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Is Lakshmi Vilas Bank – Alive with Stake Holders or Alone?

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INTRODUCTION

The Lakshmi Vilas Bank Limited was nighty years old, the bank was started by seven partners in the year 1926 from Karur underneath the full support and capable captain of Shri V.S.N. Ramalinga Chettiar. The motto of bank is to provide the financial requirements of diverse customer sectors. The bank was registered on 03rd November 1926 under the Indian Companies Act 1913 and received the eligible certificate to commence the Banking business on November 10, 1926. The Bank has got its license from Reserve Bank of India in June 1958 and in August 1958, it developed into a Scheduled Commercial Bank. During 1961 - 1965 this bank acquired Nine Banks and expanded its network significantly. In order to meet the evolving encounters in the competitive banking environment, the board strategy to operating and expanding business beyond Tamil Nadu from 1974 and by expanding its branches in the Andhra Pradesh, Uttar Pradesh, Delhi, Karnataka, Maharashtra, Kerala, Pondicherry, Madhya Pradesh, Gujarat and WestBengal.

The Bank has introduced various modernization in the competitive market to face the competitor challenges in the year 1977.The bank has 362 network branches and 8 extension counters, it spread out across 15 states and the union territory of Puducherry. This bank has a robust and extensive base in Tamil Nadu, one of the developing states in the country, has a vivacious industrial society. The focus of the bank is on customer first and their happiness, by providing high standards and quick services to customer and faced all the challenges in the competitive market to sustaining its good position in Indian banking Sector. In the Globalised Era, LVB has been concentrating on retail and corporate banking and assurance, is providing advanced technological services include:

- 100% CBS Branches facilities
- International Debit Card with VISA
- Electronic funds transfer services with RTGS & NEFT
- Internet and Mobile Banking & SMS Alerts service
- Electronic Clearing Services (ECS)
- National Electronic Clearing Services (NECS)
- Mobile Phone Payment facilities

The Bank has consistently introduced the products that are continuously invented to fulfil the changing necessities of the customers. The Bank provides all the financial aids under one roof and the bank has associate with various private and public sector insurance, mutual fund finance. The Bank trust on cost effective provision provided by upgraded technology to improve the value to the clients. All the branches are in the high-tech core banking software to facilitate smooth interbank transactions. The Bank has 688 ATM network which spread out across major locations in India. Besides, the bank has tie-up with Cash Tree Network and NFS for offering service of more than 81000 ATM operation services. The Bank service standards and operational efficiency is the bench mark among the competitor bank practices with the best in the market. The bank has taken great steps in attainment out to the various sections of the society through its products which are delivered through multiple channels intertwined around branches in different locations. This is a key area of focus for the banks where they are backing on their strength of concentrated branch network and deep relationship with the customer. They want to reduce their exposure to corporate loan and focus more on retail and MSME loan. In 2016, they had 2.71 mn customers ((14% metropolitan, 17% rural and 28% urban). Although, 50% of their branches are in TN, rest of the 50% is pan-India.

“The bank vision statement is to be a sound and dynamic banking entity providing financial services of excellence with Pan India presence”. In this vision statement, the bank successfully rendered services for public and business community, the mission statement focused on quality of financial services and products to create value for the customers, shareholders and the society.

HIGH LIGHTS OF THE BANK:

1. LVB is a 90-year-old regional bank in Tamil Nadu with 500 branches with 271 in Tamil Nadu. Nearly 50% of the business of the bank comes from the state ofTamil Nadu.
2. Constantly the bank registered a total turnover of ` 38116.53 crores in financial year 2019-20 as against ` 51235.40 crores in financial year 2018-19, the business turnover decrease of 25.61%. and the deposits fell by 26.76%, from ` 29279.44 crores as on 31st March 2019 to ` 21443.19 crores as on 31st March 2020, on the back of sensible decision to reduce bulk deposits.
3. Traditionally, their major source of income (Interest from Advances) was from corporate loan book.
4. The new management, under the leadership of Parthasarathy Mukherjee, acknowledged their limitation of small bank, and now has the focus on increasing their retail/SME lending.
5. "We are moving away from large corporates, which is not our cup of tea.... We are a smaller bank. So, it is better to concentrate on smaller advances, where we have local knowledge and local understanding of the businesses. So, we believe that is where we have the DNA. And we are trying to leverage on that DNA," - NS Venkatesh, Executive Director.
6. "Currently, 50.8 per cent and 49.2 per cent of the bank's loan portfolio comprise loans to large corporate, and RAM (Retail, Agriculture and MSME) and commercial banking segments, respectively. This bank plans to change the loan mix between large corporate, and RAM and commercial banking to 25: 75."
7. Net revenues for DBIL raised by 85% to INR 2,673Cr. (includes INR 134Cr. from LVB) in Financial Year 2021 from INR 1,444 Cr in Financial Year 2020. Profit before tax (PBT) increase to INR 679Cr. from INR 170Cr. in Financial Year 2020. This is despite captivating LVB's pre-tax losses of INR 341Cr. from November 2020 to March 2021.
8. Total number of branches has increased from 292 to 566 till 2020.
9. Gross Non-Performing Assets were at Rs 4,063.27Cr. as of Sep. 2020, against Rs 4,091.05Cr. by the year-ago month. On the other hand, net NPAs or bad loans showed development at 7.01 per cent (accounting for Rs 946.72Cr.) from 10.47 percent (Rs.1,772.67Cr.)
10. Consistent Dividend Payout: The bank has a decent dividend yield of 1.57% and in the last three years, their dividend payout has increased from 16.36% to 29.87%.

NEW MANAGEMENT:

LVB board has appointed Parthasarthy Mukherjee as a MD is basically chemistry graduated from Kolkata Presidency College and he had with 2 decades of experience in Axis Bank, after entering into the Bank he has completely changed the top management and appointed new experienced persons from the prestigious banks like HDFC, Axis and Royal Bank of Scotland. NS Venkatesh joined from IDBI as Executive Director. RVS Sridhar, who was earlier at Axis is now the new Chief Risk Officer. Govind Ravindran has supposed the position of head consumer lending after serving HDFC for about 15 years in business development. Madhusudan Rao has joined as Chief Customer Service from SBI and Peeush Jain has united as head of business partnership and transformation. S Venkatesh, formerly with RBL Bank, is managing the credit and wholesale banking at LVB. B Nedumaran, who was with Ma Foi HR consultancy, is into the human resources sector. In 2016, Mr.Parthasarthy introduced vision 2020 with intensive growth, that he decided to increase the branch network from 460 to 500 in 2017 and 750 in 2020, and achieved the 500 branch milestone and also target is 20 - 25% of annual evolution for the upcoming decade. *"Mukherjee said, by 2026 the entire business including deposits and advance should be up to nine times higher than the current status Rs.45,000Cr. The profit should increase 20 times than the usual run rate. The bank also focusses on pushing the segment of low-cost current account and savings account deposits up to 25% by 2020 from 14.5% and around 35% by 2026. As part of the strategy, the bank will bring down the pile of corporate loans to 25% from 42% and will focus on the higher receiving retail and SME loans. The cost of income ratio which is presently 57% would be brought down to 45%, at par with the industry level by Financial Year 2020".*

CHALLENGES AND RISKS:

1. Concentration: As mentioned above, having 50% of branches in TN exposes the bank to concentrated risks. This risk will be in all regional banks and the ability of the bank to expand in other state will be mitigate this
2. New Management: Although, individually the new management personnel may have performed in their previous role, can they work as a team and turnaround is yet to be seen. A lot will depend on Parthasarthy Mukhejees leadership. This situation is very similar to IndusInd CEO Ramesh Sobti who turnaround the bank and results are for everyone to see.
3. Competition: Since this is a small bank and a regional player, there is high chance that it loses market share to big banks. Although, markets

have been very bullish about regional banks like Fedral bank, karnataka bank, etc. we have to see how these small banks are able to survive the current competition from the HDFC and Kotaks of the world

4. NPA: Although, the bank wants to focus on the retail and MSME loans, their previous corporate loan can drag the bank down. In 2016, their top sectors break-up of advances includes infrastructure (7.16%), Textile (4.82%), Base Metals (4.56%), Food Processing (1.27%) and Chemicals (1.33%). With the new NPA resolution framework introduced by the government, the Bank will have to take tough decisions and provisions might go up. This might impact their future fundraising plans. The bank wants to raise 600 cr. of which 168 have already been raised.
5. **Serious governance issues:** In recent years, bank have gone to deterioration in its performance. LVB announced a net loss of Rs 397Cr. in the September quarter of Financial Year 2021, as against a loss of Rs 112Cr. in the June quarter. Almost one-fourth of advances of the bank have turned into bad assets.
6. **Poor Health Conditions:** For more than three years, LVB has not been in good condition. Rather, it was suffering from bad condition and continuous losses. The cause is well-known to all. They added that, the bank had granted bad loans of more than Rs.2,000Cr. to borrowers such as Jet Airways, Religare, Nirav Modi Group, Coffee Day, Cox and Kings and Reliance Housing Finance. Data from its annual reports show that the bank seems to have decided to take up aggressive lending. Its total net advances expanded by a robust 8.59 per cent to ₹ 25,768.20Cr. as on March 31, 2018, from ₹ 23,728.91Cr. a year before. However, Gross Non-Performing Assets (NPAs) rising to 9.98 per cent of gross advances as on March 31, 2018, from 2.67 per cent a year earlier, coupled with lack of adequate capital, made the bank moderate its lending in 201819 and focus on "capital optimisation and conservation. As a result, net total advances declined 21.98 per cent to ₹ 20,103.26 crore by March 31, 2019. With its capital position deteriorating some more, net advances fell 31.22 per cent further to ₹ 13,827.89 crore by March 31, 2020, which LVB's annual report attributed to "constraints arising from lower CRAR". In September 30, 2020, advances further declined to ₹ 13,505.16 crore even as gross NPAs mounted to 24.45 per cent of gross advances and capital adequacy ratio fell to (-) 2.85 per cent.
7. The Sectoral wise NPAs About 37 per cent of Bank loan book is from the corporate segment, according to its annual report of 2019-20. A sectoral break-up of NPAs shows that bad loans from the infrastructure sector were the highest, at ₹ 718.97 crore, followed by basic metal and metal

products, at ₹ 341.86 crore. In the FY20, the asset quality of bank is declined in the industry and many accounts have slipped to NPA from different segments including corporate, MSME and retail. Though the good performance under recovery of loans, the huge slippage of accounts to NPA overshadowed the recovery performance, the Bank annual report disclosed, adding that it recovered 761.38 crore from the NPA accounts. The bank's efforts to find an investor and raise capital are well documented but the long wait seems to have finally made the RBI step in arranging a 'rescue' of LVB by DBS Bank.

