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SOS Organics Pvt. Ltd: A Social Enterprise

(Teaching Case study)

It was 10th January 2015 in Almora (Annexure 1) in the Uttarakhand state of India; the sun was setting behind the mountains; birds were flying back to their nests. Almora, the district town of the hilly state on the foothills of Himalaya seemed to be getting sleepy on this chilly evening. While the town was retreating, Santosh, the CEO of SOS Organics Ltd, who calls himself a benevolent entrepreneur, was restless. Walking briskly on his veranda, he was wondering how to replicate his benevolent business to the larger geography of Uttarakhand. He wanted to develop more entrepreneurs in the region who could take up his business idea and create sustainable rural enterprises to generate employment for local people who had no other option than to look for jobs in cities and at an opportune moment migrate, leaving their heart and home. In addition, he wanted to preserve the local ecology, especially natural herbs and indigenous crops having high medicinal values which were fast depleting. The thoughts of spreading benevolent or social entrepreneurship among rural youth were moving in his mind like a cinema screen to achieve these dual goals. He faced many challenges initially due lack of infrastructure, facilities and trust by local people but ultimately, with his relentless hard work and apt strategies created a small scale business model with social motive that has potential to be replicated.

Social Entrepreneurship

Social entrepreneurship is the process of recognizing and resourcefully pursuing opportunities to create social value. Entrepreneurs, when tailoring their activities to achieve the goal of creating social value, are known as social entrepreneurs (Samer Abu-Saifan, 2012). The potential payoff, with its lasting transformational benefit to society, sets the field and its practitioners apart (Martin & Osberg, 2007). Profit is the major element to measure performance of a conventional enterprise but social entrepreneurs give greater value to return to society in comparison to economic benefits. The characteristics of the profit oriented entrepreneur are high achiever, risk bearer, organizer, strategic thinker, value creator, holistic, arbitrageur. Social entrepreneur, on the other hand, is mission leader, emotionally charged, change agent, opinion leader, social value creator, and visionary (Samer Abu-Saifan, 2012). In India the sectors of investment of social enterprises are stated below (OIFC, 2014).

- ✓ Affordable Healthcare
- ✓ Affordable Housing
- ✓ Water and Sanitation
- ✓ Agriculture
- ✓ Financial Inclusion

SOS Organics – Genesis

Thomas Hoehne (Santosh) was the co-founder of a well-known company, Organic India, located in Lucknow. He was looking after the infrastructure development, post

harvesting/drying technologies and product development. He designed and built two factories, one in Azamgarh and the other in Lucknow. He was the brain behind developing a popular product, Tulsi tea, under the aegis of Organic India.

These successes did not stop him to take up further challenges. He wanted to do something different. He, along his wife Amrita, decided to leave the stressful life of city and move to Himalayas. For nearly 5 years, he was wondering to understand what enterprise could be set up to contribute to society while making his living. Himalayas, full of life giving medicinal herbs and home of organic food products due to its amicable agro-climatic conditions, provided a big opportunity for Santosh. The entrepreneur in him started exploring the local herbs and food crops. In the process, he met quite a few people who had been working in this domain since long.

He rented a small house in Chitai village of Almora and started collecting and primary processing of the medicinal herbs. A local village boy, Puran Pandey, who had prior experience of medicinal herbs joined him in the venture. They started making soaps, herbal teas and few other cosmetic products from locally available herbs. On 9th September 2002, they registered the company Anubhav Eco Tourism Private Limited, under Indian Companies Act, 1956. Later on, the company was renamed as SOS (Sharing Organic Standards) Organics Private Limited on March 24, 2004. He raised nearly Rs. 30 Lakh by selling his shares in Organic India and invested it in land (on lease) in Chitai village (8 kilometers from Almora) where he built an infrastructure for agro-processing. It had built-up area of 3200 sq. ft. and a scientific lay out suiting the requirements of activities undertaken by the enterprise. In addition, the unit consisted of a 800 sq.ft area to house an oil extraction unit (ghani, chakki atta unit). A captive rain water harvesting structure was installed with a storage capacity of 2 Lakh litres which was sufficient to run the unit throughout the year.

Initial Challenges

Establishing an enterprise in the remote hilly area was quite a challenging task considering the limitations that the tough geography offers. The most difficult task for Santosh, who is German national by birth, was to establish trust with the local people. In early years, the local community was sceptical about his intentions. However, Santosh's determination to do something good for the locality started sinking into the minds of people around.

