

**4<sup>th</sup>  
Edition**

**SOM - LALIT INSTITUTE OF MANAGEMENT STUDIES  
PRESENTS**

# **WRITER'S CORNER – A COMPILATION OF CASE STUDIES**

Editors

**Dr. NEHA PATEL | Dr. SUPRIYA BHUTIANI  
Dr. SARMISTHA SARMA | Dr. ARCHANA SHANKAR**

# **WRITER'S CORNER – A COMPILATION OF CASE STUDIES**

**4<sup>th</sup> Edition**



**VIKSIT BHARAT 2047  
Entrepreneurship Driven Growth**



**WRITER'S CORNER –  
A COMPILATION OF CASE STUDIES  
SLIMS Research Club 'Insights' Presents.....**



**Editors**

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Dr. SUPRIYA BHUTIANI**

**Co-Editors**

**Dr. SARMISTHA SARMA  
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# **VISION & MISSION**

## **VISION**

To be an institution of choice in the field of management education for all stakeholders by promoting creativity, innovation, and excellence.

## **MISSION**

- M1: To nurture students towards dynamic management professionals through excellence in management education and practice.
- M2: To inculcate students with ethical values, attitudes, and a human approach to become leaders and exemplary citizens.
- M3: To engage in high-quality research and consultancy in collaboration with institutions and industries.

## **PEOs**

- PEO1: To develop individuals to accomplish managerial and or leadership positions in their chosen fields.
- PEO2: To foster critical thinking abilities towards data-based decision making in identifying and solving real-life critical business challenges.
- PEO3: To prepare professional managers for the dynamic environment to solve and manage social and economic challenges



## **TRUSTEE'S MESSAGE**



### **MR. PRAGNESH SHASTRI**

*Managing Trustee*

*Som Lalit Education and Research Foundation*

It gives me immense pride and pleasure to present the fourth edition of the SLIMS Case Book, a testament to our continued commitment to academic excellence, research, and industry relevance. Over the years, this publication has evolved into a significant platform that bridges the gap between theoretical learning and real-world business challenges, enabling students, academicians, and practitioners to engage with meaningful and impactful case studies. With each passing year, we have endeavoured to strengthen its academic rigor and practical relevance, ensuring that it remains aligned with the evolving needs of management education.

The theme, “Viksit Bharat 2047: Entrepreneurship Driven Growth,” is both timely and aspirational. It closely aligns with the nation’s vision of becoming a developed economy by 2047, emphasizing the critical role of entrepreneurship, innovation, self-reliance, and sustainable development. In this context, the case studies featured in this volume highlight real-world challenges and opportunities across sectors, encouraging learners to think beyond conventional approaches and contribute meaningfully to India’s growth story. Such knowledge resources play an important role in shaping future leaders who can drive inclusive growth, generate employment, and build resilient business ecosystems.

This edition further reinforces the importance of contextual and application-based learning, equipping students with the ability to analyze complex business situations and make informed decisions. By focusing on contemporary issues and emerging trends, the case book contributes to developing a mindset that is not only business-oriented but also socially responsible and nation-focused.

I extend my heartfelt appreciation to the editorial team, contributors, reviewers, and all stakeholders whose dedication and efforts have made this publication possible. Their commitment to quality and knowledge dissemination is truly commendable, and their collective efforts have ensured the success of this edition.

I am confident that this case book will serve as a valuable resource for management education, fostering critical thinking, problem-solving, and decision-making skills among learners. As we move forward, we remain steadfast in our mission to nurture responsible leaders who can contribute meaningfully to society and the economy, and play an active role in shaping the nation's future.

Wishing this edition great success and impact.

## **EDITORS' MESSAGE**

Dear Readers

It is with great enthusiasm that we present the fourth edition of the SLIMS Case Book, marking the fourth consecutive year of this enriching academic initiative. With each edition, we have consciously strived to enhance the quality, relevance, and impact of this publication. Our continued endeavor has been to refine the case selection process, strengthen academic rigor, and widen the scope of contributions, ensuring that the case book evolves into a more valuable and meaningful learning resource year after year.

This edition is particularly noteworthy as it reflects a broader and more diverse intellectual contribution. Such collaboration not only enriches the academic depth of the case book but also brings in global perspectives, making it highly relevant in today's interconnected and dynamic business environment.

Aligned with the overarching theme, "Viksit Bharat 2047: Entrepreneurship Driven Growth", this volume presents cases across a range of carefully curated sub-themes. These include Startups & Innovation, showcasing emerging ventures and disruptive ideas; Social & Inclusive Entrepreneurship, focusing on enterprises driving societal impact; and Women & Rural Entrepreneurship, highlighting empowerment and grassroots development. The case book also explores Digital India & Tech-Enabled Growth and AI, Automation & Technology-Driven Ventures, reflecting the transformative role of technology in business.

Further, themes such as Sustainable & Green Business Models emphasize responsible and future-oriented growth, while Make in India & Atmanirbhar Bharat Success Stories celebrate indigenous capabilities and self-reliance. The inclusion of MSME Growth and Entrepreneurial Finance highlights the challenges and opportunities within the small and medium enterprise sector.

We extend our sincere gratitude to all contributors for their dedication and scholarly efforts. We are confident that this edition will continue to inspire learners and educators, fostering critical thinking and practical understanding of real-world business challenges.

Best Regards,  
**Dr. Neha Patel**  
**Dr. Supriya Bhutiani**



## CO-EDITOR'S MESSAGE

Dear Readers,

India stands at a decisive moment in its developmental journey. The vision of *Viksit Bharat 2047* reflects the country's aspiration to emerge as a resilient, innovation-driven, and globally competitive economy by the centenary of its independence. Central to this transformation is entrepreneurship. Across the country, entrepreneurs are not only creating new economic opportunities but also addressing complex social and developmental challenges through innovation, technology, and inclusive business models.

This volume, *Viksit Bharat 2047: Entrepreneurship Driven Growth*, has been conceptualised to capture and document these evolving narratives of enterprise and innovation. The case studies included in this book present empirical insights into real-world business challenges, managerial decision-making, and the strategies adopted by entrepreneurs and organizations to navigate dynamic economic environments. By bringing together contributions from academicians, researchers, and industry practitioners, the book seeks to build a meaningful bridge between academic inquiry and practical business realities.

The cases explore diverse themes such as startup ecosystems, women and rural entrepreneurship, digital and technology-enabled ventures, sustainable and green business models, and the growth of MSMEs in India's rapidly evolving economic landscape. Each case reflects the intersection of policy frameworks, technological change, market opportunities, and entrepreneurial leadership. Together, they illustrate how entrepreneurial initiatives contribute to economic resilience, employment generation, and inclusive development.

The objective of this compilation is both pedagogical and scholarly. Case studies remain one of the most powerful tools in management education, allowing learners to analyse complex situations, evaluate strategic choices, and develop problem-solving perspectives grounded in real contexts. At the same time, the cases presented here contribute to the broader discourse on entrepreneurship as a key driver of India's developmental trajectory.

I extend my sincere gratitude to all contributing authors for their scholarly engagement and commitment to advancing knowledge in the field of entrepreneurship and management. Their work enriches this volume and strengthens the academic conversation around entrepreneurship-led growth in India.

It is my hope that this book will serve as a valuable resource for students, researchers, policymakers, and practitioners, while also inspiring new conversations and ideas that support the collective vision of *Viksit Bharat 2047*.

With Regards,  
**Dr. Sarmistha Sarma**  
**Dr Archana Shankar**



## EDITOR'S PROFILE



Dr. Neha Patel (MBA, Ph.D.) is a distinguished academician, researcher, and administrator, currently serving as the Director of Som-Lalit Institute of Management Studies (MBA) and Professor in Integrated Marketing Communications and Strategic Brand Management. With over 30 years of rich experience spanning academia, research, consultancy, and industry, she brings a rare blend of practical insight and academic rigor to management education.

Dr. Patel has made significant contributions to research, with more than 40 publications in reputed international and national journals, along with book chapters. Her research interests include consumer behaviour, advertising research through semiotics, luxury branding, tourism marketing, and integrated marketing communication. She has successfully guided 7 doctoral scholars to completion of their Ph.D., while currently mentoring 3 more research scholars, reflecting her strong commitment to academic research and mentorship.

She is a respected member of the Academic Council of Gujarat Technological University (GTU), Gujarat, contributing to policy-making and academic excellence at the state level. Dr. Patel has also been recognized with several accolades, including the Excellence in Teaching in Higher Education Award, among others.

Under her dynamic leadership, the institute has achieved significant milestones, including successful accreditation by the National Board of Accreditation (NBA). She has been instrumental in establishing multiple academic and industry collaborations through MoUs with reputed institutions such as PDEU and CERC, enhancing opportunities for students and faculty alike.

Before transitioning into academia, Dr. Patel had a successful corporate career with leading advertising agencies like Mudra Communications Ltd. and Triton Communications Ltd., along with experience in an IT start-up focusing on marketing strategy and international business development in Southeast Asia.

As Director, she has introduced several innovative initiatives, including student social outreach programs, industry interaction platforms, faculty development initiatives, and student-driven clubs, fostering holistic development. Her visionary leadership continues to shape future-ready management professionals.



## **EDITOR'S PROFILE**



**Dr Supriya Bhutiani**, Associate Dean, Management, Zone I at Gujarat Technological University is also the Additional Director at Som Lalit Institute of Business Management, Ahmedabad. Dr. Bhutiani has over 25 years of experience in teaching, research, consultancy and industry. Dr. Bhutiani is associated with Management education for the last twenty years. She has a rich corporate experience spanning various functions and roles in the domain of sales and marketing. She has held responsible positions at Fascal Ltd (currently Vodafone), Apple Industries and Gujarat Lease Financing Ltd.

She has authored multiple research publications in international and national journals and written book chapters. She has also participated in various national and international conferences, seminars and workshops. She has undertaken consultancy projects in the areas of corporate strategy, retail, health care, training, promotions & communication strategy. She has also worked on the tourism development project of Pavagadh as an expert resource for GTU. She is also an active member of various important committees of the university and has conducted various faculty development programs.

She also acts as an advisor for the Board of Studies at a private reputed university.

Her areas of interest are diverse which include -but are not limited to the Services, Retail and Healthcare sector. She is very passionate about studying the consumer behaviour with regards to the tourism sector. She is also currently exploring the synthesis of artificial intelligence and marketing. Her other current ongoing areas of research are related to Healthcare, Event and Heritage management and Food marketing.

Dr Bhutiani has also reviewed doctoral thesis and has also co-edited two books.



## **CO- EDITOR'S PROFILE**



**Dr. SARMISTHA SARMA**

Dr. Sarmistha Sarma is a distinguished academician, researcher, and institutional leader with over two decades of experience in higher education, research, and academic administration. She currently serves as Professor of Marketing and Head of the Research and Development division at Asian Business School, Noida, where she leads strategic research initiatives, interdisciplinary collaborations, and academic innovation within the institution. Her career reflects a consistent commitment to advancing research-driven education, fostering industry–academia partnerships, and promoting global academic engagement.

Dr. Sarma's academic journey began with a Bachelor of Commerce from Gauhati Commerce College, followed by an MBA in Finance and Marketing from Gauhati University. She later earned her Ph.D. in Management from Fakir Mohan University, Odisha, where her doctoral research focused on customer delight in the banking sector through a comparative study of private and public banks. Her research interests span marketing strategy, consumer behaviour, sustainability, service quality, digital transformation, and emerging trends in entrepreneurship and financial services. Her teaching philosophy combines rigorous academic inquiry with practical industry perspectives, enabling students to understand the evolving dynamics of business, marketing, and digital ecosystems.

Dr. Sarma has an extensive record of scholarly publications in national and international journals, along with contributions to edited volumes published by global academic presses. She has authored several books on marketing research, consumer behaviour, and service marketing, which have been widely used by students and researchers. Her work frequently explores the intersection of culture, consumer behaviour, and technological transformation in emerging markets.

Beyond teaching and research, Dr. Sarma has played an active role in policy advisory and educational reform initiatives. She is a NAAC assessor and has contributed to national projects with institutions such as NCERT and IGNOU, including curriculum development and digital learning initiatives. She has also collaborated with international institutions and

organisations, including UNESCO-linked programmes on Global Citizenship Education, demonstrating her commitment to integrating education with global sustainability and social development goals.

Through her leadership in research, curriculum development, and academic collaborations, Dr. Sarma continues to contribute significantly to the advancement of management education and interdisciplinary research in India and internationally.

## **CO- EDITOR'S PROFILE**



**Dr. ARCHANA SHANKAR**

Dr. Archana Shankar is an academic leader and management scholar currently serving as the Deputy Associate Dean and Head of the Department for the MSc International Project Management programme at Northumbria University, London. With over fourteen years of experience in higher education across the United Kingdom and India, she has built a distinguished profile as an educator, programme leader, and researcher specialising in organisational behaviour, leadership, and human resource management.

Dr. Shankar's academic career reflects a consistent commitment to advancing postgraduate management education and strengthening the link between academia and industry. At Northumbria University's London campus, she has played a key role in shaping and delivering Level 7 master's programmes, particularly the MSc International Project Management (IPM). Before assuming her current leadership role in July 2023, she served as Programme Leader for the MSc IPM programme, where she oversaw curriculum development, academic quality, and student experience. Earlier at the university, she worked as a Lecturer and Student Engagement and Retention Coach, teaching modules such as Leadership and Management Development and People Management while supporting student progression and academic success.

Her professional journey spans multiple institutions. Prior to moving to the United Kingdom, Dr. Shankar served as Assistant Professor and Placement Coordinator at PSG Institute of Management in Tamil Nadu, where she managed corporate placements for MBA and PGDM programmes and taught organisational behaviour and HRM. She also spent several years at the Institute of Innovation in Technology and Management in New Delhi, mentoring students, supervising research projects, and leading initiatives such as entrepreneurship development and academic publications. She began her teaching career at NDIIT in New Delhi, where she developed foundational expertise in management education.

Dr. Shankar holds a PhD and is recognised as a Senior Fellow of the Higher Education Academy (SFHEA), reflecting her commitment to excellence in university teaching and learning. She is also an Associate Member of the Chartered Institute of Personnel and

Development (CIPD), underscoring her engagement with professional HR practice. Through her teaching, leadership, and research, she continues to contribute to the development of globally relevant management education and to fostering stronger academia–industry collaborations.

## CONTRIBUTOR'S INFORMATION



Dr. Twinkle Trivedi is an Associate Professor at Som-Lalit Institute of Management Studies with over 20 years of combined experience in academia, industry, and research. She holds a Ph.D. in Management from Indus University. Her research interests span Human Resource Management, Organizational Behaviour, and Consumer Behaviour, with a particular focus on employee readiness for change, employee well-being and engagement, personality and workplace psychology, and digital consumer behaviour.



Dr. Dipti Gadhavi has combined industry and teaching experience of over 16 years in the field of Finance and HRM. She holds the degree of MBA in finance and HRM. She is an Assistant Professor in the area of Finance and currently teaches courses in Finance International Finance, Behavioural Finance and Management Control System. She has carried out business advisory assignment for Aavad instrument Pvt. Ltd. She has published research paper in national journal in the area of finance and HRM. In her academic career she has taught subjects such as International Finance, Behavioural Finance, Management Control System, Principles of Management, Communication Skills and Organization Behaviour. She has worked as Financial Analyst at S&P Global and also worked as Senior Operation Executive at VKC Credit & Forex services Pvt. Ltd.



Ms. Rajvi Parmar is an Assistant Professor at SAL Institute of Management with a strong academic foundation and professional exposure in the field of Human Resource Management. She holds an MBA in HR and a B.Com in Advanced Auditing, and is currently pursuing a Ph.D. in Management. With hands-on experience as a Healthcare HR professional, she brings practical industry insights into her teaching and academic engagement. Her areas of expertise include Human Resource Management, Human Behaviour in Organisations, Performance Management, Industrial Relations, Digital and Social Media Marketing and Research Methodology. She has received the Rising Star Award and Special Recognition Award at KD Hospital, recognition from SpringVerify, and appreciation from Priyashi Viral Kothari Institute of English, Vidyamandir Trust, Palanpur for guiding students in research activities. Her research focuses on healthcare workforce challenges and employee retention.



Dr. Riddhi Dave is a Professor at Som Lalit Institute of Management Studies. She has more than 18 years of experience in the domain of academics. She holds PhD in Management (Finance), CFA(ICFAI), MBA(Finance) and UGC -NET Certification. She has presented papers in national and international conferences; and published papers in refereed journals of repute included in Scopus, ABDC and UGC Care. She has received best paper award four times for papers presented in various conferences. Her areas of interest include portfolio management, financial markets, risk management, behavioural finance, banking, mergers and acquisitions, financial modelling and valuation and data analysis with Python. She is a sought after guest speaker in the domain of investment and wealth management.



Ms. Muskan Bherwani is a Teacher's Associate at GLS University, Ahmedabad. She is currently pursuing her Ph.D. from Gujarat Technological University (GTU) and holds an MBA degree from Som Lalit College of Management Studies. She has a strong academic inclination towards the field of Finance, with interests spanning areas such as financial management, investment analysis, and contemporary issues in the financial sector. Actively involved in teaching, academic support, and research activities, she engages with students through practical learning approaches and collaborative academic work. Her academic pursuits reflect a commitment to developing expertise in finance and contributing meaningfully to management education and research.



Mr. Meet Padia is an Assistant Professor at Som-Lalit Institute of Management Studies, Ahmedabad, specializing in subjects such as Management Accounting, Financial Accounting, and Corporate Finance. He has successfully cleared the UGC-NET examination and is currently pursuing his Ph.D. in the field of Financial Technology, reflecting his strong academic commitment and research orientation. He possesses a keen interest in business management and financial studies, and is passionate about teaching and mentoring students. With over four years of corporate experience in the Treasury Management and Debt Market segment in India, he effectively blends practical industry insights with academic knowledge, enabling students to gain both conceptual clarity and real-world understanding.



Dr. Pratima Rajput is an Associate Professor in the area of Marketing at SAL Institute of Management. She has more than 16 years of Academic and Industry experience. She has a PhD (Management), MBA and B.Sc (Maths). She is also associated with Nirma University as a visiting faculty and Ahmedabad Management Association (AMA) as a Freelance Trainer. Her areas of interest are Retailing, Sales and Distribution Management, Entrepreneurship, Communication.



Prof. Snehal Shah is an Assistant Professor at the Faculty of Business Administration (FOBA), GLS University, Ahmedabad, with over 11 years of academic experience across undergraduate, postgraduate, and professional programs. She is currently pursuing her Ph.D. from Gujarat University and holds an MBA (Finance) from Gujarat Technological University and an M.Com from Gujarat University, where she secured university ranks at both undergraduate and postgraduate levels. She has qualified the State Level Eligibility Test (SLET) and has also completed DTP (Diploma in Taxation Practices) and DLP (Diploma in Labour Laws and Practices). She has been associated with reputed institutions and professional bodies including the Institute of Cost Accountants of India (ICMAI), the National Institute of Pharmaceutical Education and Research (NIPER), and the Nirma Institute of Law. Her teaching and research interests include financial management, strategic finance, financial markets, risk management, valuation, derivatives, international finance, business statistics, research methodology, quantitative analysis, and business analytics. Prof. Shah has published and presented research papers in national and international journals and conferences, with research interests focusing on finance, microfinance, consumer behaviour, investment strategies, and fintech.



Dr. Rani Shah combines both industry experience and academic expertise. Since 2020, she has been an Assistant Professor at SLIBM, specializing in Finance and Accounting. Before transitioning to academia, she spent nine years as a manager at IDBI Bank and also served as an Investment Advisor at Wealth First Portfolio Managers Pvt Ltd. At IDBI Bank, she gained experience in various banking departments, including branch banking, centralized operations, retail asset financing, and corporate reporting. At Wealth First, she provided investment consulting for high-net-worth individuals.

Prof. Rani is actively involved in SLIBM's Placement and Accreditation Committees. In addition to teaching, mentoring, and guiding student projects, she engages in collaborative research and serves as an industry consultant. She teaches courses in the Finance and Accounting domain, such as Corporate Finance, Financial Derivatives, FinTech & Financial Analytics, and Cost & Management Accounting.



Dr. Preyal Sanghvi is an associate professor in the area of marketing at the Som Lalit Institute of Management Studies. She was a member of the Board of Studies at GTU for the MBA and IMBA programmes. She has more than 18 years of academic and industry experience. She is a PhD (management), MBA, BE and UGCNET qualified. Her areas of research interest include consumer behaviour, retailing, research methodology, and information systems.



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Dr. Reshmi Menon is a faculty at Som Lalit Institute of Management Studies, Ahmedabad. She has over 25 years of academic and industry experience. Her academic and research interests are in the areas of strategic management and marketing management. She has participated and presented in numerous national and international management conferences with associated publications.



Dr. Nili Shah is faculty of finance with rich experience of 10 years in academics and 1 year in corporate. She is teaching subjects of finance, accountancy, insurance, banking and taxation and production and operations management. In past she has been part of various prestigious universities naming Nirma University, IIM Ahmedabad, BK school of business management and Amity university. Throughout the journey she has got hold and expertise in various subjects and its linkage with practical world.



Ms. Khushboo Vachhani Talati is an Assistant Professor at Som Lalit Institute of Management Studies, Ahmedabad. She has over four years of teaching experience in management. She holds an M.Phil (GTU) and an MBA from Nirma University. Her areas of interest include Entrepreneurship, Communication, Organizational Behaviour and Marketing. She has presented research papers at various national and international conferences and has publications in reputed journals. She is actively engaged in collaborative research with students and peers and has authored management case studies aligned with contemporary business challenges.



Dr. Jiju Mathew John is an academicians, researcher, and academic administrator with 18+ years of experience in higher education, entrepreneurship development, and industry engagement. He serves as an Associate Professor specializing in Marketing, Advertising, Public Service Communication, and Entrepreneurship, and holds a Ph.D. in Management from Sankalchand Patel University on youngsters' perception of public service advertising in Gujarat. His teaching areas include Marketing Management, Market Research, Business Communication, Rural Marketing, and Innovation & Entrepreneurship, with a strong focus on experiential learning and live industry projects. He has served as Head of the Entrepreneurship Department and In-Charge of the Incubation Center at Swarnim Start-Up and Innovation University, coordinating SSIP initiatives, mentoring startups, managing government grants, and supporting platforms such as AIIRA, KAPILA, IIC, and YUKTI. He also worked as Assistant Registrar at Sankalchand Patel University and spent over 12 years at Bholabhai Patel College of Business Administration (Kadi University) in roles including Placement and Project Coordination, strengthening institute–industry partnerships.

A prolific researcher, Dr. John has publications in SCOPUS and UGC-Care journals and has presented at major conferences. His

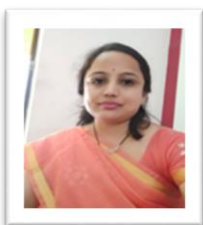
research interests include public service advertising, branding, and digital communication. He has coordinated certificate programs, received a Best Faculty Start-Up award, and is recognized for mentoring students and startups with strong leadership and communication skills.



Dr. Gincy Jiju Mathew is an Associate Professor of Marketing and Placement Coordinator with 18 years of academic and industry experience. She holds a Ph.D. in Marketing from Gujarat Technological University (2018) and specializes in Branding, Consumer Behaviour, Integrated Marketing Communication, Retail and Service Marketing, and Strategic Management. She is associated with S. K. Patel Institute of Management & Computer Studies, Gandhinagar. Her work emphasizes industry–institute collaboration, placements, training, and market research consultancy, with projects for organizations such as Mondelez (Cadbury) and Flipkart. She has published in ABDC, Scopus, Web of Science, and UGC-listed journals, with research focusing on branding, consumer perception, digital marketing, and Gen Z trends, and has presented at national and international conferences including IIM Bangalore (Best Paper recognition). She is also an active trainer, research mentor, and speaker, conducting MDPs and workshops, and has contributed to organizing major events such as the Vibrant Gujarat Global Summit and large inter-college competitions.



Gajjar Jigish Niteshbhai is an MBA graduate, entrepreneur, and Co-Founder of Nevofusion Industries, focused on technology-driven and sustainable business solutions. With strong expertise in Business Management, Marketing, E-commerce, and Digital Strategy, he has experience in sales, consulting, brand growth, and performance marketing. He specializes in SEO, Meta & Google Ads, E-commerce platforms, and strategic business development, combining innovation with execution to build scalable and sustainable ventures.

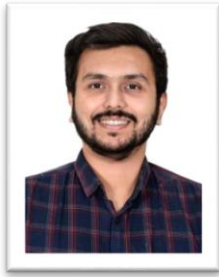


Dr. Aabha S. Singhvi is an accomplished academician and researcher in the field of management with specialization in finance. She holds a Ph.D. in Management and is UGC-NET qualified, with over 19 years of teaching and academic experience. She is currently serving as an Associate Professor at GIDC Rajju Shroff ROFEL Institute of Management Studies, affiliated with Rajju Shroff ROFEL University.

Her teaching areas include Financial Management, Corporate Finance, Statistics, Behavioural Finance, Entrepreneurship, and Financial Planning. Dr. Singhvi is actively involved in research guidance as a Ph.D. supervisor and has published papers in reputed UGC and Scopus-indexed journals, particularly in areas such as financial literacy and investment behavior. She also contributes significantly to academic administration as AC member, Coordinator of PH. D department of RSRU, Vapi and has received recognition and best paper awards at national and international conferences for her scholarly contributions.



Dr. Pina Bhatt is an accomplished academician, administrator, and researcher with more than 25 years of experience in higher education. Currently serving as Pro Vice Chancellor at Silver Oak University, she has been instrumental in driving academic innovation and excellence. Her journey from a lecturer to leading prestigious institutions reflects her dedication and dynamic leadership. Under her guidance, Aditya Silver Oak Institute of Technology achieved NBA accreditation in 2021 and 2024, a testament to her commitment to quality education. A Ph.D. holder in Mechanical Engineering with a specialization in Hard and Nano Coating, Dr. Bhatt's research also spans robotics, heat transfer, refrigeration, and air conditioning. She has secured research grants from GUJCOST for her work on surveillance robotic mechanisms and is currently guiding several doctoral scholars. Her contributions include several granted patents and more than 40 research publications in reputed national and international journals. She has also been pivotal in establishing advanced centers of excellence and framing academic policies at university level. Dr. Bhatt's influence reaches beyond borders, having led the International Students Cell at Gujarat Technological University (GTU) and consistently engaging in expert lectures and academic collaborations. Her work is a harmonious blend of visionary leadership and ground-breaking research, reflecting a lifelong commitment to innovation in engineering and education.



Dr. Devansh Desai worked as Project Associate-I in the Ministry of Earth Sciences (MoES) funded Indo-UK collaborative project at Space Applications Centre (ISRO), Ahmedabad for five years. Along with research experience, he also has more than 7 years of teaching experience at undergraduate and postgraduate level. His Ph.D. is in the area of modelling evapotranspiration from thermal remote sensing and high response field measurements across ecohydrologically contrasting agroecosystems. His research interest includes multi-scale modelling of energy and water fluxes using optical and thermal data from Earth observation platforms, land-atmosphere coupling, and water cycle. Advancing satellite-based evapotranspiration modelling, water and food security, he has 16 publications in reputed national and international journals. He has guided 30+ PG students in thesis and 2 PGDM students and 1 Ph.D. student. He is also the nodal person for ISRO's START program aimed at popularization of space-based activities. He is a reviewer and editorial board member of many national and international journals. Currently, he is OSD Ph.D. Section and Head of Department–Physics at Silver Oak University, Ahmedabad

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# **BALANCING PEOPLE AND PROGRESS: SUSTAINABLE HR STRATEGIES FOR GROWTH IN INDIAN TECH START-UPS**

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## **Abstract**

*This case studies the HR management challenges facing Indian technology startups operating under high-pressure and innovation-driven environments, which are important to the entrepreneurial development landscape in India. The case uses the results from the field research and empirical evidence to summarize talent shortages in emerging skills areas, high talent turnover rates in these businesses, the lack of HR management practices in these organizations, talent gaps in leadership areas, and maintaining organisational cultures while scaling up businesses very quickly. Viksit Bharat 2047 is the overarching vision that contains this case. This case situates startups at the core of the vision and highlights the important role they are assumed to play in the overall economic development and employment-creation scenario of the country. It is essentially a HR case that creates a dilemma for the founders and the management of the startup regarding whether they should emulate rapid formalization by inducing senior talent and adopting formal HR practices for scaling up the business or focus on sustainable HR practices that are flexible and emphasize the 'founding spirit.' The dilemma in this case encourages students to reflect on the trade-offs between short-term growth requirements and long-term sustainability in organizations. Students are invited to assess risks and advantages of different approaches in HRM and derive relevant hybrid approaches in HRM that combine innovation and people-friendly practices. The case includes comparative charts to help in strategic analysis of building a sustainable HR system that promotes entrepreneurial success in Indian tech companies.*

**Keywords:** Tech Startups, Human Resource Management; Entrepreneurship-Driven Growth

## **Introduction**

### **Human Resource Management in Indian Tech Startups**

The Indian technology startup ecosystem has seen rapid evolution over the last ten years and has emerged as an innovation destination in AI, cloud, fintech, and SaaS space. The startup world operates in a rapidly changing, high-pressure scenario where speed, innovation, and agility are the sole survival factors. However, at a time of so much technological advancement and success, human resources continue to be less-developed areas. The field of Human Resource Management (HRM) has transitioned from administrative and clerical work (HR 1.0) to strategic, technology-driven, and people-focused practices of HR 5.0, which focuses on 'People First.'

Startups have their set of challenges in the area of HR, including talent shortage, talent turnover, budget limitations, and challenges in preserving culture and engagement.

Literature clearly supports the different adaptability-based HRM approaches, namely flexible work arrangements, mentorship, development opportunities, and unique recruitment methods, as being highly effective in addressing the challenges; further, these approaches promote and ensure long-term growth (Cardon & Stevens, 2004; Kellermanns et al., 2020; Zhou et al., 2023). Further, integrating HRM effectively with overall organization strategy will help startups retain talent, motivate employees, and ensure long-term innovation and sustenance, where human capital becomes not just an asset but an impetus for success.

Field research conducted among founders, HR practitioners, or employees of several startups, especially early and mid-stage startups, confirms that HR practices and processes of most startups remain ad-hoc, reactive, and highly dependent on founders for most matters related to HR and personnel functions, including talent acquisition, talent retention, performance, and employee engagement, which remains particularly apparent during the transition from an experimentation phase to scale-up phases of startups, thereby establishing an easily ignitable but very important aspect of sustainability within an organization.

### **Challenges and Roadblocks**

Only one of the major HR challenges in Indian tech startups will be high attrition. Employees tend to quit within a period of 12–24 months due to aggressive talent poaching, together with relevant pay and career advancement opportunities opening elsewhere. From interviews with startup founders, it appears that investment in onboarding, training, and mentorship is very often misplaced when employees move to competitors or MNCs.

A similar pattern emerges: skilled employees join startups for learning opportunities, exposure to new projects, and career advancement at a fast pace. Startups invest aggressively in these individuals, providing mentorship and challenging assignments. However, once such employees gain valuable skills, they become very attractive to other employers, resulting in a continuous "revolving-door" effect that leaves a gap in knowledge, delays projects, and pressures remaining employees to mentor.

Indeed, research has identified workplace culture as another cause of attrition. The latter is caused by that so-called "hustle culture," typified by long hours, high expectations, and blurred work-life boundaries. Employees often burn out before reaping the benefits in their careers, which makes an early-stage startup particularly vulnerable to workforce instability.

Another challenge is talent scarcity. Specialized roles in AI, machine learning, cloud computing, and cybersecurity are highly competitive on a global scale. Interviews with HR managers suggest even when startups offer equity, flexibility, or learning opportunities, it is difficult to lure prospective candidates with experience.

Indeed, many startups say they frequently resort to hiring early-career professionals, interns, or recent graduates for technical roles. While such strategy supports cost management, it increases demands for mentoring and slows project execution. Talent scarcity can also spur internal competition for high performers, which sometimes fosters friction within small, cross-functional teams.

Resource constraints manifest another structural HR challenge. Constrained budgets make it hard for startups to offer competitive salaries, bonuses, or benefits relative to large firms. A number of the interviews revealed that though the founders recognized human capital as key, the dearth of financial resources did force hard choices between hiring senior talent, building infrastructure, or sustaining product development pipelines.

Employees, more often than not, have financial constraints in mind but also consider opportunities in terms of learning, ownership, and purpose. Startups that fail to balance financial constraints with meaningful work risk losing their best minds to better-compensating competitors.

Complying with regulations becomes yet another cause for vexation. Labour legislation, provident fund requirements, statutory benefits, and other compliance issues have the tendency to overwhelm a beginning venture that may not have the time or resources for the required human resources specialism. All too often, it emerges from interviews with the founders themselves, such compliance tasks are relegated to line managers, a sure recipe for errors and disgruntled employees.

Lack of statutory compliance may lead to undesirable outcomes that range from penalties and audits to erosion of trust amongst employees. Ensuring statutory compliance while focusing on innovation and growth creates a tension that is unique to resource-constrained tech startups.

But rapid organisational growth further complicates HR issues. In startups scaling from a few employees into more than 100 employees in a very short period of time, much struggle with onboarding, knowledge transfer, and performance evaluation. Interviews indicate that new recruits commonly have a very limited view of roles, responsibilities, and career progression. Mentorship and informal knowledge sharing, enough perhaps in small teams, become inadequate when organizations expand.

The lack of formal performance management processes creates difficulties in monitoring the contribution, offering feedback, and aligning individual goals with the organisational objectives. Often, the founders also reported that operational priorities overshadowed HR concerns, making human resources managed reactively rather than proactively.

The shift to hybrid and remote work has opened opportunities in both ways. According to interviews with employees, while remote arrangements provide flexibility and reduce

commuting stress, they also pose obstacles in maintaining engagement, collaboration, and culture.

Startups struggle to replicate informal mentoring, spontaneous problem-solving, and team bonding that naturally occur in co-located environments. In the absence of deliberate interventions, remote employees feel disconnected, which results in disengagement, reduced productivity, and higher attrition. Maintaining cohesion, trust, and alignment in a distributed workforce is one of the significant issues faced by HR.

A recurring theme across interviews is the lack of structured HR systems. Many startups do not have formal frameworks for:

*"Evaluations are ad-hoc, informal, or inconsistent."*

*"Clear career paths and promotion criteria are often missing."*

*"Systematic programs for skill enhancement are limited."*

*"Mechanisms to gauge satisfaction or address grievances are sporadic."*

The absence of these systems undermines retention, engagement, and organisational culture. Founders often rely on personal relationships to manage teams, but this approach becomes unsustainable as headcount grows and organisational complexity increases.

