**Soaps washed away**

**NJP CHEMICALS**

Mr N.V.Y.Giri Babu, technologist by career, innovative in character, achiever of “State’s Youngest Entrepreneur” award with encomiums from several dignitaries and the District Industries Centre for seven years 2005-12 has come to TIHCL with bare hands to revive his unit closed for the past one year.

The company had been established in 1999 and began operations in the year 2001. Manufacturing detergents, washing soaps and cleaning material are the core activities of the company. Direct employment generated was around 10-15 persons and indirect employment generated was more than 100. Initial funding was given by Andhra Bank at a limit of Rs.1 Lakh. Witnessing the remarkable performance of the entrepreneur at the then current limits, with the bank took over the unit and financed working capital of Rs. 25 Lakh.

TIHCL noticed that the unit was operating in narrow markets restricting to government departments. Thus, the dependency on a single source of selling hit the entrepreneur adversely when there was a bifurcation of the state when the government orders were cancelled.

The entrepreneur also diverted funds from the working capital to build the factory premises. Overconfident of his engineering and training abilities, the entrepreneur gradually lost focus on his core activity and started working on skill building, digital training activities in collaboration with various NGO's.

The business diminished gradually, and the entrepreneur was not able to pay his loan to the bank. Bank issued a SARFAESI notice and it was settled by the way of OTS in 2016.

**TIHCL GUIDANCE**

Entrepreneur approached TIHCL for reviving the unit and bring it back to its original reputation. Upon the unit visit, TIHCL provided some critical suggestions like the removal of excess stock to lessen the inventory, getting back the machinery to working condition, part sale and part lease of his vast factory premises etc.

**The implementation of TIHCL’s suggestions has helped the entrepreneur to venture into the markets again and stabilize himself by opening his closed factory unit. His alternate income in the process is about Rs.5lakhs per annum.**

At present, the entrepreneur is set to avail a fresh loan for expanding his business for which he has sufficient collateral security. TIHCL is assisting the entrepreneur in presenting a strong project proposal to the bank for the sanctioning of his loan.

The entrepreneur has also taken TIHCL’s advice on how to increase his customer base and have a viable marketing strategy to help him run his business successfully in the long run.