Santosh had to further spend on purchasing basic assets for the processing plant and arrange for working capital to purchase raw material from farmers, packaging material for shipment and to pay salaries to the employees. There were a few banks in Almora such as Oriental Bank of Commerce, State Bank of India and Punjab National Bank, but none of them were ready to give a loan to a foreigner who wanted to work with a mission of social profitability. Transport posed yet another problem to him during initial years when he had to get machinery for starting the operations and dispatch the finished goods to the customers who were situated far from the project location. Once the machinery was in place, irregular supply of electricity became a constant irritant, causing low productivity. Communication, vital for any enterprise, was a big bottleneck for him because of very slow internet speed and poor telephone network.

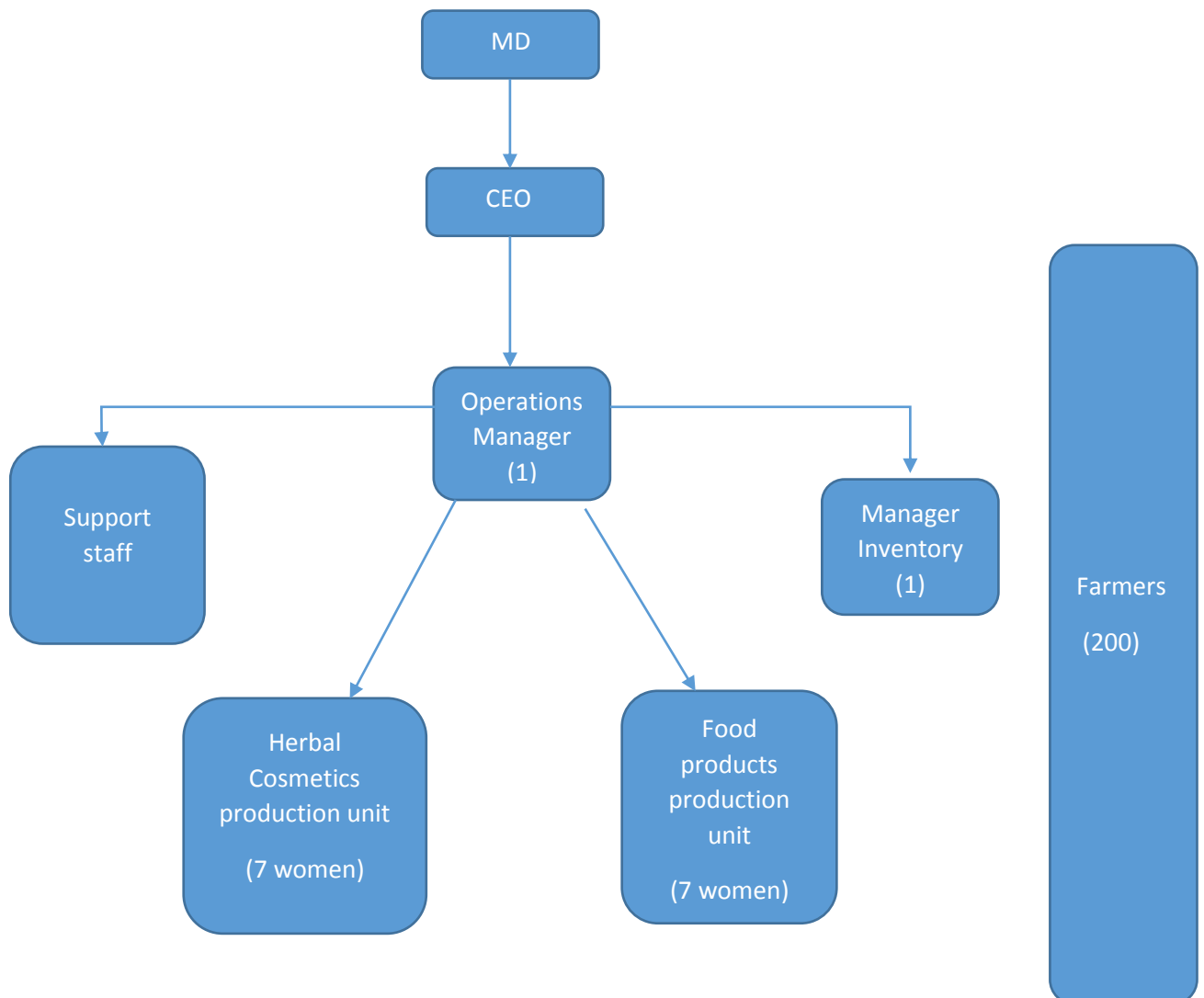
The manufacturing operations required water as an input material for the cosmetic recipes, but this small village in the Almora region did not receive tap water supply. *"We did not*

have water. So we started with rain water harvesting,” stated Santosh with a deep sigh of relief. Despite poor infrastructure, he stuck to Chitai where he was determined to create livelihood options for rural youth by utilizing natural resources available in this region.