### **Emerging Best Practices**

Insights from founders, HR consultants, and employees show that Indian technology startups want to explore and implement new HR practices that focus on employees. Although HR practices in these startups often lack clear structure and formality, they reflect the need to create and provide HR methods that strike a balance between growth and employee welfare. A framework for developing hybrid HR practices can be built through these methods.

### **Mentorship-Led Capability Development**

Rather than relying exclusively on external hiring, many startups prioritise developing internal capabilities through mentorship and on-the-job learning. New employees are often supported through informal buddy systems during their initial months, helping them integrate quickly into project teams and organisational culture. Employees learn every day through their work by doing project-based assignments, peer code reviews, design discussions, and sprint retrospectives. In addition, startups foster activities that lead to the creation of shared knowledge repositories such as internal wikis, playbooks, and recorded demonstrations which help to lower the dependence on individuals and maintain organisational learning even when there is employee turnover

*"We cannot afford to keep hiring senior people for every role. What works for us is pairing fresh engineers with experienced team members and letting learning happen on live projects. Documentation becomes critical because people do leave."*

### **Flexible and Well-Being-Oriented Work Design**

One of the ways startups are dealing with employee burnout due to long working hours and heavy performance pressures is by using flexible working arrangements. It has become a norm to have hybrid work models with clearly defined availability standards. At the same time, meeting-free days and focus hours are allocated to get deep work done. Most of the time, leave policies are not time-bound but output-oriented so that employees have more freedom to manage their schedules. There is a growing recognition of the importance of mental well-being by means of accurate sprint planning, break taking, and casual talking about work and stress.

*“If we push people continuously, they burn out within a year. We realised productivity improves when we focus on outcomes, not how long someone is online. Flexibility is not a perk anymore – it’s survival.”*

### **Transparent Communication and Employee Participation**

Keeping employee engagement during scale-up was underpinned by regular, open and transparent communication. One-way founders keep a finger on the pulse of the business and establish a position of trust with employees is to convene weekly meeting to present updates on financing, product development, and strategic priorities. Alongside these meetings, employees have access to a multitude of channels through which their views can be collected, such as open forums, virtual dialogues, and anonymous feedback systems.

Another great way to keep employee engagement at a high level during rapid growth is to involve employees in decision-making related to tools, workflows, and project execution. This builds employees' commitment to the organisation through the feeling of being included and shared ownership even though the organisation has become complex.

*“We may not have all the answers, but the founders tell us honestly what’s going on. That openness keeps us together.”*

*“Even in fast growth, being heard matters. When our ideas are considered, we feel part of the journey.”*

### **Recognition and Rewards beyond Monetary Compensation**

Within the limitations of salaries and benefits, recognition programs have become one of the major motivating factors in startups. These motivate workers through equity/ESOPs, recognizing their performance in internal meetings, and engaging them in open-source projects, research, patents, and industry events. Startups also focus on allowing workers to be visible in the contributions they make to products or clients, thereby fulfilling a purpose.

*“We know the salary may not be the best, but when our work is recognised and we feel valued, it motivates us to stay.”*

### **Learning-Oriented Autonomy and Skill Expansion**

A few startups understand and accept the need for their employees' learning and engagement with the external world. Employees are encouraged and motivated towards learning through certifications, online courses, hackathons, and professional networking circles for better technical and managerial skills. A few firms allow their employees to work on side projects or freelancing after declaring it, provided it doesn't hamper their main goals of the startup.

*"The company encourages us to learn – courses, hackathons, even side projects – as long as we are open about it."*

### **Minimalist but Scalable HR Systems**

Instead of implementing comprehensive HR systems at early stages, startups tend to adopt minimalist yet scalable practices. Onboarding is supported through basic checklists and role clarity documents, while performance discussions are conducted through periodic goal-setting and feedback conversations rather than formal appraisal cycles. Payroll, compliance, and statutory requirements are often outsourced to external consultants. While simple, these systems provide a degree of consistency and fairness, and can be gradually formalized as the organization scales.

*"We don't have complex HR systems, but regular conversations and clear expectations make things work."*

### **Strategic HR Dilemma**

A startup must grapple with an existential dilemma: how to enhance its workforce capacity without compromising its strong innovative culture or the welfare of its employees. One of these dilemmas concerns focusing on scalability. This entails hiring strong employees, standardising workflows, or setting up an effective system for hiring, managing, or complying. In this particular model, it is emphasised that efficiency in operations is key. Significant benefits of this model include minimising execution risks, increasing clients' confidence, and building a more stable workforce. However, it can be related to decreased flexibility, decreased learning intensity, or an erosion of the purpose-driven culture.

Alternatively, there is a focus on sustainable HR practices. This is because the focus is on engagement, innovation, and the preservation of the organisational culture within the firm. In this case, the advantages include preserving innovation and agility within the business, while the risks include those associated with the execution and mentoring involved.

### **Discussion Questions**

1. Identify the most critical HR challenges faced by Indian tech startups.
2. Analyse potential risks and benefits of the trade-offs between prioritising formal scaling and focusing on sustainable HR practices.

3. Considering factors such as talent scarcity, financial constraints, and organisational culture, which HR strategy would you recommend for startups, and why?
4. Suggest a practical HR intervention or hybrid approach that effectively balances organisational growth, sustainability, and employee engagement.

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**Exhibit 1: Strategic HR Options for Startups**

Option	Key Features	Pros	Cons
Formal Scaling	Hire senior talent, formalize workflows, structured onboarding, performance management, and compliance processes	Reduces execution risk, improves client confidence, stabilizes workforce	May reduce flexibility, learning intensity, and purpose-driven culture
Sustainable HR Practices	Maintain junior-heavy, learning-oriented workforce, embed mentoring, flexible policies, employee-driven innovation	Preserves innovation, agility, and engagement	Higher execution risk, mentoring burden, potential short-term instability

**Exhibit 2 Designing HR Interventions**

Consideration	Possible Intervention	Expected Impact
Talent retention	Mentorship programs, career development pathways	Reduced attrition, improved engagement
Employee well-being	Flexible work hours, no-meeting blocks, wellness initiatives	Higher productivity, lower burnout
Knowledge transfer	Rotational assignments, documentation practices	Faster skill development, reduced dependency on single employees
Balancing cost vs expertise	Hybrid workforce: mix of senior and junior talent	Maintains innovation while controlling costs

# **BRIDGING MEDICINE AND WELLNESS: STRATEGIC CHALLENGES IN INTEGRATING HOLISTIC PRENATAL CARE THROUGH AADEE**

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## **Abstract**

*The increasing reliance on In Vitro Fertilization (IVF) in urban India reflects not only medical infertility but also lifestyle, emotional, and psychosocial factors influencing reproductive health. Despite significant clinical advancements, IVF centres and OB-GYN practices often provide limited structured support for patients' mental, emotional, and social well-being. This case study examines the managerial challenge of integrating holistic prenatal wellness services into existing clinical care models without compromising medical rigor, operational efficiency, or regulatory compliance. Using AADEE – India's first mobile-based Garbh Sanskar and holistic prenatal wellness platform – as the focal organization, the case explores doctors' perceptions of holistic care, institutional readiness for collaboration, and opportunities for ecosystem-based prenatal care. The findings highlight growing acceptance of integrative wellness approaches, particularly for IVF-assisted and high-risk pregnancies, alongside concerns regarding professional credibility and implementation feasibility. The case encourages management students to evaluate strategic partnerships, service differentiation, and patient-centric innovation in maternal healthcare delivery.*

**Keywords:** *Holistic Prenatal Care, IVF Management, Garbh Sanskar, Healthcare Innovation, Digital Health Ecosystems, Maternal Wellness*

## **Introduction**

Over the past decade, India has witnessed a sharp rise in fertility challenges, delayed parenthood, and increasing dependence on In Vitro Fertilization (IVF) treatments. Urban centres like Ahmedabad, Gujarat, have seen rapid growth in IVF clinics and OB-GYN practices catering to women facing conception difficulties.

Pregnancy is one of the most significant and transformative phases in a woman's life, marked by profound physical, emotional, psychological, and social changes. Traditionally, prenatal care has been largely centered on clinical monitoring, medical interventions, and obstetric management aimed at ensuring the physical safety of both the mother and the developing fetus. While this medical approach remains indispensable, contemporary healthcare thinking increasingly recognizes that pregnancy outcomes are influenced by far more than biological parameters alone. Emotional well-being, mental stability, nutrition, lifestyle choices, stress levels, and social support systems play an equally vital role in determining maternal and fetal health.

In recent years, India has witnessed a notable rise in fertility-related challenges, delayed parenthood, lifestyle disorders, and stress-induced reproductive issues. As a result, the use of Assisted Reproductive Technologies (ART), particularly In Vitro Fertilization (IVF), has grown rapidly across urban centers. Cities such as Ahmedabad, Gujarat, have become important hubs for IVF treatment and advanced OB-GYN care. While IVF has emerged as a scientific breakthrough for couples struggling with infertility, it has also introduced new complexities—emotional strain, financial pressure, psychological stress, and heightened anxiety—especially for expectant mothers.

Women undergoing IVF or high-risk pregnancies often require more intensive monitoring, repeated clinical visits, and long periods of uncertainty. Although OB-GYN specialists and fertility experts focus primarily on medical protocols, hormone regulation, and fetal development, many non-clinical aspects of maternal well-being—such as emotional balance, mental peace, healthy routines, and social reassurance—remain insufficiently addressed within the conventional healthcare framework. This gap has led to growing concern among healthcare professionals and researchers about the limitations of a purely clinical approach to prenatal care.

Against this backdrop, the concept of holistic prenatal care has gained prominence. Holistic prenatal care emphasizes caring for the mother as a whole—body, mind, emotions, and spirit—rather than treating pregnancy as only a biological event. This approach integrates evidence-based medical practices with complementary wellness interventions such as prenatal yoga, guided meditation, nutritional counselling, mental health support, Ayurveda, and culturally rooted practices like Garbh Sanskar. These interventions aim to reduce stress, improve emotional resilience, enhance lifestyle habits, and create a nurturing environment that supports both maternal and fetal health.

From a management and healthcare systems perspective, this shift represents a significant transformation in the maternal care ecosystem. The prenatal wellness industry in India is evolving rapidly, driven by increasing awareness, digital health innovations, and changing patient expectations. Modern mothers—especially those undergoing IVF—are seeking personalized, continuous, and emotionally supportive care experiences. This has created opportunities for collaboration between IVF centers, OB-GYN practitioners, wellness experts, and digital health platforms, enabling the development of integrated care models that go beyond traditional hospital-based services.

While IVF and OB-GYN services focus strongly on clinical and procedural safety, doctors increasingly observe that non-medical factors—such as poor nutrition, sedentary lifestyles, emotional stress, mental anxiety, and lack of social support—play a critical role in fertility outcomes and pregnancy health.

This has led to growing interest in holistic prenatal services that integrate medical care with wellness interventions such as nutrition counselling, prenatal yoga, mental health support, Ayurveda, and Garbh Sanskar practices. However, the adoption of such services raises key managerial, operational, and strategic questions for IVF centres and OB-GYN specialists.

Despite significant advancements in assisted reproductive technologies and obstetric care, the increasing reliance on In Vitro Fertilization (IVF) among women highlights deeper systemic challenges within the maternal healthcare ecosystem. While IVF has undoubtedly provided hope and solutions to couples facing infertility, medical practitioners increasingly observe that a substantial number of IVF cases arise not solely from unavoidable biological conditions but from preventable lifestyle-related and psychosocial factors. Poor nutrition, chronic stress, sedentary routines, irregular sleep patterns, and emotional distress have emerged as critical determinants affecting hormonal balance, fertility potential, and overall reproductive health. However, these factors often remain inadequately addressed within conventional IVF and OB-GYN care models, which are primarily structured around clinical diagnostics and procedural interventions.

Furthermore, women undergoing IVF experience a disproportionately high emotional and psychological burden. The assisted conception journey is frequently accompanied by anxiety, fear of treatment failure, social pressure, and emotional exhaustion, yet structured mechanisms to support mental, emotional, and social well-being are limited within standard clinical practice. OB-GYN clinics and IVF centres, constrained by time, operational pressures, and regulatory responsibilities, often lack integrated frameworks to deliver non-clinical support services such as mental wellness counselling, lifestyle coaching, stress management, or prenatal wellness education. As a result, patient care remains fragmented, with medical treatment operating in isolation from the broader determinants of maternal well-being.

From a management perspective, this fragmentation presents a critical challenge. Healthcare providers are increasingly confronted with evolving patient expectations that demand holistic, personalized, and continuous care experiences. At the same time, IVF centres and OB-GYN practices must maintain clinical rigor, operational efficiency, ethical standards, and compliance with regulatory frameworks such as the ART Act. The absence of structured collaboration between medical practitioners and holistic wellness service providers further complicates the delivery of integrated prenatal care. Doctors' perceptions, awareness, and acceptance of holistic prenatal practices vary widely, influencing their willingness to recommend or adopt such services within their clinical workflows.

Consequently, the core managerial dilemma lies in determining how IVF centres and OB-GYN clinics can effectively integrate holistic prenatal services into their existing medical

models without compromising clinical outcomes, operational sustainability, or regulatory compliance. This requires a clear understanding of the key determinants driving women's dependence on IVF from the doctors' perspective, as well as an assessment of healthcare providers' readiness to collaborate with wellness experts. Additionally, it necessitates identifying strategic opportunities to design integrated prenatal care ecosystems that enhance patient satisfaction, improve maternal and fetal health outcomes, and create long-term value for healthcare organizations.

This study addresses this problem by examining the intersection of medical care and holistic prenatal services within the IVF and OB-GYN context. By exploring doctors' viewpoints, acceptance levels, and collaborative potential, the research seeks to provide actionable insights for healthcare managers and practitioners aiming to transition toward a more preventive, patient-centric, and integrated maternal care model. Ultimately, the problem underscores the need for a balanced approach that aligns medical excellence with holistic well-being, ensuring sustainable and effective prenatal care delivery in an increasingly complex healthcare environment. Maternal healthcare has traditionally been anchored in a biomedical model that prioritizes diagnosis, intervention, and treatment of physiological conditions related to conception and pregnancy. Over the past two decades, remarkable progress in assisted reproductive technologies (ART), particularly In Vitro Fertilization (IVF), has significantly improved conception rates and expanded reproductive choices for women and couples facing infertility. In urban India, IVF has increasingly transitioned from a last-resort clinical intervention to a commonly adopted solution, often driven not only by pathological infertility but also by lifestyle-induced stress, delayed childbearing, emotional exhaustion, and work-life imbalances. This shift has important implications for healthcare management, service design, and patient engagement within IVF centres and OB-GYN practices.

While IVF clinics and obstetric care providers have achieved high standards of clinical excellence, the patient experience during assisted conception and pregnancy remains emotionally demanding and psychologically taxing. Women undergoing IVF frequently report heightened anxiety, fear of failure, emotional isolation, and stress related to repeated clinical procedures and uncertain outcomes. Despite this, conventional prenatal care models tend to focus narrowly on medical protocols, hormonal treatments, and procedural efficiency, leaving limited scope for structured mental, emotional, social, and spiritual support. From a management standpoint, this gap reflects a misalignment between evolving patient expectations and existing healthcare delivery models.

Emerging research and patient narratives increasingly suggest that pregnancy—especially IVF-assisted pregnancy—should be viewed as an integrative life experience rather than a purely clinical event. Emotional well-being, nutritional balance, stress management,

physical activity, family support, and belief systems play a critical role in influencing pregnancy outcomes, patient compliance, and overall satisfaction with care. However, most IVF centres and OB-GYN clinics lack the institutional frameworks, human resources, or operational flexibility to systematically integrate such holistic elements into routine care. The challenge, therefore, lies not in questioning the value of holistic prenatal care, but in identifying viable managerial models that allow its inclusion without disrupting clinical rigor or regulatory compliance.

In the Indian context, this challenge is further complicated by cultural diversity, varying belief systems, and differing levels of acceptance of traditional wellness practices. Ancient Indian knowledge systems such as Ayurveda, Yoga, and Garbh Sanskar have historically emphasized the holistic development of the mother and the unborn child, advocating practices that nurture mental calmness, emotional stability, ethical values, and spiritual awareness during pregnancy. Despite their deep cultural resonance, these practices have often remained informal, unstructured, and detached from mainstream medical care. For modern healthcare institutions striving for evidence-based practice, integrating such culturally rooted wellness approaches poses concerns related to scientific validation, standardization, accountability, and professional legitimacy.

At the same time, the rapid digitization of healthcare services has created new opportunities for bridging this gap. Mobile health platforms, teleconsultation services, and digital wellness ecosystems have emerged as scalable solutions capable of delivering personalized care beyond hospital walls. These platforms enable patients to access expert guidance, educational resources, and emotional support in a flexible, cost-effective manner. For IVF centres and OB-GYN practices, digital wellness partnerships offer the potential to enhance patient experience, strengthen continuity of care, and differentiate services in an increasingly competitive healthcare market. However, such collaborations also introduce managerial dilemmas related to data privacy, quality control, clinical oversight, and alignment of professional values.

Within this evolving landscape, AADEE emerges as a pioneering organization attempting to redefine prenatal care in India. Conceptualized as the country's first mobile-based Garbh Sanskar and holistic prenatal wellness ecosystem, AADEE positions pregnancy as a transformative journey that extends beyond medical supervision. By integrating Ayurveda, Vedic wisdom, yoga, meditation, nutrition guidance, and modern medical advice, the platform seeks to offer comprehensive, trimester-specific support to pregnant women and their families. Its marketplace model connects users with a diverse network of subject matter experts, including prenatal yoga instructors, nutritionists, Ayurvedic practitioners, mental health professionals, doulas, and lactation consultants, thereby creating an integrated wellness environment.

From a management perspective, AADEE represents an innovative but complex value proposition. On one hand, it addresses a clearly unmet need for emotional and holistic support, particularly among women undergoing IVF or high-risk pregnancies. On the other hand, its success depends heavily on its ability to gain credibility among medical professionals, ensure consistent quality of expert services, and position itself as a complementary partner rather than an alternative to clinical care. The platform's growth strategy raises critical questions regarding stakeholder alignment, scalability, governance, and integration with institutional healthcare providers.

This case study situates AADEE within the broader managerial problem faced by IVF centres and OB-GYN clinics: how to incorporate holistic prenatal services into their existing medical models without compromising clinical standards, operational efficiency, or regulatory obligations. The case draws attention to the perspectives of doctors, whose acceptance and endorsement are pivotal for any integrative care model to succeed. It also examines the readiness of healthcare institutions to collaborate with wellness service providers and the organizational barriers that hinder such partnerships.

Geographically, the study focuses on IVF centres and OB-GYN practices in Ahmedabad, a rapidly growing urban healthcare hub in Gujarat. The city represents a microcosm of India's evolving maternal healthcare ecosystem, characterized by advanced medical infrastructure, increasing IVF adoption, and rising patient awareness of wellness-oriented care. By analyzing doctors' viewpoints and institutional practices within this context, the case provides insights that are relevant to similar urban healthcare markets across India.

### **Company Profile: AADEE – Holistic Prenatal Wellness Ecosystem**

AADEE is India's first mobile-based ecosystem dedicated to Garbh Sanskar and holistic prenatal wellness, offering a culturally grounded and conceptually well-structured solution to maternal well-being. The platform is built on the philosophy that pregnancy is not merely a clinical condition but a deeply integrative and transformative life experience. AADEE recognizes that a mother's physical health, emotional stability, mental peace, and spiritual well-being are interconnected and collectively influence both maternal and fetal outcomes.

The foundation of AADEE lies in the seamless integration of Ayurveda, the wisdom of the Vedas, and modern medical science. By blending traditional Indian knowledge systems with evidence-based healthcare practices, AADEE aims to guide expectant mothers and families through a mindful, informed, and emotionally enriching pregnancy journey. This integrative approach positions AADEE not as an alternative to medical care, but as a complementary wellness partner that works alongside OB-GYN specialists and IVF centres.

## **Service Philosophy and Platform Offering**

AADEE provides an inclusive and personalized range of prenatal wellness services designed to support mothers throughout all stages of pregnancy. The platform offers trimester-wise customization, ensuring that care remains relevant, purposeful, and aligned with the changing physical and emotional needs of expectant mothers. Its services are focused on improving the mental, emotional, physical, and spiritual health of both mother and baby.

The platform is evolving into a virtual marketplace for pregnancy wellness services, bringing together a diverse network of Subject Matter Experts (SMEs), including prenatal yoga instructors, nutritionists, Ayurvedic practitioners, mental health professionals, doulas, and lactation consultants. This marketplace model enables AADEE to address the growing demand for integrated, culturally sensitive maternal care—particularly for women experiencing IVF-assisted pregnancies or high-risk conditions under OB-GYN supervision.

## **Key Services Provided by AADEE**

AADEE simplifies ancient prenatal wisdom for modern mothers through the following services:

### **1. Daily Pregnancy Tracker**

Provides gentle reminders and wellness nudges for daily rituals, self-care practices, and prenatal activities. The tracker structures the mother's day without over-whelming her, ensuring consistency and focus on maternal and fetal well-being.

### **2. Fetal and Maternal Development Insights**

Offers week-by-week insights into fetal growth and maternal body changes, helping mothers understand their pregnancy journey and make informed wellness decisions.

### **3. Individualized Nutrition and Regional Diet Plans**

Delivers customized meal plans based on pregnancy stage, health conditions, and regional dietary preferences. The plans blend traditional Indian nutritional wisdom with modern dietary science.

### **4. Prenatal Yoga and Movement Programs**

Includes guided, trimester-specific yoga and movement videos that improve flexibility, reduce stress, and prepare the body for childbirth in a safe and supportive manner.

### **5. Daily Shlokas, Mantras, and Sound Therapy**

Uses sound-based practices to promote relaxation, fetal bonding, emotional stability, and spiritual well-being during pregnancy.

### **6. Professional Counselling and Teleconsultation**

Enables direct access to experts such as nutritionists, yoga trainers, Ayurvedic doctors, and mental health professionals through virtual consultations, ensuring convenience and personalized care.

## **7. Mental and Emotional Wellness Resources**

Offers journaling prompts, guided meditations, and mindfulness exercises to address pregnancy-related anxiety, mood fluctuations, IVF-related stress, and emotional fatigue.

## **8. Integration of Ancient Indian Techniques with Modern Science**

Ensures that traditional practices are aligned with evidence-based medical guidance, allowing mothers to benefit from both without compromise.

## **9. Garbh Sanskar Practices (Spiritual and Fetal Bonding)**

Encourages emotional and spiritual connection with the unborn child through affirmations, visualizations, and mindful communication.

## **10. Garbh Sanskar Workshops and Courses**

Conducts interactive online sessions that educate families on the scientific and philosophical foundations of prenatal practices and their influence on fetal development.

AADEE possesses several strategic strengths that position it as a pioneering player in India's prenatal wellness ecosystem. As a first mover in the Garbh Sanskar-based prenatal care segment, AADEE enjoys early market recognition and the advantage of shaping consumer perceptions in a relatively untapped domain. Its holistic service model, which integrates Ayurveda, yoga, meditation, Garbh Sanskar, and modern medical insights, allows the platform to address pregnancy as a comprehensive life experience rather than a purely clinical event. By offering services that span the entire maternal journey—from pre-conception to parenting—AADEE enhances continuity of care and emotional engagement. Additionally, its strong cultural and emotional resonance with Indian families fosters trust and acceptance, while the marketplace model enables access to expert-led, personalized care across multiple wellness disciplines.

Despite these strengths, AADEE faces certain internal limitations. Its niche positioning may restrict appeal among users who prefer strictly clinical, data-driven pregnancy solutions. Limited accessibility for rural populations and non-tech-savvy users may constrain scalability, especially in regions with lower digital penetration. Furthermore, the platform's dependence on the availability, consistency, and quality of Subject Matter Experts presents operational challenges. Resistance or skepticism from sections of mainstream medical professionals may also limit integration with traditional OB-GYN and IVF care models.

Significant growth opportunities exist for AADEE within India's evolving maternal healthcare landscape. Rising awareness and demand for holistic prenatal care—particularly among IVF patients and women experiencing high-risk pregnancies—create favorable market conditions. Strategic collaborations with OB-GYNs, IVF centres, hospitals, and doulas can strengthen clinical acceptance and expand service reach. Alignment with government maternal health schemes such as Janani Suraksha Yojana (JSY) and Pradhan Mantri Matru Vandana Yojana (PMMVY) further enhances growth potential. Additionally, the Indian diaspora presents opportunities for international expansion.

However, AADEE also faces external threats, including competition from clinically focused pregnancy apps, public skepticism toward traditional practices, user retention challenges beyond pregnancy, and data privacy and regulatory compliance risks associated with handling sensitive health information.

AADEE represents a pioneering effort in India's maternal healthcare landscape by creating a digitally enabled, culturally rooted, and holistically integrated prenatal wellness ecosystem. By complementing medical care with emotional, mental, and spiritual support, AADEE addresses a critical gap in traditional prenatal services—particularly for IVF-assisted and high-risk pregnancies. Its platform-driven model positions it as a strategic partner for OB-GYN specialists and healthcare providers seeking to deliver more comprehensive, patient-centric maternal care.

Despite significant advancements in IVF and obstetric care, IVF centres and OB-GYN clinics continue to observe a growing number of women opting for assisted conception due to preventable lifestyle, stress-related, and emotional factors, while simultaneously offering limited structured support for mental, emotional, and social well-being within their existing clinical models. This gap presents a strategic challenge for AADEE, a holistic prenatal wellness platform, as it seeks to position itself as a complementary partner to medical practitioners rather than a standalone wellness solution. While AADEE offers culturally rooted, integrative prenatal services that address non-clinical determinants of maternal health, its successful adoption depends on the willingness and readiness of IVF centres and OB-GYN practices to collaborate without perceiving risks to clinical rigor, operational efficiency, or regulatory compliance. The core company problem therefore lies in identifying how AADEE can align its holistic service offerings with the expectations, perceptions, and workflows of IVF centres and OB-GYN doctors in Ahmedabad, assess their acceptance of integrative prenatal care, and establish collaborative models that enhance patient outcomes, strengthen trust, and create service differentiation—without disrupting established medical protocols or professional accountability.

### **Discussion Questions**

1. How can AADEE position itself as a credible and complementary partner to medical professionals without being viewed as a substitute for clinical care?
2. How can AADEE position itself as a credible and complementary partner to medical professionals without being viewed as a substitute for clinical care?
3. How can digital platforms and teleconsultation models help scale holistic prenatal care while ensuring patient safety, data privacy, and service quality?
4. Should holistic prenatal care be positioned as a preventive healthcare solution or as a value-added premium service? Justify your answer from a management standpoint.

# **DIGITAL INDIA AND TECH-ENABLED GROWTH: THE TRANSFORMATION OF INDIA'S MSME ECOSYSTEM THROUGH UPI AND DIGITAL PLATFORMS**

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## **Abstract**

*This case study examines how the Digital India initiative, particularly the introduction of Unified Payments Interface (UPI) and allied digital platforms, has enabled technology-driven growth for Micro, Small and Medium Enterprises (MSMEs) in India. The case highlights how digital payments, government-backed digital infrastructure, and fintech innovations have reduced transaction costs, increased financial inclusion, and empowered small businesses to scale operations. Using a real-life inspired MSME narrative, the case analyses challenges faced during digital adoption, strategic decisions taken by the entrepreneur, outcomes achieved, and key managerial insights relevant for students and practitioners. The case is designed for teaching entrepreneurship, digital transformation, fintech, and public policy impact.*

**Keywords:** *Digital India, Tech-Enabled Growth, MSMEs, UPI, Financial Inclusion, Entrepreneurship*

## **Introduction**

India's journey toward becoming a digitally empowered economy has been significantly shaped by the Digital India initiative launched by the Government of India. The programme aimed to transform India into a knowledge-based economy by ensuring digital infrastructure as a core utility, delivering governance and services on demand, and digitally empowering citizens. Among the most transformative outcomes of this initiative has been the rise of digital payments and fintech-enabled services, particularly the Unified Payments Interface (UPI). For MSMEs, which contribute nearly 30% to India's GDP and employ a large section of the workforce, access to affordable technology and formal financial systems has historically been a major challenge. Cash-based transactions, limited access to credit, and lack of digital literacy constrained growth. Digital India sought to bridge this gap by leveraging technology to democratize access to finance, markets, and information.

This case focuses on how tech-enabled solutions under Digital India have transformed MSME operations, competitiveness, and scalability through a detailed case of a small retail enterprise transitioning from a cash-based model to a digitally integrated business.

## **Background of Digital India and Tech-Enabled Ecosystem**

Digital India rests on three pillars: digital infrastructure, digital services, and digital empowerment. Key initiatives such as Aadhaar, Jan Dhan Yojana, Mobile connectivity (JAM

Trinity), UPI, DigiLocker, GST Network, and Government e-Marketplace (GeM) collectively created a robust digital ecosystem.

UPI, launched by the National Payments Corporation of India (NPCI), enabled instant bank-to-bank transactions through mobile phones. Its interoperability, zero or minimal transaction cost, and ease of use made it particularly attractive for small merchants and First-time digital users. Combined with smartphones and affordable internet, UPI became a catalyst for tech-enabled growth at the grassroots level.

### **Case context: Shakti General Stores**

Shakti General Stores is a small, family-owned retail shop located in a semi-urban town in Gujarat. Established in 2008 by Mr. Ramesh Patel, the store sold groceries and daily essentials to local residents. For over a decade, the business operated entirely on cash transactions, handwritten ledgers, and informal supplier relationships.

Despite steady footfall, the store faced multiple challenges:

- Cash handling risks and pilferage
- Difficulty in tracking daily sales and inventory
- Limited access to formal credit
- Dependency on local moneylenders for working capital
- Inability to attract younger, digitally savvy customers

The turning point came post-2016, when demonetization and the rapid push for digital payments exposed the vulnerability of cash-dependent businesses.

### **Digital Transformation Journey**

#### **Adoption of UPI and Digital Payments**

Initially hesitant, Mr. Patel adopted UPI payments after repeated customer requests. With assistance from his son and a local bank official, he registered for multiple UPI apps linked to his Jan Dhan account. QR codes were displayed prominently at the store. Within six months, over 60% of transactions shifted to digital mode. Benefits observed included:

- Faster transactions and reduced cash handling
- Improved transparency in daily sales
- Digital transaction records useful for credit assessment

#### **Integration with POS and Inventory Software**

Encouraged by the success of UPI, Shakti General Stores invested in an affordable Point-of-Sale (POS) system bundled with inventory management software. The system allowed real-time tracking of stock, automated billing, and GST compliance.

This technological upgrade enabled better demand forecasting and reduced stock-outs, directly improving customer satisfaction.

### **Access to Formal Credit through Fintech Platforms**

Digital transaction history made the store eligible for small business loans through fintech lending platforms. Unlike traditional banks, these platforms used alternative data such as UPI transaction volume and GST filings to assess creditworthiness. Mr. Patel secured a short-term working capital loan at competitive interest rates, replacing informal borrowing sources.

### **Challenges in Digital Adoption**

Despite clear benefits, the digital transformation was not without challenges:

- Initial lack of digital literacy
- Fear of cyber fraud and scams
- Technical glitches and internet connectivity issues
- Resistance from elderly customers preferring cash

To overcome these, the entrepreneur relied on peer learning, bank-led awareness programs, and gradual customer education.

### **Outcomes and impact**

Within three years of adopting digital tools, Shakti General Stores experienced measurable growth:

- 25% increase in annual revenue
- Reduction in operational costs
- Improved credit access and financial discipline
- Enhanced customer trust and loyalty
- Expansion into online ordering through WhatsApp Business

The case demonstrates how tech-enabled growth can transform even traditional, low-tech businesses when supported by enabling public infrastructure.

### **Managerial and Policy Insights**

This case offers several insights:

- Digital infrastructure acts as a growth multiplier for MSMEs
- Ease of use and low cost are critical for technology adoption
- Public-private collaboration strengthens digital ecosystems
- Financial inclusion goes beyond bank accounts to meaningful usage

From a policy perspective, continuous digital literacy programs and cyber security awareness are essential to sustain adoption.

### **Conclusion**

Digital India has redefined the growth trajectory of Indian MSMEs by integrating technology into everyday business processes. The case of Shakti General Stores illustrates that when digital infrastructure is accessible, affordable, and supported by policy, even the smallest enterprises can achieve scalable and sustainable growth. Tech-enabled entrepreneurship will be a cornerstone of India's vision for Viksit Bharat 2047.

### **Discussion Questions**

1. How did UPI reduce operational inefficiencies for Shakti General Stores?
2. What risks are associated with digital dependency for MSMEs?
3. How can policymakers further enhance tech-enabled growth?

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# **DIVATECH'S DILEMMA – MANAGING SURPLUS CASH: A SHARE BUYBACK AT DIVATECH DIGITAL SERVICES LTD**

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## **Abstract**

*Corporates with stable revenue improving profitability and surplus cash reserves face strategic choice on how to deploy excess funds. Indian corporate sector in recent times has popularly resorted to share buyback. This case study focuses on the buyback decision of a company. The aim of this case study is to make the students analyse the rationale behind buyback decision and its impact on shareholder's wealth.*

**Keywords:** Buyback, Surplus cash, EPS, ROE

Incorporated in the year 2000, DivaTech Digital Services Ltd is a well know Indian company having its presence in key international markets. The company provides software and digital services spanning the areas of cloud computing, data analytics, cybersecurity and artificial intelligence.

Unlike manufacturing companies, IT Companies like DivaTech do not require heavy investments in plants and Machinearies. The Company gets it value enhanced through talented employees, expertise in the area of operations and loyal clientele base. The company in the case has been able to scale the operations without a strain on its capital due to the above reasons. Stable revenues and healthy operating cash flows have been the pillars of the company's sound financial performance. The Management of the company has preferred solidifying position is existing markets rather than going for aggressive expansion. The stable and healthy financials with a very low debt has made the company generate consistent and healthy cash flows resulting in surplus creation year on year and making the company's Reserves and Surplus enviable.

The Board of the company is facing a strategic choice on how to handle the surplus:

- Hold onto the cash for a "rainy day" or future acquisitions.
- Raise dividends to provide immediate income to investors.
- Launch a share buyback to return value and signal confidence.