Shareholders feeling about the bank crisis-The New Management authorizing of loans in three years and involved collusion with the board of directors and with the borrowers had led to this current crisis. The non- performing assets (NPAs) of the bank i.e., bad loans have gradually increased since 2017. Its troubles seem to have started sometime in 2016-17, after it decided to move to corporate lending from its earlier focus on SME and retail lending. Besides these existing critical financial issues, the bank was provided a loan of about ₹ 720 crore to former promoters of Ranbaxy and Fortis Healthcare, Malvinder Singh and Shivinder Singh, which later turned non-performing. In this respect, the bank NPAs have been projected between **Rs.3,500Cr. and Rs.4,000Cr**. The Capital Adequacy Ratio was in harmful terms in September 2020 after being stated at 0.17% in June, as the BASEL-III norms mention a 9% limit. The gross NPAs also increased to 25.4% in Financial Year 2020.

RBI Action: Based on the financial and administrative issues, the ministry of Finance and RBI has jointly initiated to protect the shareholder's wealth, customer caring and employee's welfare basis the RBI has appointed three expert committee members are Mr.Meeta Makhan, Mr.Shakti Sinha and Mr.Satish Kumar Kalra , they are monitoring the day today bank businesses along with four official seniors of the bank. The Reserve Bank of India had declared 27th November as the effective date of merger for lvb with DBS (DBIL). All the branches of LVB will operate under DBIL with reflect from 27th November.

According to the Ministry of Finance and RBI took speedy actions, the stakeholders of Bank include employees' unions, shareholders, deposit holders and customers have raised up interrogation to the authority, on which basis the LVB was amalgamated with subsidiary of a foreign bank (DBS), most of the stake holder's perception about this merger, and started to Lament the RBI has gifted LVB at free of cost and also the authorities are failure to understanding the value of 94 years old bank in India. In addition to this the Government encouraged foreign Banks to enter into the back entry to occupy the Bank like Eastern companies.

QUESTIONS:

1. Analyse - what are the main causes for the Merger of LVB?
2. As you are a Shareholder of LVB - Give your opinion about this Merger.
3. As you are a Depositor of the Bank. Whether you would like to retain the Deposits or move to some other Bank. Discuss.
4. Assume as a MD of the LVB – What strategy to be followed to rescue this Bank from these critical issues?

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Techie the Matchmaker

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Matchmaking is the word and way of matching two prospect single people together, generally for the purpose of wedding/marriage. In India one of the most successful matchmaking organisation is Bharat Matrimony. In India, Bharat Matrimony is marriage amalgamation service company which not only guide young people, men and women across the world to identify their suitable but also likable life partners. It is an Indian continental online matrimony service company. Murugavel Janakiraman, owner of the Bharat Matrimony founded the company during the year 1977. Over the years the company developed and spread across 130 offices in Pan India. It also has branch offices in countries like Dubai, Sri Lanka, United States and Malaysia. This is to cater to its members and customers not only in India but also beyond India.

The History

Murugavel Janakiraman, don is graduation in the field of Statistics from the famous Madras University. He also did his Mater of Computer Application from the same Madras University. Murugavel started his company the BharatMatrimony as an internet website during the year 2000. When he started the company he was working as a software consultant in USA for Lucent Technologies in the city Edison, N.J. It all happened during the late 1990sthat he developed and started a Tamil community web portal. In that portal he also included matrimonial advertisement for the Tail community. He understood the potential requirement for matrimonial advertisement and that lead him to start the company BharatMatrimony. Later he came back to India during the year 2004.

After he came back to India, that is, in the early years of 2000, in India there was a fear among the net users about online payment done to the matrimony portals. His company BharatMatrimony took the initial step of collecting the payment at the doorstep of their customers / members. This is first of its kind in India. The company not stopped with this. They developed and introduced many new value additions and features in their website. Matchboard, Soulmate Search, AstroMatch, and Express Interest are some of the features developed and introduced to help members to make their right matches.

The Growth

Further growth of BharatMatrimony has lead to introduce the mobile apps for various mobile phone OS, like iPhone, Nokia and Android in India. They also created an upgraded WAP website. BharatMatrimony specialised in personalizing match making service which is offered to the busy and elite members.

In the year 2006, the BharatMatrimony got a place into the Limca Book of World Records. This is given for arranging the most number of registered and documented marriages initiated through online in India. During that time, the company has achieved one million marriages.

Having understood the requirement, during 2009, BharatMatrimony launched various community portal (more than 200 community portals), to cater for the specific language speaking groups and communities. The company moved to the next level crossing borders and launched web portals in the year 2010 to cater the Tamilians living in Malaysia and Singapore. BharatMatrimony website is in operation in more than 15 Indian regional languages.

During 2014, BharatMatrimony collaborated with several telecom companies. With the help of these companies, launched their Interactive Voice Response (IVR) services for their members as part of the matrimony service. BharatMatrimony users found it easy to send and receive voice messages through IVR service, newly introduced, from prospective matching members right from their mobile devices.

BharatMatrimony.com has developed into a huge company where members can search the prospect partners, men and women, in the company database with searches that can be customised typically to include various nationality, religion, age, caste, sub-caste and geographic location currently employed and with Photos.

The Money

Bharat Matrimony has developed into a company which caters for 15 regional portals and customer database over 2 Crore members. Company earns more than 85% of its income revenues from its members subscription. During 2006 initially, Yahoo and Canaan Partners helped Matrimony.com to raised $8.65 million. Further, it was followed by a next level of funding amounting $11.75 million from Yahoo, Mayfield Fund and Canaan Partners. The second level of funding helped the company to explore more new niche businesses viz real estate and the job portal. Later they realised that there is much more to look for in the matrimonial sector itself. Two years later Yahoo withdrew the firm by selling its stake to a company called Bessemer Venture Partners. Mr.Janakraman of BharatMatrimony.com plans initial public offering having n mind to raise between $100 million and $125 million.

The Service

The membership fee starts for three months with a minimum of Rs. 1,790 (US$38) to a maximum for nine months of Rs. 5,790 (US$125). There is also a premium customer service with a fee for three months of Rs. 8,650 (US$180). Being an elite scheme, the service will be provided by a personalised executive who works exclusively for the customer.

The Channels

Some of the channels used by Bharat Matrimony promotion includes private TV commercials, Newspapers and magazines, also the internet. In case of television, a large number of ads been produced and most of the ads have been developed to target the youngergeneration. The company also collaborate with a number of daily and weekly newspapers, private TV shows etc. Recently, the company has launched mobile apps for all types of mobiles like Android, iOS and Windows Phones with separate portals for various Indian states such as Tamil, Telegu, Hindi, Bengali etc.

As far as Social Media, Bharat Matrimony uses the Facebook, Twitter and YouTube for propagation and promotions. In the Social Media site they included the features like customer testimonial videos, TV commercials and celebrity talks clippings. Bharat Matrimony has both a Facebook App and a Facebook community. The Facebook App is the major websites extension, which allow the users to interact on Facebook..

The Achievements

Murugavel Janakiraman founder of Bharat Matrimony have been the recipients of many prestigious awards. Bharat Matrimony published in Deloitte's as the "Fastest Growing Technology Companies" listed in 2008, 2009, 2011 and also in 2012. BharatMatrimony has entered in the Limca Book of Records for a record number of arranged and documented marriages through online. Mr. Murugavel Janakiraman, CEO was honoured the title of'Digital Entrepreneur Of The Year' (Gold category) at the WAT Awards, 2012 in Mumbai.

Questions

1. Murugavel is an "Opportunistic Entrepreneur" – Discuss

2. What instigated Murugalvel to start the online matchmaking site?

3. How did bharatMatrimony came out of the fear about online matchmaking?

4. Explain the growth strategy of BharatMatrimony.

5. Causes and Consequences of Alcohol Use among Soccer Players:

Debt – Laden Air India Landed into TATA Family

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Air India, India's national carrier that is now going back into private hands, has been one of the most extensive fights service providers in India. Flying since 1932, the airline head quartered in Mumbai. Serves southern and east Asia, the middle east, Europe, Africa, the United States and Canada. Air India, founded by the tata group was known as tata airlines when it came into being in 1932. It has since seen change of name several times, as the private company was nationalized in 1953.