Organizational Structure

Santosh is the CEO of the organization and is mainly responsible for finance and accounts of the enterprise; Amrita who is the MD of the organization, mainly looks after marketing and operations of the enterprise.

The enterprise produces and sells two products. First is the range of herbal cosmetics which employs seven women. The second is the range of food products employing another seven women. Puran Pandey works as operations manager and is responsible for procurement of raw material from the farmers, manufacturing, and the quality check of products. Ashish Kumar, inventory manager looks after the inventory and dispatch of finished products. Thus, a total 16 local people are working as a full time employees in the organization along with 3 support staff.



The plant starts at 9.30am in the morning and works till 5pm in the evening with a lunch break of 1 hour. *"We don't want to expand further. We don't want to turn this place into Ghaziabad. Women after work, have to fetch water, cut firewood, and cook for family. We have the luxury to walk down to the factory in 1 minute and one of my friends in Mumbai commutes 3-4 hours one way in a day,"* said Amrita, MD, SOS.

The entrepreneur believed that since the women have to do their household chores as well, he did not want to put additional pressure on them by increasing working hours. Therefore, he did not accept festive season demands from the customers which might create pressure on the system. Apart from a fixed salary, the employees get incentives as per their performance. Normally, an entire family of the employee was associated with the company in one way or another. The company had developed goodwill among the villagers of Chitai and surrounding area as it was creating employment and income opportunity for the local people.

As per Santosh, SOS follows benevolent entrepreneurship which he considered to be a part of social entrepreneurship. He stated, *"In today's age we are promoting the model of benevolent entrepreneurship as a solution to on-going destruction and depletion of natural resources and lifestyle. We promote an economically viable, sustainable and transparent business model under the philosophical and ethical guidance of well-being (benevolence). Our model of a rural industry is that which benefits all without exception, enabling a future for generations to come; a world with trees and water and air and nutritional food, of beauty and harmony and peaceful coexistence."*

Employee Profile

Mainly local women were engaged in the operations such as manufacturing cosmetic products, processing food products and packaging. Initially, one week training was given to the women for manufacturing of cosmetic items by the promoters themselves. Now, old employees give trainings to the new comers. *"I have been working here for 6 years. I came through my Bhabhi (brother's wife). Within one week, I learnt how to make candles and other products from my Bhabhi,"* said Naina Tamta, a 24 year-old employee of SOS.

On average, a newcomer took 1 week to learn the skills of manufacturing cosmetic items. The old employees get a salary of Rs. 6,000 to 7,000 per month, whereas a newcomer got a salary of Rs. 3,000 to 4,000. The company transferred their salary to their respective bank accounts.

In Almora, there was lack of job opportunities because of the absence of industries. The difficult hilly terrain made agriculture less favourable. To have a job in the regions is a matter of pride. In some cases, the family members of the employee were also the farmers who supplied raw material to the company. These women felt satisfied and empowered after becoming economically independent. This enabled them to plan their family budget - including investment for their children's education, health and food.

"Earlier, I only worked at home. I like to work here in this company as I get a regular income which directly goes to my account. I have my own money so I can budget and plan. My relatives and other village people respect me more because I am not dependent on anyone," stated Bhagwati Devi, 40, employee of SOS.

Product portfolio

The company produces a wide range of Herbal cosmetics and natural food products. Local Himalayan herbs and wild products such as Apricot, Geranium, Nettle, Patchouli, Mandarin, Cedar, Peppermint, Vanilla, Amla, Turmeric, Honey and Bees Wax were used as ingredients in the formulations of cosmetic products (*Annexure 2*). Unlike conventional cosmetic personal care products which used chemicals and were stored in shelves for long periods of time, natural herbal products contained essential oil of medicinal and aromatic herbs that nourish the skin.

Under home care products category, the company produces 7 types of bees wax candles which are made with extracts of different herbs, and also herbal air fresheners and soap nuts.

The formulation of herbal cosmetic products and home care products is developed by the entrepreneurs themselves through continuous research. Both Satosh and Amirta are always ready to research, innovate and develop new products using local resources.

We learnt soap making through googling. I do a lot of research on Youtube today. With slow bandwidth – we will still research on the technologies-Amrita.

To cater to the need of consumers who can pay additional premium prices for getting healthy food, the company offered almost all Himalayan traditional food items which were by default organic and had high nutritive value because they grew in non-polluted environment of the Himalayan belt. The important food products were local cereals, flour, seasoning, honey, herbal infusions and several others (*Annexure 2*).

The products were branded strategically focusing on the localized branding to position them in the niche segment of organic and natural products. The packaging of products was of high quality and the prices of products were fixed considering the high end customer profile.

