.fibre2fashion.com/industry-article/2269/handloom-industry-in-india?. [↑](#footnote-ref-1)
2. International Sericultural Commission, “Statistics: Global Silk Industry,” accessed August 28, 2016, http://inserco.org/en/?q=statistics. [↑](#footnote-ref-2)
3. All currency amounts are shown in U.S. dollars unless otherwise noted. [↑](#footnote-ref-3)
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