The leadership ultimately choose a buyback, with the intention to reward investors with better EPS (Earnings per Share) and ROE(Return on Equity). The following are the key details pertaining to the buyback:

## Buyback Details

Particulars	Details
Security Name	DivaTech Digital Services Ltd.
Issue Type	Tender Offer
Buyback Size (Shares)	22,50,000 equity shares
Buyback Size (Amount)	₹247.50 crore
Buyback Price	₹1,100 per share
Face Value	₹10 per share
Total equity shares outstanding before buyback	9,00,00,000 equity shares

## Buyback Ratio

Category	Entitlement Ratio	Shares Reserved
Reserved Category for Small Shareholders	12 equity shares out of every 100 shares held	6,75,000
General Category	7 equity shares out of every 125 shares held	15,75,000

The company has consistently witnessed growth in its top line and bottom line. Following are the details related to the company's key financials.

## Financials (₹ in Crores)

Period Ended	31 Mar 2025	31 Mar 2024	31 Mar 2023
Total Income	3,680.00	3,290.00	2,940.00
Profit After Tax (PAT)	705.00	585.00	460.00

The stock price movement preceding the buyback offer both at BSE and NSE are summarized as follows:

### BSE Prices

Month	High (₹)	Low (₹)	Average (₹)
Jan 2025	980.00	905.00	942.00
Feb 2025	1,030.00	960.00	995.00
Mar 2025	1,070.00	1,000.00	1,035.00

### NSE Prices

Month	High (₹)	Low (₹)	Average (₹)
Jan 2025	978.00	908.00	943.00
Feb 2025	1,028.00	962.00	996.00
Mar 2025	1,068.00	1,002.00	1,036.00

The buyback offer of the company was reacted positively by the market and most shareholders opted for the offer. However, the buyback offer also created skepticism in the minds of a few because the new era is bringing fresh opportunities for digital companies, is it right for such a stable and well established IT company like DivaTech to go for buyback instead of capital expansion for meeting plethora of opportunities lying ahead in the domain of IT.

### **Discussion Questions**

1. Discuss the reasons behind the company's buyback decision.
2. If you were having shares of the company when the buyback offer was announced what would have been your decision: to tender the shares for the buy back offer or to hold the shares? Justify your decision.
3. Explain the factors a company considers while deciding the price at which buyback will take place (e.g. Rs 1100 buy back price in this case.)
4. Find the company's EPS for the year ending on March 31<sup>st</sup> 2025. Assume PAT remains the same next year, what will be the company's EPS next year if the buyback is fully accepted.

# **DIGITAL INDIA AND TECH- ENABLED GROWTH UNDER VIKSIT BHARAT 2047: EMPOWERING RURAL MSMES THROUGH ONDC – A CASE STUDY OF SURYODAVA HANDICRAFTS**

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## **Abstract**

*India's vision of becoming a developed country by 2047 (Vikshit Bharat 2047) is based on inclusive and sustainable technology-enabled economic growth. Micro, Small and Medium Enterprises (MSMEs), especially those located in rural areas, play an important role in job creation, cultural preservation and innovation at the local level. However, rural MSMEs continue to face structural challenges such as limited market access, dependence on intermediaries, financial exclusion, and low digital adoption.*

*This case study explores the digital transformation journey of Suryodaya Handicrafts, a rural MSME engaged in traditional textile manufacturing, which adopted Digital India and Open Network for Digital Commerce (ONDC) initiatives to overcome growth constraints. This case study focuses on the strategic decisions, operational challenges, socio-economic impacts, and managerial dilemmas associated with platform-based growth. It provides graduate students and faculty with a wealth of information in the areas of entrepreneurship, MSME management, digital strategy, and public policy.*

**Keywords:** *Digital India, ONDC, MSME, Vikshit Bharat 2047, Technology-Driven Growth, Rural Entrepreneurship.*

## **Introduction**

India is at a critical stage of economic development. Under the Vikshit Bharat 2047 vision, the Government of India aims to transform India into a developed economy characterized by high productivity, inclusive growth, technological leadership and sustainability. Central to this vision is building a sustainable digital economy that democratizes access to markets, financing and opportunity.

Among the various factors contributing to India's economic situation, MSMEs occupy a unique position. MSMEs are considered the backbone of India's economy, accounting for approximately 30% of GDP, 45% of exports, and more than 110 million jobs. Despite their importance, MSMEs remain largely informal, technologically underdeveloped and disconnected from domestic and global markets, especially in rural and semi-urban areas.

Digital India Mission launched in 2015, aimed to bridge these gaps by building digital infrastructure, delivering digital services, and improving digital literacy. Over the past decade, initiatives such as Aadhaar, Unified Payments Interface (UPI), GST, DigiLocker, and

most recently Open Network for Digital Commerce (ONDC) have worked together to shape India's digital public infrastructure (DPI). ONDC, in particular, represents a transformative change in the e-commerce ecosystem, enabling open, interoperable, and inclusive digital commerce. This case study examines how a rural MSME leveraged these digital public goods to move from a localized business to a digital business in line with the national vision of Vikshit Bharat 2047.

## **MSME Sector and Policy Environment**

### **MSMEs in Rural India**

Rural MSMEs often expand into traditional sectors such as handicrafts, textiles, food processing, and agro- based industries. Although these businesses make a significant contribution to cultural preservation and rural livelihoods, they face persistent challenges, including:

#### **a) Access to Official Markets is Restricted**

Rural MSMEs often operate in geographically remote and economically less developed areas, which severely limits their access to formal and organized markets. Formal markets include structured retail chains, institutional buyers, export markets, government procurement portals, and digital commerce platforms. Rural businesses often find it difficult to participate in such markets due to physical distance from urban commercial centers and limited transportation infrastructure. As a result, the customer base remains narrow and localized, limiting sales and growth potential. Furthermore, rural MSMEs often ignore formal market requirements such as standardized packaging, quality certificates, compliance standards, branding and documentation. These requirements act as barriers to entry, preventing small businesses from attempting to access formal channels. As a result, rural MSMEs remain confined to informal and unorganized markets where demand is volatile and price realization is low. This exclusion from formal markets prevents local enterprises from achieving economies of scale and integrating into national value chains. This is an issue that directly challenges India's inclusive growth agenda under Vikshit Bharat 2047.

#### **b) High Dependence on Intermediaries and Traders**

Due to their limited access to markets, rural MSMEs rely heavily on intermediaries such as traders, wholesalers, aggregators and commission agents. These intermediaries act as a link between producers and final consumers, but often operate from a dominant position. MSMEs are given minimal negotiating power as they control prices, determine order quantities, and dictate payment terms. While intermediaries ease the burden of market

access, they also extract a significant portion of the value that businesses generate. This dependence results in an unequal distribution of value within the supply chain, with MSMEs receiving only a fraction of the final consumer price. Frequent payment delays are exacerbating cash flow constraints. Over time, this dynamic hinders innovation and investment, as entrepreneurs focus on survival rather than strategic growth. Therefore, reducing dependence on intermediaries through digital platforms is essential to empower rural MSMEs and strengthen entrepreneurial autonomy.

### **c) Informal Financial Practices**

The majority of rural MSMEs operate within an informal financial ecosystem, relying primarily on cash transactions and undocumented credit transactions. This informality results from low financial literacy, lack of access to banking facilities, and distrust of formal institutions. Informal financial practices limit transparency and prevent companies from keeping accurate financial records. Without formal transaction history and verified accounts, rural MSMEs struggle to access institutional financing such as bank loans, government credit programs, and venture capital financing. They are often dependent on lenders who charge exorbitant interest rates, increasing their financial vulnerability. Informality also limits participation in government-supported programs associated with formal registration. Therefore, financial inclusion through digitalization is an important step towards sustainable growth of MSMEs.

These limitations limit scalability and make rural MSMEs vulnerable to market shocks.

### **Digital India and Digital Public Infrastructure**

India's digital transformation strategy focuses on building public digital platforms rather than proprietary systems. This approach ensures scalability, accessibility, and comprehensiveness.

The main components are:

#### **a) UPI: Enabling Real-Time, Low-Cost Digital Payments**

The introduction of UPI has changed the financial landscape for MSMEs by making real-time and low-cost digital payments possible. For rural businesses, UPI reduces dependence on cash transactions, minimizes risks associated with cash handling and improves transaction efficiency. Instant payments improve liquidity and allow businesses to manage working capital more efficiently.

The digital payment trail generated through UPI increases financial transparency and reliability. These documents provide evidence of business activities and enable MSMEs to access formal credit and financial services. Therefore, UPI plays an important role in promoting financial inclusion and regularization of MSMEs.

### **b) Aadhaar: Easier access to identity-based services**

Aadhaar provides a universal digital identity that simplifies access to banking, grants, and government services. For rural entrepreneurs, Aadhaar reduces documentation complexity and accelerates integration into formal systems. This is especially important for women and first-generation entrepreneurs who face administrative barriers. By linking Aadhaar to bank accounts and mobile phone numbers, the government has enabled direct benefit transfers and improved service delivery. Aadhaar-based inclusion ensures that MSMEs are not excluded from development initiatives due to bureaucratic hurdles.

### **c) GST Network: Formalizing Business and Supply Chains**

The Goods and Services Tax (GST) network integrates MSMEs into the formal tax ecosystem. Although compliance may seem difficult at first, GST brings long-term benefits such as tax benefits, transparency, and increased market confidence. Formal registration allows MSMEs to start doing business with institutional buyers and participate in public procurement.

GST also encourages systematic record-keeping and financial discipline. Over time, formalization improves operational efficiency and access to capital, strengthening your business' growth prospects.

### **d) ONDC: Democratizing Digital Commerce**

The Open Network for Digital Commerce (ONDC) democratizes access to e-commerce by enabling interoperability between platforms. Unlike closed marketplaces, ONDC allows MSMEs to choose service providers and avoid monopolistic practices. Lower commission structures and open protocols reduce entry barriers for small sellers. For rural MSMEs, ONDC bridges the gap between local production and domestic consumption. This will foster fair competition, price transparency and inclusive digital growth, which are key objectives of Vikshit Bharat 2047.

### **Open Network for Digital Commerce (ONDC)**

ONDC was designed to end the dominance of large e-commerce platforms and enable smaller sellers to participate in the digital marketplace. It operates on open protocols and allows interaction between buyer and seller applications.

For MSMEs, ONDC lowers barriers to entry, reduces commission costs and improves price transparency.

### **Company profile**

Suryodaya Handicrafts is a rural MSME located in the traditional textile hub of western India. Founded in 2014, the company produces hand-woven cotton fabrics, block-print fabrics, and artisan homewares. The company mainly employs women artisans from nearby villages.

## **History of the Founder**

The company was founded by Anita Sharma (whose name remains anonymous), a liberal arts graduate student and first-generation entrepreneur. Inspired by the declining living standards of artisans and the decline of traditional crafts, Anita sought to create a sustainable business model that combines cultural preservation with commercial viability. Originally a small workshop, the business relied heavily on seasonal exhibitions, government fairs, and bulk orders from merchants in the city.

## **Pre-Digital Economic model and Limitations**

### **Traditional Sales Channels**

Before digitization, Suryodaya Handicrafts relied on: Craftsman Melas, local wholesaler, random export agent. Although these channels provided visibility, they were unpredictable and had limited pricing power.

## **Financial and Operational Issues**

The company faced several problems.

### **a) Working Capital Constraints**

Working capital constraints are one of the most significant financial challenges facing rural MSMEs. These businesses typically have low profit margins and limited cash reserves, making them highly susceptible to payment delays and fluctuations in demand. In traditional supply chains, rural MSMEs often sell products on credit to wholesalers and intermediaries, resulting in receivables cycles of 60 or even 120 days. During this period, businesses must continue production, pay wages, and purchase raw materials without being paid, creating chronic liquidity stress.

Insufficient working capital limits production planning and forces MSMEs to operate below optimal capacity. Entrepreneurs may delay payment of wages or compromise on the quality of raw materials, which negatively affects employee morale and product standards. To compensate for the lack of liquidity, many rural MSMEs rely on informal credit sources such as pawnshops, which charge exorbitant interest rates. This increases financial risk and reduces long-term profitability.

Digital payment systems and access to formal credit play a key role in easing working capital constraints. Fast payments through digital platforms shorten cash conversion cycles and improve financial predictability. From a policy perspective, addressing working capital issues will be key to improving the sustainability and productivity of MSMEs under *Vikshit Bharat 2047*.

### **b) Irregular Demand and Sales Volatility**

Rural MSMEs often face irregular and seasonal demand patterns, particularly in sectors such as handicrafts, textiles and agro-based products. Sales are often associated with festivals, exhibitions, tourist seasons or agricultural cycles. During the off-season, demand drops sharply, leading to unsold items and unstable income. This variation complicates financial planning and increases inventory carrying costs. Unsold inventory ties up capital and can lead to product obsolescence, particularly in design-oriented industries. The lack of demand forecasting tools further exacerbates this problem as production decisions are based on past experience rather than data-driven knowledge. Digital market access can partially mitigate demand volatility by diversifying customer bases across regions and time zones. However, managing fluctuating demand remains an operational challenge requiring improved planning, data analytics and flexible production strategies.

### **c) Manual and Labour-Intensive Operations**

Most of the rural MSMEs rely heavily on manual and labour-intensive production processes. These methods preserve traditional skills and create jobs, but they also lead to low productivity and inconsistent results.

Differences in skill levels of artisans, working conditions and quality of raw materials can lead to inconsistencies in product standards.

Manual operations limit scalability because production capacity is directly tied to labor availability. The lack of standardized processes and documentation further complicates quality control and order fulfillment. As businesses become more digital, these operational inefficiencies become more apparent, increasing the risk of customer dissatisfaction. Balancing traditional production methods with selective process improvements is a major operational challenge for rural MSMEs.

### **d) Limited Use of Technology and Systems**

Rural MSMEs typically do not have access to business systems such as inventory management software, accounting tools, and customer relationship management platforms. Operations are often managed through informal records and personal judgment, increasing the risk of errors and inefficiencies. Technology adoption is further limited by the limited digital literacy of entrepreneurs and workers. Even when digital tools are available, a lack of training and support reduces their effectiveness in using them. As a result, operational decisions remain reactive rather than strategic.

Technology adoption, when matched to enterprise capabilities, can significantly improve operational efficiency and transparency.

## **Impact of the New Coronavirus Infection (COVID-19)**

The COVID-19 pandemic has highlighted the vulnerability of offline-dependent MSMEs. Due to the lockdown, exhibitions were canceled and the supply chain was disrupted, putting Suryodaya Handicrafts into financial crisis. This period marks a turning point in the strategic reorientation.

### **Strategic Turning Point**

In 2021, Anita faced a crucial question. Should companies continue to operate through traditional channels or invest in digital transformation despite limited digital resources and capabilities? This decision involves risks related to technology implementation, financial implications, and capacity development. Digital transformation initiatives

Early adoption of digital technology

The first step included a basic scan. Implementing UPI for payments, VAT registration, Use a digital accounting app. These measures have improved transparency, payment cycles and financial discipline.

### **Registration with ONDC**

In 2022, Anita joined the digital outreach program of a government-backed incubator for MSMEs. There, ONDC was introduced as an alternative to traditional e-commerce platforms. The main steps to implement ONDC are: Digitization of product catalog, Standardized price and quality description. Integration with logistics and payment partners

Training of artisans in basic digital processes

Results of technology-driven economic growth

Market expansion

Within 12-18 months of ONDC arrival: The company reached out to customers in 12 states of India. Significant increase in direct-to-consumer sales

Reduced dependence on intermediaries

### **Financial Indicators**

#### **a) Increased Income and Stability**

Revenue growth is a fundamental indicator of a company's performance and market recognition. For rural MSMEs, consistent income growth means successful access to cross-border markets. Digital platforms allow companies to reach diverse customer segments and reduce dependence on limited geographic demand.

But income stability is just as important. Sudden spikes followed by sharp declines indicate structural weakness. Steady revenue growth reflects strong demand management, product-market fit, and operational efficiency. From an education perspective, revenue trends can help assess the sustainability of digital transformation efforts.

### **b) Cash Management and Liquidity**

Cash flow management determines whether an MSME can maintain its daily operations. Even highly profitable businesses can go bankrupt due to poor cash flow management. Rural MSMEs often face mismatches between inputs and outputs, leading to liquidity constraints. Digital payments reduce delays and increase transparency, making cash flows more predictable. Shorter accounts receivable cycles improve liquidity, ensuring payroll payments and timely supply of raw materials. Liquidity ratios, such as operating cash flow and current ratio, provide insight into your financial health.

### **c) Cost Structure and Profitability Analysis**

Understanding cost structure is important for profitability analysis. Local MSMEs have costs associated with raw materials, labor, transportation, packaging, and marketing. Digital platforms may incur additional costs such as logistics and technology costs, but they also reduce intermediary costs. Profit margins depend on a company's ability to balance these costs. Margin analysis helps you identify the best performing products and optimize your pricing strategy. Improved cost visibility supports strategic decision-making and long-term sustainability.

### **d) Access to Formal Credit and Financial Inclusion**

Access to formal credit reflects a company's financial strength and growth potential. Improve your creditworthiness with digitized transaction records, GST compliance, and formal registration. Rural MSMEs with access to institutional financing can invest in expanding production capacity, upgrading technology and mitigating risks. Financial inclusion reduces dependence on informal lenders and increases resilience to economic shocks. In *Vikshit Bharat 2047*, increasing access to formal financing for MSMEs is a key development objective.

### **Social Influences and Gender**

The number of craftsmen increased from 18 to 42. Women artisans were able to earn a stable monthly income. Skills development programs increase productivity Sustainability aspects

The company has introduced environmentally friendly packaging and energy efficient production processes that are in line with sustainable development goals.

### **Contribution to Vikshit Bharat 2047.**

The transformation of Suryodaya craftsmanship falls under several pillars of *Vikshit Bharat 2047*.

## **Main Contribution**

### **a) Inclusive and Balanced Economic Growth**

Digitally enabled rural MSMEs drive inclusive growth by creating jobs in non-urban areas. This reduces income inequality at the regional level and avoids excessive migration from rural to urban areas. Localized employment opportunities strengthen rural economic and social stability. Inclusive growth ensures that economic development benefits all parts of society, rather than being concentrated in urban centres. Thus, empowering MSMEs is essential to achieve the vision of Vikshit Bharat 2047.

### **b) Women's Empowerment and Social Inclusion**

Many rural MSMEs employ women, providing them with earning opportunities and financial independence. Women's economic participation improves household well-being, educational outcomes, and social status. Digital MSMEs offer flexible working arrangements and skills development opportunities, allowing women to balance professional and domestic responsibilities. Women-led companies also challenge traditional gender norms and promote inclusive leadership.

### **c) Strengthening Atmanirbharat**

Rural MSMEs strengthen domestic value chains by producing goods locally and reducing dependence on imports. They promote local skills, materials and knowledge systems. A strong MSME network increases supply chain resilience and national self-reliance. Atmanirbhar Bharat highlights the importance of national capacity building and MSMEs play a fundamental role in achieving this goal.

### **d) Sustainable and Responsible Development**

Many rural MSMEs are adopting environmentally sustainable practices such as low-energy production, biodegradable materials and minimal waste generation. These practices are in line with India's global Sustainable Development Goals and climate change efforts. Sustainable growth of MSMEs ensures long-term environmental and economic viability and supports the broader development agenda of Vikshit Bharat 2047.

## **Management and Strategic Issues**

Although progress has been made, many issues remain, including:

### **a) Manage Quality Consistency at Scale**

As business scale expands, management becomes more complex, especially for cottage MSMEs and handicraft MSMEs. Increased production volumes can compromise quality and reliability. Maintaining consistent standards requires investment in training, monitoring, and process standardization. Strategic scaling requires balancing growth ambitions with maintaining quality to protect brand reputation and customer trust.

### **b) Market Positioning and Competitive Strategy**

Rural MSMEs face strategic choices regarding their market positioning. Mass market strategies focus on volume and availability, while niche strategies focus on differentiation and premium pricing. Each approach involves trade-offs between cost-effectiveness, scalability, and operational complexity. Strategic clarity is necessary to align market positioning with the capabilities and mission of the enterprise.

### **c) Human Resource Management and Skills Development**

Effective human resource management is critical as businesses grow. Recruiting, training, and retaining qualified employees requires a structured system and management involvement. Skills development increases productivity, quality, and innovation capabilities. Empowered employees contribute to business resilience and adaptability in dynamic markets.

### **d) Leadership and Change Management**

Digital transformation drives organizational changes that require strong leadership to manage resistance and uncertainty. Entrepreneurs need to communicate their vision, build trust, and foster a culture of learning.

Leadership capacity is determined by how effectively MSMEs can adapt to technological, business, and policy changes over time.

### **e) Competitive Pressure and Differentiation**

Local small businesses face competition from mechanized producers who offer lower prices. To remain competitive, companies must differentiate themselves through quality, reliability, sustainability, and storytelling. Strategic differentiation allows MSMEs to protect profits and build long-term relationships with customers.

### **Decision Dilemma**

In 2024, Anita faced a strategic dilemma. Should Suryodaya Handicrafts aim to expand aggressively across multiple digital platforms or adopt a targeted premium positioning strategy to champion the value and sustainability of its crafts? Each option affected growth, control, and mission coordination.

### **Conclusion**

This case study examined the evolving landscape of rural Micro, Small and Medium Enterprises (MSMEs) in India within the broader framework of Vikshit Bharat 2047, focusing on the role of digital transformation, financial inclusion and strategic management in enabling sustainable and inclusive growth. Long constrained by limited market access,

inadequate financing, operational inefficiencies, and lack of infrastructure, rural MSMEs are increasingly being placed at the center of India's development story through policy support, digital public infrastructure, and entrepreneurial innovation. The analysis shows that rural MSMEs are no longer peripheral economic actors, but are increasingly becoming drivers of local employment, income generation and socio-economic sustainability. Digital India and Digital Public Infrastructure (DPI) initiatives have significantly changed the operating environment for these companies. Platforms that enable digital payments, online marketplaces, identity verification, and data-driven credit scoring have lowered traditional barriers to entry and increased transparency. As a result, rural entrepreneurs are better integrated into formal markets, have more income-generating opportunities, and improve financial discipline.

However, the study also highlights that digital access alone is insufficient to ensure sustainable enterprise growth. Persistent financial and operational challenges—such as working capital shortages, demand volatility, manual production processes, and limited managerial capabilities—continue to restrict scalability and competitiveness. While digital tools enable efficiency gains, their impact depends on additional investments in skills, process standardization and leadership. This reinforces the argument that MSME development should be approached as a systemic transformation rather than a purely technological upgrade. From a financial perspective, this case highlights the importance of cash flow stability, profit margin optimization, and access to formal credit as key factors in determining business sustainability. Although digitalization has improved financial transparency and creditworthiness for many rural MSMEs, gaps remain in the availability and accessibility of institutional financing. Strengthening financial literacy, simplifying compliance and expanding credit guarantee mechanisms are therefore essential to reduce reliance on informal financing and improve business resilience.

The contribution of rural MSMEs to *Vikshit Bharat 2047* extends beyond economic indicators. These businesses play a key role in promoting inclusive growth, women's empowerment, regional balance and environmental sustainability. By creating jobs in rural areas, MSMEs reduce stressful migration and promote social stability. Women-owned businesses and businesses that employ women contribute to social change by improving family well-being, educational outcomes, and leadership engagement. Additionally, many rural MSMEs rely on local resources, traditional techniques, and low-energy production methods and therefore follow inherently sustainable practices, which is consistent with India's climate and sustainability efforts. From a strategic perspective, this case illustrates that rural small businesses face difficult management choices as they grow. Decisions about scale and quality control, market positioning, talent management, and competitive differentiation require long-term vision and adaptive leadership. Companies that

successfully combine growth, reliability, and operational discipline are well-positioned to create long-term competitive advantage. Leadership skills therefore become a key factor influencing how effectively MSMEs adapt to technological change, market competition, and political dynamics. In conclusion, the transformation of rural MSMEs is a microcosm of India's broader development process.

Their progress reflects the interplay between political will, digital infrastructure, entrepreneurial initiatives and social inclusion. For Vikshit Bharat 2047 to become a reality, rural MSMEs need to be supported not only through technology and finance, but also through capacity building, institutional support and strategic guidance. This case study provides valuable managerial insights into how rural businesses can harness digital opportunities while addressing structural constraints and offers important lessons for policymakers, educators, and practitioners. After all, empowering rural MSMEs is not only an economic imperative but also a strategic and social necessity. Their success will shape the inclusiveness, resilience and sustainability of India's growth trajectory in the decades to 2047.

### **Discussion Questions**

1. What were the major challenges faced by Suryodaya Handicrafts as a rural MSME before adopting digital platforms, and how did these challenges affect its growth and sustainability?
2. How did Digital India initiatives and ONDC help Suryodaya Handicrafts transform its business operations and market reach?
3. Examine the financial and social impact of digital transformation on Suryodaya Handicrafts, with special reference to income stability, employment generation, and women empowerment.
4. What managerial and operational issues emerged for Suryodaya Handicrafts after scaling up through ONDC?
5. As a strategic advisor, what course of action would you suggest to Anita Sharma to resolve the 2024 decision dilemma, and why?

# **ESTABLISHMENT AND GROWTH OF DOT DETERGENTS — A LIQUID DETERGENT MANUFACTURING START-UP IN INDIA**

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## **Abstract**

*Over the last decade, the Indian fast-moving consumer goods (FMCG) sector has evolved significantly due to changing lifestyles, rising awareness of hygiene, and the increasing use of washing machines in urban and semi-urban households. Among household cleaning products, liquid detergents have gradually shifted from being a niche, premium offering to a widely accepted alternative to conventional detergent powders. This case study presents a detailed examination of DOT Detergents, a liquid detergent manufacturing start-up established in India. The study narrates the origin of the enterprise, its manufacturing practices, cost and revenue structure, marketing approach, financial viability, operational challenges, and future growth possibilities. The case aims to provide practical managerial insights into small-scale manufacturing entrepreneurship in a highly competitive and price-sensitive FMCG environment.*

**Keywords:** Liquid Detergent, FMCG industry, Manufacturing Start-Up, Entrepreneurship, Cost Analysis

## **Introduction**

The **detergent market in India** has traditionally been dominated by powder and bar formats, largely because of their affordability and deep penetration across rural and semi-urban regions. Powder detergents continue to command the largest share of total sales volume, with traditional formats comprising upwards of 90 percent of the market historically, while liquid detergents have remained a relatively small segment despite recent growth trends. For example, Kantar reported that liquid detergents constituted just around **15.9% of the category's penetration in mid-2021, rising to approximately 19.8% by mid-2022**, reflecting growing but still modest adoption compared to powders and bars. ([Moneycontrol](#))

In absolute terms, the overall Indian detergent market is substantial and expanding. Recent industry estimates suggest that the market is valued at approximately **₹55,000 to ₹60,000 crore (around USD 6.5–7.2 billion)** as of 2024–25, with a year-on-year growth rate in the mid-single digits driven by increasing hygiene awareness, urbanization, and premiumization trends. (LinkedIn) Meanwhile, segment-specific data from the liquid detergent category indicates that it had reached a market value in excess of **USD 1.1–1.2 billion (approximately ₹9,000–₹10,000 crore) in 2024**, and is forecast to grow steadily, with some projections anticipating a rise to nearly USD 1.8 billion by 2033. (IMARC Group)

Several structural shifts underpin these changes in consumer behavior. Rising numbers of **nuclear families**, increasing **participation of women in the workforce**, and the expanding penetration of **automatic and semi-automatic washing machines** have contributed to a gradual but noticeable shift toward liquid formulations, which are widely perceived as more convenient, quicker to dissolve in water, gentler on fabrics, and less likely to leave residue after washing. The adoption of such appliances in urban areas has grown consistently, acting as a tailwind for the liquid detergent segment. (Ken Research)

Against this backdrop of evolving consumer preferences and robust market growth, DOT Detergents was conceptualized as a small-scale manufacturing venture aimed at addressing the rising demand for affordable yet reliable liquid detergent products. The founders of DOT Detergents observed a clear gap in the marketplace: many well-known multinational brands with liquid offerings (such as Surf Excel Matic and Ariel) are often priced beyond the reach of average Indian consumers, especially in less affluent regions. At the same time, products offered by unorganized local manufacturers frequently suffer from inconsistent quality standards and lack the brand credibility necessary to secure repeat purchases. (Moneycontrol)

As a result, DOT Detergents sought to position itself as a dependable mid-range brand that balances quality, performance, and affordability – targeting consumers who are gradually shifting toward liquid formats but remain price sensitive. By aligning with broader industry trends, such as urban premiumization and convenience-seeking behavior, the company aims to capitalize on market opportunities emerging within this dynamic landscape. (LinkedIn)

### **Background of DOT Detergents**

DOT Detergents was established in 2023 by first-generation entrepreneurs with prior experience in chemical trading and regional FMCG distribution. The enterprise was registered as a private limited company and its manufacturing unit was set up in Gujarat, a state known for its strong chemical ecosystem, availability of skilled labor, and relatively supportive industrial infrastructure. An initial investment of approximately ₹18–20 lakhs was made to cover factory setup, machinery procurement, raw material sourcing, statutory registrations, and initial marketing activities.

The long-term vision of DOT Detergents is to develop into a trusted household brand in the Indian detergent market. The mission of the firm is centered on maintaining consistent product quality, ensuring regulatory compliance, managing costs efficiently, and gradually building brand recognition through sustained market presence rather than aggressive advertising.

## **Product Concept and Value Proposition**

In its initial phase, DOT Detergents introduced a limited yet focused product range comprising liquid detergent for front-load washing machines, liquid detergent for top-load washing machines, and liquid detergent suitable for hand washing. Each formulation was developed with an emphasis on effective stain removal, low foam generation, fabric safety, and pleasant fragrance. Special attention was given to ensuring that the products performed consistently across different water conditions and washing cycles.

Unlike many small, unorganized manufacturers, DOT Detergents placed strong emphasis on standardized formulations and batch-wise quality checks. Clear labeling, transparent ingredient disclosure, and usage instructions were provided to enhance consumer trust. The core value proposition of the brand lies in offering performance comparable to premium brands while keeping prices affordable for middle-income households.

## **Manufacturing Process and Operations**

The manufacturing operations at DOT Detergents follow a structured and carefully controlled process designed to ensure consistency and minimize wastage. Raw materials such as linear alkylbenzene sulfonic acid (LABSA), sodium hydroxide, non-ionic surfactants, solvents, thickeners, preservatives, fragrances, and approved colorants are sourced primarily from local and regional suppliers. Local sourcing helps reduce transportation costs and enables faster replenishment of inventory.

Production begins with the neutralization of LABSA using sodium hydroxide in stainless steel mixing tanks. This step is critical, as improper neutralization can adversely affect both product performance and user safety. Once the desired pH level is achieved, other surfactants and additives are added gradually under continuous stirring. The mixture is closely monitored to achieve the required viscosity, color, and homogeneity.

Quality control checks are carried out at multiple stages of production. These include pH testing, viscosity measurement, visual inspection, and small-scale wash tests to assess cleaning efficiency. After approval, the finished detergent is transferred to storage tanks and then filled into bottles using semi-automatic filling machines. Packaging includes statutory information such as batch number, manufacturing date, usage directions, and safety instructions, in compliance with applicable regulations. The finished products are stored in a designated warehouse area before dispatch to distributors and retailers.

## **Cost Structure and Operational Economics**

The cost structure of DOT Detergents can be broadly classified into fixed and variable costs. Fixed costs include factory rent, machinery depreciation, salaries of skilled and semi-skilled

workers, electricity connection charges, and statutory licensing fees. Variable costs mainly consist of raw materials, packaging materials, utilities, transportation, and promotional expenses.

Raw materials form the largest cost component, accounting for approximately 50–55% of the total production cost. Packaging materials contribute nearly 15%, while labor, utilities, and logistics together account for around 20%. Given the relatively low margins in the FMCG sector, even small fluctuations in raw material prices can significantly impact profitability. As a result, DOT Detergents places considerable emphasis on supplier negotiation, bulk purchasing, and efficient inventory management.

### **Marketing and Distribution Approach**

To enter a market dominated by established national and multinational brands, DOT Detergents adopted a penetration pricing strategy. The products were priced moderately lower than leading brands while offering similar functional benefits. This pricing approach helped attract both retailers and first-time consumers who were willing to experiment with a new brand.

Distribution during the initial phase focused on local kirana stores, wholesale distributors, and detergent retailers in urban and semi-urban areas. Promotional efforts were deliberately kept cost-effective and included free product sampling, higher retailer margins, introductory discounts, and basic digital promotion through social media platforms. Over time, the company also explored online sales channels to widen market reach without heavy investment in physical distribution infrastructure.

### **Financial Performance and Projections**

During its first year of operations, DOT Detergents planned a monthly production capacity of approximately 20,000 liters of liquid detergent. With an average selling price of about ₹65 per liter, the estimated monthly revenue amounted to nearly ₹13 lakhs, resulting in an annual turnover of approximately ₹1.56 crore.

The total annual operating cost, including raw materials, packaging, labor, utilities, rent, and marketing expenses, was estimated at around ₹1.25 crore. Based on these figures, the firm expected an operating surplus of roughly ₹30–32 lakhs before interest and tax. As production volumes increase, further improvement in margins is expected due to economies of scale and better procurement efficiency.

### **Break-Even Analysis**

An analysis of the cost structure indicates that DOT Detergents incurs fixed costs of approximately ₹4.5 lakhs per month. The contribution margin per liter of detergent is

estimated at around ₹18. On this basis, the break-even volume is calculated at close to 25,000 liters per month. Achieving and sustaining sales beyond this level is essential for ensuring long-term financial stability and funding future expansion plans.

### **Key Challenges**

Despite favorable market conditions and a growing acceptance of liquid detergents among Indian consumers, DOT Detergents faces a range of challenges that are characteristic of small-scale manufacturers operating in the highly competitive FMCG sector. One of the most significant challenges confronting the firm is intense competition from well-established national and multinational brands that possess strong brand equity and deep financial resources. These established players dominate shelf space, consumer mindshare, and advertising channels through sustained investment in television commercials, celebrity endorsements, digital campaigns, and large-scale trade promotions. In contrast, DOT Detergents operates with a limited marketing budget, making it difficult to achieve comparable visibility or recall among consumers. As a result, brand-building for DOT Detergents is a slow and gradual process that requires consistent market presence, retailer support, and positive consumer experience over time rather than immediate impact through mass advertising.

