

Luminous

[A Journal of Multi-Disciplinary Research]

A Special Case Study Edition

**St. Paul Institute
of Professional Studies**

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Editorial

It is a matter of great honour, excitement and joy to publish the first issue of Luminous (A Journal of Multi-Disciplinary Research). This issue is exclusively dedicated for Case Studies in the field of Finance, Marketing, Human Resource and Operations.

The contributions made by the authors for this edition propelled the development of this journal. This journal contains five cases in all: the first four cases are the result of the study conducted on 'AICTSL' (Atal Indore City Transport Services Ltd., Indore). AICTSL is a Public-Private Partnership (PPP) transport organization based in Indore city. The researchers developed first four cases on the basis of the study they conducted to analyze the feasibility and acceptability of PPP model of AICTSL with special reference to various disciplines like Financial Planning and Management, Marketing Management, Human Resource Management and Service Operations. The fifth case is based on the Financial Management of one of the leading automobile companies i.e. 'Eicher Motors'.

The publication of this research journal, Luminous is like a dream come true for all of us at St. Paul Institute of Professional Studies, Indore. This journal will provide a platform for scholarly research both for eminent scholars and the aspiring ones who look forward to contribute to the body knowledge beneficial for the integral development of the society as a whole.

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Financial Planning and Management of Public Transport System – A Case on AICTSL

Ravi Vyas* and Mahesh Joshi*

*(*Assistant Professor, St. Paul Institute of Professional Studies, Indore)*

On one Monday of December 2015, Mr. Nitin Panwar visited Sharma Sweets at Vijay Nagar Square for breakfast. When he was enjoying a sip of tea another guest, Mr. Manish Jadhav who was from Delhi enquired that how he can go to Bhanwarkua for a meeting with a supplier of auto parts. Mr. Nitin told him that he can take a *ibus* from Vijay Nagar Square, BRTS Station and easily reach his destination. In discussion, Mr. Manish questioned that should he hire a taxi in place of taking a ride by the *ibus*? Mr. Nitin explained that taking *ibus* will be the best alternative to reach safely, comfortably, affordably and with less traveling time. Listening to this Mr. Manish expressed that BRTS Project proved to be bad in Delhi¹ but how Indore is managing BRTS successfully? Answering to the query raised by Mr. Manish, Mr. Nitin told him the success story of AICTSL and BRTS Project of Indore.

Atal Indore City Transport Services Limited (AICTSL) previously known as Indore City Transport Services Limited (ICTSL) was incorporated on December 01, 2005 with an objective to operate and manage the public transport system of Indore including BRTS.

The Board of Directors includes major stakeholders of local ownership comprising of IDA (Indore Development Authority), IMC (Indore Municipal Corporation) and the Collector of Indore city. IMC and IDA shares equal stake in joint venture with an authorized capital of Rs 25,00,000. The District Collector, Indore is the responsible authority for the execution of the project to run the bus service. The company works on the PPP model i.e. Public-Private Partnership.

AICTSL, provides the regulatory framework and the private companies operate the routes. Real time vehicle tracking system and fully computerized ticket vending machines are the innovations attempted for the first time in India. Operations and Management and other regulatory measures are conducted by the company.

A major concern in involving government in any new project is extra financial burden on taxpayer. This also shoots from both recurring and fixed costs. But this fear was unfounded as buses are owned and operated by operators. Also there is no fixed cost or running

¹<http://timesofindia.indiatimes.com/city/delhi/BRT-will-be-scrapped-decides-Arvind-Kejriwal/articleshow/46708947.cms>
<http://www.outlookindia.com/news/printitem.aspx?18362>

expenses for AICTSL on this count (except BRTS, which is solely operated by AICTSL). Even the LED displays and the GPS devices are on the part of respective private operators and thus no financial burden goes to the government. All the required manpower is hired and utilized optimally by private agencies. Therefore, there is no problem of getting overloaded with the cost and management of the employees.

Following are the key objectives of AICTSL:

- Dedicated and effectual regulatory organization at the city level.
- Set-up and maintain fleet of buses for passengers.
- Efficient support system for improving public transport infrastructure.
- Impartial entry for common mass and Incentive to upper middle class for public transport.

The core idea of AICTSL is that Indore should develop its own regulatory and enforcement competency to promote competition in public transport in the city, alongwith ensuring financial viability of the private operators. The key to sustainability of the model vested deep in the fact that every player in the game, the government, the local administration, the operators or the non-players including citizens of Indore should be benefited.

Management and functions of AICTSL:

The management of AICTSL is entrusted with the BOD (Board of Directors). The members of the Board of Directors are six in numbers, who hold their office by the virtue of their posts. The BOD includes:

1. Chairperson (Mayor of Indore city)
2. Vice-Chairperson (Chairman of IDA)
3. Executive Director (Collector of Indore)
4. Managing Director (Municipal Commissioner of IMC)
5. Director (CEO of IDA)
6. CEO (Joint Collector of Indore)

The Executive Director is authorized to exercise all the powers for effective management of the new transport system under PPP model.

In addition to this, the Regional Transport Officer and the Superintendent of Police of

Indore are the special invitee members to all meetings of the Board.

All the bus operators are also invited for the meetings of the board so that their valuable inputs are used for smooth and proper functioning of the company. The decision making and controlling process of all the operations is exercised by AICTSL.

There is a centralized office for all the operators and company officials. AICTSL has a complete charge of the operations. A uniform bus fare system, i.e. a single pass for all the buses and all the routes is followed. Fare revenue is shared as per the contract between AICTSL and the operators. For tracking vehicles, GPS is installed in all the buses and a central control room manages scheduling and reporting of operational details. Passenger information system like LED monitors shows real time arrival for the next bus, CCTV are installed in all the buses for safety of passengers and computerized ticket vending machines for a queue free ticket purchase experience. The operational aspect provided flawless control for all the parties with fully computerized monitoring. Many of the operators opined that unlike any other Government office, AICTSL works in a much professional manner.

Financial Management:

The model has been designed keeping in mind the motto of 'Minimum Investment with Maximum Returns' for all parties involved in the business. The basic financial model designed by Mr. Vivek Agrawal (Collector during 2005-2010) provided maximum profitability for the company as well as the operators.

After clearing all the doubts of the operators, in the pre bidding meeting on December 2006, final bids were invited and booked on December 26th 2006. For running buses Intra-City and Inter-City, presently there are three operators working with AICTSL, Dayajeet Nimay Logistics Pvt. Ltd., M/s Rama Jyoti Travels, M/s Priyadarshani Transport Service.

Applications were invited primarily in January 2007, from companies interested in taking the rights for advertising on the buses. Various advertisers participated and the highest bid was Rs 25,000 per bus per month. Except BRTS, the other buses generates Rs. 15 Lakh per month from advertisement revenue while buses run through BRTS. BRTS corridor generates Rs. 2.5 Cr. per year as advertisement revenue. Currently M/s Giriraj Advertising & Marketing Services is the agency for Advertisement Contracts.

The monthly pass system has become the backbone of the financial model. There are various options like Route Pass, Daily Pass, Student Pass, etc. but the company decided to

keep it simple and start with a single pass for all, priced at Rs. 800/- per month and there is a concession in monthly pass fare for senior citizens and differently abled persons. This would enable the passengers to travel unlimited for a month on any bus on any route (except BRTS). An agency has been appointed for issuing the passes.

Currently in the fleet of AICTSL there are 65 low-floor Midi Buses and 32 old buses acquired in 2009, for intra-city transport and 22 specially designed AC buses for BRTS Corridor. Investment in this system is Rs. 60 crores, all based on PPP basis. The revenue result reveals that operating profit is as high as 50-55% of the total revenue, as practically no cost is incurred on AICTSL apart from establishment expenses.