Air India was established in 1932 by the legendry industrialist JRD TATA, who was also India's first licensed pilot. Whose fascination quickly turned into a plan to form India's first commercial Airline. The first scheduled service was inaugurated in the same year, flying mail on some routes for then – imperial airways. However, operations grow quickly, with the airline adding more destinations across India for mail, and then beginning to carry passengers. By the end of the first year the carrier had flown 10.7 tons of mail and 155 passengers, using the De Havilland Puss Moth, as per simple flying. In 1938, the airline was renamed TATA Airlines and expanded internationally for the first time. The carrier added columbo, Sri Lanka to its route map in addition to the dozen or so destinations in India. During the II world was, TATA Airlines plains were all commandeered for military use.

By 1942, TATA was looking to the post war future of the airline and expanding into the west. After India's independence, the government took a 49% stake in the carrier, which had been renamed Air India. Air India made its maiden long-haul flight from Mumbai to London, Heathrow in 1948, a long-awaited step for JRD TATA. However, just 5 years later the government nationalized Air India and took it out of TATA's control. Despite initially boing anchored by the move, JRD TATA returned to lead the airline as the chairman soon after. In 1960, with the introduction of the first Boeing 707-420 aircraft, air India started using jets, and 2 years later, in June 1962, it became the world's first all-jet airline. For the next few decades, air India became a house hold name and began to make its mark as one of the finest airlines in the world. It may have been small compared with other global competitors but it had a kind of service that other airlines talked about with admiration and envy. Air India's exceptional service was on trans-Atlantic flights, where it took pleasure in stealing passengers away from its European and American competitors.

Air India was always known for its interesting advertainment ideas. It Is also known for launching tag lines that immediately grabbed the attention of the people. We all are well- aware of the air India Maharaj that came up with some different and naughtier with every new launch, and it remain to be the prominent part of the company's promotion endeavours.

In 2018, the Indian government tried to privatize Air India by selling 76% if its stake in the national carrier but failed because no private sector buyer expressed interest in the state- owned airline. The government once again tried to sell the national carrier which had by then accumulated debt exceeding rupees 50K crore and other liabilities, whoever this time the government decided to hold on to 24% of the equity in the air line, it didn't receive a single bid. Air India was back on the strategic sale table in January 2020, this time the government said it would offload Sen percent of its stake in the company. In October, it announced a dead line of December 14. At least 2 bids were received, one from TATA Sons and the other from Consortium of a section of Air India employees and interrupts INC include, A US based financial Investment Firm. Spice Jet Premotor Ajay Singh was also in the race. In April 2021, the center asked the qualified interested bidders, TATA Sons and Spice Jet to submit the final bids. Tata Sons' winning bid of Rs 18,000 crore for Air India was higher than reserve price of Rs 12,906 crore set by the central government, DIPAM Secretary stated adding that the Centre will get Rs 2,700 crore cash from Tata's for sale of its 100 per cent stake, as per a PTI report. Notably, Tata's' winning bid of Rs 18,000 crore comprises taking over of Rs 15,300 crore debt and paying rest cash, DIPAM Secretary added. The central government has laid down certain conditions for Tata. According to DIPAM Secretary, Tata's cannot transfer Air India brand and logo for five years. These can be transferred to only Indian person after five years, PTI reported.

Air India commands more than 16% market share through its international operations. Cost structure plays a pivotal role in the operations and competitive landscape of the companies operating in the industry which consists of fuel, administrative cost, rental of flight equipment, ticketing sales & promotions, user charges, Pax services, flight crew Salary & expenses. The Airline market is facing bottlenecks on its own. Factors such as increasing fuelprices, Long Haul & Shot Haul permits, fifth freedom rights, government regulations, seasonal variance in demand, customer service are some of the factors affecting the operations of the company. As per the reports of DGCA (Directorate General of Civil Aviation) Air India Airlines have a market share of 13.5% in the Indian Aviation market.

Air India along with its wholly owned Kochi based subsidiary Air India Express Limited (AIEL) compete with companies like Indigo, Jet Airways, Go Air, Air Asia, Jet Airways, Spice jet etc. in the national & regional market while Etihad, Oman Air, Thai Airways, Singapore Airlines, Emirates and airlines in the international Market. The TATA's will now be in control of Air India's 4,400 domestic, 1,800 international landing and parking slots at domestic airports, and 900 slots at airports overseas, including the one at Heathrow Airport in London.

Along with the airline, the TATA have also acquired around a quarter of Air India's dues of 615 billion rupees, while the remainder will be transferred to a special-purpose vehicle. However, the company struck an optimistic tone about the airline's future and insisted that they will "endeavour to build a world-class airline which makes every Indian proud".

As a result of Privatization, Air India faced n number of competitors in the market. The first ever domestic competition was Spice Jet started in year 1984, followed by Air Asia in 1993, Kingfisher in 2003, Go Air in 2005 Indigo in 2006 and Vistara in 2013.

During the last one decade, Air India's Market share shown drastic fall. In 2010, the market share of Air India was 17% with second largest Airline in the Market. In 2015, the market share fell down to 15.9% and in 2020, market shares had declined to 10.9%.

The Indian aviation saw the biggest turmoil in Indian aviation scenario with closure of Jet Airways in the beginning of 2019 resulting in big vacuum in terms of capacity and ending with complete lockdown due to spread of Covid-19 pandemic in India with suspension of all scheduled air operations from 25th March 2020. In the beginning of the year, Air India's strategy was to first fill the vacuum created by Jet's closure to minimize passenger inconvenience. Air India is the only airline in India with long haul operations and we have been able to step in to effectively bridge the gap between demand and supply post April 2019. We added some capacity into the system with which we have been able to launch the non-stop Delhi-Toronto, Mumbai-Kuwait, Delhi-Doha, Delhi-Seoul and Mumbai-Nairobiflights. In the India/UK market, we added capacity to Heathrow & Stansted and included Amritsar as one more point to UK. For Dubai, the growth opportunity came up with Jet's closure and we added more direct flights from interior points in India to connect Dubai. While Air India was successfully plugging the vacuum in the long-haul international market, COVID-19 pandemic engulfed the globe towards end of the year. The global outbreak of COVID-19 pandemic and the nation-wide lockdown imposed from 25th March 2020 and followed by multiple extensions in 5 AI lockdown/restrictions imposed by Central/State Governments had a major impact on the aviation industry. Similar lockdowns were imposedin the different parts of the world as well, leading to a severe dent on the business of the Company. AI had to cease all scheduled domestic and international operations in compliance with the directions issued by the DGCA in the aftermath of the pandemic.

Air India has always been standing by the Nation during any crisis. Air India operated a very courageous first repatriation flight to Wuhan – the epicentre of the Covid-19 virus - to evacuate stranded Indians on 31st January 2020 which scripted history with more to follow. The international borders were sealed all over globe resulting in Indians getting stranded all over the world. The Company, as usual, rose up to the occasion and on the directions of the Government, conducted some essential air operations to mitigate the hardship brought about by the unprecedented pandemic times. This included the operation of non-scheduled flights under the 'Vande Bharat Mission' from 7th May 2020 to evacuate stranded fellow citizens throughout the globe. In addition, AI also operated special charter flights on domestic and certain international sectors to facilitate the movement of essential medical and other supplies to various parts of the country and the world. The international borders are still sealed and therefore, the Government of India has signed bubble agreement with 22 countries purely to serve 3rd/4th freedom market. Currently, AI is operating international flights under these Bubble agreements. Air India's brave hearts of Captains, Cabin Crew, Doctors, Engineers and Commercial staff scripted a selfless rescue act going beyond their call of duty to successfully complete the evacuation of Indian nationals stranded abroad. The resultant socio-economic crisis has had multifarious complexities in the conduct of business or governance. As a Stand-alone company during the financial year 2019-20 the Company had incurred a net loss of Rs.7,982.82 crore as against Rs.8,556.36 crore in the year 2018-19, representing a decreaseof Rs.573.54 crore. The number of passengers carried during 2019-20 increased to 22.1 million as against 21.8 million during 2018-19. The Net Loss had reduced by about Rs.573 crore as compared to the previous year approximately and if the impact of IND AS 116 is excluded, the improvement in the performance of the Company was about Rs.2,500 crore. The expenditure item which had the highest increase as compared to the previous year was expenditure on foreign currency translation as dollar shot up from Rs.69 to Rs.75 to one USD. There was increase in Foreign Exchange variation by Rs.2,456 crore mainly due to impact of IND AS 116 of Rs.2,001 crore and normal foreign exchange variation impact of Rs.455 crore.

The Tata Group owns 30 companies that offer services to customers in a variety of sectors. This comprises the group's product mix. Each enterprise operates under its separate board of directors and is free from the supervision of TATA Sons, the principal investment holding company. Currently, Indian Hotels, Telecom Ventures and TATA Tele-Services (Maharashtra) are the weakest spots for the group. In this scenario, TATA group has won the bid and fulfilled the dream of JRD TATA to bring back the Airlines to the family.

Questions:

1. As a CEO of Air India (TATA Sons), what strategies would be adopted to regain the market share.
2. As a CFO, how would you sort out the financial crisis?
3. As a marketing manager, what marketing strategies would you use to change the customer perception towards the airline?
4. What sort of a digital tools you would implement in order to reach the competitive market?