Consumer loyalty toward established detergent brands further compounds this challenge. Detergents are experience-based products, and purchasing decisions are often influenced by long-standing habits, family preferences, and perceived reliability rather than experimentation. Many consumers associate well-known brands with assured cleaning performance, fabric safety, and long-term usage satisfaction. This loyalty creates a psychological barrier for new entrants such as DOT Detergents, as consumers may be hesitant to switch from familiar brands unless offered significant price advantages or strong recommendations from trusted retailers. In semi-urban and price-sensitive markets, while consumers are more open to trying alternative brands, the switching behavior is often temporary, and repeat purchases depend heavily on consistent performance and availability. Consequently, DOT Detergents must not only attract first-time buyers but also ensure product consistency to convert them into long-term customers, which requires disciplined manufacturing and quality control practices.

Another critical challenge faced by DOT Detergents relates to fluctuating raw material prices. The production of liquid detergents depends on chemical inputs such as surfactants, solvents, fragrances, and additives, many of which are derived from petrochemical sources. Prices of these raw materials are subject to volatility due to changes in crude oil prices, supply chain disruptions, currency fluctuations, and regulatory changes. For a small-scale manufacturer like DOT Detergents, sudden increases in raw material costs can significantly impact profit margins, as the firm has limited ability to pass on cost increases to consumers

in a price-sensitive market. Unlike large FMCG corporations that benefit from long-term supplier contracts and bulk purchasing power, DOT Detergents must often negotiate on shorter credit cycles and smaller volumes, reducing its bargaining strength. Effective procurement planning and supplier relationship management therefore become crucial, yet remain challenging due to capital and scale constraints.

Limited automation is another operational issue that affects efficiency and scalability. DOT Detergents relies largely on semi-automatic machinery for mixing, filling, and packaging operations. While this approach helps reduce initial capital investment, it also leads to higher dependency on manual labor, increased production time, and greater scope for process variability. Manual handling can result in inconsistencies in filling volumes, labeling, and packaging quality, which may affect brand perception in a market where consumers increasingly expect professional presentation. Furthermore, limited automation restricts the firm's ability to scale production quickly in response to rising demand or large institutional orders. Although automation offers long-term cost benefits and efficiency gains, the high upfront investment required for advanced machinery remains a significant barrier for DOT Detergents, given its current financial position.

Regulatory compliance presents an additional layer of complexity for the firm. The manufacturing and sale of liquid detergents involve compliance with multiple regulations related to chemical handling, worker safety, labeling standards, environmental norms, and waste disposal. Ensuring adherence to these regulations requires not only financial resources but also managerial attention and technical expertise. For small-scale enterprises, regulatory requirements can appear burdensome, as even minor non-compliance may result in penalties, product recalls, or reputational damage. DOT Detergents must ensure accurate labeling, proper disclosure of ingredients, batch traceability, and safe storage of chemicals, all of which add to operational costs. At the same time, maintaining compliance is essential for building long-term credibility with distributors, retailers, and institutional buyers.

Working capital management emerges as one of the most pressing challenges for DOT Detergents. The FMCG distribution system in India often operates on extended credit cycles, particularly when dealing with wholesalers and distributors. Payments are frequently delayed beyond agreed timelines, leading to cash flow constraints for manufacturers. For DOT Detergents, delayed receivables directly affect its ability to procure raw materials, pay wages, and fund day-to-day operations. Unlike large firms that can absorb such delays due to strong cash reserves, DOT Detergents must carefully balance production schedules with available liquidity. This situation often forces the firm to operate below optimal capacity or rely on short-term borrowing, which increases financial stress and interest costs.

Inventory management further complicates the working capital situation. DOT Detergents must maintain sufficient inventory of raw materials to avoid production disruptions, while also managing finished goods inventory to meet distributor demand. Overstocking leads to capital being locked in unsold inventory, whereas understocking may result in missed sales opportunities and loss of retailer confidence. Demand forecasting in the early stages of business is particularly challenging, as sales patterns are still evolving and influenced by seasonal factors, promotional activities, and distributor push. Efficient inventory planning therefore requires a delicate balance, supported by continuous monitoring and coordination with distribution partners.

Distribution dependency itself poses a strategic challenge. DOT Detergents relies heavily on local distributors and retailers to reach end consumers. While distributors provide market access, they also wield significant influence over product placement, visibility, and sales promotion. In many cases, distributors prioritize brands that offer higher margins, faster turnover, or stronger consumer demand. Competing with established brands for distributor attention requires DOT Detergents to offer attractive trade margins, which can further compress profitability. Additionally, limited control over retail-level execution may result in inconsistent product availability or inadequate shelf placement, affecting brand perception and sales performance.

Brand trust and perception remain long-term challenges that cannot be resolved quickly. In the detergent category, consumers often associate brand strength with product safety, especially when it comes to fabric care and skin sensitivity. Any instance of product inconsistency, leakage, or negative feedback can disproportionately affect a new brand's reputation. DOT Detergents must therefore invest continuously in quality assurance and customer feedback mechanisms, even when financial resources are constrained. Building trust requires time, repeated positive experiences, and visible commitment to quality, all of which demand sustained managerial focus.

### **Growth Prospects and Strategic Direction**

Looking ahead, DOT Detergents has identified several avenues for growth. Expansion into institutional and business-to-business segments such as hotels, hospitals, hostels, and commercial laundries can provide stable bulk demand. The introduction of eco-friendly or low-chemical formulations may help differentiate the brand in an increasingly environmentally conscious market. Additionally, private-label manufacturing for retail chains offers an opportunity to improve capacity utilization and generate steady cash flows.

Gradual investment in automation, branding, and supply chain optimization is expected to strengthen the firm's competitive position over time. With disciplined execution and strategic focus, DOT Detergents has the potential to scale beyond regional markets.

## **Conclusion**

The case of DOT Detergents illustrates the practical realities involved in establishing and managing a liquid detergent manufacturing start-up within India's intensely competitive FMCG sector. It highlights how entry into a seemingly attractive and growing market is accompanied by significant operational, financial, and strategic challenges, particularly for small-scale enterprises with limited capital and brand recognition. Through its journey, DOT Detergents demonstrates that success in the FMCG industry is not solely dependent on product demand, but also on the ability of entrepreneurs to manage constraints related to resources, competition, and market access in a disciplined and adaptive manner.

By placing strong emphasis on consistent product quality, DOT Detergents underscores the importance of operational reliability in building consumer trust. In a category where repeat purchases are driven by user experience and perceived performance, maintaining uniform standards across batches becomes a critical differentiator for small manufacturers. The firm's focus on standardized formulations, quality checks, and regulatory compliance reflects an understanding that long-term brand credibility cannot be achieved through aggressive pricing alone, but requires sustained attention to manufacturing excellence and product safety.

Cost control emerges as another central theme in the case. DOT Detergents illustrates how careful management of raw material procurement, production processes, and overhead costs can enable small firms to remain competitive despite thin margins typical of the FMCG sector. The case highlights the strategic role of operational efficiency, supplier relationships, and working capital discipline in ensuring financial sustainability. It also demonstrates that cost leadership for small enterprises is less about undercutting competitors and more about minimizing wastage, improving productivity, and aligning production with realistic demand forecasts.

The targeted market entry strategy adopted by DOT Detergents further reflects a pragmatic approach to growth. Rather than attempting to compete directly with established national brands across all segments, the firm focuses on specific geographic markets, distribution channels, and consumer groups where entry barriers are relatively lower. This selective expansion strategy allows the company to conserve resources, learn from market feedback, and gradually strengthen its presence. The case thus emphasizes the value of incremental growth and strategic focus for small-scale manufacturers operating in highly competitive environments.

From a broader perspective, the case of DOT Detergents offers meaningful insights for students and practitioners interested in entrepreneurship, manufacturing operations, and marketing strategy. It demonstrates how theoretical concepts such as cost structures, break-even analysis, supply chain management, and competitive positioning are applied in real-

world business settings. The case also highlights the interdependence of operational decisions and market outcomes, reinforcing the idea that entrepreneurial success in manufacturing requires an integrated approach that balances production efficiency, financial planning, and market responsiveness.

### Discussion Questions

1. How viable is DOT Detergents' business model in the competitive Indian Detergent Liquid Market?
2. Why Liquid Detergent segment is growing in India despite historical dominance of Powder Detergent products in Indian Market?
3. What strategic marketing and distribution approach should DOT Detergents adopt to build brand trust and increases the repeated purchases?
4. What growth strategy should DOT Detergent prioritize for long term sustainability - Regional Expansion, B2B Sales, Private Labelling, or Product Diversification?

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# **FROM CORPORATE ROADS TO ENTREPRENEURIAL ROUTES: THE JOURNEY OF MR. S. C. SHUKLA AND THE RISE OF TRANS CARE LOGISTICS**

**Dr. PRATIMA SHUKLA**

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## **Abstract**

*This case examines the entrepreneurial transition of Mr. S. C. Shukla, who, after a distinguished 35-year career at Associated Road Carriers Limited (ARC), founded Trans Care Logistics in Ahmedabad. The narrative highlights how deep industry experience, leadership development, and strategic insight cultivated within a large, technology-driven logistics organization can serve as a foundation for new venture creation. The case explores Trans Care Logistics' business model, diversified service portfolio, and market positioning within India's highly competitive logistics sector. It further analyzes the operational, financial, branding, and regulatory challenges encountered during the early stages of the venture, along with the strategic responses adopted – particularly incremental scaling, customer-centric differentiation, and compliance-driven credibility building. Through a SWOT perspective, the case illustrates the opportunities and threats present in India's evolving logistics ecosystem. Overall, the case provides insights into corporate-to-entrepreneurship transitions, strategic risk management, and sustainable growth in service-intensive industries.*

**Keywords:** Entrepreneurship, Logistics and Transportation Industry, Supply Chain and Distribution

## **Introduction**

Entrepreneurship often emerges when deep industry experience meets a vision for creating better value. The story of Mr. S. C. Shukla exemplifies this blend of experience and vision. After a distinguished 35-year career with Associated Road Carriers Limited (ARC) – one of India's largest surface transport and logistics organizations – Mr. Shukla transitioned from a corporate professional to an entrepreneur. He leveraged his decades of logistics experience to establish Trans Care Logistics, a Ahmedabad-based logistics firm aimed at delivering efficient, reliable and customer-centric services in the ever-competitive Indian transport sector.

Mr. Shukla began his professional career working at the Baroda branch of ARC, where he joined at a grassroots level. ARC was founded in 1972 by young professionals with a vision to revolutionize the surface transport industry and expand customer-centric logistics services across India. Over the decades, it grew into a massive network spanning hundreds of cities, with more than 585 outlets across over 400 cities and a fleet of thousands of vehicles serving over 5,000 destinations daily, transporting millions of tons of cargo each year.

At ARC, Mr. Shukla's journey was marked by consistent progression through hierarchical roles. He started as an entry-level executive, gaining foundational experience in

operations, customer interactions and the nuances of freight handling. His commitment, work ethic and deepening understanding of logistics operations soon led to his promotion as a Branch Manager, where he managed day-to-day operations, client relationships, and team coordination within a specific region. Through demonstrated leadership and operational excellence, he continued climbing the ladder to roles such as Regional Manager and Zonal Head, overseeing multi-branch operations and strategic execution across a broader geographic area.

During his tenure, Mr. Shukla was part of ARC's transformation into a technologically adept, customer-oriented organization. ARC's adoption of advanced technologies such as real-time truck tracking, automated booking systems, and integrated communication platforms exemplified its commitment to operational efficiency and customer satisfaction. The organization's philosophy of coupling traditional logistics strengths with modern practices provided fertile ground for executives like Mr. Shukla to nurture leadership skills and strategic vision.

His career culminated in the role of Vice President, a senior leadership position that permitted him to influence organizational strategy, optimize operational frameworks, and contribute to ARC's long-term expansion plans. Over 35 years, Mr. Shukla not only mastered the technical and managerial aspects of logistics but also cultivated key entrepreneurial competencies—including strategic thinking, risk assessment, leadership, customer focus, and resilience—that would later become essential when he ventured out on his own.

Upon retiring from ARC, Mr. Shukla envisioned a new business that could integrate his extensive experience with evolving market demands. This vision materialized in the form of Trans Care Logistics, headquartered in Narol, Ahmedabad. Trans Care Logistics positions itself as a one-stop solution for transport and logistics needs, aiming to become one of India's most reliable, efficient and safest logistic networks.

The company offers a broad array of services catering to varied customer requirements. These include Project Transportation System (PTS) for heavy and oversized equipment, Sundry/Port Truck Load Movement for partial truck loads, Express Cargo Delivery (ECD) for smaller consignments, Third-Party Logistics (3PL) services, Bulk Freight Movement (BFM), Last Mile Distribution (LMD), and specialized services involving forklifts and cranes to support loading and unloading operations. This diversified service portfolio reflects Trans Care's commitment to providing holistic logistics solutions across the transport value chain.

The mission of Trans Care Logistics is rooted in excellence in transportation, express cargo handling and logistics services at competitive cost structures while ensuring customer satisfaction and operational reliability. The company promotes on-time delivery, quality service, cost-efficient solutions, and best-in-class facilities supported by systems such as

online tracking and robust infrastructure, all designed to give clients peace of mind and consistent value.

A critical factor in Mr. Shukla's entrepreneurial success was the application of competencies he had cultivated over his corporate career. His leadership and team management skills ensured that Trans Care could build and maintain an effective workforce that aligned with the company's service objectives. His intimate awareness of logistics operations enabled efficient operational planning, route optimization, and resource management—essential pillars in a sector where timing and coordination determine profitability. Furthermore, his ability to leverage industry relationships and networks helped in securing clients, partnerships, and contracts, especially in the early stages of business establishment.

Despite these strengths, Mr. Shukla confronted typical challenges that many entrepreneurs in the logistics sector face. Establishing a new brand in a competitive landscape dominated by large and well-established players like ARC required not only significant capital investment but also strategic differentiation. Financial constraints related to the acquisition of vehicles, technology platforms, and warehousing infrastructure posed early hurdles. Moreover, competing with national logistics conglomerates and large supply-chain firms for market share necessitated clear positioning and value propositions.

Trans Care's initial challenges also included building a reliable operational network from scratch. While ARC provided decades of expertise and connections, setting up distinct operational protocols, customer service systems, and administrative frameworks in Trans Care demanded meticulous planning and team alignment. In addition, robust compliance with industry regulations—such as GST registration transport permits, and statutory requirements for a logistics firm—was essential to ensure transparency and legal standing in the marketplace.

To mitigate financial and operational challenges, Mr. Shukla adopted a strategy of incremental scaling. Rather than immediately investing in an extensive fleet and nationwide footprint, Trans Care focused on building core capabilities in key service areas such as express cargo and project transportation, gradually expanding its range based on service demand and client feedback. Emphasis was placed on service quality, customer satisfaction, and reliability, which helped build a positive reputation and customer loyalty. Marketing efforts also harnessed digital platforms and logistics networks to enhance visibility and client reach.

In navigating regulatory landscapes, the company ensured full compliance with statutory requirements and certifications essential to logistics operations. This not only ensured operational legitimacy but also conveyed professionalism to potential clients and partners. Trans Care's leadership also prioritized implementing management systems

capable of supporting efficient tracking, documentation, and delivery verification, which are crucial in logistics where accountability and transparency directly impact client trust.

Government support frameworks and industry associations potentially offered avenues for further growth, such as SME development schemes, credit support mechanisms, and logistics sector incentives aimed at improving infrastructure and operational capacities for small logistics firms. While specific schemes availed by Trans Care are not widely publicized, the Indian logistics ecosystem provides various resources that emerging firms can leverage to strengthen competitiveness, access financing and training, and adopt technology platforms aligned with global standards.

A SWOT analysis of Trans Care Logistics reflects both internal capabilities and external environmental factors. Strengths include seasoned leadership with deep industry experience, customer-centric service models, diversified logistics offerings, and robust service quality commitment. Weaknesses involve challenges of brand recognition in a market with larger competitors, limitations in scale compared to national firms, and initial resource constraints typical of new enterprises. Opportunities lie in the rapidly growing Indian logistics market driven by e-commerce expansion, manufacturing growth, and increasing supply chain complexity, all of which fuel demand for reliable third-party logistics solutions. Threats include intense competition, market volatility in fuel and operational costs, and regulatory changes that could impact cost structures or service frameworks.

Mr. Shukla's entrepreneurial journey underscores critical strategic lessons. First, extensive industry experience can provide a formidable foundation for launching new ventures, particularly in specialized sectors like logistics where operational nuances and client expectations are unique. Second, building strong teams and fostering customer relationships are invaluable for emerging firms seeking to differentiate themselves from established rivals. Third, strategic planning that includes incremental investment and focused service offerings can reduce risk and foster sustainable growth.

In conclusion, the transition of Mr. S. C. Shukla from a long-serving corporate executive at ARC to the founder of Trans Care Logistics represents a compelling case of entrepreneurial evolution fuelled by experience, strategic thinking, and customer-centric focus. His ability to combine industry knowledge with new business vision reflects the essence of entrepreneurship: creating value while navigating risk, competition, and operational complexity. Trans Care Logistics, rooted in these principles, continues its journey to deliver quality logistics services across India, reflecting the entrepreneurial spirit of innovation, resilience and relentless pursuit of excellence in the Indian logistics landscape.

### **Discussion Questions**

1. What factors typically motivate senior corporate executives to pursue entrepreneurship after long careers? Which motivations appear most relevant in Mr. Shukla's case?
2. What psychological, professional, and financial risks are associated with transitioning from a stable corporate leadership role to entrepreneurship?
3. How can prior corporate experience act as both an advantage and a constraint when launching a new venture?

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# INDIA'S CARBON CREDIT TRADING SCHEME: BUILDING A CREDIBLE MARKET FOR SUSTAINABLE AND ENTREPRENEURSHIP-DRIVEN GROWTH

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## **Abstract**

India's Viksit Bharat 2047 agenda prioritizes inclusive and resilient economic growth fueled by entrepreneurship. It grounded in environmental sustainability. India is third-largest global emitter of greenhouse gases but with modest per-capita emissions. India is focused on finding a balance between industrial momentums and declining emissions intensity. Carbon pricing tools have emerged as a promising ways to balance climate goals with business innovation and competitiveness. In June 2023, the Government of India notified the Carbon Credit Trading Scheme (CCTS), creating the Indian Carbon Market (ICM) as a domestic, market-based mechanism to incentivize emissions reduction. It was implemented by the Bureau of Energy Efficiency (BEE) under the Ministry of Power the scheme integrates a compliance mechanism for energy-intensive industries with a voluntary offset mechanism that allows emissions-reduction projects to generate tradable carbon credits. Drawing upon India's previous experience with energy efficiency trading under the Perform, Achieve and Trade (PAT) scheme, CCTS represents a shift from sector-specific efficiency gains to economy-wide carbon management. The plan shifted from policy announcement to early operational preparedness by early 2026. Trading infrastructure started to take shape, procedural rules were released and sectorial emission-intensity targets were communicated. However, as implementation went on, important issues surfaced. How stringent should monitoring and verification procedures be without excluding smaller businesses? In its early years, how might the market produce liquidity? And how should involvement is distributed among sectors with varying capacities? Viewed through the work of BEE Director General Abhay Bakre, this case delves into these design dilemmas, stakeholder dynamics, and broader implications for inclusive, entrepreneurship-led green growth. It is crafted for MBA/PGDM students exploring strategy, sustainable finance, public policy, and entrepreneurship, offering real-world insights into crafting sovereign markets that advance Viksit Bharat's goals of economic vitality, environmental care, and self-reliance. The development of India's carbon market is examined in this case study as an example of institutional entrepreneurship. It looks at the strategic trade-offs, stakeholder conflicts, and design decisions that go into building a market that is both inclusive and credible. Students are asked to assess how carbon pricing will promote sustainable finance, MSME involvement, and green entrepreneurship in line with India's vision about Viksit Bharat 2047. The case is developed using publicly available information and is intended for academic and pedagogical discussion.

**Keywords:** Carbon Credit Trading Scheme, Indian Carbon Market, Bureau of Energy Efficiency, Green Finance, Atmanirbhar Bharat

## **Background and Context**

India stands at a crossroads in its development journey and also aspiring to become a fully developed economy by 2047 under the Viksit Bharat framework. This vision focuses not just economic prosperity, high per-capita income and global leadership but also sustainability with commitments to net-zero emissions and green growth across sectors. Over the last decade, India has achieved impressive GDP growth rates averaging 6-7% annually, increasing by industrialization, infrastructure projects like highways and smart cities and a middle class driving domestic consumption. While India's per-capita emissions remain significantly lower than those of developed economies, the scale of its industrial base means that incremental efficiency gains alone may not suffice to meet long-term climate goals. India's Nationally Determined Contributions commit the country to reducing the emissions intensity of its GDP by 45 percent by 2030 relative to past year levels and achieving net-zero emissions by 2070. However, this progress has come at an environmental cost, India now ranks as the world's third-largest emitter of greenhouse gases (GHGs) with emissions surpassing 3 billion tons of CO<sub>2</sub> equivalent yearly primarily from energy-intensive industries and power generation.

Despite this, India's per-capita emissions hover around 2.5 tons it is far below the global average of 6.5 tons and a fraction of developed nations like the US (15 tons) or EU countries (7-8 tons). This disparity underscores India's "common but differentiated responsibilities" in global climate talks. Yet, the scale of its economy means business-as-usual growth could lock in high emissions. While counter to this India's Updated Nationally Determined Contributions (NDCs) pledge a 45% reduction in emissions intensity (emissions per unit GDP) by 2030 from 2005 levels, with net-zero by 2070—ambitious goals requiring 1 billion tons of annual reductions by mid-century.

Traditional command-and-control regulations often battle innovations in diverse economies like India's. Enter market-based instruments like carbon pricing, which internalize environmental costs, incentivizing firms to innovate cheaply. Carbon markets, by quantifying and trading emissions reductions as credits can unlock private capital and estimated at \$2.5 trillion needed for India's energy transition. They reward efficiency, improve clean tech adoption (e.g., renewables, CCUS), and foster entrepreneurship, aligning with Viksit Bharat's emphasis on startups and MSMEs. But success demands credible institutions, inclusive design, and liquidity—challenges amplified in India's fragmented industrial landscape of global giants alongside millions of small units

By early 2026, India's ambition to operationalize its carbon market had moved beyond policy announcements to implementation realities. Sectorial emission-intensity targets were being notified, compliance procedures were in place, and exchanges were preparing for the first phase of trading. Yet, as the Indian Carbon Market began to take shape, policymakers

faced difficult choices. Designing a system that could command trust, attract participants, and deliver meaningful emissions reductions—without overburdening industry or excluding smaller enterprises—proved more complex than anticipated. The challenge was no longer whether India should adopt carbon trading, but how the market should be structured to balance credibility, inclusion, and growth.

### **The Genesis of India's Carbon Credit Trading Scheme**

India's move toward carbon trading did not emerge in isolation. It was shaped by over a decade of experimentation with market-linked mechanisms, most notably the Perform, Achieve and Trade (PAT) scheme. It was launched in 2012, PAT targeted energy efficiency 13 sectors like steel, cement, and textiles. Designated consumers (large energy users) received specific energy intensity targets; overachievers earned tradable Energy Savings Certificates (ESCs), while laggards bought them or faced penalties. They research improvements in large industrial units by setting specific consumption targets and allowing the trading of efficiency certificates. Over successive cycles, PAT covered that Indian firms could respond to market incentives by investing in efficiency improvements. The scheme provides measurable energy savings and emissions reductions while familiarizing industry and regulators with concepts such as baseline setting, verification, and certificate trading.

Providing proper structure focusing on this experience, the Energy Conservation (Amendment) Act, 2022, expanded the legal framework to cover carbon trading. In June 2023, the Carbon Credit Trading Scheme was formally notified, signaling the government's intent to move beyond energy efficiency toward economy-wide emissions reduction.

The notification lays foundation for the Indian Carbon Market as a domestic platform for issuing, trading and retiring carbon credits. Unlike some international systems based on absolute emissions caps, India's approach emphasized flexibility and growth compatibility which leads to an approach aligned with national development priorities.

### **Institutional Architecture and the Role of BEE**

The Bureau of Energy Efficiency (BEE) was designed as the nodal implementing authority for CCTS. Which is operating under the Ministry of Power, BEE was tasked with responsibilities ranging from target-setting and methodology development to accrediting verification agencies and coordinating with market institutions.

This role represented a significant growth of BEE's mandate. While the organization had prior experience of administering PAT, carbon trading introduced new barriers including cross-sectorial coverage, heightened scrutiny over environmental integrity and coordination with financial and regulatory institutions. Under the leadership of its Director General, Abhay Bakre, BEE tried to leverage institutional learning from PAT while adapting to the

broader scope of carbon markets. The organization involve with industry associations, policymakers and international bodies to design procedures that balanced rigor with feasibility. The success of CCTS thus depended not only on the policy design but also on BEE's capacity to manage institutional coordination, stakeholder expectations, and evolving market dynamics.

BEE coordinates with MoEFCC for offsets, CERC for exchanges and Grid-India for registries. It notified compliance procedures in July 2024 (baselines FY 2023-24) and offsets in March 2025 (10 sectors like renewables, waste). Bakre's team consulted FICCI, CII, and global partners (e.g., World Bank), iterating designs for feasibility. Challenges include capacity building – BEE staff grew 20% – and inter-agency sync to avoid silos. BEE's agility will determine if CCTS scales like PAT or stumbles on complexity

### **Carbon Markets: Global Experience and Indian Adaptation**

Globally, carbon markets has followed diverse trajectories compliance markets such as the European Union Emissions Trading System demonstrated that emissions trading could drive reductions at scale, but also highlighted risks such as price volatility and over-allocation in early phases. Voluntary carbon markets expanded rapidly yet faced growing criticism related to credit quality and green-washing.

Indian policymakers closely studied these experiences while designing CCTS. Rather than replicating existing models, India adopted an intensity-based baseline-and-credit approach, allowing emissions to grow in absolute terms while improving efficiency relative to output. This design choice reflected India's development stage and industrial diversity. It allowed large firms to pursue efficiency gains without limiting production, while creating space for voluntary participation by smaller entities and project developers through offsets. The Indian approach thus represents an attempt to reconcile global best practices with domestic realities.

### **Implementation Progress and Emerging Challenges (2024–2026)**

Following the notification of CCTS, implementation advanced in stages. In July 2024, BEE released detailed procedures governing the compliance mechanism, clarifying baseline years, target trajectories, and credit issuance rules. In March 2025, procedures for the offset mechanism were issued, outlining eligible project categories, validation processes, and verification requirements.

By late 2025 and early 2026, greenhouse gas emission intensity targets were notified for multiple energy-intensive sectors, including cement, aluminium, iron and steel, and petroleum refining. Approximately 490 entities were identified as obligated participants, with further sectoral expansion planned. Market infrastructure also began to take shape.

Digital registries were designated to track credit issuance and retirement, while regulated exchanges were identified as potential trading platforms. Penalties for non-compliance were linked to prevailing market prices, reinforcing accountability. Despite these advances, challenges became increasingly apparent. Ensuring robust monitoring and verification without imposing excessive costs, particularly on smaller firms, emerged as a key concern. Early market liquidity remained uncertain, given the gradual nature of demand creation. The pace of rollout raised questions about whether caution might slow momentum or whether rapid expansion could undermine credibility.<sup>6</sup> Market Structure and Institutional Design Choices

The effectiveness of any carbon market depends fundamentally on its underlying institutional architecture. In the case of India's Carbon Credit Trading Scheme (CCTS), market design choices were shaped by three defining constraints: the need to preserve environmental credibility, the imperative of economic growth, and the structural diversity of India's industrial base. Rather than adopting an absolute emissions cap, policymakers opted for an intensity-based baseline-and-credit framework, reflecting India's developmental priorities and the heterogeneity of production scales across sectors. Under the compliance mechanism, obligated entities in notified sectors are assigned greenhouse gas emission intensity (GEI) targets relative to output. Entities that outperform their targets generate surplus Carbon Credit Certificates (CCCs), while those that fall short must either purchase credits from the market or pay a prescribed penalty. This approach enables emissions reductions without constraining production volumes, thereby aligning climate objectives with economic expansion.

The offset mechanism operates alongside compliance trading, allowing non-obligated entities to generate CCCs from verified emissions-reduction projects. Eligible activities include renewable energy deployment, afforestation and forestry initiatives, waste management, methane capture, and emerging technologies such as carbon capture, utilization, and storage (CCUS). By design, this mechanism creates an entry point for smaller firms, startups, cooperatives, and rural enterprises to participate in the carbon market. Institutionally, the scheme separates regulatory oversight from market operations. The Bureau of Energy Efficiency oversees methodologies, target-setting, and accreditation of verification agencies, while trading occurs on exchanges regulated by the Central Electricity Regulatory Commission. Registries managed by designated agencies record issuance, transfer, and retirement of credits, providing transparency and auditability.

These design choices reflect a deliberate attempt to balance control with flexibility. However, they also introduce complexity, particularly in ensuring coherence between compliance demand and offset supply. Whether this dual-mechanism structure can generate sufficient liquidity without compromising integrity remains an open question.

## **Stakeholder Landscape: Aligning Diverse and Sometimes Conflicting Interests**

The Indian carbon market encompasses a wide range of stakeholders whose incentives do not always align naturally. Regulators and policymakers prioritize environmental integrity, international credibility and alignment with India's Nationally Determined Contributions. For them, strict monitoring and verification standards are non-negotiable, as reputational risks associated with low-quality credits could undermine confidence in the entire system.

Large industrial firms approach the market primarily from a cost-management and compliance perspective. While many recognize the strategic value of carbon pricing in driving efficiency and innovation, they remain concerned about uncertainty regarding future targets, price volatility, and administrative burden. For export-oriented firms, the compatibility of Indian carbon credits with international sustainability frameworks is an additional consideration.

Micro, small, and medium enterprises occupy a more precarious position. MSMEs collectively contribute significantly to employment and GDP, yet their operational margins and technical capacity are limited. For these firms, carbon markets present both opportunity and risk. On one hand, participation could unlock new revenue streams and improve access to green finance. On the other, compliance costs associated with measurement and verification could prove prohibitive.

Financial intermediaries—including banks, exchanges, and asset managers—represent another critical stakeholder group. Their participation is essential for liquidity and price discovery, yet they typically enter markets only after regulatory clarity and minimum trading volumes are established. Verification agencies, meanwhile, depend on standardized methodologies and oversight to maintain credibility. The success of CCTS therefore depends on how effectively these diverse interests are reconciled through sequencing, communication, and institutional trust-building.

## **MSME Participation: Opportunity or Exclusion Risk?**

MSME inclusion represents one of the most consequential design challenges within the Indian carbon market. MSMEs form the backbone of India's economy, accounting for nearly 30% of GDP and employing a substantial share of the workforce. Excluding them from carbon markets would undermine both environmental effectiveness and the broader objective of inclusive growth.

The offset mechanism offers a pathway for MSMEs to participate without being subject to mandatory compliance. Small-scale renewable installations, agricultural residue management, biogas projects, and energy-efficient manufacturing processes can generate verifiable emissions reductions. In principle, the sale of carbon credits from such projects could supplement income, finance technology upgrades, and enhance creditworthiness.

However, practical barriers remain significant. Measurement and reporting costs can exceed the value of credits generated by small projects. Technical expertise required for documentation and verification is often lacking, particularly in rural and semi-urban areas. Price uncertainty further complicates investment decisions, as MSMEs may be reluctant to incur upfront costs without confidence in future revenues.

To address these challenges, policymakers have explored mechanisms such as project aggregation, simplified methodologies for small projects, and digital MRV tools. Aggregators—such as cooperatives, fintech platforms, or industry associations—could bundle multiple small projects, reducing per-unit costs and improving market access. Whether such intermediated participation models can scale effectively remains a key question.

### **Role of Exchanges and Financial Intermediaries**

Trading infrastructure plays a central role in determining whether a carbon market evolves into a vibrant financial ecosystem or remains a narrowly compliance-driven mechanism. In India, established energy and commodity exchanges have been identified as platforms for carbon credit trading, leveraging existing expertise in market operations and settlement.

Exchanges provide standardized contracts, transparent pricing, and regulatory oversight, all of which contribute to market confidence. However, early-stage carbon markets often suffer from thin trading volumes, limiting the usefulness of price signals. Without sufficient liquidity, obligated entities may view trading as an administrative burden rather than a strategic tool. Financial intermediaries—including banks, mutual funds, and insurers—could enhance liquidity by offering hedging products, financing emissions-reduction projects, and integrating carbon pricing into lending decisions. Yet premature financialization carries risks. Speculative trading could increase volatility and undermine trust before the market matures. A phased approach to financial participation—beginning with compliance entities and gradually expanding to institutional investors—has therefore been considered essential to maintaining stability.

### **Technology Choices: Monitoring, Reporting, and Verification**

Credibility in carbon markets hinges on the robustness of monitoring, reporting, and verification systems. Weak MRV frameworks risk green-washing and erode confidence, while overly complex systems raise costs and deter participation. India's approach emphasizes standardized methodologies, third-party verification, and digital registries to strike a balance between accuracy and accessibility. Digital platforms enable centralized data collection, automated calculations, and audit trails, reducing administrative friction. Emerging technologies such as blockchain have been discussed as potential tools for

enhancing transparency and preventing double counting. Similarly, data analytics and artificial intelligence could support anomaly detection and verification efficiency.

However, integrating advanced technologies at an early stage also presents challenges. Issues of interoperability, governance, and capacity building must be addressed to avoid excluding smaller participants. Policymakers therefore face a sequencing decision: whether to deploy sophisticated tools immediately or introduce them gradually as the market matures.

### **Phasing the Market: Speed versus Stability**

The pace of market rollout represents a strategic trade-off. Rapid activation can signal commitment, attract attention, and accelerate learning. However, premature scaling risks locking in design flaws and undermining credibility. A phased approach allows for experimentation, stakeholder feedback, and institutional learning but may delay liquidity and momentum. India's chosen path reflects cautious pragmatism. Initial compliance periods feature back-loaded targets, pilot phases, and sectoral expansion over time. This approach seeks to minimize disruption while allowing institutions to refine processes. Whether this balance proves optimal will depend on how quickly confidence and participation build.

### **Core Strategic Dilemma**

As implementation progressed, the central dilemma confronting policymakers became increasingly apparent: How can India design and operationalize the Carbon Credit Trading Scheme in a manner that ensures environmental credibility, sufficient market liquidity, and broad participation—while minimizing compliance burdens and catalysing entrepreneurship-driven green growth aligned with Viksit Bharat 2047?