Analysis, Results and Discussions :

Public of Indore is now enjoying a well maintained, affordable and comfortable city transport system with low carbon emission. For government, this system brought better Infrastructure Development and helps Indore to be one step ahead for a Smart City Project. AICTSL is enjoying high revenue generation with minimal asset holdings and comparatively less risk in their part. The Private Operators are enjoying good revenue generation and they are capitalizing the name and goodwill of AICTSL during their operations for city transport. It gives them an upper edge over other competitors like Tata Magic owners and Auto Rickshaw owners.

In terms of physical and financial sustainability, the model proved itself to be successful since its inception in operations. All the parties involved in the project are enjoying profits. Thus, it clearly displayed revenue generating ability and financial sustainability of the PPP Structure.

Financial Ratios for the last three years successfully represents the growth story.

The Operating Profit Ratio for 2015, 2014 and 2013 is 68.5% (till Sept. 2015), 88.35% and 73.57% respectively while Expenses Ratio for 2015, 2014 and 2013 is 52.76% (till Sept. 2015), 46.99% and 50.97% respectively.

The Net Profit for last three years is Rs. 1.87 Cr. (till Sept. 2015), Rs. 2.2 Cr. and Rs. 1.14 Cr. The major break-up of cost is 29% for Repairs and Maintenance, RTO tax is 26%, Legal and Corrigendum Expenses is 19%, GPS, CCTV and PIS Management is 17% and salaries and administration expenses is 9%.

The Major break-up of Revenue is 40% from Ridership Fare, 39% is from income from Tenders, 19% for advertisement income and 2% from PIS display. (Exhibit 1, 2 and 3)

All the above figures display an advantageous situation for AICTSL and the operators. This also has catered the passenger demand to a significant extent, but still there is scope for further development.

It is observed that, for making this model more favorable and for generating more revenues is to give enough subsidies to private operators and more importantly, they should be allowed to carry out their buses on more profitable corridors so that they have a fair return on investment. The government should subsidise the less profitable routes as the government can easily exercise deficit financing approach.

Secondly, the present concept of 'one bus one owner' must be dropped as it generates inefficiency and makes operations economically unfeasible. Few operators with large bus fleets can ensure quality and most importantly have the scale and financial resources required for quality improvements and learning best mutual practices.

Thirdly, it is advised that two operators should not be allowed to contend on the same route. Bus owners must get exclusive routes and earn revenues based on distance traveled, and this can be easily monitored by an affordable satellite system that tracks bus movement.

It was also observed that operators have some complaints as no dynamic pricing is practiced which could maximize their revenue, possibly due to public criticism on one side and management difficulty on the other. But should be underlined that the *ibuses* running on BRTS routes are AC buses with modern amenities, still the ticket fare is kept in the reach of common masses and due to this few routes have zero revenue sharing contracts.

Keys of Success of the Model:

The key reason for success of this model was proper identification of risks and rewards and their allocation to the party, those who was able to manage it at the best. So major risk is entrusted entirely on the private parties once they bid a fixed revenue share to get a route and not a single bidder has ever complained of non recovery of his costs till date.

The idea has gained huge popularity among the citizens of Indore and has been applauded countrywide. In fact the model was copied in almost all major cities of Madhya Pradesh and also outside.

A major point of concern of semi-metro and metro Indian cities today is increasing levels of pollution, heavy traffic jams, scarcity of parking space etc. along with the galloping cost of fuel. Taking these problems into consideration we must think to move towards public

transport and in the place of personal transport. Thus, this idea is going in favor of the business opportunities in PPP model.

After listening to Mr. Nitin, our guest from Delhi, Mr. Manish was very happy that PPT model is very effective and flourishing in Indore city. He thanked Mr. Nitin for such a discussion and expressed that he would be very happy to communicate the same to his relatives in Delhi.

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9. <http://www.outlookindia.com/news/printitem.aspx?18362> (accessed on 4th January, 2016)