Area of operations

In the initial year, only 20 farmers were linked to the company; by 2015, 200 farmers were directly associated who supply of raw material. Out of these, 100 farmers were from Almora and the rest came from Nanital, Pithoragarh and Garhwal. Apricot oil and kernels came from Garhwal, whereas Ramdana and millet came from Almora.

20-25 groups of farmers supply raw material to the manufacturing unit. Each unit had one identified leader who was responsible for collection and quality checking of the raw material. Once farmers supplied their produce, SOS, by the next day, transferred money to the account of the group leader who later distributed money to his fellow farmers. In return for his services, the group leader received an incentive from SOS.

SOS fixed prices are linked to different grades of crops. Farmers received 50%-100% more money from SOS for the quality product as compared to the market. For example, a farmer fetches Rs. 80/Kg for selling turmeric in the market, whereas SOS offered Rs. 150/kg of local

turmeric to its farmers. Because farmers are getting better prices for their products, the crop coverage of millets, local pulses, and herbs had increased since SOS started operating in the area.

Quality Control

To maintain the quality standards, SOS field staff stringently monitored the raw material obtained from the farmers based on defined parameters such as correct type of grain, presence/amount of other seeds, presence of contaminants (chaff, soil, dust, insects etc), damaged grain, moisture content, maturity of grain, presence of flour mites, etc.

Farmers were asked to sort already at their level so that only good and properly dried produce is received, that there is no fungus but adequate shelf-life. Further, the farmers were trained with regards to scientific methods of crop cultivation to improve productivity and quality.

Inventory Management

A go-down of 100 ton capacity had been rented for storing the raw produce collected from farmers, and a local youth had been trained by SOS to look after the inventory. Farmers brought the raw material to Almora; only after a quality check the store keeper made entry in the register and kept the material in the store.

Customer Base

The company has distributors, retail shops and individual customers who bought products directly. Of the total sales, the company received around 40% of the revenue from Himjoli - an institutional buyer. Orders were received via internet. Products were mainly go to Chennai, Kerala, Coimbatore, Pune, Mumbai, Rishikesh and Dharamshala. SOS had tied up with transporters from Rudrapur and Haldwani to take the products to their destinations. Products are brought to these transporters through a local pick up van.

For old customers, the credit period was 90 days. Notwithstanding, when new orders were placed, the buyers were encouraged to clear up all the previous bills. For new customers, payments needed to be made during placement of the order. The dispatch of goods was done once SOS received the payment from the new customers.

Financial Requirements

To start the business, in 2008 SOS Organics Pvt. Ltd. availed a term loan of Rs. 27.40 Lakh from the Punjab National Bank, Almora, at 14% interest rate. Under the government Scheme for 'Credit Guarantee Fund for Micro and Small Enterprises', the PNB provided a collateral free loan to the company. To avail the loan through this scheme, the company paid Rs. 25,000 annually as a security fee to the bank. Later, when the company wanted to

take an additional loan, the new manager was not interested in granting a new loan, considering the business risk.

In 2012, SOS approached NABARD for funding which approved a Rs. 25 Lakh term loan for working capital and Rs. 4 Lakh as grant under the Umbrella Programme for Natural Resource Management (UPNRM) - (Annexure 3). The interest rate for the loan was 12% and the funds were mainly used to build up inventory of raw materials. Since NABARD did not have a facility of Cash Credit limit, SOS availed a term loan for working capital. The repayment period of the loan was 5 years. The grant (details below) was sanctioned for marketing support, staff training, hygiene or purchase of machines for cleanliness and supply chain strengthening.

S.No	Grant Components	Grant
1	Marketing Support	
A	Web page designing	25,000
B	Photo shoot	25,000
C	Brochure/ Pamphlets	25,000
D	Documentary	25,000
	Sub Total	100,000
2		
A	Staff Training	LS
B	Second management	LS
C	Hygiene	LS
D	Inventory management	LS
	Sub Total	100,000
E	Supply chain strengthening	200,000
	Total Grant from NABARD	400,000

Source: SOS Organic Pvt Ltd

The timely availability of relatively low cost financial support helped SOS to stock required raw materials. The grant, further, helped the company to purchase fixed asset and strengthen marketing of products through preparation of communication material which helped in acquisition of new customers, ultimately resulting in increase in turnover of the organization.