Mergers and Acquisition

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Study the Matter

Bank mergers across the world are back on the agenda with the economic recovery in Europe and the US also from the worldwide financial crisis and cleaning up of bank balance sheets, the western bank now wants to make a strong profit through an increase in size and mergers. Economy by adding replacement products. The number of bank mergers within the US rose to 302 from 296 in 2017 and may see more consolidation this year with encouragement by the Trump administration, India has also set the ball rolling but the fundamental difference between case reception which is within The West is that New Delhi often faces the compulsion of management inadequacies and inefficient allocation of capital in weak banks under the carpet on paper, mergers create economies of scale and improve efficiency by cutting flab in overlapping sectors.

The Government of India has just started the long-awaited process by announcing a three- way merger between Bank of Baroda, Vijaya Bank and Dena Bank as a test. The aim is to generate operational efficiencies over time by reducing combined operating and financing costs while reinforcing risk management practices, but there is a risk here as they say a rotten apple could spoil the basket

Questions

1. Describe the benefits of the proposed merger of three banks
2. What will be the impact of the merger on the employees and customers of the said banks?

Attrition a Nightmare – Case Study

Dr.B.Venkateswara Prasad

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Auto Matrix Engineering Co Private Limited has a turnover of 150 corers per annum. This company is known for its quality of products and has a good reputation in the market. Auto Matrix Engineering enjoys the maximum market share in catering the needs of automobile components in India and abroad. Company is located in Pune and has been in the market for the last 20 years. It also caters the needs of USA, Canada and Australian Automobile companies. The company employs about 500 skilled workers and 50 professionally qualified middle level managers along with Director – Operations, Director – Finance, Director – Marketing, General Manager HR and Commercial Manager to meet its business and clients requirements. Auto matrix established by Mr. Paresh Ravel, Managing Director who is a qualified engineer and a technocrat, has nearly 3 decades of work experience in the field of automobile engineering who himself associated with top notch automobile giants India and abroad. The company has been running successfully under his able entrepreneurship of Mr. Paresh for the last 20 years with good cliental support. The basic philosophy of management is to maintain good human relations to treat every individual as a dignified human being in obtaining their cooperation and enhancing the productivity, with this motto the company is able to maintain harmonious relationship with employees.

For the last 2 years on different occasions company's 20 highly placed managers left the company for better opportunities in other firms, with the sudden exit of highly placedmanagers who has been associated over the years, created chaos in their respective departments, as a consequence, attrition has grown at the rate 12 % per annum which is chronic among supervisory and middle level managerial category in all the departments, despite the relentless endeavors taken by the management to retain the employees.

With this unexpected situation management could not digest the attrition of senior, committed and experienced employees as they were very significant an instrumental in the growth of the organization. Due to attrition heads of departments are frequently replaced, which worsened the situation further, as the newly joined employees are not able to digest theorganization culture and its value system. Besides, the attrition caused serious dissatisfaction among the employees at different levels due to abrupt social displacement brought down the morale of the employees. Fostering good rapport and relationship between the new heads and old employees has become a challenge. All these developments posed a great challenge to HR department in searching the talent to recruit the right people, which resulted into high level of recruitment costs to the organization.

Keeping the developments in mind, the Managing Director Mr. Paresh called the GM – HR to review the situation, during their discussion the General Manager HR explained thereasons for attrition. During their frequency of meetings HR manager revealed shocking information and the behaviour of newly placed Departmental Heads and their inability to handle the employees and how miserably they failed to take the employees into confidence especially in taking decisions and treatment given by the Heads was quite against the organization culture and value system. Mr. Paresh told the GM- HR to take initiative in bringing the entire situation into normalcy as early as possible.

Questions:

1. Analyze the case in terms of its strengths and weakness and identify the main crux in this case.
2. Would you blame the GM- HR and his team for not being proactive in handling the situation?
3. How would you indoctrinate new employees towards organization culture and value system?
4. If you were in the place of GM-HR how you would have handled the situation?
5. Being a HR professional how would you bring the situation to normalcy?

Environmental Scanning and Strategizing for Tata Motors

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Introduction

Tata Motors Limited is an Indian multinational automotive manufacturing company, headquartered within the city of Mumbai, India which is a component of Tata Group. The corporate produces passenger cars, trucks, vans, coaches, buses, luxury cars, sports cars, construction equipment formerly referred to as Tata Engineering and Locomotive Company (TELCO), the corporate was founded in 1945 as a manufacturer of locomotives. The corporate manufactured its first commercial vehicle in 1954 in a very collaboration with Daimler-Benz AG, which led to 1969. Tata Motors entered the passenger vehicle market in 1988 with the launch of the Tata Mobile followed by the Tata Sierra in 1991, becoming the primary Indian manufacturer to attain the potential of developing a competitive indigenous automobile. In 1998, Tata launched the primary fully indigenous Indian railcar, the Indica,and in 2008 launched the Tata Nano, the world's most affordable car.

Tata Motors acquired the South Korean truck manufacturer Daewoo Commercial Vehicles Company in 2004 and purchased Jaguar Land Rover from Ford in 2008. Tata Motors' principal subsidiaries include English premium car maker Jaguar Land Rover (the maker of Jaguar and Land Rover cars) and also the South Korean commercial vehicle manufacturer Tata Daewoo. Tata Motors encompasses a construction-equipment manufacturing venture with Hitachi (Tata Hitachi Construction Machinery), and a venture with Fiat Chrysler which manufactures automotive components and Fiat Chrysler and Tata branded vehicles. On Oct 12, 2021 private equity firm TPG invested $1 billion in Tata Motors' electric vehicle subsidiary. Tata Motors has auto manufacturing and vehicle plants in Jamshedpur, Pantnagar, Lucknow, Sanand, Dharwad, and Pune in India, as well as, the UK, and Thailand. Its researchand development in Argentina, Republic of South Africa centres in Pune, Jamshedpur, Lucknow, and Dharwad, India and Asian country, the UK, and Spain. Tata Motors is listedon the BSE (Bombay Stock Exchange), where it's a constituent of the BSE SENSEX index, the National securities market of India, and also the NY stock market. The corporate is ranked 265th on the Fortune Global 500 list of the world's biggest corporations as of 2019.

Tata Indica (first generation) Tata launched the Indica in 1998, a totally indigenous Indian railroad car tailor-made to suit Indian consumer needs though styled by I.D.E.A, Italy. Although initially criticised by auto analysts, its excellent fuel economy, powerful engine, and an aggressive marketing strategy made it one in every of the best-selling cars within the history of the Indian automobile industries. A more modern version of the car, named Indica V2, was a significant improvement over the previous version and quickly became a mass favourite. Tata Motors also successfully exported large numbers of the car to African nation. The success of the Indica played a key role within the growth of Tata Motors. One of India's most ambitious businessmen and also the chairman of Tata sons, Ratan Tata has been credited for revolutionizing the Indian car industry single-handedly, by producing a number of the foremost successful cars the country has ever seen. Initially Tata motors were lack in environmental scanning, in order that after releasing the Indica they failed to launch the other variants of car, they were launching back-to-back hatchback cars. Thanks to their lack, Tata motors sales were decreasing and that they took decisions to sell the car division of Tata motors.

However, his journey within the car segment wasn't that easy. The course of his career and therefore the entire country's car market would are different if American carmaker giant Ford had bought Tata Motors back in 1999. Interestingly, Ford was ready to shop for Tata but Ratan Tata changed his mind after he felt "humiliated" by Bill Ford. In the 1990s, Tata Motors developed India's first-ever indigenous car named Indica. it absolutely was a breakthrough moment within the Indian car market history as all the previous cars were eithersourced or were made in partnerships with foreign countries. However, the Indica couldn't yield results and generate desired revenue for Tata Motors because of low sales and therefore the company started feeling the pinch. Soon, Ratan Tata understood the matter and decided tosell the car division to save lots of his company. Together with a team, Ratan flew to Detroit, Michigan within the US where he met Ford chairman Bill Ford. The meeting lasted for 3 hours during which the Indian conglomerate was apparently 'humiliated' by Bill Ford who went on to mention that he's doing a favour on Ratan Tata by buying his car division. Tata delegation was also told that they do not fathom cars and so, shouldn't have started the car division.

Ratan Tata came out of the meeting and decided to not sell his car division to Ford and instead returned to figure even harder on his company. Nine years later, in 2008, the US market collapsed, affecting the complete world and economies. However, Tata stayed stable and turned the tables. Ford was on the verge of bankruptcy and was searching for an appropriate buyer for his or her Jaguar - Land Rover (JLR) division. Tata saw this because the perfect opportunity and acquired the coveted brand for $2.3 billion. Ford chairman Bill Ford thanked Ratan and said “you do us an enormous favour by buying JLR."

The Tata Nano: The People's Car

Managers at Tata's Nano have to examine three inter-related environments so as to come back up with an efficient strategy. The three inter-related environments are – industry environment during which the corporate operates in, the geographic market or country during which company operates, and wider socio economic / macro environment. PESTEL analysis is especially the assessment of macro environment factors.