Exhibit 1: Ratios

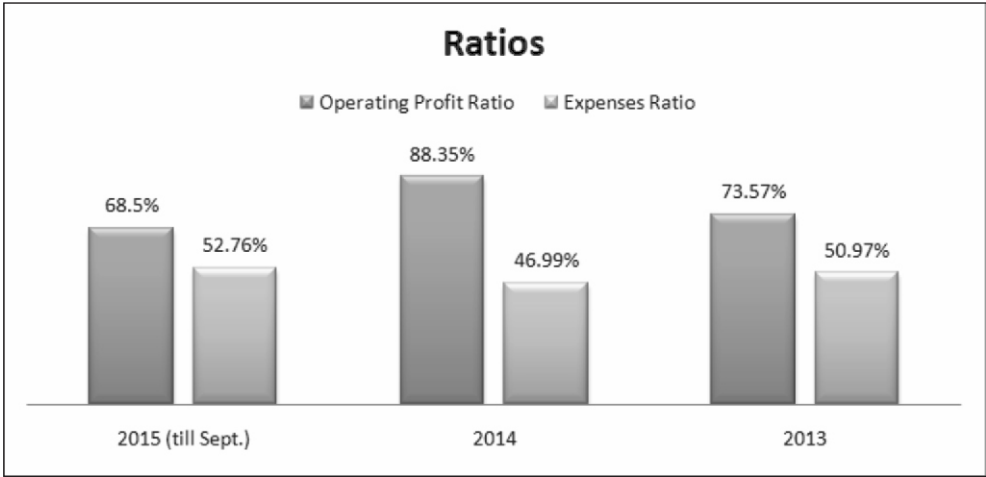


Exhibit 2: Revenue Break-up

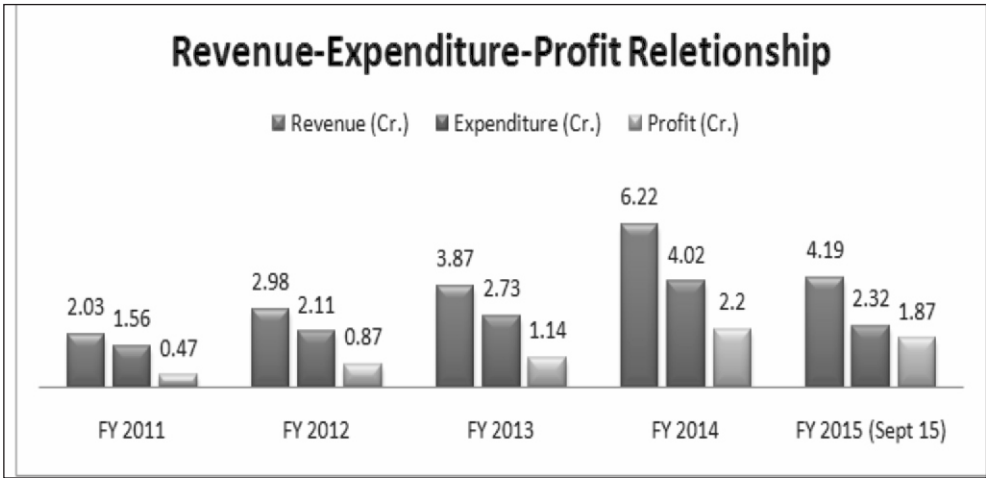


Exhibit 3: Cost Break-up

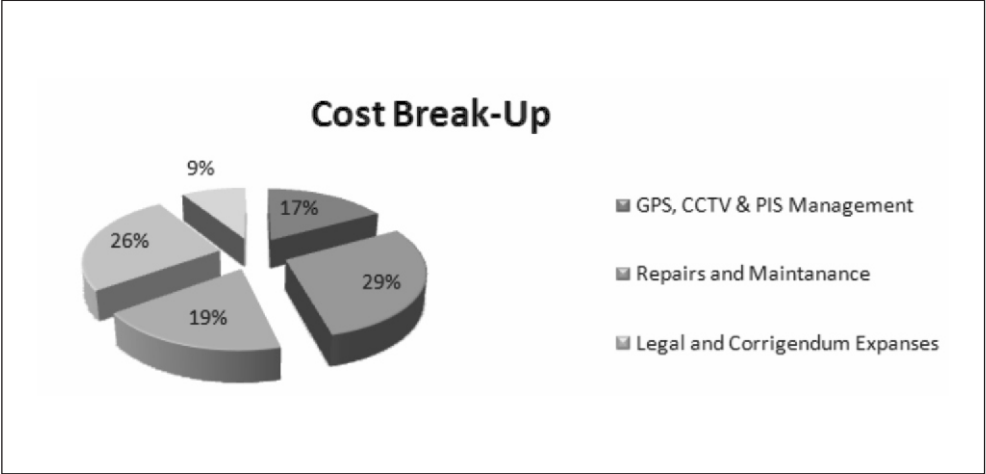
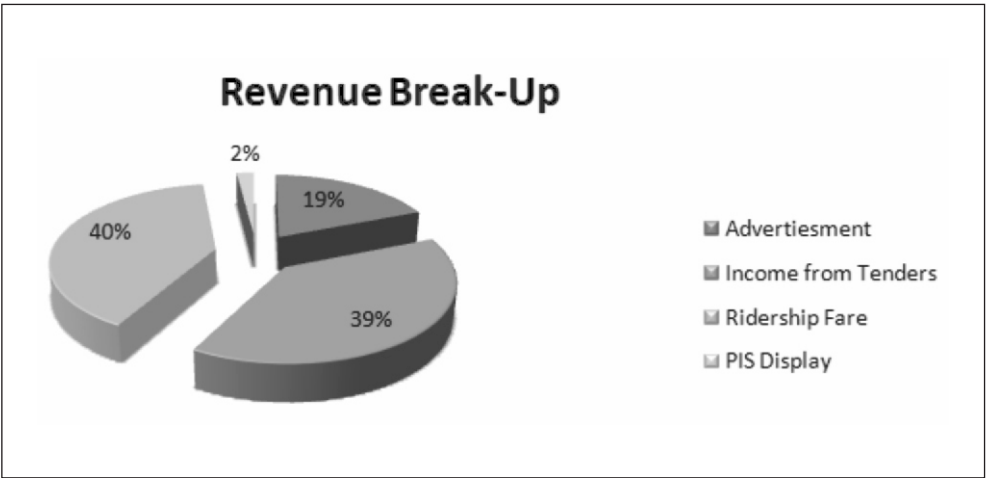


Exhibit 4: Revenue Break-up



AICTSL: Transforming Urban Transportation

Ajay Patil* and Goldie Zaki*

*(*Assistant Professor, St. Paul Institute of Professional Studies, Indore)*

Miss Molly Das Gupta had completed her Post Graduation in Management from the University of Delhi. After working for a year or so in the Delhi head office, she was asked to take care of the newly planned branch in a two tier city of central India, Indore. Although she was not very keen to relocate herself to a relatively smaller city, yet in order to accomplish her ambitious dreams, she decided to accept the challenge. With the scary experience-sharing from her colleagues regarding the state of traffic management in Indore, she was a bit worried about the means of transportation and her safe stay in the city.

Known to be as the most populous city as per the census of 2011, having a mixed culture, with the people living together enjoying their diverse cultures and languages making it famous for its food, festivals and handicrafts, Indore, the largest metropolitan city of the state of Madhya Pradesh, has fast emerged as a center of trade and commerce and is located at the western region of Madhya Pradesh and is known as the business capital of the state. Being the only city in the country hosting IIT and IIM together and recognized as an education hub of central India it is now developing as an IT and an outsourcing hub. Indore is a host to various industries like auto mobile, textile, oil-seed extraction and handlooms. The city is now adopting a cosmopolitan lifestyle as the huge entry of students and other workforce from other cities and states is coming in to Indore.

Unlike other big cities Indore was lacking robust urban means of transportation. Though Madhya Pradesh State Road Transport Corporation Ltd. (MPSRTC) was working successfully for past many years, but slowly it was losing its sheen. It was unable to keep the pace with the changing economic and social environment. Its market share was declining with the advent of the Liberalization, Privatization and Globalization, (LPG) model. Even after having a strong network and superior connectivity from urban to rural areas across the state, still MPSRTC was on the verge of its dilution.

A news Bulletin updated on Friday, March 19, 2010 - 17:56, IST, on Zee News, talked about the hanging fate of MPSRTC and its revival package declared by the Madhya Pradesh Transport Minister Jagdish Devda. He replied in a question raised by MLA from Congress Mr. Rakesh Singh Chaturvedi in the state Assembly that the State Road Transport Corporation (SRTC) can be rejuvenated with a new set-up if the Union Surface Transport Ministry make available Rs. 2,590 Crore under JNNURM project package

demand by the state. "The decision to close MPSRTC was taken after the approval of the state Cabinet and the proposal to shut the Corporation was sent to the Union Surface Transport Ministry for its nod," he said, afterward, the Union Labour Ministry gave its consent and released Rs. 45 Crores, to pay-off the liabilities with SRTC. But later, the Union Labour Ministry disallowed the proposal for three times in a row and directed the state government to seek a package from the Surface Transport Ministry. Mr. Devda informed the House that the state government has sought a package of Rs 2,590 crore, but the Surface Transport Ministry has rejected the demand. With this came the downfall of MPSRTC, the transport lifeline of Indore.

But owing to the speedy development of the city, growing mobility, increasing transportation demand, huge traffic intensity, overcrowding on roads, interruptions, accidents and other similar problems, a healthy public mass transport system of the city endured as the most serious subject. Though the intra-city public transport system in Indore is essentially road based with 500 private minibuses, 550 tempos and 10,000 auto rickshaws yet there was a need for a specialized and effective regulatory agency to monitor the system and a Special Purpose Vehicle (SPV) in the form of public limited company 'Atal Indore City Transport Services Ltd. (AICTSL)' was set up to operate and manage the public transport system in Indore on PPP model i.e. Public Private Partnership with their SPV to overcome the financial constraints.

The AICTSL identified 18 high travel demand routes and took permission for operating public transport on these routes from RTO with 37 ultra-modern low floor buses. These city buses are equipped with two broad doors, allow passengers to board in and out quickly and easily, an added advantage to save fuel and time, and to give improved run-times and better revenue to the bus operators. These buses are termed as Special Purpose Vehicles (SPV) equipped with the real-time vehicle tracking system (GPS) and fully computerized ticket vending system. The main sources of revenue are the fare box collection, advertising on the buses, revenue from passes and bidding amount deposited by private participants. The optimal fare system has been decided between the AICTSL and bus operators with the objective to equity access for poor and enticement for the upper-middle class to prefer city bus over their own automobiles. The ticket has been kept reasonable to give fair race to the standing minibus operators and adequate to protect fullest consumption and high enough to guarantee practicability of the system within the government rules. The scheme of passes on monthly, weekly, daily basis for employee and student confirms the optimum utilization of the fare system.

Although such a unique transportation system was prevalent in the city, yet it was less known to the outsiders like Molly. When Molly landed to Indore International Airport, her company arranged a cab for her from the airport to her stay at the company's flat. On her way, the nightmares and the stories told by her colleagues in the Delhi office got true as she saw people driving with their own indigenous traffic sense; she was surprised to see the stunts and creativity of youngsters in the peak traffic timings which seemed shocking to her. The next day her neighbour booked an auto with the help of the latest GPS enabled 'Jugnoo app' to reach her office. Her colleagues welcomed her warmly and asked about all the basic requirements and amenities, except for the one she was expecting i.e. 'Transportation'. Then Molly asked about a safe and dependable mode of transportation from her flat to the office. One of the colleagues told her about the i-bus service. Further inquiring, Molly came to know that the auto by which she had reached and the i-bus are all the efforts of AICTSL.

