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## Shri Mahila Griha Udyog Lijjat Papad: It's A Women-Only Business

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You could call it an institution. You could call it an organization. You could call it a society. But anyone who called Shri Mahila Griha Udyog Lijjat Papad (Lijjat) a *company* was quickly corrected by its president, Swati R. Paradkar. For those who didn't know better, Lijjat seemed to look like many other successful companies. Its products could easily be found on food shelves throughout India and around the world. Yet a closer look from the outside revealed some major differences. Even before Sam Walton called his employees *associates*, the group of women making up Lijjat<sup>1</sup> referred to themselves as *lady members* rather than employees. They treated the organization like a sacred place—much like a temple, church, or mosque. And any economic activity was for the goal of improving the lives of those in need. That included those who joined and worked at producing Lijjat's products—the *business*. All lady members were impoverished when they started.

Over its 56 years, Lijjat had grown from an investment of INR80 (~USD16.8)<sup>2</sup> to annual sales of INR1,200 crore (~USD183.6 million).<sup>3</sup> The brand had been built by women's empowerment. In the minds of many consumers in India, the papad—a seasoned dough, flattened and cooked crispy with dry heat—was synonymous with Lijjat. Indeed, the words “papad” and “Lijjat” were used interchangeably.

As with anything successful, imitation was sure to follow. So when it was discovered that fake Lijjat papads were hitting markets worldwide, the lady members had to do something. While original packaging had the trademarked photo of a child called Babla eating a papad, a pink rabbit was added in the 1980s in hopes of making identification of the *real thing* more readily visible (see **Exhibit 1**).

By 2015, Lijjat had expanded to sell products throughout India as well as globally. And while the business model hadn't changed, the world had. The society of low-income female members had been so successful that their daughters were employed elsewhere—they were either married and didn't require the extra income or they had accepted higher-paying positions. These women had achieved what they had set out to do—help the next generation live better. Now Paradkar had to ensure they could continue to increase production while staying true to the reason Lijjat existed.

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<sup>1</sup> Lijjat translates as *tasty*. For more information, see World Intellectual Property Organization, “Pappadums and the Path to Empowerment,” <http://www.wipo.int/ipadvantage/en/details.jsp?id=3619> (accessed Nov. 3, 2015).

<sup>2</sup> INR = Indian rupee. USD = U.S. dollar. Crore is a unit equal to 10 million, so INR1,200 crore equals INR12 billion. In 1960, the exchange rate was about INR4.76 per U.S. dollar. The exchange rate used to calculate 2015 dollar amounts was INR65.37 per U.S. dollar.

<sup>3</sup> Kiran Bedi, “At 81, This Unsung Hero Is Turning Women's Lives Around,” *NDTV*, May 27, 2015, <http://www.ndtv.com/opinion/at-81-this-unsung-hero-is-turning-womens-lives-around-766261> (accessed Nov. 3, 2015).

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## Lijjat Papad History

The story of Lijjat started with seven illiterate women living the same building in what was then called Bombay (its name was later changed to Mumbai). Although few would argue against describing it as a slum, there was at least a floor instead of rubble and cement walls instead of mud or torn metal pieces. Many who lived there were accustomed to food shortages and lack of sanitation, fresh water, and electricity.

There was one traditional food made of lentil flour, seasoning, and water that every woman in the building knew how to make and cook dry over a fire—the papad—which was a daily part of the meal. These seven women would get together to make their papads and, when they could, made extras to be saved for monsoon season. The women were all from lower economic backgrounds and prohibited from working outside the home. But making papads to sell would be an effort they could accomplish *from* their homes.

One day in 1959, under the guidance of social workers and members of the Servants of India Society—Shri Chhaganlal Karamshi Parekh and Shri Purushottam Damodar Dattani—the group of women borrowed INR80 (~USD16.8) to buy the ingredients to make extra papads. The first day, they rolled four packets of papads, which they took out to sell. The papads were a hit, and people were eager to buy more. The more they made, the more they sold; they earned cash each day. In only a few weeks, 18 more women joined the original group. The social workers (Shri Chhaganlal Karamshi Parekh and Shri Purushottam Damodar Dattani) not only encouraged the project, but urged the original seven women to keep a close accounting of money spent and money generated—every day. That first year, the women earned INR6,196 (~USD1,301) and were able to repay the INR200 (~USD42) expected from the initial loan.