When the operation stabilized, the company needed cash credit (CC) limit for procurement of seasonal raw materials. He approached the bank to convert his term loan into CC limit to reduce interest cost. Since NABARD did not have a cash credit facility, the IDBI bank was approached. The bank manager did a detailed assessment of business by observing the past experiences, qualifications, credit history of the enterprise and financial statements. In addition, the top 5 buyers and suppliers of SOS were contacted to gather their experiences about business and also buyers, mainly for products, and the suppliers about their payments. The bank manager was convinced that the project was technically sound and the company received a good credit rating based on the current status of the company. The IDBI

bank approved total funding of Rs. 44.75 Lakh (breakup given below) including Rs. 15 Lakh CC limit.

SN	Type of loan	Amount (in Lakh)	Interest rate
1	CC limit	15	11%
2	Crop Loan	1	
3	Term Loan (Takeover of NABARD's loan with four year repayment terms)	18.75	11.25
4	Takeover of Term Loan of PNB	10	
	Total	44.75	

Source: SOS organic Pvt. Ltd.

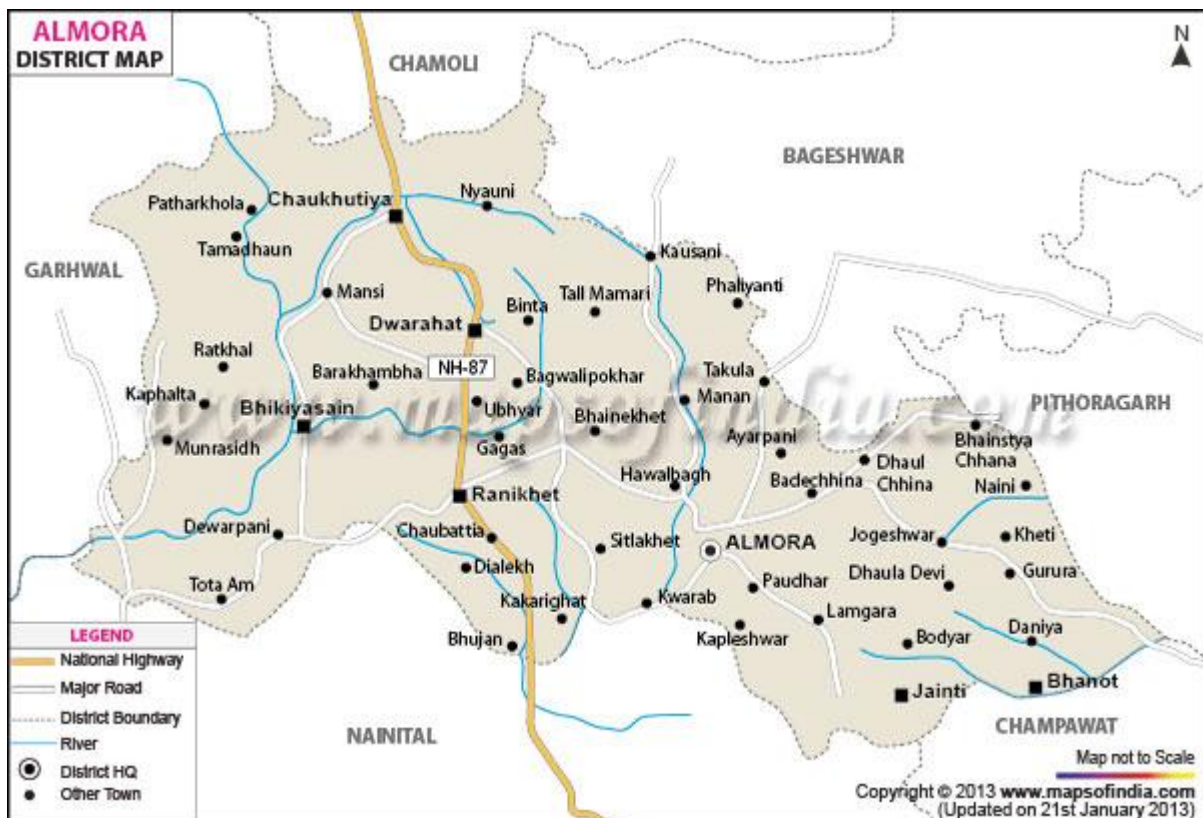
The bank took security from the company that included their buildings and machinery, the collateral value being around Rs. 55 Lakh, which is 125% of the total loan amount as per the recent valuation.

In 2015, the total turnover of business had grown to Rs. 83 Lakh which is 40% more than that of year 2012 (*Annexure 4*). The total share capital is Rs. 15 Lakh which mainly belongs to the MD (99.5%) and the CEO (0.5%), the shareholders of the organization.

As a midterm strategy, the company wanted to get rid of the term loan and wanted to avail the CC limit only for procurement of raw materials, funding the requisite inventory and credit to customers. For long term, they wondered whether it was worthwhile to continue with CC or create their own corpus of Rs. 40-50 Lakh to run the business. This could, perhaps, help create more social entrepreneurs.