### **Conclusion: Building Markets for a Sustainable Future**

India's Carbon Credit Trading Scheme represents more than the introduction of a new environmental policy instrument; it reflects an evolving approach to how growth, responsibility, and entrepreneurship can coexist in a developing economy. By choosing a market-based pathway rather than prescriptive regulation, India has signaled its intent to make emissions reduction a matter of economic choice and innovation rather than compliance alone. The design of the scheme highlights the complexity of this ambition. An intensity-based framework allows firms to expand output while improving efficiency, acknowledging India's development realities. At the same time, the dual structure of compliance and voluntary offsets attempts to widen participation beyond large industrial players. In theory, this creates space for MSMEs, startups, and rural enterprises to contribute to—and benefit from—the transition to a low-carbon economy.

Yet, the early stages of implementation reveal that market creation is as much an institutional challenge as it is a technical one. Credibility depends on robust monitoring and verification systems, but excessive complexity risks excluding smaller participants. Liquidity is essential for meaningful price signals, yet premature financialisation could undermine trust. A phased rollout offers learning and stability, but may test the patience of firms waiting for clear incentives to invest.

The future effectiveness of the Carbon Credit Trading Scheme will therefore depend on how well policymakers manage these trade-offs over time. Success will not be measured solely by the volume of credits traded or the speed of market expansion, but by whether the scheme fosters genuine emissions reductions while encouraging innovation, entrepreneurship, and inclusive participation. If designed and governed carefully, the Indian Carbon Market has the potential to become a cornerstone of sustainable finance and green enterprise aligned with the Viksit Bharat 2047 vision. For students and practitioners alike, the case raises a broader question: can emerging economies design market institutions that deliver both environmental integrity and economic opportunity? India's experience with the Carbon Credit Trading Scheme offers an opportunity to observe this experiment in real time – one where the choices made today will shape not only the carbon market, but the country's pathway toward sustainable development for decades to come.

### **Discussion Questions**

1. How does India's choice of an intensity-based carbon credit trading system balance economic growth and emissions reduction, and what risks does this design pose for long-term environmental effectiveness?
2. How can the Carbon Credit Trading Scheme encourage MSME participation and green entrepreneurship through offset projects without compromising market credibility and verification standards?
3. What role should exchanges and financial institutions play in building liquidity and price discovery in India's carbon market, and how should their participation be phased in the early years?
4. Should India accelerate mandatory participation in the carbon market to create momentum, or continue with a cautious, phased rollout? Why?

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# **MONEY MAGNET: A CASE STUDY ON THE RBI'S RATE POLICY AND ITS IMPACT ON FOREIGN INVESTMENTS IN INDIA (2015–2025)**

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## **Abstract**

*This case study examines the dynamic relationship between the Reserve Bank of India's (RBI) monetary policy and foreign investment flows from 2015 to 2025. It explores how interest rates serve as the pivotal lever impacting two core financial activities: procuring finance for economic growth and directing savings into investment assets. The study analyzes the "Magnet Effect," determining how rate changes shift foreign capital between debt (bonds) and equity (stocks). Furthermore, it evaluates the RBI's strategic rate cuts during the COVID-19 crisis (2020–2021), assessing their effectiveness in stabilizing markets and reversing capital flight amidst global volatility.*

**Keywords:** *RBI, Monetary Policy, Foreign Investment, Interest Rates, Economic Growth, Foreign Capital, Debt and Equity Markets and the COVID-19 Crisis*

## **Case Introduction**

The financial sector of India is set by the Reserve Bank of India (RBI). The "Master Plan" for the year is typically drafted in April (the annual policy statement), where the long-term vision is established. However, to keep up with the fast-changing world, the RBI reviews and adjusts interest rates every quarter (and sometimes mid-quarter during emergencies).

The interest rate is not just a number; it is the basis for all financial activity in the country. It acts as a lever that balances the two main pillars of the economy:

*Pillar A: Financing (Procuring Funds for Growth)* This involves providing money to different sectors – like infrastructure, manufacturing, and services to help them expand.

- The Goal is to achieve the country's targeted GDP growth.
- The Connection is established when the RBI keeps rates low, borrowing becomes cheaper. Companies expand, the economy grows, and this growth attracts foreign investors looking to buy shares (Equity) in successful Indian companies.

*Pillar B: Investing (Allocating Savings)* This involves directing savings (from individuals or big institutions) into specific assets to earn a return.

- Asset Class 1: Debt (Fixed Income): Instruments like Bank FDs and Government Bonds. High interest rates make these very attractive to foreign investors looking for safe, guaranteed returns.

- **Asset Class 2: Equity (Growth Assets):** Investments in the Stock Market, Mutual Funds, or Private Equity. These become attractive when the economy is growing fast (often fueled by lower rates).

*The "Price" of Money:* If you are an international investor sitting in New York or London with billions of dollars to invest. You are looking for a country where your money will be safe and grow fast. Two main things will decide where you put your money: Safety and Returns.

In India, the "captain" of the financial ship is the Reserve Bank of India (RBI). The RBI has a powerful tool called the Repo Rate. Think of the Repo Rate as the "price of money."

*When the RBI raises the rate:* Money becomes expensive to borrow. This usually attracts investors looking for high interest earnings (like in bonds), but it might slow down businesses because loans are costly.

*When the RBI cuts the rate:* Money becomes cheap. This encourages businesses to borrow and expand, attracting investors who want to buy shares in growing companies.

This case study looks at a very dramatic decade in India's economic history The Rollercoaster Decade (2015–2025):

- **2015–2019 (Policy Changes):** A time of changing rules of Inflation Targeting to make India a stable place for money.
- **2020–2021 (The COVID Crisis):** The RBI reduces rates to record lows to save the economy. Cheap money flooded the market to keep the local businesses alive.
- **2022–2024 (The High Inflation Time):** As inflation increased worldwide, the RBI had to increase rates aggressively to match the global rates.
- **2025 (The New Normal):** We are now seeing rates stabilize as the economy finds its balance again.

This study explores how foreign investors, both those who buy companies (FDI) and those who trade stocks (FPI), reacted to the RBI's decisions during these turbulent ten years.

### **Objectives of the Study**

The primary goal of this case study is to understand the connection between the RBI's decisions and the flow of foreign money into India. Specifically, we aim to:

1. **Analyze the "Magnet Effect":** To study if high interest rates attracted more foreign money into debt/bonds (because of better returns) or if low rates attracted more money into the stock market (because of cheap loans for companies).
2. **Understand Crisis Management:** To evaluate how the RBI's emergency rate cuts during COVID-19 (2020–2021) helped stop foreign investors from fleeing the Indian market.

## **Background**

Indian economy was experiencing steady growth till 2024. Along with the stable growth the inflation was growing slowly. In early 2025 the economic growth showed resilience due to increase inflation which was largely driven by energy and food prices. Increasing prices was becoming a challenge to macroeconomic stability. The Reserve Bank of India (RBI) was entrusted with maintaining price stability while supporting sustainable economic growth (Reserve Bank of India RBI, 2023).

Foreign investments have always been a major factor for capital market growth in India. Inflows of Foreign Direct Investment (FDI) support long-term projects in manufacturing, infrastructure, and technology whereas Foreign Portfolio Investment (FPI) plays a significant role in India's equity and debt markets. Due to high growth expectancy in developing countries and positive macro-economic factors, the FPI and FDI investors are attracted to developing economies like India. This has been a major factor for growth of capital market so far. However, in early 2020, major central banks, including the U.S. Federal Reserve, adopted higher interest rate policies to provide better investment opportunity to domestic investors. This shift made global investors increasingly sensitive to interest rate differentials across countries (International Monetary Fund IMF, 2022).

In 2023, after evaluating inflation trends, growth prospects, and global economic risks, the RBI announced a change in the repo rate, the rate at which it lends to commercial banks. The objective was to manage inflation while ensuring financial stability and investor confidence (RBI, 2023).

The announcement triggered immediate reactions across financial markets. Foreign Portfolio Investors, known for their short-term investment horizon, responded quickly by reallocating funds in Indian equity and bond markets. Bond yields adjusted to the new interest rate environment, and the stock market experienced volatility as investors reassessed returns and risks. Simultaneously, movements in foreign capital flows influenced the value of the Indian rupee in the foreign exchange market (Mishkin, 2019).

Long-term foreign investors, particularly multinational corporations considering direct investment in India, adopted a more cautious approach. While higher interest rates increased borrowing costs, India's strong growth potential, large domestic market, and policy reforms continued to make it an attractive destination for long-term investment (World Bank, 2023). This contrast highlighted the differing responses of short-term and long-term foreign investors to monetary policy changes.

The case illustrates how RBI's interest rate decisions extend beyond domestic inflation control and significantly influence foreign investment behaviour, capital flows, and currency stability. It emphasizes the importance of a balanced and predictable monetary policy framework in sustaining investor confidence and supporting India's long-term economic development.

## Overall Relationship

Inverse Correlation: Conceptually higher global interest rates lead to FII outflows from India; lower global rates can bring inflows to India. But there are exceptions.

Context Matters: India's strong growth story can sometimes counter balance global rate hikes, but high global rates especially US Fed actions often dominate, causing pull backs from emerging markets.

*The "Magnet Effect": How Rates Attract Money?*

- High Interest Rates act as a magnet for Debt Investors (FPI in Bonds). If India offers a 7% return on bonds while the US offers only 2%, foreign investors rush to buy Indian bonds to earn that extra profit. This gap is called the Interest Rate Differential.
- Low Interest Rates act as a magnet for Equity Investors (FPI in Stocks). When rates are low, companies can borrow cheaply to grow, making their shares attractive. However, if rates are *too* low compared to the US, the "Safety Magnet" of the US Dollar becomes stronger, and money leaves India.

## Crisis Management: The COVID-19 Rescue (2020–2021)

*The Situation (March 2020):* When the pandemic hit, panic struck global markets. Investors exited risky assets. In March 2020 alone, FPIs pulled out a record ₹1.1 lakh crore (approx. \$16 billion) from India—the fastest exit in history. They feared Indian businesses would collapse.

### The RBI's Strategy:

To stop this bleeding, the RBI didn't just cut rates; they flooded the market with cash.

- **Slash Rates:** The RBI cut the Repo Rate by 115 basis points (from 5.15% down to 4.0%) in early 2020.
- **Liquidity Injection:** They announced measures (like TLTRO) to pump roughly ₹3.7 lakh crore of cash into the banking system.

**Table 1 Interest Rates vs. FII data of past 10 years**

Financial Year	RBI Repo Rate (Year-End)	Net FII Investment (₹ Crores)	Probable Reasons for FII Investment / Disinvestment	Source of Information
2015–16	6.75%	(18,175)	Global slowdown fears, China crisis, US Fed tightening expectations outweigh domestic rate cuts	RBI Monetary Policy Reports; NSDL FII Statistics

2016-17	6.25%	+48,411	Inflation control, reform momentum (GST), improving growth outlook	RBI Annual Report; SEBI FPI Data
2017-18	6.00%	+144,680	Attractive real yields, stable INR, strong GDP growth	RBI Handbook of Statistics; NSDL
2018-19	6.25%	(38,929)	Rising crude prices, INR depreciation, higher US interest rates	RBI Monetary Policy Statements; Bloomberg
2019-20	4.40%	(27,529)	Pandemic-induced risk aversion, global flight to safety	RBI COVID Policy Measures; SEBI
2020-21	4.00%	267,100	Excess global liquidity, near-zero global rates, strong equity rebound	NSDL FPI Reports; Economic Survey of India
2021-22	4.00%	(122,240)	US Fed tightening cycle, rising global yields, valuation concerns	RBI Annual Report; Reuters
2022-23	6.50%	(40,937)	Strong USD, geopolitical risks, tightening global liquidity	RBI MPC Statements; Bloomberg
2023-24	6.50%	339,065	Strong GDP growth, corporate earnings resilience, China+1 strategy	NSDL Monthly FPI Data; Economic Times
2024-25	6.50%	86,876	Valuation concerns, global elections, US rate-cut uncertainty	SEBI FPI Trends; Business Standard
2025 (Dec)	5.25%	(157,860)	Profit booking, global slowdown fears, rebalancing to safe assets	RBI Policy Announcements; NSDL

The table clearly demonstrates that FII (Foreign Institutional Investor) flows into India are not driven by domestic interest rates alone, but by a complex interaction of monetary policy, global liquidity conditions, relative returns, and risk perception. Historically, periods of stable or declining RBI repo rates combined with strong growth prospects have supported FII inflows, while sharp rate hikes or global risk-off phases have led to sustained outflows.

### Table 1 Indicates

1. Rate-Sensitive Debt Flows: FII debt investments are highly sensitive to interest rate spreads. For instance, in 2017-18, a stable 6% repo rate accompanied by high real yields saw massive debt inflows (₹1.19 lakh crore).
2. Equity Divergence: Equity flows are less correlated to domestic interest rates and more driven by global liquidity. In 2020-21, FIIs poured ₹2.74 lakh crore into equities while the repo rate was at a record low of 4.00%.
3. Recent Trends (2025): The RBI cut the repo rate significantly in 2025, from 6.50% in February to 5.25% in December. Despite these cuts, 2025 has seen net FII selling of approximately ₹1.57 lakh crore (Calendar Year) as of December 19, 2025.
4. Behavioural Pattern: Markets react more aggressively to FII withdrawals than to inflows, often triggered by global policy shifts rather than just domestic rate changes.

### Conclusion

1. The "Magnet Effect": How Rates Attract Foreign Money
  - High Interest Rates act as a magnet for Debt Investors (FPI in Bonds). If India offers a 7% return on bonds while the US offers only 2%, foreign investors rush to buy Indian bonds to earn that extra profit. This gap is called the Interest Rate Differential.
  - Low Interest Rates act as a magnet for Equity Investors (FPI in Stocks). When rates are low, companies can borrow cheaply to grow, making their shares attractive. However, if rates are *too* low compared to the US, the "Safety Magnet" of the US Dollar becomes stronger, and money leaves India.
2. Lessons from the past decade showing Real-World Evidence (2015–2025)
  - When the Magnet Worked (2015–2018): During this period, India maintained high interest rates (Repo rate ~6–6.5%) while the US rates were near zero. This healthy "differential" attracted steady flows into Indian debt markets because foreign investors earned much more here than at home.
  - When the Magnet Failed (2022–2023): This was the time when inflation was high and the US Federal Reserve raised its rates aggressively (from 0% to over 5%). Again the RBI had to increase rate to compete with global market.

- The "gap" between Indian and US rates narrowed significantly. Suddenly, Indian bonds didn't look as attractive.
- In 2022, Foreign Portfolio Investors (FPIs) pulled out a massive ₹1.21 lakh crore from Indian markets. They moved their money back to the US because they could get safe, high returns there without taking the risk of investing in an emerging market like India.

### 3. Crisis Management: The COVID-19 Rescue (2020–2021)

- When the pandemic hit, panic struck global markets. Investors dumped risky assets. In March 2020 alone, FPIs pulled out a record ₹1.1 lakh crore (approx. \$16 billion) from India – the fastest exit in history. They feared Indian businesses would collapse.
- To stop this bleeding, the RBI didn't just cut rates; they flooded the market with cash.
- The RBI cut the Repo Rate by 115 basis points (from 5.15% down to 4.0%) in early 2020.

### 4. The V-Shaped Recovery after the COVID-19 Crisis

- **Stabilization:** The rate cuts signaled to foreign investors that the RBI would not let Indian companies fail. Lower rates meant cheap survival money for corporates.
- **The Return of Investors:** The strategy worked faster than expected. By November 2020, the same foreign investors who fled in March came rushing back. India received record equity inflows (approx. ₹60,000 crore in Nov 2020 alone).
- With interest rates at record lows globally, foreign investors had "cheap money" to spend, and they poured it into Indian stocks (Equity), betting on India's recovery.

**Table 2 RBI action and its impact on foreign flow to India**

Scenario	RBI Action	Impact on Foreign Investment	Real Example
High Global Inflation	RBI raises rates, but US raises faster.	Outflow as the "Magnet" weakens. Investors prefer US safety.	2022: ₹1.2L crore outflows as US Fed rates spiked.
Crisis (COVID-19)	RBI reduces rates to record lows (4%).	Inflow (Equity). Cheap money fuels a stock market boom. FII investments.	Late 2020: Record inflows into stocks despite the pandemic.
Stable Growth	RBI keeps rates balanced.	Steady Inflow. Money comes for long-term growth (FDI).	2015–2018: Consistent flows into both debt and equity.

Based on the RBI's current policy stance, future interest rate direction in India is likely to remain neutral to mildly accommodative, driven by moderating inflation, a focus on growth support, and financial stability considerations amid sustained GDP growth of around 6–7%. Over the next 3–5 years, FII flows into India are expected to remain structurally positive, particularly in equities, supported by global supply-chain diversification, India's growth premium, and gradual easing by advanced economy central banks. However, global interest rate cycles, INR stability, geopolitical risks, fiscal discipline, and corporate earnings performance will significantly influence both interest rate decisions and the magnitude and volatility of FII inflows.

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### **Questions**

1. Explain the factors that lead to interest rate change.
2. Elaborate the reasons for continuous inflow of FPI/FII in India during F.Y. 2022 to 2025.
3. Analyze the historical trend (table 1) and list down all the determinants of FII/FPI in India.
4. Explain the role of RBI in managing economic growth- in context of interest rate policy.
5. If you were a foreign investor, would you invest in India when there is rate hike or rate cut? Why?

# LOGISTICS CHALLENGES IN PERISHABLE FARM PRODUCE: A CASE STUDY

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## **Abstract**

*This case study examines the journey of a corporate professional who transitioned into perishable agriculture by cultivating Italian basil in Gujarat, India. While the entrepreneur targeted premium markets for a high-value crop, significant challenges emerged in transporting fresh produce from the farm to the market. Initial dependence on distant markets exposed issues related to transportation delays, handling losses, and unstable cash flows, which were further intensified during the COVID-19 pandemic. Through strategic realignment toward nearby Ahmedabad markets, improved delivery practices, and relationship-based vendor management, the entrepreneur was able to reduce wastage, stabilize operations, and scale production sustainably. The case highlights that in perishable agriculture, efficient post-harvest movement, market proximity, and strong distribution relationships play a more critical role than distant high-margin opportunities. The study offers practical insights for agri-entrepreneurs, supply chain managers, and policymakers on logistics optimization, risk mitigation, and sustainable growth in perishable agricultural supply chains.*

**Keywords:** *First-Mile Logistics, Perishable Agriculture, Supply Chain Management, Italian Basil, Agri-Entrepreneurship, Local Markets*

## **Introduction**

Leaving a stable corporate career to step into agriculture is not a common choice. For many, farming is associated with uncertainty, physical effort, and unpredictable outcomes. Yet for Mr. Kavta, agriculture represented something he felt was missing in his professional life – a chance to create something real, visible, and meaningful.

This case study follows Mr. Kavta's journey from the structured world of corporate jobs and business plans to the open, uncertain, and deeply human world of farming. With a background in Information Technology and Marketing, he entered entrepreneurship with strong managerial skills but limited exposure to agriculture. What he brought with him was curiosity, discipline, and a willingness to learn from the ground up.

The case captures not just business decisions, but the everyday realities of running an agricultural venture – early mornings, perishable produce, transportation struggles, health challenges, and constant trade-offs between control and sustainability. It also reflects how technology, particularly digital logistics platforms, became an enabler rather than a replacement for hard work.

At its core, this is a story about adaptation – of a professional learning to balance efficiency with well-being, structure with flexibility, and ambition with purpose. The case

invites readers to reflect on how entrepreneurship is as much a personal journey as it is a business one, especially in sectors rooted in nature and community.

### **The Choice of Crop and Site**

Entering agriculture required careful decision-making. The entrepreneur spent months visiting farms, speaking with cultivators, and analyzing market gaps. Traditional crops were heavily cultivated, had thin margins, and were subject to price volatility. He sought a niche product where quality would outweigh scale.

Italian basil emerged as the ideal choice. This aromatic herb was widely used in premium restaurants, hotels, catering services, and increasingly in pharmaceutical and cosmetic products. Despite growing demand, supply in India—especially North India—was inconsistent and low in quality. The crop's high value and fragile nature meant that careful cultivation and handling could command premium pricing.

He selected Limbadiya village near Ahmedabad for cultivation. The land was fertile, irrigation was accessible, and proximity to Ahmedabad promised logistical convenience. Gujarat's dry climate was suitable when paired with scientific irrigation and nutrient management. By focusing on controlled cultivation, the entrepreneur ensured consistent quality, recognizing that the success of the crop would hinge as much on how it was handled post-harvest as how it was grown.

The first months of cultivation were an intense learning period. Farming was unlike corporate work. Weather did not follow schedules. Pests ignored plans. Crops required patience and adaptability. Unlike structured office tasks, results could not be forced; they had to be nurtured.

When the first harvest arrived, pride quickly turned into concern. Italian basil proved highly perishable. Within hours, leaves lost firmness, aroma faded, and color dulled. Despite careful harvesting, a significant portion could not meet the quality standards required for premium buyers.

This was his first major realization: production was only half the battle; delivery and handling determined the ultimate value of the product.

### **Exploring the Delhi Market**

Market research highlighted Delhi as a potentially lucrative destination. Delhi was the largest fresh produce hub in North India, serving hotels, restaurants, and catering services across multiple states. Demand for Italian basil peaked during wedding seasons and festivals, when large-scale food consumption surged.

North India's climate restricted local basil cultivation, creating a persistent supply gap. Wholesalers were willing to pay premium prices for quality produce. Encouraged by this, the entrepreneur planned to transport his basil to Delhi using rail, with cold storage employed to preserve freshness:

### Supply Chain Adopted by Entrepreneur



### Challenges faced by entrepreneur in Managing Supply Chain

The entrepreneur faced multiple operational, financial, and market-related challenges while supplying Italian basil from Ahmedabad to the Delhi market. The journey from Ahmedabad to Delhi takes approximately two days, during which the produce passes through several handling points. Each loading and unloading activity increases the risk of physical damage, aroma loss, and leaf deterioration. Since basil is a highly perishable crop, maintaining its freshness and quality throughout the supply chain is a constant challenge.

To address this issue, the entrepreneur adopted cold storage facilities and maintained the temperature between 8–10°C. This practice significantly helped in preserving the quality and freshness of basil and reduced post-harvest wastage from nearly 30–40% to around 10–20%. However, cold storage also added to operational costs, further impacting working capital requirements.

In the Delhi market, the entrepreneur faced competition from basil producers based in Nasik. Nasik-based entrepreneurs generally offer basil at lower prices. However, due to longer transportation distances and inadequate cold-chain facilities, they often struggle to maintain consistent quality. As a result, Delhi wholesalers are frequently dissatisfied with the quality of basil supplied by Nasik producers. Owing to better quality and reliability, wholesalers in Delhi tend to prefer purchasing basil from the Ahmedabad-based entrepreneur despite the slightly higher price.

Transportation was another critical challenge. For local movement from the farm to the railway station, the entrepreneur relied on third-party loading rickshaws. For long-distance transportation from Ahmedabad to Delhi, railways were chosen as the preferred mode. Compared to alternatives such as trucks or buses, railway transportation was found to be more cost-effective, reliable, and suitable for transporting perishable produce over long distances.

The most significant challenge faced by the entrepreneur was related to payment delays in the Delhi market. Delayed payments from wholesalers severely affected cash flows and made it difficult to manage daily operating expenses such as labor, transportation, storage, and input costs. While expenses were incurred on a daily basis, revenues remained uncertain, leading to working capital stress.

These challenges were further aggravated during the COVID-19 pandemic. Restaurants were closed, hotels operated at minimal capacity, and weddings and large events were cancelled. Consequently, demand for Italian basil in Delhi declined sharply. Several shipments were rejected, payments were delayed further, and product wastage increased substantially.

The pandemic highlighted a crucial lesson for the entrepreneur: dependence on distant markets for highly perishable agricultural products is inherently risky. Premium pricing alone cannot sustain a fragile supply chain. The case underscores that the profitability of high-value crops depends not only on market demand but also on the reliability of first-mile logistics, efficient transportation, timely payments, and a resilient distribution network.

### **Shift to the Ahmedabad Market and Business Expansion Strategy**

After experiencing persistent operational and payment-related challenges in the Delhi market, the entrepreneur strategically shifted his focus to the Ahmedabad market. This decision marked a turning point in his business journey. Compared to Delhi, Ahmedabad offered easier logistics, lower transportation costs, and better control over product quality, making it a more viable market for a highly perishable crop like Italian basil.

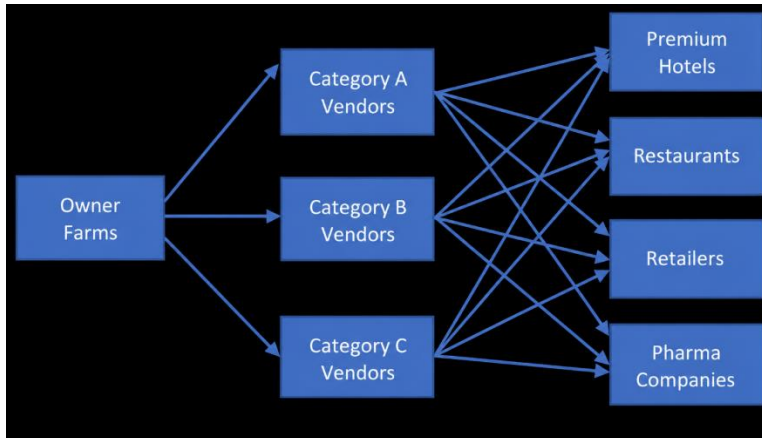
At the initial stage of entering the Ahmedabad market, the entrepreneur deliberately targeted Category C vendors. These vendors were highly price-sensitive but demanded longer credit periods. To establish a foothold in the local market, the entrepreneur began supplying basil to this segment, as it allowed him to build volume and gain market visibility. Due to reduced transportation distance and simplified logistics within Ahmedabad, he was able to offer competitive prices, often lower than those of existing competitors, while still maintaining acceptable margins.

By 2022, with improved market understanding and operational stability, the entrepreneur planned to expand his business. For this expansion, he gradually approached Category A and Category B vendors. He effectively leveraged his professional MBA training, particularly his skills in networking, negotiation, and relationship management. His ability to understand vendor expectations, communicate value, and build trust played a crucial role in convincing higher-tier vendors to collaborate with him.

In 2022, the entrepreneur formally began supplying to Category A and Category B vendors. Category A vendors consisted of premium buyers who placed a high value on product quality, consistency, and reliability, and who preferred timely payments. Category B vendors represented mid-level buyers who sought a balance between quality and cost efficiency. Serving these two categories required stricter quality control and consistent supply, but it also ensured better pricing and improved payment discipline.

Over time, the entrepreneur consciously shifted his focus away from Category C vendors and concentrated primarily on Category A and B vendors. This strategic realignment significantly reduced operational stress, improved cash flow stability, and strengthened trust-based relationships. With predictable demand, better payment cycles, and lower wastage, the business achieved sustainable growth without overextending its financial or operational resources.

## Supply chain for the Ahmedabad Market



The above diagram illustrates the supply chain adopted by the entrepreneur. As discussed earlier, he primarily supplies Italian basil to Category A, B, and C vendors based in Ahmedabad. These vendors, in turn, distribute the produce to premium hotels, restaurants, retailers, and pharmaceutical companies. Since basil is highly perishable in nature, an efficient and well-coordinated supply chain plays a critical role in maintaining product quality and minimizing post-harvest losses.

The entrepreneur's farm is located in Limbdiya, which is geographically close to Ahmedabad. This strategic location provides a significant logistical advantage by reducing transportation time, handling, and costs. Proximity to the market enables faster delivery, better freshness, and improved control over quality compared to long-distance supply chains.

For local transportation from the farm to vendors or collection points, the entrepreneur prefers using local loading rickshaws. This mode of transport is cost-effective, flexible, and suitable for short-distance movement of perishable produce. It allows quick dispatch and minimizes delays, thereby reducing the risk of spoilage and quality deterioration.

Overall, the locally oriented supply chain, supported by favorable farm location and simple transportation mechanisms, has helped the entrepreneur ensure timely delivery, maintain product freshness, and build reliable relationships with Ahmedabad-based vendors. This approach highlights the importance of supply chain design in the successful commercialization of perishable agricultural products.

### Local Transportation Challenges and Strategic Shift

At the beginning of his journey, the entrepreneur depended completely on loading rickshaws for the local transportation of basil. Since the farm was located close to the market, this appeared to be a simple and low-cost arrangement. Hiring a rickshaw only when required helped him avoid investing in his own vehicle during the early stage of the business.

However, as daily operations increased, this system began to create serious challenges. Basil is harvested early in the morning and must be transported immediately to maintain freshness. Many times, just after harvesting was completed, no loading rickshaw was available. Even short delays affected the quality of the leaves, causing stress and uncertainty during peak harvesting hours.

Cost was another constant concern. Regardless of the quantity transported, rickshaw operators charged a fixed rate per trip. On several occasions, urgent orders had to be dispatched in small quantities, but the full transportation cost still had to be paid, reducing already thin margins. Dependence on third-party transport also meant limited control over delivery timing, sometimes resulting in delayed supplies and dissatisfied customers.

Facing these repeated issues, the entrepreneur decided to take charge of deliveries himself. This shift brought immediate relief. He no longer had to wait for transport availability and could align harvesting and dispatch schedules efficiently. Small and urgent orders could now be delivered without worrying about fixed transport charges. This phase gave him a sense of control, reliability, and confidence in managing operations.

However, this solution introduced a new set of challenges. On many days, the entrepreneur had to travel over 100 kilometers, moving between the farm and multiple delivery points. Most of his time and energy were spent on the road, leaving little room for strategic thinking or innovation. Initially, deliveries were made using a two-wheeler, which led to physical strain. Over time, health issues such as back pain and fatigue began to emerge. To reduce discomfort, he shifted to using his own car, but this increased fuel, maintenance, and operating costs.

The real turning point came with the emergence of digital logistics platforms like Porter. By adopting Porter's services, the entrepreneur found a balanced and sustainable solution. Transportation became reliable and flexible without the physical burden of self-driving or the uncertainty of local rickshaws. Most importantly, this shift freed up valuable time and mental space, allowing him to focus on innovation, quality improvement, and business growth.

This journey highlights how transportation decisions evolved from cost-saving measures to health- and growth-oriented strategies, shaping the entrepreneur's path toward a more sustainable business model.

### **Future Scope**

Building on the learning and stability achieved through improved logistics, the entrepreneur sees significant scope for business expansion and diversification. One of the key future directions is entry into the retail segment, which will allow direct interaction with end customers, better price realization, and stronger brand visibility. Retail operations can also help reduce dependence on intermediaries and provide more predictable demand.

Another important area of growth is crop diversification. Relying on a single crop like basil limits revenue potential and increases business risk due to seasonality, price fluctuations, and demand uncertainty. To address this, the entrepreneur has already started cultivating additional products such as spinach, seasonal vegetables, and other leafy greens. This diversification ensures better utilization of land, labor, and transportation resources while offering a wider product basket to customers.

Expanding into multiple crops also opens opportunities to serve a broader customer base, including retailers, restaurants, hotels, and households. It helps stabilize income throughout the year and reduces the impact of crop failure or market volatility associated with a single product.

In the long run, the entrepreneur can explore value-added products, improved packaging, and local branding, supported by efficient digital logistics. With better time management and reduced operational strain, the focus can gradually shift towards innovation, market expansion, and sustainable growth, transforming the venture from a single-crop operation into a diversified agri-retail enterprise.

## **Conclusion**

The entrepreneur's journey clearly demonstrates how transportation decisions play a critical role in the success of a perishable-goods business. What began as a cost-saving and convenient option—using loading rickshaws—gradually revealed operational limitations related to availability, cost rigidity, and lack of control. In response, the entrepreneur took a proactive step by managing deliveries himself, which initially improved reliability and coordination between harvesting and dispatch.

However, over time, self-delivery created new challenges in the form of physical exhaustion, health issues, increased travel distance, and reduced time for strategic thinking and innovation. This phase highlighted an important realization: operational control should not come at the cost of the entrepreneur's health or the long-term growth of the business.

The adoption of a digital logistics platform like Porter marked a turning point. It offered a balanced solution by combining reliability, flexibility, and cost efficiency while freeing the entrepreneur from daily operational strain. Most importantly, it allowed him to shift focus from routine delivery tasks to innovation, quality enhancement, and business development.

Overall, the case illustrates the evolution from survival-driven decisions to a sustainable and scalable logistics strategy, emphasizing the importance of adaptability, technology adoption, and human well-being in entrepreneurial success.

## **Questions**

- What were the key transportation challenges faced by the entrepreneur at different stages of the business?

- Evaluate the entrepreneur's decision to shift from third-party transport to self-delivery
- How did transportation choices impact product quality, cost structure, and customer satisfaction in this case?
- Assess the role of digital platforms like Porter in transforming last-mile logistics for small businesses.

# **SMALL JARS, BIG DECISIONS: FINANCIAL INCLUSION, SOCIAL NORMS, AND THE GROWTH DILEMMA OF RURAL WOMEN ENTREPRENEURS IN GUJARAT**

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## **Abstract**

*Women's entrepreneurship in rural India has gained increasing attention as a pathway to inclusive growth, livelihood security, and social empowerment. Gujarat, known for its entrepreneurial culture and cooperative movements, offers a distinctive context in which rural women navigate opportunities and constraints in transforming informal economic activities into sustainable enterprises. This case study presents an analysis of women's rural entrepreneurship in Gujarat using fictional but contextually grounded characters embedded within real institutional, policy, and market frameworks. Drawing upon schemes such as Mission Mangalam (NRLM-Gujarat), PM-FME, Mudra Yojana, and Stand-Up India, the case illustrates the strategic, socio-cultural, and market dilemmas faced by rural women entrepreneurs. The case is intended to stimulate discussion on gendered entrepreneurship, rural markets, and policy effectiveness, and is suitable for use in entrepreneurship, rural development, and public policy courses. It also explores the journey of rural women entrepreneurs in Gujarat through fictional but realistic characters, embedded within real policy frameworks and market realities. It highlights how ambition, opportunity, and structural constraints intersect to shape women's entrepreneurial outcomes.*

**Keywords:** *Women Entrepreneurship, Rural Development, Gujarat, SHGs, Mission Mangalam, PM-FME, Gender and Enterprise*

## **Introduction**

On a warm afternoon in a small village near Amreli district, Meenaben Solanki, a 38-year-old homemaker, sat outside her house stirring a large steel vessel filled with freshly prepared mango pickle. The familiar aroma of spices filled the courtyard as her daughter carefully packed bottles nearby. Turning to her neighbour, Meenaben remarked, "Pehle yeh sirf ghar ke liye banate the. Aaj log sheher se phone karke mangvate hain. Par ab samajh nahi aa raha – isko bada kaise banayein?" Her words reflected both pride and uncertainty – pride in the growing demand for her product and uncertainty about how to transform this small activity into a sustainable business.