Aside from the financial acumen that resulted from their venture, another significant characteristic of the group of women was the decision they made that any woman, regardless of “caste, creed, or colour” could become part of their group. Their intention was to share what they had—a sense of accomplishment, self-reliance, and a decent, safe livelihood for women living in poverty.

The original group of lady members used the exact same ingredients and the same dry-fired process, and they insisted on the uniformity of all papads they sold. In addition, they refused to take donations. “Whatever money we need we will do more work for but never ask anyone,” and “if we take charity, we become compliant,” Paradkar said. “We earn it.” Each day, after accounting for ingredient costs, the profits were shared among the women who worked. As these women started to reshape their lives, they developed a way of thinking about the business; it revolved around three basic principles: (1) all the rights of the institution must belong to members only, (2) there must be a maintenance of the Lijjat quality at any cost, and (3) there must be a clean and time-bound accounting system. As they worked and grew, consistency was maintained—any papad that didn’t meet standards was not handed out to anyone but was instead destroyed. And Lijjat was a women-only institution.

The year 1966 was considered a pivotal moment in Lijjat’s history because the now-larger group of illiterate women registered as a “society” and public trust under government provisions. This meant Lijjat was no longer considered a group of women cooking together; instead, it was an officially recognized organization. In addition, it was recognized by the Khadi and Village Industries Commission, a government body designed to help with the development of labor-intensive employment, particularly in rural areas of India. Lijjat was now an official village industry—quite a feat for a group of women from the lowest economic sections of Indian society.

With time, lady members started asking why they didn’t expand their product line beyond papads. In 1982, a decision was made to diversify in producing masala, which was a spice mixture. “They go hand in hand,”

Paradkar said. “Every home uses these products in their day-to-day cooking.” Build-out efforts were driven by accessibility of supplies to make the product. But even when suppliers were not the issue, sometimes the lady members were hesitant to engage. Paradkar explained:

In 1988, we moved into making detergents because we could get the raw materials easily. When asked to start soaps, the ladies’ response was “we do not have any knowledge about soap.” So we came up with a formula and it was tried on a trial basis. At one time we had six divisions making detergent and soaps. But we dropped back to one because we couldn’t sell enough to compete with machine-made soaps. And when our main concept is providing self-employment, we never would move to machinery to compete.

Over the years, we’ve added several other products (see **Exhibit 2**)—appalam [a crispy snack], gehu atta [wheat flour], and then we started to make chapaties [thin unleavened bread] and sell 60,000 a day.

By 2015, everything at Lijjat was done in house, including labeling (see **Exhibit 3**). Lijjat had its own polypropylene division to make the packaging, its own printing division, and roughly 160 vehicles. Lijjat operated through 82 branches and was owned by 43,000 women. Papads made up 45% of total sales at Lijjat and were a major part of the organization’s merchant export business (INR450 million; ~USD6.88 million) to Australia, Canada, Europe, the Middle East, the United Kingdom, and the United States.

### Making Lijjat Papads

Along with the formalization of the organization came a more structured operation. Lijjat established a central place called the *branch* where women would walk to collect ingredients to make papads back at home. As the number of branches grew from one to two to three, Lijjat expanded sales into other states and needed to increase production. So, in 1968, Lijjat bought vehicles to bring lady members who lived farther away to the branch in the mornings. The buses would wait near the lady members’ residences, which could be as far away as five to seven kilometers. Early in the morning, the bus picked them up and brought them to the branches, which opened at 5:00 a.m. and closed at 10:00 a.m. The lady members would deliver to the branches whatever papads they had made the previous day (see **Figure 1**), collect their daily payment, and pick up fresh dough for rolling out at their homes that day. Then the bus would take them back home. In 1991, Lijjat bought its own mill to grind black lentils it imported from Burma into a powder for the flour. That flour was sent to the branches by truck, minibus, cart, or whatever form of transportation was available in the area.

Figure 1. Lady members delivering papads.



Source: All images, unless otherwise noted, come from Lijjat and are used with permission.

While initially all women worked at making papads, with time, various positions started to develop. Every woman had to start out as a papad roller and could then progress to dough making, dough distribution, weighing