When Molly entered the i-bus platform with her colleagues to return home, she was happy to see a SBI ATM there. After experiencing a convenient ticketing facility, she was waiting for the bus using the free Wi-Fi services which is available at every i-bus platform. The moment the i-bus arrived, she was delighted to see the automatic door opening and closing system which reminded her of the Delhi Metro. She noticed that a separate set of seats are especially designated for women and differently abled. The bus was equipped with two operational CCTV cameras for security. Her first ride in the fully AC bus at Indore made her relax and she enjoyed one of her favourite music numbers on her way back home. The ride was much more comfortable than she had imagined.

When she reached home she was warmly welcomed by her neighbors and to her surprise she discovered that she was invited for a grand inauguration of a neighborhood community park and yoga club. When she attended the ceremony she came to know that the strategic head of AICTSL Ms. Vijayalakshmi Subhramanayam was the special guest. Out of her curiosity she approached and enthusiastically shared her pleasant experience of her first ride with the i-bus. To her inquisitiveness, Ms. Vijayalakshmi Subhramanayam told her the success story behind this AICTSL project. She told that it was not an easy task to launch this project as there were several teething troubles. Although the project was initiated in 2005, yet it was not before 2012 that the project could take a concrete shape in the form of the present i-bus. She shared that initially the social groups and the political peers were not involved in the project and therefore there was a lot of opposition from their

end. Moreover, the unorganized sector that had been an active player till then, posed a number of challenges in the efficient working and execution of the project. This unorganised sector specially the Nagar Sewas, tempos, and Tata Magic vans were insecure and reluctant and hence opposed this new initiative. Moreover, the construction of the BRTS closed corridor required a huge amount of money and legal permission from the municipal corporation and the government authorities. The local public also did not encourage the construction of the corridor as it required clearing the encroachments which were a source of daily employment for the hawkers. Molly exclaimed, “This also reminds me of the scenario while executing the Delhi Metro Train Project and how the DMRC had to face the public and legal opposition!” She said that it reminds her of the popular Porters' Five Forces Model.

“Yes it's very true Molly”, said Ms. Subhramanayam. “Let me explain it in the context to the Porter's Model. Initially we had to face a lot of challenges in the form of local unorganised competitors who were backed by public acceptability and political support. In the intercity and interstate commutation options Nafees Travels, Maa Sharada, Hans, Raj Ratan Travels etc. posed a tough competition as well. At the time of festivals when there was a high customer traffic and at peak hours, they use to double or triple the fare and exploited the customers unethically. Initially AICTSL also had to engage the local public through various initiatives and public awareness campaigns like *Rahagiri*, bicycle marathon, free trial runs, presentations in the reputed colleges and schools and other public relation measures. She also added that with the well trained staff and empathic approach we won the public trust and support. The women commuters felt safe and comfortable due to the various women safety measures such as panic buttons, CCTV surveillance and separate seating facilities. As a result we are now the first preference amongst the locals of Indore and enjoy a creditable and reliable image. Today, we are a part of their comfortable daily routine. Moreover, it is very satisfying to observe that even the upper middle class and a few affluent families of Indore have adopted our services wholeheartedly.

In an effort to improve the customer service experience we are continuously innovating and entertaining various inputs in the form of complaints, suggestions, feedback and a 24x7 helpline service. Adapting to the current market situations and incorporating our consumers advice in our planning and execution, we have introduced new ventures like intercity long route chartered buses, tele-rickshaw, i-bikes, i-rides and the latest is the

mid-buses, especially designed on public demand for narrow and crowded areas of the city.

Molly I must tell you that it has not been an easy task to apply and execute all the plans we had on board. Still we are experiencing the famous phrase 'success is a challenge'. The pre-decided fares by the regulatory authorities do not allow us to go in for a dynamic pricing. This in turn affects our revenue generation. The huge cost which is an area of concern is construction and maintenance of the BRTS closed corridors and the low floor assembled buses.

Molly was impressed. She was very fascinated to hear the growth story of AICTSL. She said, “AICTSL is trying to create a win-win situation for all the stakeholders. A strategic head like you Ms. Subhramanayam, high customer and operator satisfaction and your SPV are your company's Unique Selling Proposition. I wish you the best for future.”

Molly returned home satisfied and happy. She called up her mother and told her how much she is enjoying her stay in Indore, all thanks to AICTSL.

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Democratic Leadership with Participative Management – A Case on AICTSL

Loveleen Kaur* and Sumit Sharma*

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Maya was a confident, ambitious and a single girl child to the Singhs from Jammu. Despite family opposition from the elders, she received her father's support throughout for her education. If she completed her graduation, she would be the first one in her family to be a graduate. However, she didn't stop at graduation, but instead after completing her MBA (HR) from a reputed university, she was on a lookout for jobs. She was sure of her managerial skills, particularly so in the field of Human Resource, having spent sleepless night working hard for her degree and projects that came with it. Armed with this confidence, she applied for HR jobs in many companies, but it was AICTSL that caught her imagination from all the other offers she managed to grab. AICTSL had an unprecedented task for her. She was literally to be her own guide, with no one to monitor her day to day labour, but immense accountability as she would leading a multi-crore firm, whose profits or losses would jump according to her decisions. This was not all; she was to work with four male members of her peer group. She had a hard time first to convince her conservative family to trust her, and help her reap the fruits of decades of hard-work in education. It was time her education was applied to test. She succeeded in psychologically convincing her parents and packed her baggage to arrive in Indore.

AICTSL is a reputed transport company with its Head Office in Indore. And Ms. Maya Singh became Human Resource Manager cum Public Relation Officer cum Public Information Officer of AICTSL. She emerged as a dynamic, bold and impressive person who effectively and to great lengths worked for defining and achieving the objectives of the organisation.

The company is currently run by nine employees, five of whom are handling the major working areas of AICTSL (hereafter mentioned to as management), three of them are drivers and one peon. As can be observed from the profile of Ms. Singh, one person is handling multiple departments. This might appear surprising that mere five employees are looking after the business of such magnitude that covers not just Indore but has crept into the transport sector of various other districts, despite opposition and threat from

several members of political class and unorganised sector. All this could be possible due to the democratic and participative leadership of Ms. Singh. She never adopted autocratic leadership policy, and instead believed in working together as a family. It can perhaps be credited to her humble upbringing that she may have seen a family like setup much practical in the political scenario that this organization is run in. So much so that the employees have treated this organization as their family business, and therefore do not think twice when it comes to working way overtime, into the late night, at times early morning and public holidays.

One is inevitably confronted with the question as to what is it that is driving her and her team to such great lengths towards company building, specially when we take into consideration that they have no formal working time; or accomplishing tasks far beyond their mandate. Other than legal challenges that come to her every other day, political opposition from local leaders, passenger unruliness and various challenges that are naturally a part of such a crucial post. Apart from what is expected of such an organization, her team is also entrusted with public interest initiatives like Raahgiri, maintaining roads, paintings the railings along the roads etc. It is pertinent to mention here, that her persuading skills have been critical in having such things done. Her feminine instinct understands the psychology of collectiveness and responsibility, this when combined with her managerial ability proves to be a boon to the organization that has the entire state of Madhya Pradesh keep a watchful eye on its progress. The private bus owners are a constant and intimate threat, and they would want nothing more than having this organization done away with which has threatened their survival.