Meenaben's journey mirrored that of many rural women in Gujarat who have gradually shifted from unpaid household labour to income-generating activities. Traditionally, women's work in rural households – such as food processing, agricultural support, animal care, and handicrafts – was considered an extension of domestic responsibility rather than

economic contribution. Even when these activities generated income, they remained informal, home-based, and invisible in official economic records. Over time, however, rising living costs, changing aspirations, and increased exposure to markets have encouraged rural women to explore entrepreneurship as a means of livelihood and self-reliance.

Across rural Gujarat, women's entrepreneurship has emerged as a powerful tool for livelihood generation, social empowerment, and local economic development. Initiatives such as Self-Help Groups (SHGs), microfinance, and government livelihood missions have enabled women to access savings, credit, and peer support. For many women, joining an SHG was their first interaction with formal financial institutions and collective decision-making. These groups created safe spaces for women to share experiences, build confidence, and take initial entrepreneurial steps through activities such as pickle making, papad production, tailoring, and snack preparation.

Despite these opportunities, the transition from informal activity to micro-entrepreneurship has rarely been linear or easy. Women entrepreneurs like Meenaben often operate within multiple constraints. Household responsibilities continue to dominate their daily schedules, limiting the time and energy available for business activities. Social expectations frequently restrict women's mobility and decision-making autonomy, particularly when enterprises attempt to expand beyond the village or engage with male-dominated markets. In many cases, family support is conditional—encouraging income generation as long as it does not disrupt traditional gender roles.

Market-related challenges further complicate this transition. While local demand may initially sustain small-scale production, expansion requires consistency in quality, regular supply, appropriate pricing, and compliance with basic food safety and packaging norms. Women with strong production skills often lack exposure to market dynamics, costing methods, branding, and customer expectations beyond their immediate communities. Regulatory frameworks, including registration and food safety standards, are perceived as complex and intimidating, especially for first-time entrepreneurs with limited education or digital literacy.

At the same time, structural changes in rural India have begun to reshape the entrepreneurial landscape. Improved road connectivity, better electricity supply, and growing smartphone penetration have created new avenues for rural enterprises. Digital payments, WhatsApp-based ordering, and participation in local exhibitions have enabled women like Meenaben to reach customers beyond their villages at relatively low cost. However, access to these opportunities remains uneven, and the ability to leverage them depends heavily on training, confidence, and institutional support.

Against this backdrop, Meenaben's question— "isko bada kaise banayein?" —captures a broader dilemma faced by rural women entrepreneurs in Gujarat. It is not merely about

increasing production or profits, but about navigating the complex intersection of economic ambition, social norms, market readiness, and policy support. Her story sets the stage for examining how financial inclusion, entrepreneurial capability, and socio-cultural context collectively shape the sustainability and growth of rural women-led enterprises.

## **Background**

Historically, rural women in India have always worked – but their work was largely unpaid, invisible, or classified as household labour. Activities such as food processing, stitching, embroidery, animal care, and agricultural support are rarely translated into recognised enterprises. Financial decisions were usually taken by male family members, and women's income – if any – was considered supplementary.

On top of the above, more day-to-day issues the pickle-making business had to tackle. Raw material seasonality: Some ingredients, like mangoes, lime, and certain spices, are only available during specific seasons. This causes supply problems and changes in production costs. Because of this, Meenaben Solanki found it difficult to produce products consistently and meet customer demand all year. For a small business, this became a major challenge as it affected growth and led to periods of low or no production.

Dependence on traditional methods. While Meenaben Solanki's traditional methods of pickle making had helped her build a loyal customer base, they also limited her ability to innovate and scale her business in a rural setting. Her dependence on manual processes resulted in slower production compared to larger, mechanised units, a challenge made worse by limited access to modern equipment in rural areas. Moreover, these traditional methods restricted experimentation with new product varieties, such as vegan or low-sodium pickles, which could have attracted health-conscious consumers beyond her local market.

Lack of Training in hygiene: Meenaben Solanki also faced challenges due to her lack of formal training in hygiene practices and basic business management, which is common in many rural enterprises. Limited awareness of food safety standards, proper packaging, and storage methods affected the consistency and shelf life of her pickles.

The formation of Self-Help Groups (SHGs) marked a turning point. In Gujarat, SHGs enabled women to save collectively, access microcredit, and gain confidence through group solidarity. One such group, Sakhi Mahila SHG, was formed in 2016 in Meenaben's village under the National Rural Livelihood Mission (NRLM), locally implemented as Mission Mangalam.

For Meenaben, the turning point came when she joined Sakhi Mahila Self-Help Group (SHG), formed in 2016 under Mission Mangalam, Gujarat's implementation of the National Rural Livelihoods Mission (NRLM). Like many women in the village, Meenaben initially

joined the SHG not with entrepreneurial ambitions, but for small savings and access to emergency credit. The SHG meetings, held twice a month, became one of the few formal spaces where women could step outside their domestic roles and engage in collective discussion and decision-making.

Through the SHG, Meenaben opened her first bank account and accessed a small loan to purchase raw materials in bulk during the mango season. This access to formal finance marked an important shift—from complete financial dependence on her household to limited financial agency of her own. Encouraged by fellow members, she began selling pickles beyond her immediate neighbourhood, relying on word-of-mouth referrals and repeat customers. Small orders from nearby towns followed, often placed through phone calls or WhatsApp messages.

However, as the scale of activity increased, new challenges emerged. During one SHG meeting, the group's president, Rashmiben Solanki, observed, "Loan toh mil jata hai, par sirf paise se business nahi chalta." While financial inclusion enabled women to initiate economic activities, it did not automatically translate into sustainable entrepreneurship. Members struggled with basic costing, often underpricing their products without accounting for labour, packaging, or transportation costs. Record-keeping remained informal, making it difficult to assess profitability or plan expansion. Inventory decisions were largely intuitive, resulting in shortages during peak demand and wastage during lean periods.

The SHG members also lacked clarity about market expectations beyond the local level. While customers appreciated the homemade taste and authenticity of the pickles, feedback increasingly pointed toward the need for better packaging, labeling, and hygiene standards. Meenaben recalled a customer at a local exhibition remarking, "Taste toh achha hai, par expiry date likhi honi chahiye." Such feedback made her realise that product quality alone was insufficient for accessing wider markets.

Government schemes theoretically addressed many of these gaps. Programs such as PM Formalisation of Micro Food Processing Enterprises (PM-FME) offered training, subsidies, and branding support, while Mudra Yojana and Stand-Up India provided access to credit for enterprise expansion. Yet, for Meenaben and her peers, these schemes appeared distant and complex. Registration procedures, documentation requirements, and digital applications were perceived as intimidating, especially in the absence of sustained handholding.

Thus, while SHGs played a critical role in initiating financial inclusion and collective confidence, they also revealed a structural limitation: access to credit without corresponding entrepreneurial capability constrained growth. Meenaben's experience highlighted the need for an integrated support system—one that combined finance with continuous skill development, market exposure, and social support—rather than treating entrepreneurship as a one-time outcome of credit linkage.

This evolving reality framed the central question facing Meenaben and her SHG: whether to remain within the relative safety of informal local markets or to navigate the uncertainties of formalisation and expansion, with all its associated risks and rewards. During an SHG meeting, the group's president, Rashmiben Solanki, remarked, "Loan toh mil jata hai, par humein business karna nahi aata. Sirf paise se kuch nahi hota." Her statement captured a core challenge – financial inclusion without entrepreneurial capability.

When translated, it meant that financial inclusion without entrepreneurial capability had a limited impact on rural women's entrepreneurship. Merely providing access to bank accounts, credit, or subsidies did not ensure income generation or economic empowerment. Without skills such as business planning, financial literacy, market understanding, and risk management, rural women actually struggled to use financial resources productively, leading to dependency rather than sustainable entrepreneurship and long-term self-reliance. It also meant, inadequate knowledge of pricing, record keeping, and marketing made it difficult for everyone to plan costs and expand beyond the local market. These gaps in training restricted their ability to professionalise the business and compete with better-organised brands, despite the quality and authenticity of their homemade products.

While SHGs helped women start activities like pickle-making, papad production, tailoring, and handicrafts, most enterprises remained small, informal, and vulnerable. Scaling up required new skills, risk-taking, and engagement with unfamiliar markets.

### **Gujarat rural context**

Gujarat is often celebrated for its entrepreneurial culture, cooperative movements, and industrial growth. Rural Gujarat, however, presents a mixed reality. Women actively participate in dairy cooperatives, handicrafts, agarbatti making, embroidery (especially in Kutch and Saurashtra), and food processing. Yet, ownership and leadership often remain constrained.

In Meenaben's household, her husband initially supported her SHG participation but hesitated when she discussed expanding production. "Gaon ke bahar bechna matlab risk. Aur ghar ka kaam kaun dekhega?" he questioned. Such conversations reflect the social negotiations women entrepreneurs must navigate.

Meenaben's experiences highlighted the subtle social constraints faced by rural women entrepreneurs. While her husband supported her participation in the SHG, his hesitation toward business expansion reveals deeper concerns about risk, mobility, and domestic responsibilities. His question reflects a common belief that women's economic activities should remain small and home-based, prioritising household duties over market engagement. Such everyday negotiations show that women's entrepreneurship is not

limited by financial or technical factors alone, but is deeply shaped by gender norms, family expectations, and the need to balance economic ambition with socially assigned roles.

Recent infrastructure improvements had significantly expanded entrepreneurial opportunities for rural women by improving physical and digital connectivity. Better road networks and more reliable electricity made it easier to procure raw materials, transport finished goods, and maintain consistent production schedules. At the same time, increased smartphone penetration has enabled rural women entrepreneurs to adopt digital tools that were previously inaccessible. The use of digital payment systems such as UPI has reduced dependence on cash transactions, improved transparency, and increased trust among customers. Platforms like WhatsApp-based ordering allow women to communicate directly with buyers, take customised orders, share product images, and coordinate deliveries at minimal cost. Participation in local exhibitions, SHG melas, and village fairs has further enhanced product visibility, helping rural women reach customers beyond their immediate communities.

Despite these positive developments, significant regional disparities continued to limit the full potential of rural women's entrepreneurship. In tribal and remote belts, poor road connectivity, irregular electricity supply, limited internet access, and weak logistics networks restrict market participation. Women in these regions often lack access to structured training, mentoring, and institutional support, making it difficult to adopt digital tools or scale their enterprises. As a result, while infrastructure-led growth has benefited many rural areas, its impact remains uneven. Addressing these gaps requires targeted interventions that combine infrastructure development with localised training, market linkages, and support systems to ensure inclusive and equitable entrepreneurial growth.

Another entrepreneur, Jagrutiben Rathod, who runs a small millet-based snacks unit in Dahod, shared during a district workshop, “Product toh achha hai, par packet, label, aur FSSAI ka process humare liye mushkil hai.” Her concern highlighted the gap between production capability and market readiness. Her statement also reflected the challenges rural women entrepreneurs faced beyond production, particularly in meeting formal market requirements. While they possessed strong production skills, limited knowledge, resources, and procedural support made it hard to adopt standardized packaging and regulatory processes. This gap between production capability and market readiness restricted their ability to scale, access wider markets, and compete with established brands.

### **Government and regulatory response**

To support women like Meenaben and Jagrutiben, several government initiatives like the ones listed below operated in Gujarat:

- Mission Mangalam (NRLM – Gujarat): Strengthens SHGs through credit linkage, capacity building, and enterprise promotion.
- Mukhyamantri Mahila Udyam Yojana: Provides financial assistance and entrepreneurship support to women-led enterprises.
- Stand-Up India Scheme: Facilitates bank loans for women entrepreneurs setting up greenfield enterprises.
- PM Formalisation of Micro Food Processing Enterprises (PM-FME): Supports food-processing units with subsidies, training, and branding assistance.
- Mudra Yojana: Offers collateral-free loans for micro-enterprises.

### **Mission Mangalam (NRLM – Gujarat)**

Mission Mangalam, implemented under the National Rural Livelihoods Mission (NRLM) in Gujarat, aims to strengthen Self-Help Groups (SHGs) by promoting financial inclusion, livelihood diversification, and enterprise development among rural women. The scheme facilitates access to savings, bank credit, and revolving funds while emphasising capacity building through structured training programs. It supports women in transitioning from subsistence activities to income-generating micro-enterprises by providing skill development, mentoring, and market linkage support. Mission Mangalam also encourages collective entrepreneurship through producer groups and federations, enabling rural women to scale operations, improve bargaining power, and achieve sustainable livelihoods with a strong focus on social and economic empowerment.

### **Mukhyamantri Mahila Udyam Yojana (Gujarat)**

The Mukhyamantri Mahila Udyam Yojana is a state-level initiative designed to promote women-led enterprises in Gujarat by offering financial assistance and entrepreneurial support. The scheme provides subsidized loans, interest benefits, and incentives to encourage women to start or expand small businesses. In addition to financial aid, it focuses on entrepreneurship development through training, handholding, and awareness programs. By reducing entry barriers and supporting risk-taking, the scheme empowers women entrepreneurs to formalize their enterprises, improve productivity, and generate employment, thereby contributing to inclusive economic growth and strengthening women's participation in the state's entrepreneurial ecosystem.

### **Stand-Up India Scheme**

The Stand-Up India Scheme facilitates bank loans to women entrepreneurs for setting up greenfield enterprises in manufacturing, services, or trading sectors. Under this scheme, loans ranging from ₹10 lakh to ₹1 crore are provided to support first-time entrepreneurs,

particularly women and marginalized groups. The scheme emphasizes financial inclusion by ensuring access to institutional credit along with handholding support, including project preparation, training, and mentorship. For rural women entrepreneurs, Stand-Up India plays a critical role in enabling enterprise formalization, encouraging innovation, and supporting business expansion beyond micro-scale activities into more structured and sustainable ventures.

### **PM Formalisation of Micro Food Processing Enterprises (PM-FME)**

The PM-FME scheme focuses on strengthening micro food processing enterprises by promoting formalization, value addition, and market competitiveness. It provides financial assistance in the form of credit-linked subsidies, along with training in food safety, quality standards, branding, and packaging. The scheme adopts a cluster-based and One District One Product (ODOP) approach, making it particularly relevant for rural women engaged in food-based enterprises such as pickles, snacks, and traditional products. By addressing gaps in compliance, branding, and market access, PM-FME helps women entrepreneurs move from informal production to market-ready, scalable food businesses.

### **Pradhan Mantri Mudra Yojana (PMMY)**

Pradhan Mantri Mudra Yojana offers collateral-free loans to micro and small enterprises under three categories—Shishu, Kishor, and Tarun—based on the stage of business growth. The scheme is especially beneficial for rural women entrepreneurs who lack assets for collateral but require working capital or initial investment. Mudra loans support activities such as raw material purchase, equipment acquisition, and business expansion. By simplifying access to formal credit and encouraging first-time borrowers, the scheme promotes entrepreneurship, reduces dependence on informal moneylenders, and strengthens financial inclusion, enabling women to initiate and sustain income-generating enterprises.

During a training session conducted by a local NGO, a government official explained, “Scheme ka fayda tab milega jab enterprise register hoga. Bina formalisation, market aage nahi khulega.” Many women, however, found compliance intimidating due to documentation, digital processes, and the fear of taxation. Despite progressive policies, implementation challenges persist—limited handholding, information gaps, and uneven coordination between departments often dilute impact.

### **Market Requirements**

As rural women entrepreneurs attempt to access urban and institutional markets, expectations change significantly. Retailers demand consistent quality, proper packaging, branding, and timely delivery. Consumers seek authenticity but also hygiene, certifications, and convenience.

At a district-level exhibition, Meenaben overheard a customer say, “Taste acha hai, par label nahi hai. Expiry date bhi likhi honi chahiye.” This feedback made her realise that product quality alone was insufficient.

Digital platforms such as ONDC-linked marketplaces, Instagram pages, and local e-commerce portals have opened new market opportunities for rural women entrepreneurs engaged in pickle making and other food-based enterprises. These platforms offer wider reach, better price realisation, and reduced dependence on middlemen. However, effective participation remains challenging due to low digital literacy, limited familiarity with smartphones, online payments, product listing, and order management. Language barriers—especially the dominance of English or Hindi interfaces over local languages—further restrict confidence and regular usage among rural women. In addition, high logistics and packaging costs, lack of nearby courier services, and difficulties in maintaining product quality during transportation reduce profitability and increase operational risk.

These challenges contribute to a critical market dilemma for women entrepreneurs. Continuing to sell in local markets ensures steady demand, quick cash flows, and lower risk, but offers limited income growth and minimal brand visibility. On the other hand, entering formal and digital markets requires investment in standardised packaging, FSSAI registration, branding, digital marketing, and compliance—costs that are often high and returns uncertain. For rural women, this decision is not purely economic but deeply tied to livelihood security, time constraints, household responsibilities, and fear of debt. As a result, many hesitate to scale, caught between the safety of local markets and the uncertain promise of digital expansion.

### **The Dilemma**

By 2024, Meenaben’s SHG stood at a crossroads. The group debated whether to register as a producer group under Mission Mangalam and apply for PM-FME support. Some members feared debt and compliance, while others aspired to growth.

“Agar hum nahi badhenge, toh hamesha chhote hi rahenge,” argued Rashmiben. Another member countered, “Zyada bada matlab zyada tension.”

This dilemma—growth versus security—defines women's rural entrepreneurship. Policy makers face a similar question: how to promote scale and competitiveness without undermining the social and livelihood security that SHGs provide.

### **Possible Solutions**

To solve the above dilemma, certain points were raised and pondered over.

To promote scale and competitiveness in a rural SHG-based pickle-making business without undermining the social and livelihood security of SHG members, the focus should

be on collective growth, gradual formalisation, and capability building, rather than aggressive commercialisation.

First, collective scaling through SHGs or producer groups helps retain social security. Instead of one individual expanding alone, production can be distributed among SHG members, ensuring shared income, risk-sharing, and continued participation of rural women. This preserves livelihoods while increasing total output.

Second, capacity building without replacing labour is critical. Training in hygiene, food safety (FSSAI basics), standardised recipes, and quality control can improve competitiveness while keeping manual, employment-generating processes intact. Introducing low-cost, semi-mechanised tools (like manual slicers or sealers) improves efficiency without displacing workers.

Third, market access through aggregation and branding allows scale without pressure on individuals. SHGs can sell under a common brand, use shared packaging units, and collectively negotiate with retailers or online platforms. This strengthens market power while protecting small producers from price exploitation.

Lastly, the revenue model should include a diversified product portfolio comprising traditional pickles such as mango, lemon, and chilli, along with value-added variants like low-oil, organic, or millet-based pickles to attract health-conscious urban consumers. Pricing can follow a cost-plus approach, with small, affordable packs for local rural markets and premium packaging for urban, institutional, and gifting segments. Distribution should be multi-channel, beginning with weekly haats, village shops, SHG exhibitions, and local fairs, and gradually expanding to hostels, canteens, NGOs, and government-supported platforms. Digital channels such as WhatsApp ordering, social media promotion, and tie-ups with local resellers can further widen market reach at low cost. Financially, raw materials typically account for 40–45 per cent of costs, labour for 25–30 per cent, packaging and logistics for 15–20 per cent, and overheads for the remaining portion, allowing profit margins of 15–25 per cent, which can increase with branding and direct-to-consumer sales.

Institutional support and financial safety nets ensured livelihood security. Linking SHGs to schemes like Mission Mangalam/NRLM, working capital loans, and insurance protects members from income shocks due to seasonality or demand fluctuations, allowing growth to be sustainable and inclusive.

In essence, competitiveness in rural pickle enterprises should be built on collective strength, skill enhancement, shared branding, and social protection, ensuring that economic growth reinforces – rather than replaces – the core livelihood role of SHGs.

Effective governance through elected SHG leaders, transparent profit-sharing, regular meetings, and simple digital bookkeeping ensures trust and sustainability. Over time, the enterprise can scale through brand development, FSSAI certification, product diversification

into chutneys or spice mixes, and the creation of satellite units in nearby villages. Overall, this model transforms pickle making from a subsistence, home-based activity into a professionally managed micro-enterprise, demonstrating that financial inclusion combined with entrepreneurial capability and market access can lead to sustainable rural women entrepreneurship.

### **Way forward**

The future of women's rural entrepreneurship in Gujarat lies in ecosystem-based support. Collective models such as producer companies, continuous mentoring, digital capacity building, and stronger market linkages can help women transition from survival enterprises to sustainable businesses.

### **Growing Demand for Artisanal and Homemade Foods**

In recent years, there has been a noticeable shift toward artisanal and homemade food products, especially among consumers seeking authenticity and natural preparation. Meenaben Solanki's pickles, made using traditional methods and locally sourced ingredients in a rural setting, were well-suited to benefit from this trend. The growing preference for healthier, homemade, and locally produced foods had created an opportunity for her to attract more customers beyond her village.

### **Expanding Regional and National Markets**

Although Meenaben Solanki's pickle business primarily served the local rural market, there was potential to expand into regional and even national markets. Demand for unique, small-batch, culturally rooted food products has been increasing across urban and semi-urban areas. With appropriate support, such as tie-ups with local retailers or access to digital selling platforms, she could have reached a wider customer base, leading to higher sales and greater recognition of her rural enterprise.

### **Innovative Packaging and Branding**

Another opportunity had existed in improving the packaging and branding of her products. By adopting simple yet attractive, eco-friendly packaging that highlighted the traditional and homemade nature of her pickles, Meenaben Solanki could have differentiated her products from mass-produced alternatives. Clear labelling and a consistent brand identity would have helped build trust and loyalty among consumers, strengthening her position in a competitive market.

Family sensitisation, community support, and local role models are equally critical. As Meenaben reflected during a village meeting, "Aaj hum sirf kama nahi rahe, hum seekh bhi rahe hain. Shayad yahi asli badlav hai."

Long-term success will depend on aligning policy intent, market realities, and women's aspirations—ensuring that entrepreneurship becomes not just a livelihood option, but a pathway to dignity and leadership.

As rightly said by someone, A rural business succeeds when it moves from “home-based activity” to a “professionally managed micro-food enterprise.”

### **Questions for Discussion**

1. How do socio-cultural norms within households influence the growth decisions of rural women entrepreneurs?
2. To what extent do government schemes address the gap between financial access and entrepreneurial capability?
3. What are the advantages of collective SHG-based enterprise models over individual entrepreneurship in rural contexts?
4. How can policy interventions balance the need for formalisation with livelihood security for rural women?

# **SHAMPNET PVT. LTD.: CRAFTING COMPETITIVE ADVANTAGE THROUGH INDIGENOUS INNOVATION AND STRATEGIC RENEWAL**

**Dr. RESHMI MENON**

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## **Abstract**

*This teaching case study examines the strategic evolution of Shampnet Pvt. Ltd., a fictional Indian enterprise operating in the natural personal care and wellness products industry. Set in the contemporary Indian MSME context, the case highlights how Shampnet attempts to build and sustain competitive advantage by leveraging indigenous knowledge systems, ethical sourcing, digital platforms, and sustainability-oriented strategies aligned with the national vision of Atmanirbhar Bharat. The case explores strategic challenges related to scaling, competition, resource constraints, branding, and long-term growth, and concludes with discussion questions that encourage application of strategic management frameworks.*

## **Introduction**

The Indian business environment in the post-pandemic era has become increasingly volatile, uncertain, complex, and ambiguous. Rapid technological change, heightened consumer awareness, global supply chain disruptions, and growing emphasis on sustainability have significantly altered the strategic landscape for firms across industries. In such an environment, organizations are compelled to revisit their strategies not only to survive but also to remain relevant and competitive in the long run.

Micro, Small and Medium Enterprises (MSMEs) form the backbone of the Indian economy, contributing significantly to employment generation, regional development, and GDP. However, MSMEs often operate under severe constraints related to capital, technology, managerial capabilities, and market access. Despite these challenges, many Indian MSMEs are attempting to carve out unique positions by leveraging local resources, cultural heritage, and innovative business models. The national initiative of Atmanirbhar Bharat has further encouraged firms to focus on self-reliance, indigenous production, and domestic value creation.

Against this backdrop, Shampnet Pvt. Ltd. presents an illustrative case of an emerging Indian enterprise striving to balance growth aspirations with ethical values and sustainability commitments. The company's journey provides rich insights into strategy formulation and implementation in a resource-constrained yet opportunity-rich environment.

## **Company Background**

### **Origins and Entrepreneurial Vision**

Shampnet Pvt. Ltd. was incorporated in 2018 in Ahmedabad, Gujarat, by two first-generation entrepreneurs – one with a background in pharmaceutical sciences and the other with experience in rural development and social enterprises. The founders were motivated by a shared concern regarding the increasing use of synthetic chemicals in everyday personal care products and the gradual erosion of traditional Indian knowledge related to herbal wellness.

The founders envisioned an organization that could integrate traditional herbal formulations with modern scientific validation, thereby creating products that were safe, effective, and environmentally responsible. The name “Shampnet,” meaning ascent or upliftment, reflected the founders’ aspiration to create upward mobility not only for the company but also for the rural communities involved in its value chain.

From its inception, Shampnet embedded the principles of Atmanirbhar Bharat into its business philosophy by prioritizing local sourcing, indigenous knowledge, and domestic manufacturing. The firm adopted a long-term orientation, emphasizing value creation for multiple stakeholders rather than short-term profit maximization.

### **Organizational Structure and Culture**

Shampnet began operations with a small team of fewer than fifteen employees, including production staff, quality control personnel, marketing executives, and administrative support. The organizational structure was relatively flat, enabling faster decision-making and close interaction between the founders and employees.

The company culture emphasized ethical conduct, transparency, experimentation, and learning. Employees were encouraged to contribute ideas related to product development, packaging innovation, and customer engagement. This participative culture gradually became an intangible resource contributing to organizational cohesion and commitment.

## **Product Profile and Value Proposition**

### **Product Portfolio (Fictionalized)**

Shampnet focused on a carefully curated portfolio of natural personal care and wellness products, including:

- Herbal bathing soaps and body cleansers
- Plant-based shampoos and conditioners
- Herbal hair oils formulated for specific hair concerns
- Natural face creams, balms, and lotions
- Aromatherapy oils and wellness gift kits

The products were positioned as free from parabens, sulphates, artificial colors, and synthetic fragrances. The formulations were inspired by traditional Ayurvedic and herbal knowledge, adapted to suit contemporary consumer preferences.

### **Sourcing and Production Philosophy**

Raw materials such as neem, aloe vera, tulsi, turmeric, coconut oil, and essential oils were sourced from farmer producer organizations (FPOs), self-help groups (SHGs), and small cultivators located primarily in Gujarat and Rajasthan. Champnet entered into informal long-term arrangements with these groups, ensuring fair prices and consistent demand.

Manufacturing was carried out in small batches to maintain quality and flexibility. While this approach limited economies of scale, it enabled greater control over product consistency and reduced wastage. Quality assurance protocols were implemented to comply with applicable regulatory standards, even though such compliance increased operational costs.

### **Value Proposition**

Champnet' value proposition rested on four pillars:

1. Natural and safe formulations
2. Ethical and transparent sourcing
3. Environmental responsibility
4. Authentic Indian brand narrative

This differentiated positioning aimed to appeal to conscious consumers who valued health, sustainability, and social impact.

### **Industry and Market Context**

#### **Industry Overview**

The Indian personal care and wellness industry has experienced significant growth over the past decade. Rising disposable incomes, increasing urbanization, and heightened awareness regarding health and hygiene have contributed to expanding demand. Additionally, a visible shift toward natural, organic, and herbal products has created new market segments.

However, the industry is characterized by intense competition and low switching costs. Consumers are presented with a wide array of choices ranging from mass-market FMCG brands to premium organic and D2C startups.

#### **Competitive Landscape**

Champnet operated in a competitive environment comprising:

- Large FMCG corporations with strong brand equity and extensive distribution networks
- Venture-capital-backed D2C brands investing aggressively in digital marketing
- Regional and local manufacturers competing primarily on price

While large firms benefited from economies of scale and advertising budgets, smaller firms like Champnet had to rely on differentiation, niche positioning, and customer engagement to survive.

### **Strategic Challenges**

By 2021–22, Champnet faced several interrelated strategic challenges:

#### **Scaling and Capacity Constraints**

Growing demand, particularly from online channels, put pressure on existing production facilities. Scaling operations required capital investment, process standardization, and managerial capabilities that the firm was still developing.

#### **Brand Awareness and Market Reach**

Despite positive customer feedback, brand awareness remained limited to certain urban pockets. The firm lacked resources for mass advertising and depended largely on organic reach and word-of-mouth promotion.

#### **Supply Chain Uncertainty**

Dependence on small-scale farmers exposed the firm to risks related to seasonal variability, climate conditions, and inconsistent quality of raw materials.

#### **Cost Management**

Maintaining natural quality standards and eco-friendly packaging increased input and production costs, making price competitiveness a persistent concern.

#### **Digital Transformation**

The post-COVID environment accelerated the importance of e-commerce, data analytics, and digital customer engagement, areas where Champnet had limited expertise.

### **Strategic Analysis**

#### **Vision, Mission, and Strategic Intent**

- **Vision:** To emerge as a trusted Indian brand in natural wellness that harmonizes tradition, innovation, and sustainability.
- **Mission:** To deliver high-quality, natural personal care solutions while empowering local communities and minimizing environmental impact.

The firm's strategic intent was clearly long-term and purpose-driven, focusing on gradual capability building rather than rapid expansion.

## **Resource-Based View (RBV)**

From an RBV perspective, Champnet possessed several strategic resources:

- Deep relationships with rural suppliers
- Proprietary herbal formulations
- Founders' complementary expertise
- Authentic brand story linked to Indian traditions

While these resources were valuable and difficult to imitate, their full potential depended on effective organizational processes and scaling mechanisms.

## **SWOT Analysis**

- **Strengths:** Ethical sourcing, strong founder vision, product authenticity
- **Weaknesses:** Limited financial resources, operational scale constraints
- **Opportunities:** Growing demand for natural products, supportive government policies, digital channels
- **Threats:** Intense competition, regulatory changes, consumer price sensitivity

## **Strategic Initiatives and Implementation**

### **Product Strategy**

Champnet adopted a focused differentiation strategy, emphasizing functional benefits and ingredient transparency. Seasonal and limited-edition product variants were introduced to maintain customer interest.

### **Marketing and Branding Strategy**

The firm relied heavily on content marketing, social media storytelling, and influencer partnerships. Narratives highlighting farmer partnerships and sustainability initiatives became central to brand communication.

### **Operations and Supply Chain Strategy**

Efforts were made to formalize supplier relationships and provide training to improve raw material quality. Small-batch production was retained to ensure flexibility.

### **Sustainability Integration**

Sustainability was treated as a core strategic pillar rather than a peripheral CSR activity. Eco-friendly packaging, waste reduction, and community skill development initiatives were integrated into business operations.

## **Strategic Outcomes and Current Position**

By 2023, Champnet had achieved steady but moderate growth. Online channels accounted for a significant share of revenues, and customer retention rates were improving. While profitability remained modest, the firm had established a credible niche position.

## **The Strategic Dilemma**

As Champnet entered its next phase of growth, the leadership faced several strategic choices:

- Whether to pursue aggressive expansion or deepen its niche focus
- Whether to seek external funding or continue organic growth
- How to adopt advanced technologies without diluting its values

These decisions would shape the firm's long-term strategic trajectory.

## **Conclusion**

The case of Champnet Pvt. Ltd. illustrates the strategic complexities faced by emerging Indian enterprises operating in dynamic and competitive environments. The case underscores the importance of aligning vision, resources, and strategic choices while remaining adaptable. It offers valuable lessons on how sustainability, indigenous innovation, and strategic management can be integrated to create long-term value.

## **Discussion Questions (Strategic Management)**

1. Using Porter's Generic Strategies, analyze Champnet's competitive strategy. Is it sustainable in the long run?
2. Evaluate Champnet's resources and capabilities using the Resource-Based View framework.
3. What growth strategies from the Ansoff Matrix would be most appropriate for the firm at this stage?
4. Should Champnet seek venture capital or strategic investors? What are the strategic trade-offs involved?
5. How can digital transformation be leveraged as a source of competitive advantage for Champnet?
6. Discuss sustainability as a strategic differentiator in this case.
7. Identify the key strategic risks faced by Champnet and propose mitigation strategies.

*This case is entirely fictional and has been developed solely for academic purposes.*

# START-UPS TURNED UNICORNS

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## **Abstract**

India is land of startups. Every now and then we are witnessing new startups turning into big businesses by taking advantages of scalable operations. Across the globe, companies are striving to achieve huge market share, but only few get successful. This case study is about 5 selected Indian startups that has changed the whole Indian industry. From nothing or almost No profit, these companies have turned into unicorns which are valued over \$1 Billion. The case study incorporates growth story of Zepto, Meesho, PhonePe, Groww and Rapido. These startups have leveraged technology, quick and accurate decision-making, and innovative business models to solve the inefficiencies in India. Their growth stories highlight how customer focused strategies, aggressive scaling and operations and strong investor confidence can transform early stage ventures into industry defining unicorns.

**Keywords:** Zepto, Meesho, PhonePe, Groww, Rapido, Unicorns

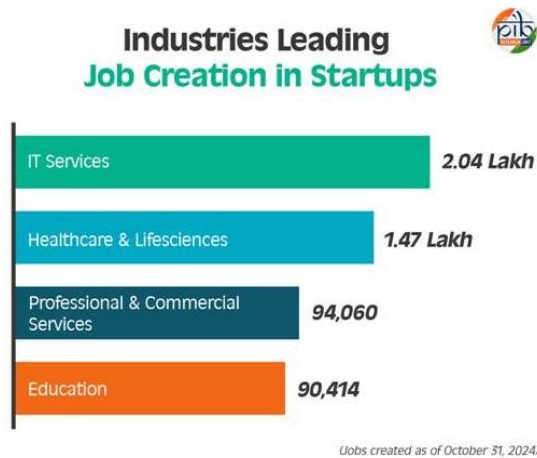
## **Introduction**

India has witnessed the 3rd largest startup ecosystem in the world which is expected to yield constant growth of approximately 12-15%. India had nearly 50,000 startups in India in 2018, around 8,900 – 9,300 of which are technology led startups. 1300 new tech startups were born in year 2019 alone which implied that there are 2-3 tech startups born every day. Growth of startup ecosystem had increased to 15% in 2018, while the growth of the number of incubators and accelerators had witnessed growth of 11%. Considering the women entrepreneurs, the number increased to 14% from 10% and 11% in previous two years. Startups have witnessed increase in employment with 40000 new jobs in the ecosystem. (StartupIndia, 2025)

India completed nine years of Startup India on January 16, 2025, a transformative journey that had started in 2016 which is also celebrated as **National Startup Day**. **The objective behind this is to** celebrate the nation's strides in fostering a robust and inclusive entrepreneurial ecosystem. India has established itself as **third largest startup ecosystem in the world** with more than **1.59 lakh startups which are** recognised by the Department for Promotion of Industry and Internal Trade (DPIIT) as on January 15, 2025. This ecosystem which is driven by more than 100 unicorns, continues to redefine innovation and entrepreneurship on the global stage. Major cities naming Mumbai, Bengaluru, Hyderabad and Delhi-NCR have led this transformation. (PIB, 2025)

## Features of Startup India

To keep features in summarized version, the emphasis is on self-reliance, single window clearances, tax benefits, funding support and focused policies for sectors like biotechnology, agriculture, and renewable energy foster targeted growth.