Ratan Tata talked about how he got the concept about making a car like Nano. He said that he saw a family of 4 sitting on a motorbike in heavy Bombay rains. He also went on to feature that by the time they launched the Nano, their production costs were higher but they'd made a promise and that they delivered. This is often the core level of environmental scanning. Scanning what people need and delivering them the customer satisfaction is environmental scanning. After the problems that environmental scanning affects the corporate, Tata motors always be beware on this environmental scanning because till date they scan what's customer need and delivers it to the customer. TATA PUNCH which they launched October 18 2021, for this price range, the corporate delivers what the customer needs and delivers it to the customer. The Tata Group will invest Rs 5,000 crore to make a facility which will manufacture components for iPhone-maker Apple. Tata Electronics, a brand new entity, was allotted 500 acres by TIDCO (Tamil Nadu Industrial Development Corporation) for the mill at the commercial complex in Hosur. We will find the environmental scanning implemented in these areas too.

Around the world, the automotive industry is at the cusp of a serious transformation. Because of growing concerns associated with the environment and energy security, automotive companies are reducing their tailpipe emissions and, at the identical time, are trying to find renewable sources of energy. Globally, countries are rapidly adopting electric vehicle technologies and gradually phasing out fossil fuel-based vehicles as a component of their concerted attempt to combat global climate change and rising pollution in cities. The recent WHO study has revealed that India harbours 14 out of 15 most polluting cities within the world. To reverse these disastrous effects on the environment, the perfect scenario of getting 100% electric vehicles on road by 2030 will reduce the urban pollution by 30-35 %. Thus, for India, electric mobility presents a promising thanks to balance its needs on energy security in addition as environmental protection.

Tata Motors, have made commendable strides in developing a comprehensive approach to deal with the barriers to line up an electrical ecosystem. We’ve got offered a large range of 4 wheelers to deal with the matter of lack of choices of multiple products with optimal range. A serious reason on why the adoption of EVs still remains in its nascent stage is that the unavailability of charging infrastructure. Hence, they're currently working towards providing charging solutions for all key use cases. Furthermore, they're expanding their reach of EVs to wider customer bases. Tata Motors will invest the maximum amount as $2 billion (Rs 15,000 crore) over the subsequent four years to launch 10 new electric vehicles even as its broader passenger vehicles division hopes to show around and generate free income by 2022-23.

Tata Motors is already the leader within the electric passenger vehicle segment with a share of quite 70%. EVs are gaining popularity with the govt. offering incentives to consumers to modify over from petrol and diesel vehicles while imposing stricter emission curbs on automakers to tackle pollution in India, home to a number of the world’s most polluted cities. Improving charging infrastructure is additionally encouraging more consumers to go for such vehicles. Additionally, a steep increase in prices of combustion engine vehicles post-implementation of Bharat Stage-VI emission norms and rising fuel prices is additionally causing a shift towards EVs. Stakeholders are excited to partner with Tata Motors on their mission to steer the electrification of passenger mobility in India. There’s significant momentum around India’s EV movement, supported by the government’s vision and policies, in addition as growing consumer demand for greener solutions.

Tata Motors' Nexon EV has been a runaway success within the personal EV space, racking up the best sales numbers to date. Nexon EV, powered by a 30.2 kWh battery pack encompasses a claimed range of 312 kilometres for one charge. Tata’s Nexon EV managed tocrack the market and an honest number of individuals bought it. The impressive a part of the story is that of the entire sales of two, 959 units, the Nexon EV accounted for two, 086 units

(2,200 units since the launch) about 70 per cent of the full industry sales and 4-4.5 time's growth for Tata's EV sales (it started selling Tiger EV before Nixon). Thus, the whole growth of electrical car industry has been driven by Nixon EV. Tigor EV are at a unique pricepoint than Nexon EV. Tigor EV gives us the advantage of a rather lighter car. So, we are going to be able to offer similar reasonably range and performance with a smaller battery pack, which translates into a lower cost said by Vivek Srivatsa. Tata Motors is now functioning on alternative plans for its small car Nano whose sales have fallen making its production not a viable proposition. Asked about the longer term of Nano, COO of Tata Motors Satish Borwankar said "going forward, alternative plans for Nano is being considered.Despite the ambitious project of Tata Nano failing to require off despite numerous attempts by Tata Motors, it seems that the corporate is refusing to contribute the towel for the tiniest and affordable car within the world. Instead the corporate now plans to re-position the Nano as an electrical car. The car has come under severe scrutiny recently as Tata Sons former Chairman had target the car as being a reason for the corporate's woes and a problem on the finances of the company. This has forced Tata Motors to contemplate the re-positioning of Tata Nano. Tata Motors recently announced its plans to enter the electrical vehicle space and this model wouldn't it a platform to create a start. Tata Motors will supply complete Nano body shells without the engine and transmission to Coimbatore-based Jayem Automotive who will manufacture and market the EV. Jayem Automotive features a long-standing association with Tata Motors and recently entered into a joint-venture with the automaker to develop sporty versions of select Tata models. Whilst this plan is for the Neo to be sold underthe Jayem brand, Tata Motors too is probably going to own its own version of the Neo within the future. Jayem will supply the primary batch of 400 Neos to taxi aggregator Ola Cabs at launch. The Neo won't remain a fleet-only option. There are plans to launch a more powerfulversion of the Neo for personal buyers too, but this might be with a Tata badge. However, this strategy of converting a failed model into an electric car is not a unique strategy used by an automobile company in India.

Questions:

1. What will happen to Tata Motors if they didn't do any environmental scanning to their product?
2. Will the strategy of vision be successful for Tata Motors? If not, suggest appropriate vision.Will electric OLA cabs boom like petrol/diesel cab services?

Queen of Bees

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Vibis Natural Honey Bee Farm is an organic honey producing farm started by Josephine. Josephine Selvaraj is known by quite a few nicknames, and of the lot 'Queen Bee' is the one. Selvaraj. Josephine sells the honey under the 'Vibis' brand name and today offers 30 varieties of honey like Jamun, Neem and Amla among others. Josephine ensures there are no fertilizers or chemicals involved in the honey produced on their farm.

Brief History

Josephine Selvaraj is 38 years old and the eldest of four children. A postgraduate degree in History and completed a three-day course in beekeeping at Krishi Vigyan Kendra (KVK). She started with an investment of Rs5,000 and ten boxes of bees in 2006 and gradually she turned the honey production into the successful business as it is today. Josephine's foray into beekeeping was seemingly accidental. Her father owned a 100-acre organic farm, but she initially expressed little interest in following in his footsteps. However, she discovered that through beekeeping she could attain a greater degree of financial independence that is not guaranteed by becoming a teacher or a similar profession. Furthermore, Josephine appeared surprised at the growth of the business due to the small investment she put into it initially, but seemed modest about her success. Josephine's success mantra in the beekeeping business is to start with a low investment. Start small and think big. Today she earns about a lakh rupee per month, and rears bees in more than 8,000 boxes. Josephine sells her honey to 23 districts in Tamil Nadu and also participates in a number of exhibitions across the country as time permits her to. Her honey is also supplied to Bangalore, Kerala and Mumbai, and in all she sells about 6,000 boxes of honey every year.

Successful Business Methodology

With Josephine, it is strictly principle before profit, and that is what sells her honey and makes her business so refreshingly unique. Josephine is certain that she would not like to export honey. Prabha House of Honey is the office located in Pudur and is the production centre, where the honey is processed and packaged. The unique selling point of Vibis Honey is that it's organically harvested. Josephine very firmly assured that, despite being organic, they have the lowest price in all of Tamil Nadu. This is mainly due to the fact they do not advertise. 'Big players' invest a lot in advertising and charge higher prices as a result. Josephine maintains that they do not spend on ads so that they don't compromise on quality.

Josephine’s venture received a big boost when her loan for Rs 10 lakh was approved by Canara Bank and she could use the money to expand and grow her business. Josephine maintains there is a clear division of labour within the company. Her husband deals with the business side; her brother, Rousseau, with the marketing side; whilst she deals more directly with the bees and the honey.

Josephine routinely works for 20 hours a day – especially when she and her team have to transport 250 boxes of bees during night time, as bees have to be shifted in the night when they are sleeping, else it is very difficult to transport them when they are awake.

Josephine’s Mission

Josephine future plan is to give free training to people across schools, colleges, housewives and spread awareness among as many people as possible. About 420 people among the persons she has trained have also started their own bee farms. She was also invited to train inmates from Madurai Jail, and today 20 inmates from the jail are doing their own bee- keeping, thanks to Josephine. Josephine’s vision statement- “There are so many places withinIndia that I have not yet reached. I want to make sure my honey is available in every nook and corner of India, before I look outside,” she says assertively.

Achievements

Josephine is the only women in India to be doing bee-farming on such a large scale and for her efforts she has won the Collector Award for her Vadipatti taluka three years in a row. Shewas also awarded the Tamil Nadu Government’s best farming practices award in 2010 – and has the distinction of being the only lady farmer to have won that award to date. Josephine was recently awarded the Janaki Devi Bajaj Puraskar 2012 for rural entrepreneurship.

Questions:

1) What motivated the entrepreneur to start the business?
2) “Start small, think Big” –Explain in this context.

Post-Covid, It's A Bumpy Ride For Cab Drivers

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Only 55% of the cab drivers have returned post Covid

Amid merging in the ride-hailing and mass market with the recent acquisitions of Meru Cabs by Mahindra Logistics and bus service start-up Shuttle and bike rental start-up Vogo by Chalo, it has been tough on cab and bus drivers to endure their livings. As the price of the fuel increases every day only 50% of the drivers have been able to return to their work duringthe pre-Covid period in India, according to the Indian Federation of App-based Transport Workers.