Staffing is choosing the right person, for the right job, at the right time. Since when she joined the organization was just a baby, she could not go out of the way in recruiting people. Therefore, she envisaged a team of nine members. Four, who would work with her in running the administrative tasks of the organization, and others who will maintain the clerical standards. Apart from this, the employees like bus drivers, conductors, traffic managers etc. are recruited through three agencies, namely Ratan Emporium for bus-checkers, ticket conductors etc., Third Eye for security staff and Noble Security for hospitality. Though these employees are not the direct employees of AICTSL, yet to maintain the coveted standards that have also earned them the prestigious ISO certificate, she has thought it must to standardize the training process of all the employees that even remotely come under its umbrella. Every month all the drivers and conductors are trained

and every week all the supervisors are trained. The services of Eicher Motors are usually taken for the training of drivers.

As far her team is concerned, other than job oriented trainings, they arrange for motivational speakers from reputed organisation like IIM-I, Brahma Kumaris and GSITS. Similarly there are several workshops that are arranged for similar purposes. Family atmosphere has been given utmost importance, since the job is excruciatingly demanding and such tremendous work demands should not take a toll on their well being, the management has a familial relationship with one another, and are treated by each other's families as family members. They seldom take any leave and each one of them rests assured that the others will handle everything on his/her behalf. Since all of them have joined the organisation from the first day of its working, they have developed sincere belongingness to the organisation. They take not gratuity, but they know that their TA/DA are at par with government norms which encourages them to work even harder. Most of the cases are handled by the management itself, as it seems the decentralisation of power is effective mechanism to save everyone's time. They are in direct contact with the Collector and the Mayor, and any other case that they feel is beyond their means to deal with are solved using the political and bureaucratic advantage that this organization has due to Ms Singh's cordial relations with politicians and bureaucrats and participative decision making skills. .

It is not unusual to see every other day a news feature about another PIL filed against BRTS for traffic jam. This being a PPP model firm, AICTSL has to be prepared to face the public ire at the slightest discomfort, political threats, cross-governmental challenges (eg. a different government at Centre and a different at State) etc. She was utterly undaunted by such challenges, and chose to face them head on. She hired no advocate from outside, and instead entrusted Mr. Sandeep Trivedi to handle all the legal matters; it is interesting to note that he does not have a formal degree of law. Being a Human Resource Manager she understands the displeasure that can come our way, if we are forced to do something that we ourselves find us inapt of, hence Mr. Trivedi has a backing and constant support of Ms Singh, who doesn't shy away from attending the court proceedings herself, and spending countless hours in the preparing her defense.

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Sustainable Development: The Buzzword of a Smart City

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It was Monday morning of 10th January 2005, Mr. Rajesh Agarwal, the Collector of Indore was ready for his office. As usual he boarded his car to reach his office, where he had a line of meetings scheduled with the CEOs of different companies, some foreign delegates and various other prominent authorities of Indore, agenda being investment in Indore. He was feeling very excited and was very keen to meet the delegates. But on his way to the office he felt disturbed seeing the pathetic condition of mass transit in Indore. He had certain questions lurking in his mind which made him uncomfortable. Why will a multinational company invest in a city with such a poor infrastructure? This triggered his thinking process. Something had to be done to mitigate congestion, as this was the need of the hour. The dire conditions of transportation, overcrowded buses and tempos, discourteous staff behaviour, etc in Indore motivated Mr. Rajesh Agarwal to work in this direction and introduce a system which could improve the dismal condition of the present transportation system. He pondered over it for a long time and then he remembered his visit to Curitiba, Brazil. The well planned transportation system of Curitiba which included a separate lane for the Buses Rapid Transit System had become a source of inspiration for many other cities all over the world.

Need of BRTS in Indore

He felt that the transit system of Indore was not keeping pace with the growth of the city. In the context of rapid growth of the Indore city, escalating mobility, high transportation demand, increasing congestion, frequent delays, need for energy conservation, rising environmental consciousness and a multitude of such other problems it was imperative to introduce a new system in Indore city that could also contribute in the growth and development of the city. According to him, transportation is one of the basic necessities of any city and the growth of that city relies much on it. He knew that being the Collector he could take an initiative in this direction. The transportation system had to be judiciously planned, efficiently operated and meticulously managed to be successful and productive.

Indore is the most densely populated major city in the central province. The Indore Metropolitan Area's population being the state's largest, with 3.2 million people living

here. Indore being the commercial hub of Madhya Pradesh is home to hundreds of small scale and large scale industries and the 10th fastest growing city in India. It is also an important education hub of the central India. Having a growth rate of 40% which is greater than the growth rate of the nation, it becomes all the more to have an efficient transportation system. The other reasons which would contribute in introduction of a new system in Indore are safety concerns, comfort level and a pollution free environment. The driving force behind this was to shift two wheelers and car users to public transport system.

Introduction of AICTSL in Indore

Entering the 21st century, the Indian transportation system has been changing rapidly, but still it has not been able to solve the problem of congestion even in metro cities which continues to grow at an alarming rate. Mr. Rajesh Agarwal felt that with cities having population of more than one million should own urban bus transport corporation that will have 70 percent of buses from private contractors and operators and 30 percent of its own buses. Motivated by this, he conceptualized a public transport system model through private partnership where in every player whether government, local administration, operators and people are mutually benefit from each other. 'Atal Indore City Transport Services Ltd.' (AICTSL) was then initiated to manage the public transport system of Indore. AICTSL was a new form of public –private partnership which is an upcoming system of travelling in high speed transit system. AICTSL, began its city bus operations in 2006 in Indore. Mr. Rajesh faced severe criticism from all sides. There were talks of even transferring the control of Indore city Bus to Indore Municipal Corporation. There were also objections by corporators for routes and stoppages which suit their electoral constituency. But he was confident about the success of this model, as it was one of those rare PPP's where both the parties were at better off. So there was no point in discontinuing it.

Problem of Congestion Persisted

But owing to the growing congestion throughout the city, the system was gradually facing more challenges related to inefficiencies, increased travel times, decreasing ridership, etc. The city buses were still crowded, the journey was not comfortable and the upper middle class was unwilling to travel in these buses which aggravated the problem. After the introduction of the city buses in Indore there was a period of silence or no work between

2007 to 2012. The people were coping with problems with no one to listen to them. In light of the existing scenario, AICTSL needed to lower journey times and increase throughput to improve overall system efficiency. There was a need to introduce a mass transit system which has scope for low density and high density passenger movement. There was an urgent need for a low cost transit system. There was only one solution to the problem and that was the introduction of BRTS in Indore and the step was taken without any delay to tackle the growing concerns.

BRTS: Breakthrough in the journey

Mr. Suresh Tripathi successor of Mr. Rajesh Agarwal was yet another energetic and enthusiastic Collector who took the reins in his hand. He worked hard day in and day out to find a solution to the problem of congestion and delays. At last his hard work paid in the form of a master plan for the introduction of the Bus Rapid Transit system. The Indore Bus Rapid Transit System (BRTS) or better known as Ahilya Path is the BRTS for the city of Indore, by AICTSL also popularly known as i-Bus (Intelligent Bus). It became operational from 10th May 2013 onwards. A journey full of comfort in an air conditioned bus without any hassle of driving in a crowded traffic. It was a dream come true for the Collector. The Indore BRTS project was initiated in 2007 under the aegis of Jawaharlal Nehru National Urban Renewal Mission (JNNURM). It involved the participation of the Governments of India and Madhya Pradesh, and the World Bank. BRTS consisted of lanes which are exclusively reserved for buses so that they could surpass the congested traffic and avoid delays. In terms of financial and physical sustainability the model proved to be successful. In terms of replicability also it could be replicated. It could become a revenue generating activity in the near future. The Indore system incorporated the elements of a full-BRTS: stations with prepayment, level boarding, segregated bus-ways, a distinctive branding and image, multiple doors, and the use of technology. (Exhibit 1).