Annexure 1- Almora

Almora located in Kumaon division, is one of the districts of Uttarakhand state, India. With a population of more than 6 Lakhs, it has ranking of 517th districts in India (out of a total of 640). The population density of the district is 198 inhabitants per square kilometre. Its population growth is showing decreasing trend (-1.73% in decade of 2001-11). Further, Almora has a sex ratio of 1142 females for every 1000 males. Chitai temple, Nanda devi temple, Lal Bazar are some of the tourist attraction in Almora.



Source: www.mapsofindia.com

Annexure 2: Product portfolio

SN	Category& Product name	Price (Rs)
1	Home Care	
	a. Bees wax candle	
	i) Pure Bees wax Candle Allspice	95-145
	ii) Pure Bees wax Candle Camphor	95-145
	iii.) Pure Bees wax Candle Forest Berry	
	iv) Pure Bees wax Candle Gift Pack	275-390
	v) Pure Bees wax Candle Himalayan Forest	95-145
	vi) Pure Bees wax Candle Vanilla	95-145
	vii) Pure Bees wax Candle Wild Lime	95-145
	viii) All natural Citrus Mist Air Freshener	110
	ix) Himalayan Soap Nut	80
2	Natural Cosmetics	
	a. Apricot Body Oil and Massage Oil	
	i) Energizing Massage Oil Blend	200-300
	ii) Himalayan Apricot Oil	180-320
	iii) Refreshing Massage Oil Blend	200-300
	b. Cosmetics Gift Box	
	i) Cosmetic Gift Box for men (5 items)	440
	ii) Cosmetic Gift Box for women (5 items)	440
	iii) Soap Gift Box	360
	c. Cream & Body Butter	
	i) Apricot Hand Cream	220
	ii) Geranium Face Cream	220
	iii) Ginger Lily Night Cream	220
	iv) Himalayan Nettle Salve	380
	v) Mandarin Body Butter	220
	vi) Patchouli Lavender Cream	220
	vii) Turmeric Soothing Balm	220
	d. Hand Crafted Bath Soap	
	i) Apricot Ayurvedic Herb Scrub Soap	140
	ii) Forest Honey Luxury Bath Soap	140
	iii) Frangipani Luxury Bath Soaps	140
	iv) Herb Garden Luxury Bath Soap	140
	v) Himalayan Forest Luxury Bath Soap	140
	vi) Himalayan Lime Luxury Bath Soap	140
	vii) Honey Suckle Luxury Bath Soap	140
	viii) Lavender Scrub Soap	140
	e. Lip Balm	
	i) Natural Cedar Lip balm	120
	ii) Natural Mint Lip balm	120
	iii) Natural Vanilla Lip balm	120
	f. Shampoo and Shaving Bar	

	i) Amla Shampoo Bar	140
	ii) Shaving Bar	140
3	Organic Health Food	
	a. Complete range	
	i) Ayurvedic Sugar Gur Shakkar	90
	ii) Himalayan Amaranth Ramdana	90
	iii) Himalayan Barley Flour	90
	iv) Himalayan Black Soy	90
	v) Himalayan Brown Rice Flour	90
	vi) Himalayan Corn Flour	90
	vii) Himalayan Crystal Salt	90
	viii) Himalayan Four Grain Flour	90
	ix) Himalayan Fragrant Red Rice	90
	x) Himalayan Crystal Salt	90
	xi) Himalayan Khandsari Sugar	90
	b. Gluten Free Flour	
	i) Himalayan Brown Rice Flour	90
	ii) Himalayan Corn Flour	90
	iii) Himalayan Gluten Free Flour Mix	90
	iv) Himalayan Koni (Foxtell Millet) Flour	90
	v) Himalayan Madhira Barnyard Millet Flour	90
	vi) Himalayan Madua Finger Millet Flour	90
	c. Seasoning	
	i) Himalayan Chilli Flake	90
	ii) Himalayan Haldi - Turmeric	90
	iii) Himalayan Herb Salt	90
	iv) Himalayan Kala Zeera	110
	v) Himalayan Nettle Seasoning	90
	vi) Spicy Italian Mix	90
	d. Herbal infusion	
	i) Himalayan Chamomile Herbal Infusion	60-110
	ii) Himalayan Echinacea Herbal Infusion	60-110
	iii) Himalayan Lemongrass Infusion	60-110
	iv) Himalayan Nettle Herbal Infusion	60-110
	v) Himalayan Peppermint Herbal Infusion	60-110
	vi) Himalayan Spice Herbal Infusion	60
	vii) Himalayan Tulsi Herbal Infusion	60-110
	viii) Himalayan Rhododendron Herbal Infusion	60-110
	c. Honey	
	i) Forest Honey	150
	ii) Wild Honey	175