(PIB, 2025)

Considering above scenario of startups ecosystem, The case is explanation of how above mentioned 5 companies turned in Unicorn

## Unicorn Companies

A unicorn company refers to a privately held startup that has achieved a market valuation of at least USD 1 billion before going public or being acquired. The term was introduced in 2013 by venture capitalist Aileen Lee to symbolize the rarity of such high-valued startups at that time. Unicorn companies typically emerge from innovation-driven sectors such as technology, fintech, e-commerce, artificial intelligence, health tech, and digital platforms, where scalable business models and rapid customer adoption are possible. The valuation of a unicorn is generally derived from venture capital funding rounds, in which investors assess the company's future growth potential, revenue prospects, competitive advantage, and market size rather than its current profitability. These companies often prioritize fast expansion, user acquisition, and market dominance, sometimes operating at losses in their early years to capture scale and network effects. Unicorns are considered important indicators of a country's entrepreneurial ecosystem and innovation capacity, as they generate employment, attract foreign investment, and introduce disruptive solutions to traditional industries. However, achieving unicorn status does not guarantee long-term success, as sustaining valuation depends on effective governance, profitability, regulatory compliance, and the ability to adapt to market changes.

## Summary of Selected Companies

STARTUP NAME	GROWW	RAPIDO	PHONEPE	ZEPTO	MEESHO
Owner	Nextbillion Technology	Rishikesh S R, Pavan Guntupalli, and Aravind Sanka	Sameer Nigam, Rahul Chari, and Burzin Engineer	Aadit Palicha (CEO) and Kaivalya Vohra (CTO)	Vidit Aatrey
Headquarters	Bangalore, Karnataka, India	Bengaluru, Karnataka, India	Bengaluru, Karnataka, India	Mumbai, Maharashtra, India	Bangalore, Karnataka, India
Industry	Financial technology, Investment, Mutual Funds	Mobility Tech	Fintech	Delivery Service, Grocery Delivery, Quick Commerce	Retail, E-commerce
Founders	Lalit Keshre (CEO), Harsh Jain, Neeraj Singh and Ishan Bansal	Pavan Guntupalli, Rishikesh SR and Aravind Sanka	Sameer Nigam, Burzin Engineer, Rahul Chari	Aadit Palicha, Kaivalya Vohra	Sanjeev Barnwal, Vidit Aatrey
Founded	Apr-16	Nov-15	2015	2021	2015
Valuation	Approximately less than \$2 billion (November 2024)	\$1.1 billion (September 2024)	\$12 billion	\$5 billion (December 2024)	\$8.8 billion (December 2025)
Website	www.groww.com	rapido.bike.com	phonepe.com	zeptonow.com	meesho.com
Parent Organization	Billionbrains Garage Ventures Limited	Roppen Transportation Services	(Walmart owning 83.9% stake)	Zepto Private Limited (Earlier KiranaKart Technologies Private Limited)	Fashnear Technologies Private Limited

(Source: <https://startuptalky.com/zepto-success-story>)

## Zepto

### About the Company

Zepto was founded in 2021 by Aadit Palicha and Kaivalya Vohra, two Stanford dropouts who identified a clear gap in India's e-commerce market: urban consumers wanted groceries delivered faster than traditional 30–60 minute models. Instead of competing on assortment or discounts, Zepto focused obsessively on speed, pioneering the 10-minute hyperlocal grocery delivery model in India. The key turning point was Zepto's dark store-based micro-

fulfilment strategy. Rather than relying on kirana partners alone, Zepto built a dense network of small, strategically located warehouses stocked with high-frequency SKUs. This allowed tighter inventory control, predictable demand forecasting, and drastically reduced last-mile delivery time—creating a strong operational moat that competitors found difficult and capital-intensive to replicate.

## **IPO**

Zepto is gearing up for an IPO, potentially filing papers soon to raise around \$500-\$800 million, with lead managers including Goldman Sachs, Morgan Stanley, and Axis Capital, aiming for expansion, but exact dates, price bands, and issue size are still tentative, though filings could happen late 2025 or early 2026 for a 2026 listing, after shifting domicile to India for broader participation. (Adhikary, 2025)

## **Growth**

Zepto's growth coincided with favorable macro conditions: rising urban disposable income, high smartphone penetration, comfort with digital payments (UPI), and post-pandemic normalization of online grocery buying. This made investors confident that quick commerce could move beyond experimentation into a sustainable category.

## **Funding**

Zepto raised capital aggressively but strategically. Within two years, it attracted marquee investors such as Y Combinator, Nexus Venture Partners, Glade Brook Capital, StepStone Group, and Lachy Groom. In 2023, Zepto crossed the \$1 billion valuation mark, officially becoming a unicorn, driven by rapid city expansion, improving contribution margins, and strong customer retention metrics. (Wikipedia, 2025)

## **Meesho**

### **About the company**

Meesho began in 2015 as a social commerce platform, enabling small sellers—especially women and micro-entrepreneurs—to sell products through WhatsApp, Facebook, and Instagram without owning inventory. This asset-light, zero-commission model removed traditional barriers like capital, warehousing, and technical expertise. By focusing on resellers in Tier-2 and Tier-3 cities, Meesho tapped into an underserved market ignored by large e-commerce players.

## **IPO**

Meesho's IPO was a massive success in December 2025, raising ₹5,421.20 crore with a price band of ₹105-₹111, opening Dec 3rd & closing Dec 5th, and listing strongly on Dec 10th at

₹162.50 (46%+ premium), driven by strong investor demand and its leading value e-commerce position in India. The issue included a fresh issue of ₹4,250 crore & an OFS, with key investors like Prosus, Peak XV & SoftBank participating in the Offer for Sale. (Securities, 2025)

### **Growth**

Its growth was driven by deep understanding of price-sensitive consumers, offering unbranded, affordable products with strong logistics partnerships and cash-on-delivery options. Meesho invested heavily in technology, supply-chain efficiency, and vernacular user experience, allowing millions of first-time internet users to participate in online commerce.

### **Funding**

Backed by strong venture capital support from SoftBank, Prosus, Facebook (Meta), and Sequoia, Meesho scaled rapidly while prioritizing unit economics over discount-led growth. By 2021, Meesho crossed 100 million monthly active users and onboarded millions of sellers, leading to a valuation of over \$1 billion, officially making it a unicorn. (Ycombinator, 2025)

### **About PhonePe**

Phonepe represent three distinct startup journeys that culminated in unicorn status by solving large-scale Indian market problems through technology, timing, and scalable business models. PhonePe, founded in 2015, entered the market at a critical moment when India's digital payments ecosystem was being reshaped by the launch of the Unified Payments Interface (UPI).

### **IPO**

PhonePe is planning a large IPO, potentially raising ₹10,000-13,000 crore (around \$1.3-\$1.5B) by mid-2026, targeting a \$12-15 billion valuation, using confidential filings with SEBI and appointing top bankers like Kotak, JP Morgan, and Morgan Stanley for this Book-Built issue, which will feature both fresh issuance and an Offer for Sale (OFS) from investors like Walmart, aiming to list on BSE & NSE after getting RBI approvals for its expanded fintech services. (Capital, 2025)

### **Growth of PhonePe**

By building a simple, secure, and interoperable payments app, PhonePe enabled seamless peer-to-peer and merchant transactions. Its early acquisition by Flipkart in 2016 proved to be a turning point, providing not only capital support but also instant access to millions of users and merchant partners. The demonetization drive in late 2016 further accelerated adoption as consumers and businesses shifted rapidly toward cashless payments. Over time,

PhonePe evolved from a pure payments app into a comprehensive fintech platform offering insurance, mutual funds, lending, and bill payments. This diversification strengthened customer stickiness, improved monetization opportunities, and attracted sustained investments from global funds, ultimately helping PhonePe achieve a multi-billion-dollar valuation and emerge as one of India's most valuable fintech companies.

### **Funding**

Over the years, Phonepe raised around \$ 3 billion across multiple funding rounds from leading global investors such as General Atlantic, Ribbit Capital, Tiger Global, TVS Capital Funds, and Walmart. A major milestone came in 2023, when PhonePe began a large growth fundraising round targeting \$ 1 billion at a valuation of about \$ 12 billion, following its separation from Flipkart and re-domiciling to India; the first tranche included \$ 350 million from General Atlantic, followed by additional investments from existing and new investors, including \$ 200 million from Walmart. Earlier rounds had already valued the company at around \$ 5–6 billion by 2020, and the continued inflow of growth equity enabled PhonePe to strengthen its UPI payments leadership, expand into insurance, wealth management, and lending, and position itself for a future IPO, ultimately cementing its status as a fintech unicorn and later a decacorn. (PhonePe, 2023)

### **Groww**

#### **About the company**

Groww was founded in 2016 by former Flipkart executives, followed a product-led growth strategy focused on simplifying investments for retail and first-time investors. At a time when investing in India was largely perceived as complex and limited to urban, financially savvy users, Groww positioned itself as a clean, intuitive, and education-driven platform. It began with direct mutual fund investments, eliminating commissions and paperwork, which built trust among users.

#### **IPO**

The Groww IPO (Billionbrains Garage Ventures) was a major book-built issue in November 2025, raising about ₹6,632 crore with shares priced ₹95-₹100, combining fresh issue & offer for sale, and listed on November 12, 2025, on BSE/NSE at a premium, offering easy digital investment in stocks, MFs, and more, with Kotak Mahindra as Lead Manager and MUFG Intime as Registrar. (Groww, 2025)

#### **Growth**

As the user base of company expanded, Groww strategically added stocks, ETFs, IPO access, digital gold, and international equities, thereby increasing engagement and lifetime customer value. The rise in disposable incomes, growing financial awareness, and widespread smartphone penetration worked in Groww's favor.

## **Funding**

Backed by strong venture capital funding, the company invested heavily in technology, customer experience, and nationwide reach, including Tier-II and Tier-III cities. This combination of simplicity, scale, and diversified offerings enabled Groww to grow rapidly and achieve unicorn status within a few years. (Times, 2023)

## **Rapido**

### **About the company**

Rapido was launched in 2015, achieved its unicorn journey by addressing the persistent challenge of urban mobility in India. In densely populated cities where traffic congestion and high cab fares were common, Rapido introduced bike taxis as a cost-effective and time-efficient alternative. The platform's asset-light aggregator model allowed quick onboarding of riders and drivers, enabling fast geographic expansion. Rapido's focus on affordability resonated strongly with students, daily commuters, and gig workers, helping it gain traction in multiple cities.

### **IPO**

Rapido is preparing for an IPO, with co-founder Aravind Sanka stating they aim to start the process by **late 2026**, focusing on maintaining 100% YoY growth, achieving operational profitability, and expanding market share before listing. While there's no fixed IPO date, they are nearing profitability, growing rapidly (auto, bike, cab), and targeting deeper penetration in Indian cities, with some estimates suggesting a potential valuation between ₹8,000-12,000 crore. (Dubey, 2025)

### **Growth**

Over time, the company diversified into auto-rickshaw and cab services, expanding its addressable market and improving revenue stability. Strategic funding rounds supported technology development, driver incentives, and market expansion, allowing Rapido to compete effectively with established ride-hailing players. Its ability to adapt services to local mobility needs and maintain operational efficiency played a crucial role in reaching a billion-dollar valuation.

## **Funding**

Rapido's funding journey has involved multiple rounds from both domestic and global investors as it scaled from a bike-taxi startup to a unicorn ride-hailing platform. Early growth capital and strategic backing came from investors like WestBridge Capital, Nexus Venture Partners, Shell Ventures and TVS Motor Company, and in April 2022 it raised about \$180 million in a Series D round led by Swiggy with participation from existing backers to expand its technology and operations. The company achieved unicorn status in 2024 after raising a Series E round led by WestBridge Capital of nearly \$120 million at valuation of over \$1

billion, with further investments, including approximately Rs 250 crore from Prosus as part of the same extended Series E financing to support expansion and service diversification. Altogether Rapido has raised several hundred million dollars in funding, enabling it to grow across bike, auto, and cab services and solidify its position in India's mobility market. (Sharma, 2024)

### Questions

1. Suggest the IPO which been the most challenging among all four companies. Justify the reason
2. Which company has been most ethical of all?
3. Which company has been most effective in terms of fund raising?
4. Suggest action plans to boost profit for Rapido

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## **TALENT LLP: BALANCING GROWTH AND LEGACY**

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### **Abstract**

*This case study explores the strategic decision making of Talent LLP; a Chartered Accountancy firm in Ahmedabad, has transformed from a traditional provider of audit and tax services into a multi-dimensional professional services entity. Till now, the traditional model worked well for them- one partner-led governance model. But now, with the changing times with rising number of clients, client expectations and the increment in services offered, Talent LLP plans to broaden its operations in Ahmedabad i.e. increase not just the employees but the working space too. This strategy provides opportunities for scalability and improved operational efficiency; however, it also generates significant concerns for the founding partner regarding centralized leadership, equal distribution of responsibilities among all partners across departments, quality control measures, sustainability of workplace culture, and the preservation of the firm's professional heritage and legacy. The case presents readers with a critical decision-making opportunity about various governance and leadership frameworks that could be useful for growth with professional standards in this organization.*

**Keywords:** *Chartered Accountancy; Growth Strategy; Leadership; Organizational Structure.*

### **Introduction**

Service firms like Chartered Accountancy (CA) function on multiple factors- knowledge intensive, expertise, trust, and strong client relationships. As they grow in size, they face challenges related to structure, leadership, and scalability to different locations.

A service driven company's operating environment is very different from that of a professional service organisation, such a Chartered Accountancy practice. Delivered under tight regulatory supervision, its primary offering often consists of expert opinion, and advising insight rather than a physical deliverable i.e. product. Trustworthiness is what drives the industry and the surviving companies. Because of the seriousness of the legal, financial, and reputational ramifications that can result from mistakes or lack of judgement, quality control and the involvement of resourceful people becomes an essential part of providing such services. The problems these companies usually have as they expand are systemic, rather than just operational. Leadership capacity, coordination, and decision-making challenges are known to intensify throughout expansion, particularly during peak compliance periods marked by heavy workloads and tight deadlines. Since partner time is a limited and highly constrained resource, expanding capacity does not necessarily mean taking on more clients or service lines. Senior professionals are consistently burdened with the requirement to review, comply with regulations, and communicate with clients. As a result, conflicts about control, independence and responsibility become more apparent when

the expansion takes place. Talent LLP's growth issues can be better appreciated in light of these challenges.

For the past few decades, Talent LLP has developed and expanded within its demanding environment. The hiring of employees, staff and additional help has taken place within the realm of their functioning. Talent LLP was established in 1978 in Ahmedabad and is well-known for its long-lasting client connections and its professional expertise. They started with auditing and tax consulting; however, with the increase in client base, they started their offering a range of services. The current situation is that Talent LLP is recognised for providing financial advisory, consultation and advisory in risk management. As a result, they have established themselves as a better competitor, providing a tough competition in the market and on the rise.

The company's success is recognized due to the one-governance i.e. CA Suresh Shah. Being the founder of the organization, he quickly analysed the market, identified the gaps as needed and expanded the organization as needed. This led to not only establishing the headquarter but branches too. But now, the services have gathered recognition not only in the nation but outside as well. Now, a branch needs to be established specifically for the overseas clients. This study encourages an examination of how organisations need to modify their leadership structure as well as organizational structures when faced with growth, and achieve balance in leadership while keeping clients as a priority. The founding partner has expressed significant concerns regarding the preservation of the firm's legacy, work ethic, and the sustainability of high-performance standards. This issue arises within a professional environment that is becoming progressively more demanding.

### **Protagonist Profile: CA Suresh Shah**

CA Suresh Shah, founder and Managing Partner of Talent LLP, has over four decades of experience in the Chartered Accountancy profession. After starting his work in the late 1970s, he founded Talent LLP in 1978 when professional service firms in India relied significantly on personal reputation, client trust, and professional discipline. Shah stressed ethics, regulatory compliance, and direct partner accountability from the start, positioning the firm as a relationship-driven practice.

Shah guided the company's expansion over time. He directly oversaw significant customer engagements, mentored future Chartered Accountants, and recruited and developed firm partners. He has a hands-on leadership approach, high professional standards, and a strong belief that visible partner involvement builds client confidence in advisory services rather than managerial delegation. He believes personal accountability is essential to professional credibility, which informs his administration style. He has advocated centralised decision-making to ensure service quality, ethical consistency, and

discipline across the organisation. This methodology has also kept strategic choices, client escalations, and quality assurance with partners, particularly Shah. He had to balance his strategic leadership along with operational responsibilities when Talent LLP grew its services. Engaging with clients and mentoring young professionals are two of his greatest sources of professional fulfilment. He now doubts the traditional operating model of the firm can withstand the test of time due to extended work hours, growing regulatory complexity, and increased client expectations. Shah needs to figure out how to expand Talent LLP while keeping the high standards of professionalism, dedication to hard work, and responsibility driven by partners that have set it apart for over 40 years.

### **Organizational Structure**

Talent LLP functions within a defined hierarchy, led by CA Suresh Shah, the Managing Partner, who guides the firm's strategic direction. The firm works with more than 20 partners, each specialising in distinct service domains including tax, audit, and advising. These partners play a vital role in directing specific departments, guaranteeing that clients have specialised service customised to their requirements. This geographic spread would enable Talent LLP to provide localised services while upholding a superior standard of quality. Talent LLP integrates specialisation with direct client interaction, ensuring uniformity in service provision across many locations.

The firm's partnership structure enhances specialisation and enables partners to interact directly with clients, so cultivating stronger client connections and providing more tailored service. The associates and other personnel operate under the direction of these partners, delivering assistance and implementing client-oriented projects. Through this structure, Talent LLP has attained equilibrium between a centralised strategy and a decentralised, client-focused operational methodology. The founding partner asserts that this structure embodies a longstanding conviction that professional accountability, ethical standards, and customer confidence are most effectively maintained through direct partner engagement rather than administrative delegation. The firm's hierarchical structure is delineated in Exhibit 1.

### **Expansion: Ahmedabad Branch**

Ahmedabad has emerged as a strategically important location for professional service organisations such as Talent LLP. A growing number of manufacturing units, SMEs, family-owned businesses, and trading firms are settling into the city, and they all need consistent help with things like regulatory compliance, advice services, and statutory audits. Ahmedabad was an obvious choice as the hub for Talent LLP's expansion due to the city's excellent talent pool and rising client demand. The firm's extensive experience in the city, coupled with its stellar reputation for high-quality work and a focus on the needs of its clients, helped it land advisory-oriented contracts of varying complexity and industry.

Existing partners and service teams were put to the test as the Ahmedabad office grew more strategically important to the firm's operations due to the increasing size and complexity of client projects.

In response to this sustained increase in client engagements, Talent LLP initiated plans to expand its Ahmedabad branch. The proposed expansion involved building operational capacity from the ground up through the recruitment of additional Chartered Accountants, article assistants, and administrative staff to manage the growing volume of audit, taxation, and advisory work. In recent years, the Ahmedabad office had experienced a consistent rise in assignments, particularly from mid-sized enterprises and advisory-driven projects, intensifying pressure on partners who were required to balance client delivery with review responsibilities and internal coordination.

Beyond physical and human resource expansion, the firm also considered establishing an outsourcing centre within Ahmedabad to support international client accounts. While this initiative offered potential economic and efficiency advantages, it introduced new concerns for the founding partner related to quality assurance, partner workload, and the sustainability of the firm's rigorous work culture. Managing offshore assignments would require additional layers of supervision and governance, raising questions about whether the existing partner-led model could effectively absorb these responsibilities without compromising professional standards.

From a strategic standpoint, the expansion positioned Ahmedabad as a central operational hub within Talent LLP's network, enabling the firm to service both domestic and international clients from a unified location. Simultaneously, the Ahmedabad office was expected to evolve into a centre for professional development, supported by structured training programs for new recruits and advanced capability-building initiatives for qualified Chartered Accountants. This emphasis on talent development reflected the firm's recognition that service quality in a knowledge-intensive environment depends not only on structural growth but also on sustained investment in human capital (a summary of Talent LLP's internal strengths and external challenges is presented in Exhibit 2).

However, the implications of this growth became increasingly visible during a recent partner review meeting. Discussions highlighted delayed filings, overlapping client responsibilities, and extended working hours across service teams. Although there was broad agreement on the need to expand capacity, partners expressed differing views on whether introducing professional managers or redistributing decision-making authority would dilute the firm's long-standing ethos. For the founding partner, the meeting marked a critical moment, reinforcing the realization that postponing growth-related decisions was no longer a viable option.

### **The Tipping Point: A Firm at a Crossroads**

In the months following the expansion discussions, the pressures created by Talent LLP's growing scale became increasingly difficult to ignore. A routine partner review meeting, initially convened to assess operational performance, gradually evolved into a broader reflection on the firm's working realities. Partners raised concerns regarding delayed regulatory filings, overlapping client responsibilities, and prolonged working hours that had become common across service teams. What had once been manageable during earlier phases of growth now appeared to be testing the limits of the firm's existing structure.

Several partners agreed that the expectations of their clients had greatly increased, particularly with regard to advisory-oriented assignments that demanded a more in-depth involvement and turnaround times that were significantly shorter. Senior professionals who were concurrently responsible for client delivery, review processes, and internal coordination were subjected to prolonged strain as a result of the cumulative effect of rising workloads. This was the case even if the firm's reputation continued to attract challenging engagements. Concerns about long-term sustainability and morale were raised as a result of the fact that junior teams had to work longer hours due to the rising complexity of their tasks and the intensity of the deadlines, they were under.

In spite of the fact that there is widespread consensus regarding the necessity of increasing capacity, the meeting revealed several different points of view regarding the management of this increase. In an effort to alleviate the load on operations and enhance responsiveness, a number of partners argued for the implementation of professional managers or the redistribution of decision-making authority. Concerns were voiced by others over the possibility that the firm's long-standing culture of partner accountability, discipline, and direct client interaction could be undermined by the implementation of such reforms. The conversation revealed a more profound conflict between the maintenance of long-standing professional principles and the modification of organisational methods in order to accommodate for ever-changing requirements.

One of the original partners experienced a defining moment as a result of the meeting. Despite the fact that Talent LLP has successfully weathered multiple stages of expansion over the course of several decades, the concerns that were identified warned that modest improvements might no longer be acceptable. At that very moment, the organisation was at a pivotal crossroads, where decisions regarding governance, leadership responsibilities, and capacity management would determine the path that it would take along the road that lay before of it. Changes that were either premature or poorly aligned posed a threat to the fundamental ideas upon which the firm had been built. If these decisions were delayed, there was a risk that operational strain would grow even more severe.

## **Future Considerations**

As Talent LLP moves into its next phase of growth, the founding partner has to make a number of linked strategic and organisational decisions that will have a big impact on the long-term direction of the company. While growth can help the company provide more services and have a stronger position in the market, it also brings up important issues about how to lead, how to run the business, and how to keep the professional culture of the company alive in a knowledge-based setting.

- **Leadership and the power to make decisions:** As Talent LLP grows into new areas and service lines, it becomes unclear whether a leadership style with a lot of central control can continue to work. Traditionally, centralised decision-making has guaranteed quality control. However, as the business grows, it may become less responsive as decentralization might become mandatory. While giving power to regional leaders or top partners could make operations more flexible, it could also make decision-making and service delivery standards less consistent. So, a big task for leaders is to find the right balance between control and freedom.
- **Scalability of Partner Roles:** The traditional partner-led approach has worked well for Talent LLP, but this also created pressure because they have to handle more clients as well as more managerial duties. As projects get harder, partners have to balance meeting client needs, reviewing work for quality, teaching, and keeping an eye on paperwork. It makes me wonder if the roles of current partners can be expanded in a way that is sustainable or if new role configurations are needed to keep providing excellent service without affecting the well-being of partners. These could include functional leadership, co-leadership arrangements, or regional specialisation.
- **Governance of Outsourcing Operations:** Additionally, the planned outsourcing centre for international clients adds to the difficulty of managing finances. Overseeing outsourcing closely is necessary to make sure compliance, privacy, and consistent service, even though it may make things more efficient and lower costs. Choosing whether governance should be a dedicated partner, a specialised oversight job, or a professional management layer affects who is responsible and how risks are managed. The company should think about how its governance systems can change without hurting its vision of being led by partners.
- **Technology and Coordination Mechanisms:** As operations spread out, technology is likely to play a bigger role in making it easier to coordinate, keep an eye on things, and talk to clients. Digital platforms might make it easier for people in different places to work together and help with the review and documentation processes. But in a company where professional opinion and personal responsibility are very

important, it's still not clear how much technology can replace direct partner involvement.

- **Client Engagement and Localised Decision-Making:** Upholding a robust client-centric strategy while pursuing geographic expansion is an additional difficulty. Granting regional teams increased decision-making power may enhance responsiveness to local client requirements; but, excessive decentralisation could compromise service consistency and brand image. Talent LLP must evaluate how to maintain individualised client engagement while ensuring uniformity across sites.
- **Preserving Professional Values and Work Culture:** Discipline, ethics, and a work ethic founded on excellent performance have been the foundations around which Talent LLP has built its reputation. It is becoming increasingly difficult to maintain this culture as the regulatory requirements become more intense and the expectations of customers become more rapid. The combination of long working hours and consistent deadline expectations raises a number of concerns, including burnout, employee retention, and the long-term viability of the human workforce. These are all difficulties that are brought up by the combination. In the past few years, striking a balance between the demands of performance and the well-being of employees has arisen as a strategic objective rather than a purely operational problem.
- **Evolution of the Founding Partner's Role:** Finally, as the business grows, the founding partner may need to move on to a more strategic and guiding role. A change like this could help keep leadership steady and build up people's skills, but it also makes people worry about keeping professional standards and culture cohesion. Finding the best way for the company to change without losing its identity is one of the most important decisions Talent LLP has to make. All of these things lead to the main problem of the case: how can Talent LLP grow while keeping the control structures, professional values, and human sustainability that have made it successful for more than 40 years?

In this case, we need to look at how well Talent LLP can combine its strategies for growth with new forms of government and long-term sustainability for people, all while keeping its long history of professionalism. The original partner has to make a big decision. They can either change how Talent LLP is run and how partners are paid so the company can grow, or they can keep the way things are now, with partners at the centre of the business and everyone trusting that model. The founding partner wanted to not only grow Talent LLP quickly, but also find a way to keep professional integrity, customer trust, and the long-term benefits of both partner and employee efforts.

## Discussion Questions

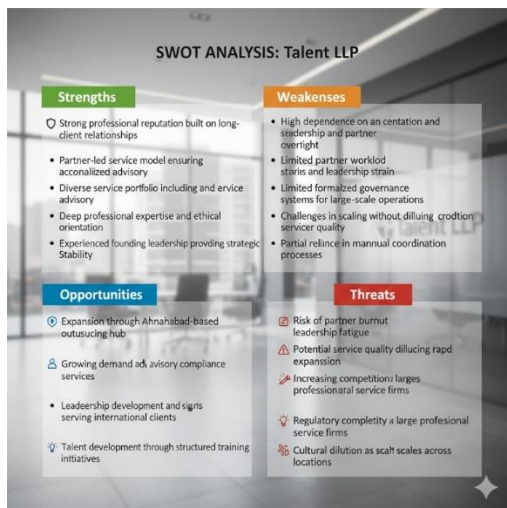
1. How can the founding partner maintain centralised control and the firm's need for decentralisation in order to scale while keeping Talent LLP's professional ideals, disciplined work ethic, and legacy?
2. How long can Talent LLP keep their high-performance, partner-led approach going as client demands, regulatory complexity, and leadership workload rise?
3. What kind of governance should Talent LLP use for its plans to expand and outsource in order to make sure that service quality, transparency, and long-term human sustainability are all maintained?
4. If you were giving advice to the original partner, which governance model should Talent LLP use in the next five years, and why?

## Exhibits

### Exhibit 1: Hierarchical Structure of Talent LLP



### Exhibit 2: SWOT Analysis of Talent LLP



# THE SWEET SUCCESS STORY: HOW JAYANTILAL CHIKKI WALA BECAME A MARKET LEADER

**Dr. JIJU MATHEW JOHN**

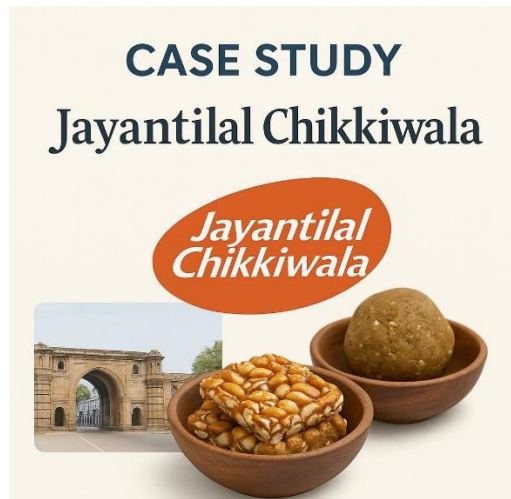
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**Mr. JIGISH GAJJAR**

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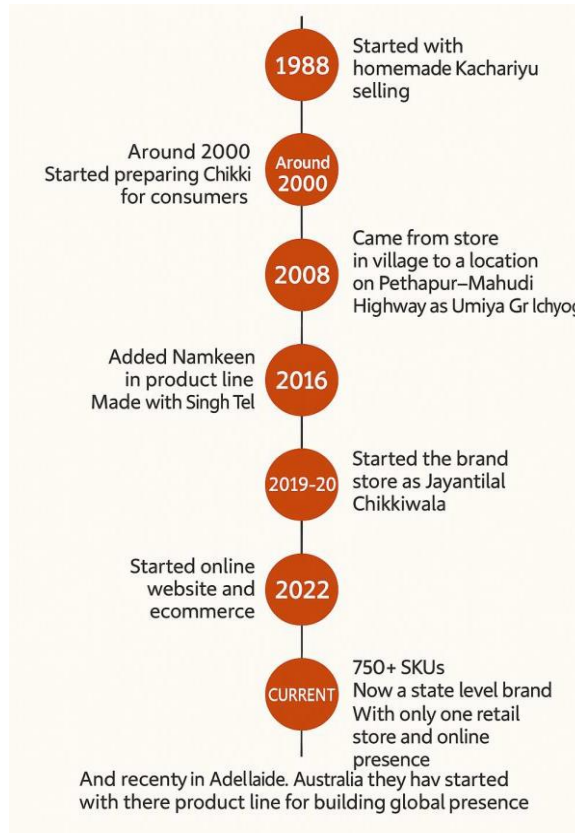


## A Legacy of Taste and Tradition

In India, some of the most iconic brands began as *Gruh Udhog* (home-based businesses), fueled by family recipes, rich traditions, and an unwavering passion for quality. One such inspiring journey is that of Jayantilal Chikkiwala, a brand that started in a humble kitchen in 1988 and has since grown into a household name across Gujarat for its premium chikki (Indian nut brittle) and traditional sweets.

From selling homemade sweets in a small town to expanding into a digital marketplace, Jayantilal Chikkiwala has proven that *innovation, consistency, and customer trust* can turn a small venture into a thriving business.

## From a Small Kitchen to a Big Brand



**Figure 1:** Source: Jayantilal Chikkiwala

Back in 1988, in Pethapur, Gandhinagar, Jayantilal Chikkiwala began as a simple home-based business selling freshly made chikki. The secret? Authentic flavors, pure ingredients, and time-tested techniques. Word spread fast, and soon, the demand for their delicious chikki exceeded expectations. What started as a local favorite soon grew into a brick-and-mortar store, and eventually, a recognized brand with an online presence and a loyal customer base.

As mentioned in the Fig: 1, Jayantilal Chikki in 1988, started with homemade Kachariyu, prepared using Ghani (Kacchi Gani). People would bring their own sesame, and Umiya Gruh Udhyog would prepare the Kachariyu for them. Around 2000 it expanded product line by starting Chikki preparation for direct consumers. In 2008 moved operations from the village to a more accessible location on Pethapur– Mahudi Highway, continuing as Umiya Gruh Udhyog. In 2016 It introduced Namkeen products, made using Singh Tel (groundnut oil), expanding the savory offerings. By 2019–2020 launched their official brand store under the name Jayantilal Chikkiwala. In the year 2022 the brand stepped into digital by launching their official website and entering e commerce. Today at Present same gruh udhyog small

scale brand is now having Over 750+ SKUs in their catalog. Also recognized as a state-level brand. Operating with retail store having daily 1000s of foot falls and also is seen growing its online presence. Jayantilal recently expanded to Adelaide, Australia due to its popularity among Foreign Indians, marking the beginning of their global footprint.

### **A Deliciously Diverse Product Line**

Jayantilal Chikkiwala has stayed ahead by offering a mix of traditional and innovative products to satisfy changing customer preferences.

- Classic Chikki Varieties: Peanut, sesame, black sesame, crushed peanuts, gram, coconut, chokovita, cashew, almond, mixed dry-fruit, rajgira, sunth, white sesame.
- Health-Focused, Sugar-Free Options: Dates coconut laddu, dates peanut chikki, dates sesame chikki, dates dry fruits chikki, dates kachariyu, honey kachariyu, methi kachariyu.
- Winter Superfood – Kachariyu: Plain, sunth ganthoda, less jaggery, desi jaggery, dry-fruit, chocolate, chokovita, saffron, almond, cardamom, coconut, black sesame.
- Healthy Snacking – Khakhara: Methi, masala, plain, jira, math.

By catering to both traditional sweet lovers and health-conscious consumers, Jayantilal Chikkiwala has expanded its customer base significantly.