A BRTS gives priority to buses through exclusive bus lanes, and provides exclusive lanes for pedestrians and non-motorized vehicles. BRTS served to be an efficient and reliable transit system. A one stop solution to all the problems. The fares are affordable and it ensures a safe and comfortable journey. It also caters to the need of the upper middle class. It has a universal design. The vehicular emission has decreased and also the energy consumption.

Operations and Services

The future strategies aim at improving the condition of the roads by 2021. The growth of the city is very fast in comparison to other states and so the transportation requirements have also increased. Mr. Suresh Tripathi: A person with a long term vision was very cautious while implementing the plan. He successfully involved all the key authorities of Indore so as to ward off any possibility of a fiasco of the plan. The institutions involved in the operations were Indore Development Authority, Indore Municipal Corporation (IMC), M. P. Public Works Department (MPPWD), Atal Indore City Transport Services Ltd. (AICTSL). (Exhibit 2)

There will also be provision for a Ticket Office Terminal for issuing "contactless smart cards." To make the BRT transportation mode smart to the road users and also to improve the safety, efficiency, reliability and cost effectiveness of the city's transportation system AICTSL decided to make use of Intelligent Transport System (ITS). Various management systems are included in the vision of Indore's development with the objective of improving air quality, decreasing congestion and reducing consumption of fuel. The central control room serves as the hub for all ITS system activities. The arterial system reduces cycle lengths, and improves coordination leading to reduction in: motor vehicle delays at junctions.

Challenges and Plans Ahead

The challenges that the transportation management is now facing is related more to implementation, equally challenging is its operation and maintenance and so is the case with the Indore BRTS. Because it is a system that purely relies on information technology system its operations and maintenance is equally important. More focus has to be given to its maintenance. A special BRT Regulation Act could be considered. This may help to address certain key issues such as: traffic violation, property damage, jam walking etc.

Variable Message Signs System (VMS) is also in the pipeline as it can be used to provide vital information in emergencies. VMS can be used to provide congestion data to commuters, which can help them decide on alternate routes

Achieving sustainable transportation system is the principal objective of AICTSL according to the standards of National Urban Transport Policy (NUTP) set by the Government of India. Efforts to reduce environmental risks form another important element of this objective. To promote a long-term partnership between Government of India and state/local governments in the implementation of a greener environment under the realm of the NUTP is the prime objective to be fulfilled.

Conclusion

The success story of the BRTS does not end here, there are many milestones yet to be achieved Indore still has many areas which are facing severe problem of congestion and the BRTS has still an immense scope to cater to their need. The success of the BRTS depends on managing the behavioral changes, including commuting patterns which requires comprehensive planning and improving the system as well. Supporting Infrastructure is required such as the parking facility at the key intersections or the interchange points. BRTS, a blessing in disguise has laid the foundation of a smart city. The credit of this goes to Mr. Vivek Agarwal and Mr. Suresh Tripathi who laid the stepping stone to success.

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Exhibit 1 : Physical and Financial Sustainability

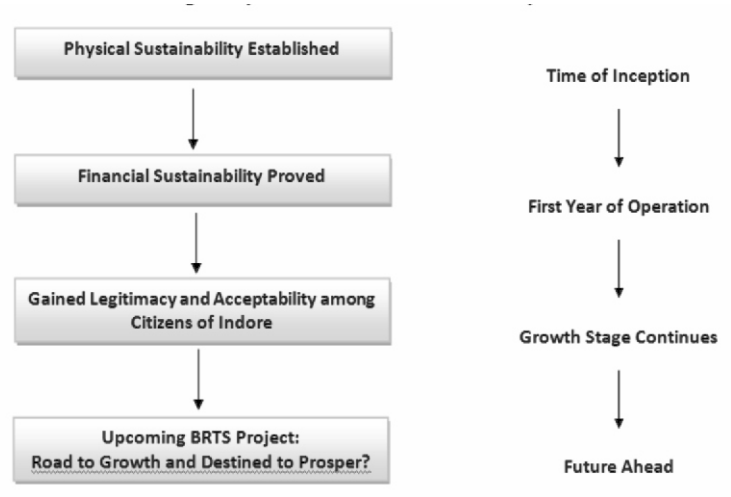
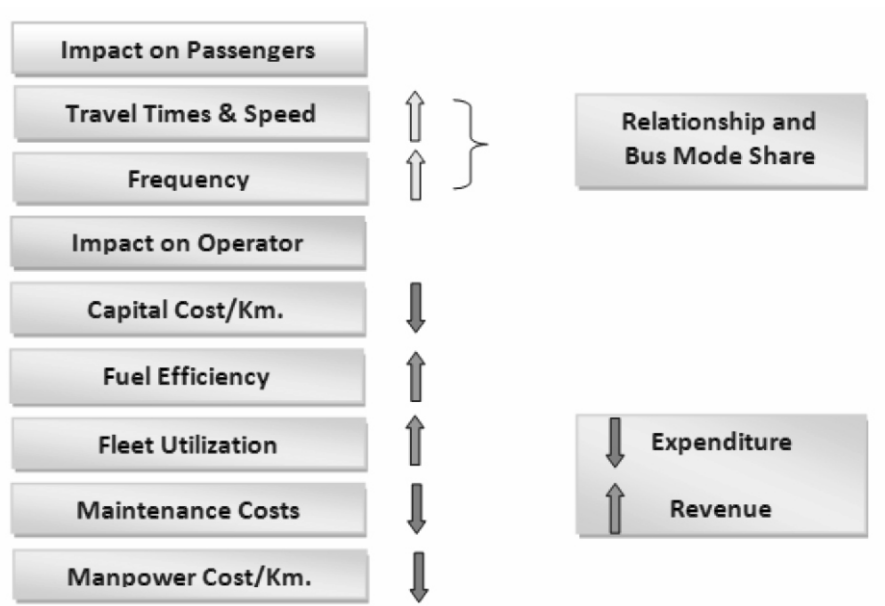


Exhibit 2: Impact of BRTS on various Factors



Eicher Motors Ltd. – A Turnaround Story

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Introduction:

A ride, straddling over fifty years, Eicher has driven a long-way. These gratifying years saw the company raise, spread, acquire, merge, combine and inflate; captivating sentiments and faith of customers, dealers, suppliers and stockholders without any difference. Incorporated in 1982, Eicher Motors Limited is the flagship company of the Eicher Group in India and a leading player of the Indian automobile industry, presently headed by Mr. Siddarth Lal said to be the master mind of the whole turnaround story. The automobile segment remains the core focus of the group, with business interest in other areas like management consultancy, engineering solutions and exports of food products. EML has a strong presence in the niche cruiser motorcycle segment and the intermediate CV (ICV) segment.

The eldest motorbike firm in incessant manufacture, Royal Enfield, also known as India's Harley Davidson, made its initial motor-bike in 1901. A part of Eicher Motors Limited, Royal Enfield has fashioned the mid-size motorcycle section in India with its exclusive and distinguishing contemporary class motorbikes. EML manufactures the Royal Enfield and Bullet motorcycles, which occupy a leadership position in the 250 cc above motorcycle segment in India. Operating in the niche category of luxury/cruiser biking, Royal Enfield (RE) motorcycles, through their classic vintage styling and attractive price points, have carved out a cult brand image for themselves.