Woes Galore

Without any income, drivers are being forced into the position of either sell their vehicles or financiers taking the vehicles away from them. For example, Hyderabad-based cab driver B Kanakaiah had his seven-seater Mahindra Xyloseized by the financier after he failed to pay EMIs during the Covid-19 pandemic. He worked with an IT company, where he would cover around four trips daily in a 12-hour shift, which involved picking up and dropping employees. The vendor company acts as a middleman between him and the customers who wishes to take cab for exchange of commissions charged from the cab drivers. These vendors also distinctly have their self-owned swift of cars.

“Once the employees of IT companies started to work from their home, cab drivers hardly get any customer, and they lost their livelihoods. The client company had promised to pay us for a month, but we never got that money from the vendor. Even after they slowly started returning to work, they needed only 20 per cent of the cars we were servicing them with. “The vendors used the chance and started positioning their own cars. I managed to get my carback a month ago by repaying using our gold jewellery and borrowing another ₹50,000. The financier had kept my car locked in a go-down, which charged an additional ₹5,000,” Kanakaiah told Business Line. He added that vendors usually cut ₹500 per trip if they are lateto reach the location by 10 minutes or more due to the heavy traffic. Kanakaiah now works with Ola and Uber and earns a bare minimum, he said.

In a comparable state, Vallabh Sudhakar, who functioned two 12-seater wingers in HITEC City Hyderabad, had to look for work elsewhere when the IT sector shut offices to work remotely. He took up brief driving jobs, but it has been hard to get regular pay. Unable to maintain both his winger cars, he sold one of them months ago. “Earlier, we could at least manage ₹10,000 a month; now earning ₹2,000 has become a struggle. At present, there are more drivers on road than passengers looking for rides, and on top of that, there is raise in fuel price as well.

Salaries Halved

Shaik Salauddin, the National General Secretary of Internet Federation of App-Based Transport Workers, mentioned that the selling and seizure of cars has become common. “The industry has been dispersed. Many of the drivers have gone to their hometowns without any other choice and started to employ themselves with some other jobs.

“Across most cities, if we take an average, only 50% to 55% of the drivers have gone back to work. Still, there is hardly any business. Even if they get a few rides per day, their daily work includes 10 kms or more dry runs among increased diesel prices. It’s not reasonable, yet the cab aggregators did not revise fare charges and continue to take a cut of 25% to 30%,” said Salauddin. He added: “You will find many drivers asking you if you will be paying in cash and where you would like to go. Sometimes a driver may be planning to go back home, and the app assigns him to a distantroute, and he ends up driving back 10 kms without a passenger. It is overpriced for them. Tourism is not very active yet, and our IT sector client companies are all working from home. Drivers are not able to recuperate the cost of actions.

“Before the pandemic of Covid-19, drivers can earn around ₹15,000 in a month, but now due to lack of passengers and raise in fuel price, our once-a-month take home has drop down to ₹8,500 on average.”

Slow Revival

Faisal Kawoosa, Founder and Chief Analyst, techARC, said that the cab services industry is still imminent under the impact of the pandemic and several companies are issuing procedures on dodging public transport. “These markets have not recoiled back entirely. Uberhas been giving discounts, which is self-indicative that they want people to resume using their services, but that has not happened at full blow. It is not about profits or losses now, the aggregators will be looking at resuming services," he said.

"Certain corporate and offices have come out with guidelines disheartening employees coming to office to take public transport and cabs to work; only private cars are allowed. Ridesharing was the standard pre-Covid in most sectors for employees. This is a concern for many organisations who have recommenced. The driver community would not be able to withstand for a longer period without work. They will have to find substitutes."

However, Ola CEO Bhavish Aggarwal states that, the second wave in fact saw 3 times faster recovery in reaching 100% of the GMV levels pre-Covid for OLAas of August 2021. He tweeted in September: "10 million people used Ola for the first time ever in FY21. Welcome guys! As people move, they want to feel safe, so they are switching to personal or shared mobility instead of public transport. Many people start to use auto service provided by Ola and auto business rose to 150% during the pre-covid period.

Untapping Untouched Hr Analytics For Pressure In Revamped HrPractices

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Sreeman & Co was started in 2000, engaged in production of doors for residential and commercial places. Sale value of Sreeman & Co ranges from Rs. 5000 to Rs. 3, 00, 000. The customer base includes individual houses, apartments, villas, educational institutions, health care units, government and non-governmental companies. Annual revenue of Sreeman & Co is Rs. 50 crores. Though company wasexpanding market share higher than their competitors, the management strongly believed there is some untapped potential, they could be more competitive it they could have used current full capacity. The operations are divided into two bases: one for commercial and another one for residential.

In order to increase the operation capacity they decided to increase the workforce, still they find difficult to increase output. Management believed that the ongoing struggle to achieve greater growth was a result of poor productivity and quality control by frontline staff. Production department was enlisted for advice on improving factory output and quality. After some analysis, it was discovered that productivity and quality control were indeed very serious threats, but the cause of those issues was surprising to management. Despite leadership insistence that problems were due to poor use of equipment, bad layout, and quality issues, it was identified that the basic cause was due to the poor levels of employment and high staff turnover.

Apparently, there were a number of deep-seated issues within the operation that were leading to high staff turnover. The company hadconsistently won a number of regional awards for training and traininginitiatives, but this was all initial training fornew hires, and there was no ongoing training or staff development. It proved hard to convinceleadership that turnover was a major threat to the business, as they were convinced that the answer was better performance through better use of their current operations. This may have been true in the long run, but would not be achievable unless leadership acknowledged thathigh turnover was a threat. Sreeman & Co failed to do this, and in the long runit hurt the company.

Talent processes are not only about pre-hiring, hiring or annual performance reviews, but they are also much more than that. You need to consider training, recreational activities, and counselling among others. While each organization is unique, there are some processes that should be standard, these can be regular one-on-ones, skip-level meetings, etc. HR should always be monitoring their talent processes, identify challenges and bottlenecks if any, and then work on them. It’s ideal to meet with employees, however, we understand this may not always be possible or feasible. Conducting employee surveys is a good idea, get their feedback and inputs and work on them, let them know they are being heard.

Productivity levels will always go up and down and there are a host of factors affecting that. This ranges from office infrastructure, work environment, managers and team-mates, and job satisfaction among other things. Gathering data on what’s affecting productivity will certain arm you with data to take corrective actions. Employee engagement is a key factor affecting workforce productivity, look at improving engagement. You can start off by implementing a few employee engagement ideas and activities to boost the rate. Sreeman & completely lost in the above mentioned aspects. The company finally filed for bankruptcy in September 2020.

Question.

1.Discuss the pressure for HR in this situation and role of HR analytics

Bandhan Bank

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Bandhan Bank Limited is an Indian banking and financial services company headquartered in Kolkata, State. Bandhan Bank is present in 34 out of 36 states and union territories of India, with 5618 banking outlets and over 2.43 crore customers. On 17 June 2015, the Financial Organization of India granted a universal banking license to Bandhan Bank. In the same year, on 23 August, the bank started operations with 501 branches and 50 ATMs. The bank has raised deposits of over Rs 81,898 crore as on 30 September 2021 and has a total advance amount of Rs 81,661 crore.

History

Bandhan Bank started in 2001 as a not-for-profit enterprise providing micro-loans to the underprivileged sections of the society. It focused on financial inclusion and women empowerment through sustainable livelihood generation. In 2006, Bandhan acquired an NBFC for a proportion of its microfinance activities. It has become an NBFC-MFI to further its core objective of economic inclusion. In 2010, Bandhan was recognized as the most important MFI within the country. On 2 April 2014, Bandhan received in-principle approval to make it a universal bank. On 17 June 2015, Bank of India granted Universal Banking License to Bandhan Bank. Bandhan Bank commenced operations on 23 August 2015 after Bandhan Financial Services Limited (BFSL), its parent company, the entire micro finance business was transferred to the bank and then the bank simultaneously resumed normal banking activities. Its public shareholders then included the International Finance Corporation; Sovereign Wealth Fund of Singapore, a branch of GIC; and Small Industries Development Bank of India.

The then Hon'ble Union Minister, Shri Arun Jaitley inaugurated the bank on 23 August 2015 in Kolkata, making Bandhan Bank the primary bank to line up in Eastern India after independence. The bank had significantly improved its presence in the East and North Islands due to the lack of other banking organizations. On 27 March 2018, Bandhan Bank got listed and became the 8th largest bank in India by market capitalization on the day of listing.

Micro Finance

Bandhan started its microfinance operation from the small village of Bagnan, 60 km from Kolkata and this is the first instance in India when a microfinance entity is turning into a universal bank and focusing on serving underbanked and underserved markets. Is. The model of personal lending through group formation was adopted. Over 18 years, the bank has presence in 34 states and union territories with a specific target to the eastern and underdeveloped states of Northeast India. It caters to micro-banking and general banking needs by providing loans for a wide variety of asset and liability products and services. Its asset products include retail loans including micro, small and medium enterprises (SME) loans and a significant portfolio of micro-loans in the form of small enterprise loans as well as other banking products and services such as debit cards from banks for loan and deposit products. , also provides Internet Banking. , mobile banking, online bill payment services anddistribution of third party general insurance products and non-depository financial institution products that help generate non-interest income and meet the additional needs of its customers.