Source-www.sosorganics.com

Annexure 3: Financing Options for Micro and Small Enterprises

Public Sector Banks

Public sector banks provides credit to several MSMEs. PSBs extend credit to priority sector (the sectors which impact large sections of population, weaker sections and employment intensive) under the guidelines of Reserve Bank of India. Banks are mandated to provide collateral free loans up to Rs. 10 Lakh to MSME enterprises. In some cases, MSEs, which have strong balance sheet and good performance from last few years, can avail collateral free loan loans up to 25 Lakhs, post approval of the suitable authority (RBI).

Government schemes

Name of scheme/ institute	Assistance
National Small Industries Corporation (NSIC)	Extends Financing and marketing support to MSME enterprises, which supply requisite machinery.
Small Industries Development Agency (SIDA)	SIDA is extends a basket of services to SSI units.
Credit Linked Capital Subsidy Scheme (CLCSS)	For micro and small enterprises, the scheme provide support for upgradation of technology. Under this scheme enterprises can avail 15% capital subsidy on institutional finance for introducing improved/modern technology for approved products/subsector.
PMEGP Training Programme	Entrepreneur can avail margin money subsidy of 25% (35% for special categories) of the project cost to start micro enterprises in rural areas. The upper limit of the project cost supported under PMEGP is Rs. 25 Lakh in the manufacturing sector and Rs. 10 Lakh in the service sector.
Small Industry Development Bank of India (SIDBI) (Eastern Regional Office)	SIDBI is a financing institution for small-scale industries. It has refinance schemes: Mahila Udyam Nidhi - finance to small transport operators Technology upgradation fund- Textile units, Loans for acquisition of ISO certification, Single window finance for short term credit. SIDBI is also a nodal agency for a number of Government schemes (Technology Upgradation Fund Scheme, Integrated Development of Leather Sector Scheme and Modernization/Upgradation).
National Bank of Agriculture (NABARD)	Producers Organisation Development Fund (PODF) Producers Organization namely Producers Company, Producers Cooperatives, Farmer Federations, Mutually aided cooperative society, industrial cooperative societies, PACS, etc. set up by producers can avail credit support business interventions.

Name of scheme/ institute	Assistance
	<p>Umbrella Programme for Natural Resource Management</p> <p>Indo-German programme of NABARD, in association with GIZ and KfW, extend financial support mix of loan and need based grant for promoting Natural resource based sustainable businesses. The loan is given to NGOs, Producer organizations, Private limited company etc.</p>
Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)	SIDBI and the government of India jointly established CGTMSE that extends credit to the micro and small enterprises. It provides both term loan and working capital finance.
Exim Bank	EXIM bank provides credit for financing all stages of the export cycle for business firms. It can extend credit to commercial banks, regional development banks. The bank supports buyer's credit and supplier's credit for exports purposes on deferred payment terms. This help SMEs, to offer reasonable credit terms to the buyers. Further it also supports them to explore markets in new geographies.
Credit Linked Capital Subsidy Scheme (CLCSS)	Under CLCSS, micro units with investment in plant and machinery of less than Rs. 10 Lakh can avail loan of up to Rs. 8 Lakh. Micro units with investment in plant and machinery between Rs. 10 Lakh to Rs. 25 Lakh can take loan of up to Rs. 20 Lakh. Small units which have investment above Rs. 25 Lakh in plant and machinery, are eligible for a loan up to Rs. 40 Lakh.
Interest subsidy scheme of IPR, which works effectively with the active assistance of banks and financial institutions	The interest subsidy scheme supports labour-intensive industry by extending 2% interest subvention for handlooms, handicrafts and small and medium enterprises (SMEs).
National Equity Fund	Loans are given to enterprises with a project cost (including margin money for working capital) not exceeding Rs. 50 Lakh for new projects. No interest is charged on the loan except service charge of 5% p.a.
Scheme of Fund for Regeneration of Traditional Industries (SFURTI) through Coir Board	It supports traditional industries to become more productive and competitive by organizing them in clusters. The financial support is extended for technology upgradation, establishment of common facility centres (CFCs), development of new products and designs, improved packaging, etc.