VE Commercial Vehicles Limited (VECV) is a joint-venture of Volvo Group and Eicher Motors Limited. In manufacturing since July 2008, the company consist of the comprehensive array of Eicher trademarked trucks and buses, VE Powertrain, Eicher's machineries and manufacturing design facilities businesses, the sales and distribution business of Volvo Trucks along with post-market backing to Volvo Buses in India. EML is also the third largest manufacturer of M&HCV vehicles in India with around 10% market share. In 2008, EML formed a JV with Volvo and transferred its commercial vehicle and components businesses to the JV. EML holds a 54.4% stake in the joint venture Volvo Eicher Commercial Vehicle (VECV). In the deal, the CV business, along with the related

component and design service business, was transferred to the JV, on a slump-sale basis at a value of Rs. 200 crore as Volvo contributed Rs.1080 crore cash for 45.6% equity. Over and above this, Volvo raised its economic ownership level to 50% through purchase of 8.1% of stake in EML at Rs. 692/share.

VECV has significant market share in the 7.5-12-tonne ICV segment with 34% market share. The company is focusing on enhancing its presence in the heavy duty segment (above 16 tonne) which comprises 12% of total sales, growing at 6.0% CAGR (CY08-11). Strong brand equity and expansion plans will fuel revenue growth while the JV with AB Volvo provides technological benefits. Also, the noncompeting and exclusivity of Volvo India sales provides EML/investors assurance over the long term nature of the JV partner. Moreover, AB Volvo's decision to make VECV its sourcing hub of medium duty engines will provide a technological advantage and sustained revenue stream ahead.

In 2012, Eicher Motors Limited entered into a strategic joint-venture contract with Polaris Industries Inc. of United States, to design, develop, make and trade a whole new series of own vehicles apposite for India and other emergent markets. The JV will permit Eicher Motors Ltd. to enter into a new vehicle segment through this contract. In 2013, the JV company- Eicher Polaris Pvt. Ltd (EPPL) started its engineering facility in Jaipur, Rajasthan.

Exhibit 1: Financial Aspects and Various Financial Analysis

Balance Sheet of Eicher Motors (Rs. Cr.)

Sources Of Funds	Dec. 14	Dec. 13	Dec.12	Dec.11	Dec.10
Total Share Capital	27.1	27.04	27	26.99	26.94
Equity Share Capital	27.1	27.04	27	26.99	26.94
Reserves	1,206.56	794.3	602.05	513.05	429.73
Net worth	1,233.66	821.34	629.05	540.04	456.67
Secured Loans	0	4	20.01	6.5	14.36
Unsecured Loans	0	0	0	7.75	3.11
Total Debt	0	4	20.01	14.25	17.47
Total Liabilities	1,233.66	825.34	649.06	554.29	474.14
Application Of Funds					
Gross Block	623.01	404.59	219.45	195.73	159.27
Less: Accum. Depreciation	122.43	105.34	81.75	83.43	87.52
Net Block	500.58	299.25	137.7	112.3	71.75

Capital Work in Progress	59.34	13.92	60.33	4.21	3.06
Investments	1,188.58	856.35	649.39	518.01	463.98
Inventories	205.13	143.84	75.41	45.27	28.23
Sundry Debtors	10.7	12.13	6.2	4.1	3.64
Cash and Bank Balance	43.05	18.71	3.5	2.98	3.63
Total Current Assets	258.88	174.68	85.11	52.35	35.5
Loans and Advances	221.51	138.98	91.71	95.51	57.65
Fixed Deposits	0	0	0	0	7.47
Total CA, Loans & Advances	480.39	313.66	176.82	147.86	100.62
Current Liabilities	811.39	549.32	303.8	172.03	124.19
Provisions	183.84	108.52	71.38	56.06	41.08
Total CL & Provisions	995.23	657.84	375.18	228.09	165.27
Net Current Assets	-514.84	-344.18	-198.36	-80.23	-64.65
Total Assets	1,233.66	825.34	649.06	554.29	474.14
Contingent Liabilities	210.61	137.04	111.94	111.43	86.22

Profit & Loss account of Eicher Motors (Rs. Cr.)

Income	Dec. 14	Dec. 13	Dec.12	Dec.11	Dec.10
Sales Turnover	3,031.22	1,702.47	1,049.26	671.45	488.32
Excise Duty	0	0	0	0	46.34
Net Sales	3,031.22	1,702.47	1,049.26	671.45	441.98
Other Income	116.3	80.1	45.78	76.78	54.87
Stock Adjustments	43.17	31.96	21.27	14.4	2.12
Total Income	3,190.69	1,814.53	1,116.31	762.63	498.97
Expenditure					
Raw Materials	1,914.63	1,131.04	721.74	476.7	300.83
Power & Fuel Cost	23.23	17.68	11.01	6.47	5.48
Employee Cost	160.9	110.9	78.86	51.04	39.37
Other Manufacturing Expenses	0	0	0	0	2.18
Selling and Admin Expenses	0	0	0	0	50.87
Miscellaneous Expenses	242.07	161.08	113.49	71.55	0.63
Preoperative Exp Capitalized	0	0	0	0	-0.24
Total Expenses	2,340.83	1,420.70	925.1	605.76	399.12

Operating Profit	733.56	313.73	145.43	80.09	44.98
PBDIT	849.86	393.83	191.21	156.87	99.85
Interest	1.67	0.27	0.26	2.02	2.57
PBDT	848.19	393.56	190.95	154.85	97.28
Depreciation	50.16	30.41	17.15	13.02	10.79
Profit Before Tax	798.03	363.15	173.8	141.83	86.49
Extra-ordinary items	0	0	0	0	0.29
PBT (Post Extra-ord Items)	798.03	363.15	173.8	141.83	86.78
Tax	239.11	84.53	29.04	17.28	11.17
Reported Net Profit	558.92	278.62	144.76	124.55	75.44

Total Value Addition	426.2	289.66	203.36	129.06	98.29
Equity Dividend	135.52	81.12	54	43.19	29.63
Corporate Dividend Tax	18.94	6.86	2.14	0.39	0.4
Per share data (annualized)					
Shares in issue (lakhs)	271.05	270.39	270.01	269.93	269.38
Earnings Per Share (Rs)	206.21	103.04	53.61	46.14	28.01
Equity Dividend (%)	500	300	200	160	110

Investment Valuation Ratios	Dec. 14	Dec. 13	Dec.12	Dec.11	Dec.10
Face Value	10	10	10	10	10
Dividend Per Share	50	30	20	16	11
Operating Profit Per Share (Rs)	270.64	116.03	53.86	29.75	16.63
Net Operating Profit P/S (Rs)	1,118.33	629.64	388.6	248.1	164.07
Free Reserves Per Share (Rs)	—	—	—	189.46	158.91
Bonus in Equity Capital	—	—	—	—	—

Profitability Ratios

Operating Profit Margin (%)	24.2	18.42	13.86	11.98	10.13
Profit Before Interest & Tax Margin (%)	21.71	15.89	11.71	9.36	7.09
Gross Profit Margin (%)	22.54	16.64	12.22	10.04	7.69
Cash Profit Margin (%)	19.35	17.33	14.78	15.29	14.27
Adjusted Cash Margin (%)	19.35	17.33	14.78	15.29	14.27
Net Profit Margin (%)	18.43	16.36	13.79	18.59	17.06

Adjusted Net Profit Margin (%)	17.75	15.63	13.21	17.33	15.73
Return On Capital Employed (%)	64.82	44.03	26.81	20.85	15.05
Return On Net Worth (%)	45.3	33.92	23.01	23.06	16.51
Adjusted Return on Net Worth (%)	45.3	33.92	23.01	17.93	12.61
Return on Assets Excl. Revaluations	455.14	303.76	232.97	200.07	169.53
Return on Assets Incl. Revaluations	455.14	303.76	232.97	200.07	169.53
Return on Long Term Funds (%)	64.82	44.24	27.67	21.37	15.52