Investors

Bandhan Bank may be a subsidiary of Bandhan Financial Holdings Limited (BFHL). BFHL may be a heavily owned subsidiary of Bandhan Financial Services Limited (BFSL), which started business in microfinance in 2006 and in 2009 bought Bandhan Bank and also its microfinance business. Later BFSL shifted its microfinance business to Bandhan Bank as the past had become India's largest microfinance company by number of subscribers and size of loan portfolio and Bandhan Bank Ltd. Incorporated as a Public Limited in Kolkata, State on 23 December 2014 and RBI on 17 June 2015 issued a license under Section 22 of the Banking Regulation Act authorizing the Bank to prohibit banking business. Public shareholders of BFSL include International Finance Corporation (IFC), IFC FIG non- depository financial institution, Small Industries Development Bank of India (SIDB) and Caladium Investments Private Limited; A corporation managed by GIC Special Investments Pvt Ltd.

Board Of Directors

The board of directors included Haroon Rashid Khan, former deputy governor of Bank of India for a five-year term between 2011 and 2016.

Initial Public Offering and Securities Market Listing

The equity shares of Bandhan Bank are listed on Bombay Exchange and National Exchange of India. By the end of the three-day long issue, the IPO was subscribed almost 15 times. On its exchange debut (27 March 2018), the equity opened at Rs 487.33 and closed at Rs 476.85 in the National Securities Market; Its issue price is 27% higher than Rs 375.

Fusion

In January 2019, Bandhan Bank initiated the method of acquisition of GRUH Finance, a Development Finance Corporation Limited-backed housing non-depository financial institution within a share-swap deal through a scheme of amalgamation. RBI gave its no-objection on the scheme on 14 March 2019. The bank has received no objection on the scheme from BSE and hence also from NSE on 3rd April 2019. On 15th April 2019, Competition Commission of India (CCI) has also approved the scheme. On 30 July 2019, the Bank received the approval of its shareholders for the proposed acquisition of GRUH Finance. Further the Bank obtained the approval of NCLT, Bench at Kolkata on 27th September 2019. Then GRUH Finance officially merged with Bandhan Bank on 17 October 2019, and hence the combined record of Q2 results of the bank crossed the Rs 100000 crore mark.

Bandhan Bank Crisis

The market share of Bandhan Bank declined by around 21% as on October 1, 2018, due tothe Bank of India (RBI) accusing Bandhan Bank of expanding its branch operations and freezing the salary of Chief Officer Chandra Shekhar Ghosh. was banned. Bank of India (RBI) took this action after the Manager and Chief Officer Mr. Chandra Shekhar Ghosh did not fulfil the shareholding guideline conditions as suggested by RBI.

RBI has clearly notified under the licensing condition that a private sector bank should have a promoter stake of 40%. Bandhan Bank was advised to reduce the promoter's stake to 40% within three years of operation. Bandhan Financial Holdings Limited (BFHL) acted as the promotional company for Bandhan Bank and held 82.28% stake within the bank.

Operational Journey of Bandhan Bank

Bandhan Bank's journey started in 2001 when Mr. Chandra Shekhar Ghosh founded an NGO named Bandhan and by 2006 Bandhan established itself as Microfinance. Driven by a relentless desire to serve the people better, Bandhan Microfinance took off in 2015 as a Universal Bank. Bandhan Bank Limited was incorporated on 23 December 2014 with 51% ownership of its subsidiary, Bandhan Financial Holdings Limited.

The progressive development of Bandhan NGO into a fully-fledged commercial Bandhan Bank was on a benchmark journey. Bandhan Microfinance had a powerful presence in lesser banking sectors such as the East and North-Eastern regions of India. Moreover, the attitude ofserving the agricultural population along with financial performance and record strength provided a valid reason for India's banking company to upgrade the micro-lenders into large industrial houses. In exactly 5 years of operation, the bank has added a customer base of 2.01 crores and a network of 4559 banking outlets. The bank has a deposit value of Rs 57,082 crore and total advances and deposits of Rs 1,28,928 crore.

Holding Structure of Bandhan Bank Limited

To understand the crisis of Bandhan Bank, it is necessary to know the holding structure of Bandhan Bank Ltd. In order to meet the regulatory requirements of a banking company of India, Bandhan created a layering of holding structure within the variant of Bandhan Financial Holding, a heavily owned subsidiary of Bandhan Financial Holding. Bandhan BankLimited is then promoted by this non-operative company Bandhan Financial Holding, which now owns 60.96% stake in the banking entity.

Reasons and Criteria for Reducing Promoter Shareholding

The RBI guidelines for Bandhan Bank were to reduce the stake of its promoters within the company. There are basically two main reasons behind this dilution. First and foremost, reducing promoters' shareholding within the banks' capital structure would lead to relaxation of promoter influence within the bank, thanks to their concentrated shareholding within the decision. RBI wanted to diversify promoter holding in banks from individuals, to make them more institutionalized, and to enhance corporate governance in banks. When the decision-making capacity is in the hands of very few and improper use of funds may result in misappropriation of funds or fraud.

A bank can be a public institution handling public money and any unfair decision will lead to disastrous consequences due to the dominance of the promoter. Another reason for reducing promoter shareholding is financial implications. By reducing shareholding, banking institutions are able to raise more and more capital needed for their expansion and better financial stability.

IPO and Promoter's Shareholding

As per the Common Public Listing Guidelines, Bandhan Bank was listed on the securities market on March 27, 2018, i.e. after three years of operations on BSE and NSE. The Rs 4470 crore IPO got subscribed 14.63 times and got a powerful response from the market with 27% premium on the date of listing in the market. The intention of the IPO was to reduce the promoter's stake, but the IPO only managed to reduce the promoter's stake from 89.76 to 82.28%. This ratio was far from the target limit of 40% as per RBI guidelines. One factor that was preventing the promoter's stock from further dilution was SEBI's guidelines regarding lock-in period with respect to the difficulty of capital disclosure requirements under sections 32 and 36. This section also provides that a total of 20% of the full equity share capital post IPO should be held by the promoters for at least three years after the issue of IPO. Bandhan Bank had a lock-in period till March 2019 under this SEBI guideline. The SEBI agreement supersedes RBI's guidelines for promoter's share dilution. Bandhan Bank could have been saved from all this trouble had it planned for its IPO listing.

Options for Share Dilution

Bandhan Bank has 3 ways to reduce its promoter's stake, after availing one year for the lock-in period under SEBI guideline. • Offer purchasable (OFS) where NOFHC will have to dilute its stake by selling a direct stake of its equity. • Inorganic approach of mergers and acquisitions because of dilution. • Primary and secondary fundraising through exchange operations.

Bandhan Bank adopted an inorganic approach to dilution. In October 2019, Bandhan Bank merged with Gruh Finance, a housing finance subsidiary of HDFC Ltd. based in Ahmedabad. The deal saw the transfer of its 14.9% stake to HDFC to merge with Gruh Finance. The deal reduced the promoter's stake ratio from 82.28% to 60.96%. This also helped Bandhan Bank to diversify its risk portfolio. A recent update has solved this dilution problem of Bandhan Bank when the promoter shares were sold to institutional investors such as Caladium Investments Pvt Ltd, Camas Investments Ltd, Morgan Stanley Asia Singapore, Copt hall

Mauritius Investments etc. . Now promoters hold 20.95% stake in Bandhan Bank. Meets the regulatory requirement of RBI.

Rbi Restrictions and Exemptions

Under Section 35A of the Banking Regulation Act 1949, RBI imposed banking operations restrictions on Bandhan Bank which restricted Bandhan Bank to opening new branches. In October 2019, RBI imposed a monetary penalty of Rs 1 crore on Bandhan Bank for not meeting regulatory compliance with regard to shareholding. After hard negotiations, RBI allowed opening of 40 branches in December 2018. In August 2020, Bandhan Bank managed its promoter's stake under RBI limits, and hence all restrictions were lifted from Bandhan Bank.

Lessons Learned From Bandhan Bank Crisis

The Bandhan Bank crisis is an exemplary case in Indian banking history, showing how important it is to comply with regulatory guidelines and the consequences of non-compliance with regulatory bodies' rules. We can also study investor behaviour and stock market volatility in relation to investor behaviour. Bandhan Bank's share price fell 21% due to RBI's announcement of the bank.

Case Study On A Study On Privatization of Bpcl In India

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The government has a plan of privatizing many units including the BPC. BPCL is surprisingly making a profit continuously for a longtime. Privatization is a process of transfer of ownership, property, or business from the government to the private sector. Privatization enables the companies to transfer ownership from government to private companies. The oil sector of India was established in 1889 with the discovery of the first oil deposits in Digboi town of Assam. Since then, the oil and gas industry in India has seen leaps and bounds. India, with a consumption of 5.16 million barrels per day (MBPD) of oil in 2019, was the third largest consumer of oil in the world in 2019. India is also the second largest refinery in the world with a capacity of 249.9 million metric tons (MMT).

Among the variety of Public Sector Units being privatized by the government, BPCL is one among such PSUs. It is one of the leading stakeholders in the Indian oil sector. Thus privatization will have a primary bang on the oil sector. This move of the government has been considered as the biggest ever privatization drive. The governments proffered bids for the sale of its entire 52.98% stake in BPCL. This step has led to mixed reactions from the people. Thus, it is important to study why people are having so much debate on the issue of privatizing this major giant in the Indian oil sector.