Venture Capital

For start-ups and business expansion particularly for small and medium-sized firms, Venture Capital is potential source of finance. It is an equity finance for growing enterprises. The venture capitalist actively support strategy development of the organization and guides the

managers for implementation of the project. Some Venture Capital organizations are here under

- SIDBI Venture Capital Limited (SVCL)
- Aavishkaar India Micro Venture Capital Fund
- Aditya Birla Private Equity Trust
- IFCI Venture Capital Funds Limited (IVCF)
- Helion Venture Partners/ Erasmic Venture Fund
- ICICI Bank's SME venture capital fund
- IDBI Bank's SME venture capital fund

Source: Financing for MSMEs, PWC, 2013

Annexure 4: Financial Statements of the organization

Balance Sheet (Rupees)

SN	Particular	Note	2015	2014	2013	2012
A	<i>Equity and Liability</i>					
1	Shareholders' funds					
	a) Share capital	A	1500000	1500000.	1500000.	15000000.
	b) Reserves and surplus	B	473077.98	164990.58	53851.25	52940.72
2	<i>Non-current liabilities</i>					
	a) Short term borrowings	C	5439416.68	5626294.68	5177489.24	2972641.24
3	<i>Non-current liabilities</i>					
	a) Short term borrowings	D (i)	609217.52	383301.06	405240	1103235.82
	b) Trade payables	D (ii)	110618.00	99121.00	70851.28	62749.34
	c) Other current liabilities	D (iii)	183532.81	77494.48	116436.49	160644.37
	d) Short-term provisions	D (iv)	31354.00	142738.00	28198.00	98224.00
			8347216.99	7993939.80	7352066.26	19450435.49
B	<i>Asset</i>					
1	<i>Non-current assets</i>					
	a) Fixed assets					
	Tangible assets	E	3827375.35	4131162.55	4143245.97	3783538.8
	b) Non-current investments	F	32240.00	32240.00	32240	32240
	c) Deferred tax assets (net)	G	24561.00	16902.00	24012	15550
2	<i>Current assets</i>					
	a) Cash and cash equivalents	H (i)	130299.48	129602.37	139169.09	131158.31
	b) Inventories	H (ii)	3248331.78	2402091.26	2084302.26	1270723.79
	c) Trade receivables	H (iii)	977787.08	1212460.62	851927.69	615213.63
	d) Short-term loans and advances	H (iv)	106622.30	69481.00	77169.25	102010.96
			8347216.99	7993939.80	7352066.26	5950435.49

P& L statement (Rupees)

SN	Particular	No.	2015	2014	2013	2012
I	Revenue from Operations	I	9674924.75	6983719.91	6266011.91	4535309.41
II	Other income	J	96.00	383330.00	58000.00	0.00
	Total revenue		9675020.75	7367049.91	6324011.91	4535309.41
III	Expenses					
	Cost of materials	K	4661985.71	3437786.37	3606754.14	1948057.44
	Purchase of Stock-in-Trade		0.00	0	0	0
	Changes in inventories of finished good work in progress and stock-in-Trade		2990.67	(119032.24)'	(43966.25)'	(18683.83)'
	Employee benefits expense	L	2036375	1376020.00	999672.00	761033.00
	Finance costs	M	481146.42	501422.96	401689.50	371948.79
	Depreciation and amortization expense	N	440706.86	439407.40	451631.26	420753.14
	Other expenses	O	1597631.69	1563660.09	897584.73	778907.95
IV	Total expense		9220836.35	7199264.58	6313365.38	4262006.49
V	Profit before exceptional and extraordinary items and Tax (III-IV)		454184.40	167785.33	10646.53	273302.92
VI	Exceptional items		0.00	0	0.00	233863.98
VII	Profit before extraordinary items and tax (V-VI)		454184.40	167785.33	10646.53	39438.94
VIII	Extraordinary items		0.00	0	0	0
IX	Profit before tax (VII-VIII)		454184.40	167785.33	10646.53	39438.94
X	Tax expense					
	(1) Current tax		(154954)'	(48338.00)'	(18198.00)'	(7722.00)'
	(2) Deferred tax		7659.00	(7110.00)'	8462.00	78830.00
	Profit (Loss) for the period from continuing					
XI	Operation (VII-VIII)		306889.40	112337.33	910.53	110546.94
XII	Profit (Loss) from discontinuing operations		0.00	0.00	0.00	0.00
XIII	Tax expense of discontinuing operations		0.00	0.00	0.00	0.00
	Profit/(Loss) from discontinuing operations (after tax)					
XIV	(XII-XIII)		0.00	0.00	0.00	0.00
XV	Profit (Loss) for the period (XI +XIV)		306889.40	112337.37	910.53	110546.94

SN	Particular	No.	2015	2014	2013	2012
XVI	Earning per equity share					
	(1) Basic		2.05	0.75	0.01	0.74
	(2) Diluted		2.05	0.75	0.01	0.74

Source: SOS Pvt Ltd.