Liquidity And Solvency Ratios

Current Ratio	0.48	0.47	0.43	0.56	0.52
Quick Ratio	0.28	0.26	0.27	0.4	0.41
Debt Equity Ratio	—	—	0.03	0.03	0.04
Long Term Debt Equity Ratio	—	—	—	0.01	0.01

Debt Coverage Ratios

Interest Cover	478.86	1,346.00	669.46	57.51	27.77
Total Debt to Owners Fund	—	0	0.03	0.03	0.04
Financial Charges Coverage Ratio	508.9	1,458.63	735.42	63.96	31.96
Financial Charges Coverage Ratio Post Tax	365.72	1,145.56	623.73	69.1	34.55

Management Efficiency Ratios

Inventory Turnover Ratio	14.78	11.84	13.91	17.16	17.97
Debtors Turnover Ratio	265.55	185.76	203.74	173.05	100.11
Investments Turnover Ratio	14.78	11.84	13.91	17.16	17.97
Fixed Assets Turnover Ratio	4.96	4.33	4.87	3.47	3.12
Total Assets Turnover Ratio	2.48	2.09	1.63	1.24	0.97
Asset Turnover Ratio	2.94	2.31	1.74	1.3	1
Average Raw Material Holding	—	—	—	12.98	18.21
Average Finished Goods Held	—	—	—	14.54	9.96
Number of Days In Working Capital	-60.59	-72.67	-69.06	-46.06	-51.79

Profit & Loss Account Ratios

Material Cost Composition	63.16	66.43	68.78	70.49	68.06
Imported Comp. of R. M. Consumed	2.77	5.31	1.5	1.92	1.24
Selling Distribution Cost Composition	—	—	—	5.53	5.56
Expenses as Composition of Total Sales	3.02	4.05	5.23	6.76	7.86

Cash Flow Indicator Ratios

Dividend Payout Ratio Net Profit	24.24	29.11	37.3	34.67	39.27
Dividend Payout Ratio Cash Profit	22.24	26.24	33.35	31.39	34.36
Earning Retention Ratio	75.76	70.89	62.7	55.42	48.58
Cash Earning Retention Ratio	77.76	73.76	66.65	60.7	56.69
Adjusted Cash Flow Times	—	0.01	0.12	0.16	0.26
Earnings Per Share	206.21	103.04	53.61	46.14	28.01
Book Value (Rs)	455.14	303.76	232.97	200.07	169.53

Price to Earnings Ratio

Year	2014	2013	2012	2011	2010
Share Price	15013	4976	2903	1475	1232
P/E	72.8	48.29	54.15	31.97	43.98

Exhibit 2: Shareholding Pattern

Sl. No.	Name of the Shareholder	No. of Shares held	Shares as % of Total No. of Shares
Dec.12	Aktiebolaget Volvo	2275610	8.43
Dec. 13	Aktiebolaget Volvo	2275610	8.42
Dec. 14	Aktiebolaget Volvo	2275610	8.4
Mar. 15	Aktiebolaget Volvo	1005610	3.71
Jun-15	Aktiebolaget Volvo	0	0

Key Findings:

The stable expansion in Commercial Automobiles Industry has led to fierce competition amongst the many Commercial Vehicles Producers in India.

The auto maker is correctly placed in the market but need to tighten the overall image in the market. To endure in the competition marketplace each Commercial Vehicles manufacturer is approaching up with rather novel yet inexpensive product to meet the Indian customer requirement.

The product portfolio is good but the market is continuously putting challenges and competition. In the local market, even players like Bharat Benz, AMW the new player giving a tough competition and no doubt at national level TATA, Ashok Leyland, MAN, ISUZU, Mahindra challenging Eicher in every segment. A buyer nowadays has hand-picked among the many available commercial vehicle swamping in the markets at

judicious price. Since 2011 company has shown a growth rate of 37.5 %, 56.27%, 62.25%, 78.05% YOY is really impressive. In line with top line bottom line is also inching up as the company has shown 2011 onwards 65.1%, 16.23%, 92.47%, 100.6% YOY growth in profits.

The automobile industry has yet to fully tap into demand from rural areas. Demand for logistics have started slowing down in line with the steadily weakening industry activity; the impact is pinching in certain sectors particularly container applications, automobiles and heavy industrial applications like steel etc.

Despite increasing cost pressures, freight rates on major routes remain largely flat (after adjusting for the fall in diesel prices), loan EMIs on truck loans have gone up substantially with increase in vehicle prices and rise in financing cost; this coupled with, tyre costs, driver salaries and increase in toll charges, the operating environment for road freight segment has weakened substantially.

A marginal relief from ecommerce industry is supporting the transportation mechanism along with improvement in infrastructure facilities is encouraging.

Previously, consumers from these areas would need to go to automobile dealerships in towns and cities for their vehicle purchases. However, in recent years, market players have made overtures to rural consumers, with encouraging sales. The growth in rural markets and establishment of storage facilities in nearby vicinity increased transportation opportunities.

As per the joint mission statement of Society of Indian Automobile Manufacturers (SIAM) and Government of India in Automotive Mission Plan 2016-26, the Indian automobile sector has the possibility to create up to \$ 300 billion as yearly proceeds by the year 2026, generate 65 million added works and contribute over 12% to the GDP of the country.

Opportunities for Royal Enfield Growth:

- Growing pocket size of Indians.
- Growing youth population.
- Increasing youth preference to wards Royal Enfield brand.
- Economic substitute of Harley Davidson.
- Suits to Indian conditions.
- Preferred brand of Indian Army and Indian Police Services.
- Sustained brand loyalty.

Opportunities for CV segment:

- Increased infrastructure spending.
- Increasing logistic demand.
- Growth in commercial activities.
- Emergence of concept trucks.
- Brand value improvement due to VOLVO joint venture.
- Easy finance.
- GPRS and Technology enabled systems increasing driver safety and efficiency.
- Multi-axle vehicles.
- A shift to tractor trailer combinations.
- Higher power-to-weight ratio vehicles.
- The Indian market is for low priced rugged vehicles.
- Use of hybrid technologies and improved cab interior.
- Better freight management.
- Digital Displays.
- Better Ergonomics.

Make in India' an initiative of Union Government aims to expects to 9.4 million units of passenger vehicles in the market by 2026 by opening up the FIIs in Automobile sector of India.

As the records show, Eicher is having a negative working capital policy sing a long which has paid till date but certainly add a caution note to the financial records. Any organization in order to survive long and strong need to have a sound working capital policy which is sustainable in the long run. The company`s share is trading at a PE multiple of 72.8 as per 2014 data and hanging on higher trajectory since its venture with VOLVO. The shareholding pattern and its timings indicate the entry of VOLVO near the levels of Rs. 700 a share and exit around Rs. 16,000 to Rs. 19,000. The joint venture took place with VE Commercial Vehicles for 49% which is a subsidiary of Eicher Motors Ltd. and as a result of market price movement VOLVO took the full advantage and made a lot of profit out of such stock price movement. The growth is evident in the commercial vehicles during years May 2014-15 from the following table.

COMMERCIAL VEHICLES

Company	May '15	May '14	Difference	
			Units	Growth (%)
AMW Motors	140	310	-170	-54.84
Ashok Leyland	8,205	5,629	2,576	45.76
Force Motors	1,691	1,607	84	5.23
Isuzu Motors	106	39	67	171.79
Mahindra & Mahindra	11,407	12,297	-890	-7.24
Piaggio Vehicles	326	471	-145	-30.79
SML Isuzu	1,366	1,273	93	7.31
Tata Motors	21,910	22,231	-321	-1.44
VECV - Eicher	3,617	3,064	553	18.05
VECV - Volvo	73	65	8	12.31
Total	48,841	46,986	1,855	3.95

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