### **Smart Strategies for a Successful Brand**

#### **1. Product Innovation & Diversification**

Jayantilal Chikkiwala never stopped at just chikki. Recognizing the market's evolving needs, they introduced sugar-free sweets, laddus, and khakhara, tapping into the demand for healthy alternatives while preserving traditional flavors. They make ranges of products under their banner, like Classic Chikki Varieties,

Healthy varieties like Dates Coconut Laddu, Dates Peanut Chikki, Dates Sesame Chikki, Dates Dry-Fruit Chikki, Dates Kachariyu, Methi Kachariyu. Huge range of Winter Wellness – Kachariyu Varieties. They also are now in to healthy snacking- khakhara varieties.

#### **2. Commitment to Quality & Heritage**

The brand's philosophy, "We Believe in Serving Best Quality Food with Our Tradition," is more than just a tagline – it's a heartfelt promise rooted in authenticity and care. Each product is crafted with pure jaggery, premium-quality nuts, and time-honored preparation techniques that reflect generations of culinary wisdom. What truly sets the brand apart, though, is the trust and love it has earned from its customers – with word-of-mouth recommendations becoming the driving force behind its steady and organic growth.

### **3. Digital-First Approach**

Jayntilal Chikkiwala is a shining example of how a traditional brand can thrive in the digital age without losing its essence. Embracing the power of digital marketing, the brand launched its official website and online store, making it easier than ever for customers across geographies to order their favorite treats with just a few clicks. On social media, their vibrant presence on Instagram and Facebook keeps fans engaged through mouth-watering product highlights, heartwarming customer stories, and festive promotions that tap into the joy of celebrations. From Makar Sankranti to Diwali and Uttarayan, every season is an opportunity to connect, delight, and grow.

But the magic doesn't stop there. Jayantilal Chikkiwala understands that presentation is everything – especially in a culture that loves to share. Their festive, traditional-themed packaging is not just visually striking but also designed with gifting in mind. Whether it's Diwali, Rakhi, or a wedding celebration, each pack feels special and ready to gift, making them a favorite choice for bulk orders and corporate gifting. It's not just about selling snacks – it's about delivering joy, wrapped in tradition and sprinkled with innovation.

### **4. Building a Loyal Customer Base**

The brand holds tight affirmation of revisits of one's visited customer, the customer who ones bought it product will definitely buy products in bulk and pre-stock it in their households. The brand has a huge trading area, as customers visit from farther kilometers to buy their favorite chikkis and snack items.

To mark their journey and deepen their bond with customers, Jayantilal Chikkiwala launched the "Celebrating 34 Years of Success" campaign – a heartfelt milestone celebration that honored tradition, consistency, and the unwavering love of their patrons. Beyond celebrations, the brand kept its audience engaged with interactive content like fun polls, traditional recipes, and health tips that added value beyond just products. Their thoughtful approach extended to personalized offers and beautifully curated festive gift packs, which quickly became favorites among corporate clients and families alike – blending the warmth of tradition with the joy of giving.

### **Affordable Yet Premium: The Pricing Strategy**

Despite using high-quality ingredients, Jayantilal Chikkiwala maintains competitive pricing to ensure affordability:

- Peanut Chikki: ₹120.00
- Dates Coconut Laddu (Sugar-Free): ₹500.00
- Dry-Fruit Kachariyu: ₹200.00

By balancing quality with affordability, they have built a wide and loyal customer base.

### Future Expansion: Taking Chikki Global?

Currently, Jayantilal Chikkiwala serves customers across India, but there is huge potential for global expansion.

With increasing demand for traditional Indian snacks in the Middle East, North America, and Europe, the brand could explore exports and international partnerships to bring their authentic sweets to a worldwide audience.

### How Digital Ads & Content Fuel Growth



Figure 2: Summary of digital presence

### Conclusion

#### From a Home Business to an Inspiring Brand

The rise of Jayantilal Chikkiwala from a small Gruh Udhog to a renowned brand proves that with the right mix of tradition, innovation, and digital marketing, success is inevitable.

Their journey is a testament to the fact that a simple home business, when fueled by passion and strategy, can transform into a widely recognized brand.

With a strong foundation, a loyal customer base, and a vision for expansion, Jayantilal Chikkiwala is well on its way to becoming a global ambassador of authentic Indian sweets!

### Questions

1. Jayantilal Chikkiwala has grown organically from a Gruh Udhog to a global expo brand. What growth strategy (Ansoff Matrix) best explains this journey so far, and which strategy should it prioritize next for sustainable growth
2. Should Jayantilal Chikkiwala focus more on its own D2C website or third-party marketplaces? What are the trade-offs in terms of margins, control, and brand experience?

3. The brand relies heavily on word-of-mouth and cultural festivals. In a digital-first 2026 market, how can Jayantilal Chikkiwala convert offline loyalty into long-term digital brand equity?
4. If multinational FMCG brands enter the traditional snack category with aggressive pricing and marketing, how should Jayantilal Chikkiwala defend its market position?

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# TO STUDY THE IMPACT OF THE ACQUISITION OF BLINKIT ON ZOMATO- A FINANCIAL PERSPECTIVE

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## **Abstract**

*The present study examines the financial impact of Zomato Limited's acquisition of Blinkit by analysing key financial indicators before and after the merger. Mergers and acquisitions are widely recognised as strategic mechanisms for corporate growth, operational efficiency, and competitive advantage. In this context, the study evaluates whether the acquisition resulted in measurable financial value creation through a comparative financial analysis. The primary objective of the research is to assess Zomato's financial performance in the pre- and post-acquisition period, with particular emphasis on revenue growth, profitability, liquidity, and overall financial stability following the acquisition of Blinkit in 2022. The analysis is based on secondary financial data covering the period from 2020 to 2024. To test the significance of changes in financial performance, key financial metrics were examined and a paired t-test was employed. The findings indicate a sustained increase in Zomato's revenue during the study period, with a notable acceleration after 2022. However, despite this growth, profitability remained under pressure due to elevated operating expenses and continued investments associated with Blinkit's integration. Prior to the acquisition, Blinkit faced liquidity constraints and operational challenges; nevertheless, its incorporation into Zomato's platform and infrastructure contributed to improved operational stability. Overall, the results suggest that while the acquisition strengthened Zomato's revenue base and operational synergies, the financial benefits in terms of profitability were not immediately realised.*

## **About Zomato**

Zomato Launched in 2010, Our technology platform connects customers, restaurant partners and delivery partners, serving their multiple needs. Customers use our platform to search and discover restaurants, read and write customer generated reviews and view and upload photos, order food delivery, book a table and make payments while dining-out at restaurants. On the other hand, we provide restaurant partners with industry-specific marketing tools which enable them to engage and acquire customers to grow their business while also providing a reliable and efficient last mile delivery service. We also operate a one-stop procurement solution, Hyperpure, which supplies high quality ingredients and kitchen products to restaurant partners. We also provide our delivery partners with transparent and flexible earning opportunities.

## **Acquisition Purpose**

- Zomato's primary motivation was to expand its presence beyond food delivery and enter the rapidly growing quick-commerce sector.

- The company aimed to leverage the synergies between food delivery and instant grocery delivery, creating a more comprehensive service for its customers.

### **Target Company**

Blinkit, formerly known as Grofers, is a quick-commerce company that delivers groceries and other essential items in minutes.

### **Deal Value**

- The acquisition was valued at approximately ₹4,447 crore (roughly \$568 million).
- The deal was structured as an all-stock transaction, with Zomato issuing new shares to Blinkit's shareholders.

### **Timeline**

- In 2021, Zomato acquired a smaller stake in Grofers.
- In June 2022, Zomato announced the official acquisition of Blinkit.
- The transaction was completed towards the end of August 2022.

### **Strategic Rationale**

- Zomato sought to capitalize on the increasing demand for instant delivery services.
- The acquisition allowed Zomato to compete with other players in the quickcommerce space, such as Swiggy's Instamart.
- Zomato wanted to create a "one stop shop" for its customers, providing both food and grocery delivery.

### **Impact**

- The acquisition significantly expanded Zomato's service offerings and market reach.
  - It has had a large effect on the competitive landscape of online delivery services within India.
- This acquisition reflects the growing trend of consolidation within the Indian digital economy, as companies seek to expand their service offerings and capture a larger share of the market.

Focused on profitability, cost-cutting, and expanding revenue streams through Zomato Pro Plus, Hyperpure (B2B supplies), and cloud kitchens.

### **Business Model of Zomato**

Zomato operates on a multi-revenue business model that includes:

- a. Food Delivery (Core Business) Zomato connects customers with restaurants and delivers food via its fleet of gig workers. Earns revenue through delivery fees, restaurant commissions (15–30%), and surge pricing.

- b. Zomato Blinkit (Quick Commerce) Acquired Blinkit in 2022 to enter instant grocery delivery (10–30 minutes). Competes with Zepto, Swiggy Instamart, and BigBasket BB Now in the Quick Commerce space.
- c. Hyperpure (B2B Supplies for Restaurants) Supplies fresh ingredients, packaged food, and kitchen essentials to restaurants. Helps restaurants maintain quality standards and optimize their supply chain.
- d. Zomato Dining (Restaurant Discovery & Table Booking) Users can find restaurants, read reviews, and book tables through the Zomato app. Monetized through advertisements and Zomato Pro subscriptions.
- e. Zomato Pro (Membership Program) Subscription-based model offering discounts on dining and food delivery. Provides cashback, free delivery benefits, and priority service to members.
- f. Zomato Cloud Kitchens (Infrastructure for Restaurants) Provides kitchen spaces to restaurants that operate solely on delivery orders. Helps reduce operational costs and improve scalability for small restaurants.

## **Literature Review**

1. “A Comparative study of financial Ratios between Abbott Ltd India and Pfizer” By, Harshita Pattnayak

The research examines the financial performance of Abbott India Ltd and Pfizer over the period from 2018-19 to 2020-21, with a focus on COVID -19 implications. Financial statements (balance sheet, income statement, and cash flow statement) provide investors, creditors, and suppliers critical information about the liquidity, solvency, and profitability of a company’s operations. Measures of ratio analysis are introduced to evaluate the financial strength of Abbott India Ltd and Pfizer against their peers in the industry. The impact of the pandemic in either a positive or negative way on the companies’ operations will be identified along with any time-lag effects on financial performance.

2. Mergers and Acquisitions in the Pharmaceutical and Biotech industries

By, Patricia M. Danzon, Andrew Epstein, Sean Nicholson This paper explores mergers and acquisitions in the pharmaceutical-biotech sector, identifying motivations for mergers and the effects of mergers on enterprise value, sales, and R&D growth. We find that large firms enter mergers to solve excess capacity as patents expire, while small firms enter mergers often as an exit strategy due to distress. When accounting for a firm's propensity to merge, we find no improvements in enterprise value, sales, or R&D growth post-merger. We find that post-merger, large firms are growing profits more slowly while small firms are

growing R&D at a slower rate, suggesting that mergers may be a response to financial distress, but are not consistently a successful strategy.

### **Research Methodology**

**Problem Statement:** The acquisition of Blinkit by Zomato represents a strategic move into quick-commerce, yet the specific financial impacts on Zomato's revenue, profitability, and shareholder value, as well as the achievement of intended strategic objectives and overall business performance, remain unclear. So, an attempt has been made to analyse the financial impact of the acquisition of Blinkit on Zomato's Financial Performance.

**Rationale of study:** The Zomato-Blinkit acquisition is a major event in India's quick-commerce sector, but its financial and strategic impacts remain unclear. This research addresses the knowledge gap by analyzing the merger's effect on Zomato's performance, providing crucial insights for investors, managers, industry analysts and Students Academics in the rapidly evolving Indian digital market.

### **Objective: Analyse the acquisition's impact on Zomato's Financials**

**Research Design:** Type: Case study based. This study follows a descriptive and analytical research design based on secondary data to evaluate the financial and strategic impact of the Zomato-Blinkit acquisition.

### **Data Collection Method: The research relies on secondary data sources, including:**

Financial Reports: Zomato's annual reports, investor presentations, and earnings calls.

Stock Market Data: Share price movements and market reactions post-merger.

Industry Reports: Market research studies on quick commerce.

News Articles & Press Releases: Coverage from business media.

Research Papers & Case Studies: Previous studies on mergers.

Financial Ratios of 2021, 2022, 2023, 2024 have been collected for Analysis

Analysis tools & Methods: Bar Graph, Line Chart Analysis, Students t-test.

**Hypotheses Formulation:** To test the significance of Merger and Acquisition on Company Financials Ratios, the following hypotheses were formulated:

**Null Hypothesis (H<sub>0</sub>):** Merger and Acquisition have no significant impact on Company Financials Ratios.

**Alternative Hypothesis (H<sub>1</sub>):** Merger and Acquisition have a significant impact on Company Financials Ratios.

**Statistical Tests:** A t-test was conducted to determine the statistical significance of abnormal returns before and after the dividend announcement. The p-value was compared against a significance level of 0.05 to decide whether to reject the null hypothesis.

## Scope and Limitations

Scope: This study focuses on Zomato's post-M&A financial performance.

### Limitations

Reliance on publicly available secondary data, which may not reveal internal business strategies. The quick-commerce sector is dynamic, and findings may evolve over time.

### Data Analysis

To analyze the financial impact of Blinkit's acquisition on Zomato, key financial ratios were examined for the years 2021 to 2024. The liquidity ratios, namely the Current Ratio and Quick Ratio, showed a significant decline post-merger. While the Current Ratio was 11.06 and Quick Ratio was 11.06 in FY 2022 (pre-merger), they fell to 2.62 and 2.58 respectively by FY 2024 (post-merger), indicating a reduction in short-term liquidity, likely due to increased liabilities or lower liquid assets after the acquisition. On the profitability front, Zomato displayed strong improvement. The Net Profit Margin, which was -51.69% in FY 2021 and -29.16% in FY 2022, improved to -13.71% in FY 2023 and turned positive at 2.89% in FY 2024. Similarly, Return on Assets (ROA) and Return on Equity (ROE) also improved steadily, moving from -10.12% and -11.42% in FY 2021 to positive values of 1.5% and 1.71% respectively in FY 2024, indicating enhanced efficiency in asset and equity utilization post-merger. Solvency ratios also reflected improvement; although the Debt Ratio remained relatively stable around 0.1, the Interest Coverage Ratio, which was highly negative at -205.44 in FY 2022, turned positive at 12.35 in FY 2024, showing that the company became capable of covering its interest expenses. In terms of valuation, the Price-to-Earnings (P/E) ratio, which was negative pre-merger, surged to 454 in FY 2024, indicating renewed investor confidence and strong earnings. The Price-to-Book (P/B) ratio also rebounded from 2.19 in FY 2023 to 7.75 in FY 2024. Overall, despite a decline in liquidity, Zomato showed notable improvements in profitability, solvency, and valuation post-acquisition, suggesting that the merger with Blinkit had a positive financial impact and positioned the company for long-term growth, though careful liquidity management remains essential.

### Findings

Liquidity Ratios (Current & Quick Ratios) decreased significantly post-merger, indicating reduced short-term financial flexibility. Current Ratio dropped from 11.06 (FY22) to 2.62 (FY24). Quick Ratio dropped from 11.06 (FY22) to 2.58 (FY24).

### Profitability Improved Steadily After The Acquisition

Net Profit Margin improved from -51.69% (FY21) to +2.89% (FY24). Return on Assets (ROA) turned positive at 1.5% in FY24. Return on Equity (ROE) improved to 1.71% in FY24. T-test confirmed statistical significance in Net Profit Margin improvement ( $p < 0.05$ ).

### **Solvency Strengthened Post-Merger**

Interest Coverage Ratio improved from -205.44 (FY22) to +12.35 (FY24), showing ability to cover debt obligations. Debt Ratio remained stable (~0.1), indicating controlled leverage.

### **Valuation Ratios Surged**

P/E Ratio turned positive and increased to 454 in FY24, reflecting investor confidence. P/B Ratio also rose to 7.75 in FY24, suggesting strong market valuation.

### **Objectives**

#### **Analyse the acquisition's impact on Zomato's Financials.**

The research aimed to assess the financial impact of Zomato's acquisition of Blinkit using a t-test on various financial metrics. Based on the interpretations of the tests conducted, the following findings align with my research objective:

#### **Interest Coverage Ratio**

Pre-merger: -123.605

Post-merger: 0.745

Key Observation: Significant improvement in the Interest Coverage Ratio post-acquisition, shifting from a highly negative value to a marginally positive one. This suggests that Zomato's ability to cover interest expenses has improved, possibly due to revenue growth or better cost management post-acquisition. However, the t-test shows no statistically significant difference, implying that while the ratio improved, the effect of the merger on this metric isn't conclusive.

#### **Asset Turnover Ratio**

Pre-merger: 9.935

Post-merger: 0.45 Key

Observation: A steep decline in the asset turnover ratio post-merger, indicating that Zomato's efficiency in generating revenue from its assets dropped significantly. This could be due to the integration of Blinkit's assets, which initially may not have contributed proportionally to revenue. The t-test result is not statistically significant, meaning this decrease might be due to other external factors rather than the acquisition itself.

#### **Price-to-Earnings (P/E) Ratio**

Pre-merger: -87.735

Post-merger: 204.975

Despite the significant numerical change, the t-test shows no statistically significant impact, implying that other factors may have contributed to the change rather than the acquisition alone.

### **Price-to-Book (P/B) Ratio**

Pre-merger: 5.045

Post-merger: 4.97

### **Key Observation**

Minimal change in P/B ratio post-acquisition. This suggests that the market value relative to the company's book value remained stable, indicating that investors did not significantly reassess the company's fundamental value post-merger. The t-test confirms no statistically significant difference in P/B, reinforcing the conclusion that the acquisition did not drastically alter the company's valuation.

### **Overall**

#### **Positive Impacts**

- The acquisition appears to have improved Zomato's interest coverage ratio, making it better positioned to meet financial obligations.
- The P/E ratio increased significantly, suggesting stronger market confidence and profitability expectations post-acquisition.

#### **Negative/Neutral Impacts**

- The asset turnover ratio declined sharply, showing that Zomato's efficiency in using assets to generate revenue decreased after acquiring Blinkit.
- P/B ratio remained largely unchanged, indicating that the acquisition did not have a significant impact on the company's intrinsic valuation.

### **Statistical Findings**

While there were numerical changes, the t-test results indicate that none of these changes were statistically significant. This means that while the merger influenced some financial metrics, the impact is not strong enough to confirm a direct causal relationship between the acquisition and financial improvements or deteriorations.

### **Final Research Outcome**

The financial analysis suggests that Zomato's acquisition of Blinkit had a mixed impact—some improvements in financial health (interest coverage and P/E), some declines (asset turnover), and some stability (P/B). However, based on statistical significance, it cannot be definitively concluded that the acquisition alone was responsible for these changes.

## **Conclusion**

### **Asset Turnover Ratio – Operational Efficiency Analysis**

The analysis revealed that there is no statistically significant improvement in Zomato's Asset Turnover Ratio post-acquisition. This indicates that Blinkit's assets have not yet contributed significantly to revenue generation. The lack of noticeable efficiency gains suggests that the integration process has not yet resulted in an optimized asset utilization strategy.

**Key Insight:** The acquisition has yet to translate into a more efficient revenue generation model, indicating the need for better logistics integration and cost management.

### **Price-to-Earnings (P/E) Ratio**

**Market Sentiment & Valuation** The high variance in the P/E Ratio post-acquisition suggests market uncertainty regarding Zomato's future profitability. While acquisitions typically lead to increased growth prospects, they also bring risks related to execution, profitability, and cost synergies.

**Key Insight:** Investors remain cautious about the long-term impact of Blinkit's acquisition, highlighting the importance of clear profitability strategies, cost control, and revenue synergies to enhance market confidence.

### **Price-to-Book (P/B) Ratio**

**Financial Health & Book Value** The results showed a minimal change in Zomato's book value, suggesting that the acquisition has not yet unlocked significant financial synergies. This may be due to high acquisition costs, integration expenses, and ongoing investments in Blinkit's operations.

**Key Insight:** For the acquisition to contribute positively to Zomato's financial health, Blinkit's business model must be optimized to generate higher margins, improved unit economics, and enhanced cost synergies.

## **Overall Financial Impact of the Acquisition**

The findings indicate that while the acquisition of Blinkit aligns with Zomato's long-term strategic goals of diversifying its revenue streams and entering the quick commerce market, the financial impact remains inconclusive in the short term. The lack of improvement in asset turnover suggests that Blinkit's integration into Zomato's operations is still in progress.

- The market remains skeptical about Zomato's ability to generate strong earnings from Blinkit, as reflected in the volatile P/E ratio.
- The stable P/B ratio suggests that the company has not yet realized tangible financial benefits from the acquisition.

- Thus, while the acquisition presents growth potential, its financial success will depend on Zomato's ability to optimize operational efficiency, reduce costs, and improve Blinkit's profitability. Acquiring Blinkit was a strategic move to enter the fast-growing quick commerce industry. However, the financial analysis suggests that Zomato is still in the early stages of realizing the full potential of this acquisition.

For the acquisition to be deemed financially successful, Zomato must:

1. Improve operational efficiency by integrating Blinkit's supply chain with its existing delivery network.
2. Enhance revenue synergies by leveraging Blinkit's customer base within the Zomato ecosystem.
3. Optimize cost structures to improve unit economics and achieve profitability.
4. Strengthen investor confidence by demonstrating measurable financial benefits in future earnings reports.

The acquisition of Blinkit had a positive financial impact on Zomato, particularly in profitability and investor perception. However, liquidity weakened post-merger and needs careful monitoring. The merger enabled operational efficiency and revenue growth, but full synergy benefits are yet to be realized. For long-term success, Zomato must now: Optimize Blinkit's cost structure, strengthen liquidity, Sustain profitability through better financial control and execution. Overall, the merger was strategically beneficial, but continued effort is required to maintain and improve financial health.

### **Suggestions**

Based on the financial analysis and t-test results, here are research-backed suggestions to optimize the impact of Blinkit's acquisition on Zomato's financials. These are derived from financial literature, case studies on mergers & acquisitions (M&A), and industry best practices.

#### **Optimize Working Capital Management Suggestion**

- Implement a Just-in-Time (JIT) inventory system for Blinkit to reduce holding costs and improve cash flow.
- Use predictive analytics for demand forecasting to optimize inventory levels.
- Negotiate better payment terms with suppliers to align cash outflows with revenue inflows.

#### **Leverage Economies of Scale to Improve Asset Turnover Suggestion:**

- Merge Blinkit's logistics with Zomato's delivery network to optimize fleet utilization and reduce redundant assets.

- Adopt hub-and-spoke distribution models for Blinkit warehouses to reduce lastmile delivery costs.
- Conduct a post-merger operational audit to identify areas for process automation and digitalization.

**Improve Profitability by Enhancing Unit Economics Suggestion:**

- Introduce subscription models or memberships (similar to Zomato Gold) for Blinkit to ensure repeat business.
- Expand high-margin product categories, such as private-label groceries, to improve profit margins.
- Utilize AI-based dynamic pricing to optimize product pricing based on demand patterns.

**Enhance Investor Confidence Through Transparent Financial Reporting Suggestion:**

- Provide quarterly earnings reports that explicitly separate Blinkit's performance from Zomato's core business.
- Conduct investor webinars and roadshows to communicate the strategic benefits of the acquisition.
- Improve corporate governance by publishing detailed synergy realization reports in annual filings.

**Strengthen Interest Coverage Through Debt Refinancing Strategies Suggestion:**

- Explore low-interest refinancing options for Blinkit's existing debt.
- Divest non-core assets within Blinkit to free up capital and reduce debt obligations.
- Use lease financing for warehouse expansion instead of taking additional loans.

**Discussion Questions**

1. How has the acquisition of Blinkit impacted Zomato's revenue growth, profitability, liquidity, and overall financial stability during the pre- and post-acquisition period (2020–2024)?
2. To what extent has the acquisition of Blinkit contributed to measurable financial value creation for Zomato from a financial perspective?
3. What factors explain the continued pressure on profitability despite the significant increase in revenue following the acquisition of Blinkit?
4. Can the acquisition of Blinkit be considered a financially sound strategic decision for Zomato in the long term, based on the comparative financial analysis and statistical findings?

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# **WOMEN ENTREPRENEURSHIP IN RURAL INDIA: AN INDIAN KNOWLEDGE SYSTEMS AND NATIONAL EDUCATION POLICY PERSPECTIVE**

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## **Abstract**

*The entrepreneurship of women in the countryside of India is not only an economic process but a socio-cultural process rooted in the knowledge systems used in the Indian countryside, communal institutions, and ethical economic values. Though rural women have been traditionally portrayed as late entrants into the entrepreneurship sector in mainstream development discourse, Indian Knowledge Systems (IKS) indicate that women have traditionally worked as producers, traders, resource managers, and innovators across agrarian, artisanal and household economies. In this chapter, the author examines rural women entrepreneurship in two perspectives: IKS and the National Education Policy (NEP) 2020 and argues that policy frameworks in the present day are enriched and more sustainable when they are in line with civilizational knowledge traditions. The chapter deconstructs the mainstream Western patterns of entrepreneurship by positioning the economic agency of women in past production patterns like guild production, cooperative labour, ecological management of the environment, and informal systems of credit. It also examines how the focus on experiential learning, vocational integration, local knowledge, and women empowerment in NEP 2020 appeal to the indigenous entrepreneurial traditions to a large extent. Based on the interdisciplinary literature in economics, sociology, history, gender studies, and education, the chapter illustrates that rural women entrepreneurship in India may be viewed not as rupture but continuity and requires policy, pedagogy, and institutional support that acknowledges cultural context, ethical values, and innovation with an emphasis on community.*

Entrepreneurship has become the focal point in development policies of today, commonly in the form of a tool of reducing poverty, creating jobs, and promoting inclusive growth. Policymakers, scholars and development agencies have begun to pay more attention to the issue of rural women entrepreneurship in the Indian context with respect to self-help groups, microfinance, agribusiness, and cottage industries. But, a large part of the existing discourse addresses women entrepreneurship as a new intervention-based process as up as post-liberalization reforms or global development policies. This strategy has the danger of dismissing the historical roots of economic agency of women that lie within the systems of Indian Knowledge (IKS), which involves traditional activities, social practice, morality and locality of production and exchange (Dharampal, 2000; Sen, 2005). Indian civilization has traditionally been symbolized with decentralized economies, village-based self-sufficiency and family and community-based knowledge transmission instead of basing on institutions

alone. In this context, women were not passive economic dependents but they were active in agriculture, animal rearing, textile production, food processing, forest-based livelihood, and local trade networks (Agarwal, 1994; Shiva, 2016). The invisibility of women in the histories of colonial and postcolonial economies has helped to create a distorted perception of entrepreneurship, where formal, market-oriented, and male-dominated forms take precedence within the community-based and informal ones (Boserup, 1970; Kabeer, 2012).

The National Education Policy (NEP) 2020 is a radical change in the philosophical approach to education in India since it explicitly recognizes the value of local knowledge, professional skills, moral values, and female involvement in the economic life. Its focus on experiential learning experience, multidisciplinary training and community involvement is a special chance to re-establish the contemporary entrepreneurship education with the indigenous traditions. The present chapter aims to address the issue of rural women entrepreneurship that needs to be redesigned using the IKS and NEP 2020 as two combined prisms with the aim of providing a culturally-driven and sustainable framework of empowerment.

Most mainstream theories of entrepreneurship, which are greatly based on Western economic thinking, focus on individualism, risk-taking, profit maximisation, and market competition (Schumpeter, 1934; Drucker, 1985). Although these models have analytical value, they are often applied blindly to rural India, and often do not succeed in capturing the social embeddedness of women economic activities. Indigenous Knowledge Systems (IKS), on the contrary, prioritize the benefit of the household, community sustainability, and ecological equilibrium by their entrepreneurship, which is not individualistic (Alvares, 2010). In the case of rural women, entrepreneurial activities were traditionally related to survival mechanism, culture, and the collective need. Preservation of seeds, dairy husbandry, weaving, pottery and medicine preparation were not considered as an enterprise in the modern context, but they entailed innovation, expertise specialization, economies of resource and value generation (Sillitoe, 1998). According to feminist economists, the fact that such activities are not a part of the formal economic measures is not an expression of the lack of economic value of the given activity but rather an expression of patriarchal prejudices (Folbre, 2001; Sen, 1999). IKS provides a different epistemology in which knowledge is situational, practice-oriented, and morally enlightened. The entrepreneurship of women under this system can not be limited to income generating and thus the issues of social capital formation, intergenerational knowledge transfer and cultural continuity are captured. It is imperative to understand this wider conceptualization to create policies and educational structures that will actually empower rural women instead of setting externally imposed success indicators.

Historical and ethnographic data show that since time immemorial, women have had an economic role to play in the Indian rural life. There are written materials, archaeological evidence, and colonial literature that show the role of women in spinning, weaving, food preparation, oil exploration, and the trade of goods at the local market (Ray, 2004; Omvedt, 2008). The household was an effective production unit, and women labour was a direct contribution to surplus production and economic security. The guild systems like the shrenis traditionally included women directly or indirectly via family based units of production especially in textile and the art artisan (Thapar, 2002). In agrarian economies, women were fundamentally important to seed selection, crop diversity and post-harvest processing processes that demanded special expertise and economic experimentation (Shiva, 1993). Such traditions are quite consistent with the current concept of innovation and sustainability, and, therefore, in-store the idea that is so prevalent today, that entrepreneurship is a contemporary and urban phenomenon. The indigenous systems were upset by colonial interventions which emphasized cash crops, centralized industries and male dominated wage labour and gave way to marginalization of traditional businesses that women undertook (Bhaduri, 1973). Although it focused on poverty and industrialisation, post-independence development planning kept on underestimating informal and home-based production. This historical direction is critical to understanding how contemporary initiatives aimed at rural women entrepreneurship can be put in context, as well as how the practice of indigenous knowledge can be preserved despite the impact of systems.

The Indian Knowledge Systems are a very wide range of localised knowledge in terms of agriculture, health, ecology, crafts and social organisation. The main idea of the IKS is harmony in relation to the human activity and nature, and this principle has influenced the roles of women entrepreneurs in the rural setting. The enterprises of women are traditionally based on renewable resources, minimisation of wastes, and cyclic production processes which are implicitly oriented on sustainability ethic (Gadgil & Guha, 1995). The transmission of knowledge in IKS is mainly done by apprenticeship, observation, and participation as opposed to instruction. Mothers, grandmothers and peer groups are depictable surroundings through which women not only learn entrepreneurial capabilities but also provide continuity and flexibility across the generations (Sillitoe and Marzano, 2009). This learning style is close to the 2020 National Education Policy which advocates experiential and skill-based learning, and there is an implication that policy goals and indigenous practices will go hand in hand. In addition, IKS acknowledges the ethical aspect of economic activity. Dharma and lokasangraha are some of the concepts that make one responsible to the society and the environment, which provide an ethical framework of entrepreneurship as opposed to purely profit-driven frameworks (Radhakrishnan, 1951). In the case of rural

women, entrepreneurship has always been entrenched in such ethical considerations, which strengthens the social unity and helping community.

The National Education Policy 2020 is a paradigm change in the attitude of Indians towards education as it is based on holistic development, inclusiveness, and responsiveness to local circumstances (Government of India, 2020). The emphasis on vocational education at an early age, the inclusion of local knowledge in the school curriculum and encouraging women to participate are all pretty close to the ideals of IKS. NEP 2020 proposes the idea of multidisciplinary education and elimination of strict demarcations between academic and vocational tracks. This is especially important to the rural females whose entrepreneurial abilities are usually formed outside of the academic environment. The policy opens possibilities to legitimise and upscale indigenous businesses by acknowledging previous knowledge and community-based knowledge (Tilak, 2021). In addition, NEP focus on adult education, lifelong learning, as well as digital literacy can improve market access, information, and financial services of rural women. These programs will be able to enhance women entrepreneurial potential when applied with consideration of cultural and linguistic diversity without disrupting the traditional body of knowledge. The policy therefore offers an avenue through which the modern tools can be absorbed in the indigenous practices, and therefore promote innovation that is indigenous and viable in terms of economic value.

The entrepreneurial role of women can be seen today in the rural India in a continuum of organisational structures, such as self-help groups (SHGs), cooperatives, micro-enterprises, and social enterprises. Often supported by state and non-governmental interventions, these structures are, however, dependent on the already existing social networks and cultural norms based on the Indigenous Knowledge Systems (IKS) (Swain and Wallentin, 2009). As an example, SHGs use their centuries-old collective savings and mutual aid tradition, which allows women to accumulate funds and divide the risk, as well as gain access to credit. The results of empirical research indicate that not only the income is increased, but decision-making power and social mobility are as well (Kabeer, 2011). Similarly, such small-scale women-driven enterprises like organic farming, handloom weaving, and traditional food processing are examples of economic potential of indigenous knowledge when supported by the right institutional mechanisms. However, there are still numerous obstacles that persist, such as limited market, technology, and formal education. The solutions to these obstacles require policies and educational strategies that is mindful of the structural limitations that rural women face and at the same time helps them leverage their already acquired knowledge and skills. The idea of reconstructing the entrepreneurship of rural women in the perspectives of IKS and the National Education Policy 2020 (NEP 2020) has significant policy connotations. To begin with, such reframing requires a change in the externally imposed models of entrepreneurship to models that are

culturally based and respect the knowledge and community institutions of the indigenous. Second, it highlights the necessity of the integration of local skills and ethical values in the education system into training of entrepreneurs. The policymakers also need to address gender-specific limitations, including unpaid care, mobility, and asset limitations, through the implementation of various support tools. The introduction of entrepreneurship education into the rural development programmes can create synergies to boost the economic performance and the social empowerment (OECD, 2017). To effectively capture the complexity of the female entrepreneurship experience, future studies ought to integrate interdisciplinary approaches, and no longer apply quantitative measures; rather, they ought to include qualitative data on knowledge systems, cultural practices and ethics in knowledge systems. This method could help to build a more detailed and comprehensive picture of the entrepreneurship in India rural areas. Entrepreneurship by rural women in India is not a new practice or a fringe economic practice. It is based on Indian Knowledge Systems, and is a form of continuum of practices that integrate economic productivity with social responsibility and ecological sustainability. The National Education Policy 2020 is an opportune moment to realise and strengthen this continuum with reforms in education being aligned to indigenous knowledge and lived experiences of women. Placing the rural women entrepreneurship in its historical, cultural and ethical parameters, this chapter highlights how urgent it is to move out of the limited economic definitions to the holistic approach, where knowledge, community, and sustainability are recognized as critical elements. This not only adds value to the scholarly discussion, but also provide empirical information to policymakers, educators and development practitioners who are motivated by the goal of inclusive and culturally based development.

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