Bharat Petroleum Corporation Limited (BPCL) is the second biggest refiner in the oil sector of India. It has four refineries in Mumbai, Kochi, Bina in Madhya Pradesh, and Numaligarhin Assam. With around 14,800 retail outlets, BPCL is one of India’s best public sector companies. The company has made it to the Fortune 500 list for the past 16 years by performing really well over the years. The company was awarded the status of Maharashtrain 2017 and it has a market share of about 24% in petroleum products in India. As stated above the government holds around 54% stake in BPCL and in November 2019, announced that it would privatize various public sector units including BPCL.

BPCL being a major player of the Indian oil sector has a large impact on the Indian economy as well. Recently, net profit in the June quarter doubled for BPCL. Net profit in April-June was Rs 2,076.17 crore. Apart from this, BPCL has a CSR share of about Rs. 180 crores. The government is trying to bridge the fiscal deficit by the profit that they will gain from the privatization of BPCL. However, in the long run,this step would not be enough. BPCL being a profitable unit provides aprofit of Rs. 2050 Crore monthly. Thus, the economy would be affected in the long run.

The employment issue would also be one of the impacts theprivatization of BPCL will have. The impact analysis of the privatization of such a profit- making public sector undertaking of thecountry would be clear only when a clear benefit analysis is made. There are various issues and challenges also which indicates the baddecision of the government. Thus, let us analyse a few of these merits and issues related to the privatization of BPCL in India and what it holds for the future of the country.

Problem Statement

Bharat Petroleum Corporation Limited (BPCL) is public sector which was started in 1952. BPCL is a refinery which currently processes 6% of indigenous and 94% imported crude oil and then distills them to buyproducts like petrol , diesel , kerosene petcock etc..

BPCL shows a balance sheet of approximately 8000crore per annum.

Government has 52.98% stake in BPCL which is decided to be disinvestment. Government wants to privatize a profit giving company to balance its budgetary loss.

Root Cause of Government Decision of Privatizing BPCL

- Inflation
- Deficit in government funds
- Government debts
- Under developing economic conditions

- Current corona pandemic situation

Problems that will arise If BPCL is Privatize by Government is listed below

- There will be monopoly in business. The power of authority will be centralized.
- There will be downsizing of employee.
- There will be no job security, it will lead to un employment.

BPCL is a big firm with approximately 17,318 petrol bunks, 6000 LPG distributors all over India. If private sector fails to run the company into loss the common people have to bear the consequences.

Privatization will hinder ongoing projects. Private company work for the profit of the organization not for the public's benefit. If disposal of the company is not maintained properly it will lead to pollution and various hazardous healthy issue for common people. Privatization will get full authority on controlling the pricing of products. As BPCL is working on essential commodity then common people have to face the pricesurge of products. After privatization there will no transparency. To conclude privatization will cause a lot ofhindrance or obstacles in developing the economics of our country rather than helpingto develop oureconomy.

There are few Alternatives that can be Considered before Taking A Decision of Privatization of BPCL

Inflation is the main reason that government is takinga big step on privatizing BPCL. So to reduce inflation, we can export more commodities and try to limit our import.

- Plan for alternative source rather than importing.
- Schemes to develop exports of our country.
- Excise heavy duty tax on luxury products.
- Excise tax for having assets more than the nominalpoint.
- Give more opportunity to set up for entrepreneurs.
- Adapt swadeshi concept.
- Setting up of more SEZ (Special Economical Zone) inour country.
- Allow foreign company to set up in our country with acondition to use our country raw materials.
- Make budget transparent to common people avoidlaundry of the funds.
- Provides various facilities to enterprises like schemes,cold storage of unit, innovation centres etc.

- Farmers are our back bone of our country, so give them full support and help to increase their productions.
- Less interference of politics in the business sector.
- Allow large capital investment on our country.

The Optimum Solution

According to the situation, the government is facing economical crisis , increasing the production of our country will help us deal the crisis. It will help improve our revenue in many ways like producing more goods with available resources will help in reducing cost price of the product which will increase the sale and demand.

Production unit will solve unemployment. Producing goods in our own country will help decrease of import.

Conclusion

To conclude we should give more opportunity to entrepreneurs and production of Indian products to increase the exports, sales and taxes. By using this alternative method, we can stop the privatization. therefore, government's revenue will increase. The change will not occur in a day or a month butcontinuous efforts will lead to our goal of becoming a surplus economy.

Case Study of Mcdonald's: Advertising and Promotion Strategies

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McDonald's is the world's foremost fast-food restaurant and is globally familiar. With overthirty-ninethousand of branches across 119 countries and territories, McDonald's serves an astonishing amount of (50 million) customers every day. McDonald's has been viewed as the apex and one of the essential features of the America's citizens lifestyle. Burger, fries, and Coke were the traditional meals of McDonald's. Once it spread universally, it boomed into popularity because other countries wanted to be accompanied with the successful image of the "American dream". McDonald's offers positive, kind, caring and considerate attitude towards the public of which it offers services. The vision of the McDonald's states that "We are not a hamburger company serving people; we are a people company serving hamburgers".The vision of McDonald's is clearly dedicated to people, McDonald's captured the hearts of the customers and customers have answered by keeping McDonald's in number one position. Other facets of the McDonald's dining experience show, why their customers continue to hold their reputation high. They use things like the dollar menu, playgrounds, endorsements, and charities all augment to create the overall satisfying experience. These things outshine the health risks which are bigger issue in today's American society. Through the information we have found, McDonald's is still popular and unrivalled because it is about convenience the customers and taste of the fast-food. Until people are willing to wait longer to eat and pay more for healthier food, it will be one of the leading chains.

Target Market

From the beginning of their business to till today, McDonalds' target has been children and focuses on advertising, marketing, and designing of their products. This is apparent with their Play Place, Happy Meals, and character Ronald McDonald. They purposely introduced Ronald to attract families into the restaurant. In recent years, McDonald's has also been targeting the mothers and increases their marketing activities toward mothers. It is obvious, because McDonald 'shaving to draw the mothers into the restaurant, where the kids want to visit to have delicious food. They are nearly a small accumulation to the child market. McDonalds to attract children, mothers, and families in general.

Promotions and Current Marketing

McDonald's is effectively taking efforts to change their value of their products to a healthier one. The days are passed where hamburgers are used as the key in advertising for attraction. McDonald's clearly registered its image in the minds of every people; in fact, the golden arches are the symbol, which is recognized all over the world, even before the cross. They have entirely drenched the marketplace to the point where you can even order Big Mac whileshopping at Walmart. One of the major problems for McDonald's is their encounter with customers filing complaints about their unhealthy foods. This negative information is causing some cliche around the company which they want to change. We heard about that perception is reality. The American public perceives McDonald's as a restaurant which is unhealthy. Americans do not go to McDonald's with visions of healthy food twirling in their heads. Some don't even go to McDonald's at all. So, how does McDonald's get those people back? This is a massive project that may also never be a successful one.

It's What I Eat and What I Do…I'm Lovin' IT

McDonald's recently tried to create a new marketing drive titled "IT'S WHAT I EAT AND WHAT I DO…I'M LOVIN' IT". The drive is designed to replace the existing global marketing drive, "I'M LOVIN' IT", which was launched in September 2003. The drive is designed to "tie all our balanced, active lifestyles messages together," said McDonald's CEO Jim Skinner (Press Release, 3/08/05). The theme point outs the important interaction betweeneating right and staying active. The one common phrase of McDonald's is "balanced, active lifestyles." It is their new platform, and it comprises of three effective pillar ideas: adding new items to the menu, promoting physical gesture, and offering the ability to access valuableinformation. The stirring example of the first pillar, adding new items to the menu is the implementation of new dish known as Asian Chicken Salad. McDonald’s is both expanding their menu and increasing the availability of "healthy" foods. McDonald's made advertisements for their new product everywhere. Signage displayed, on street banners, outside the restaurants and even on the windows. One food bag also featured the new Asian Chicken Salad as part of Go Active! Happy Meal. There are various advertisements versions in television and even in magazine named InStyle. Other recent menu additions were also "healthier", choices such as Premium Chicken Sandwiches and other premium salads. The second pillar of this drive, promoting physical gesture is also evident on bags, cups and signage in each store. The bags that hold food orders no longer have hamburger ads on the outside. They now feature images of people leading "balanced, active" lives. On one bag, a woman is doing yoga with a caption saying, "being good to myself has never been easier… I'm lovin' it." This lady is conveying a message that she thinks it is possible to uphold her healthy lifestyle by consuming McDonald's products. Physical gesture is also promoted through the primer of four different fifteen-minute workout DVDs that you can get along when buying the Go Active! Happy Meal that includes a salad and a Dasani bottled water. During the Winter Olympics in Torino, many Olympic athletes were also featured on McDonald's bags with motivational messages about their active lives. McDonald's is trying every possible way to show images of healthy active people and associating them with McDonald's. The third and final pillar, offering the ability to access valuable information is evident in McDonald's new packaging idea that provides nutritional information on individual food boxes. McDonald's has a "30 year history of providing nutrition information to customers," but as recent lawsuits against McDonald's and scenes from the movie "Super-Size Me" suggest, they have room for improvement (Press Release, 2/07/06). The lawsuits against McDonald's appealed that the accusers were overweight because they were ignorant of the nutritional information of the McDonald's food that they were eating. They were lucky that these lawsuits were thrown out because the accusers could not prove that McDonald's was at fault, but what if the next accuser had a better case? McDonald's must be on the defensive. Therefore, McDonald's is moving nutrition facts straight to the box. Not only does each box have the nutrition facts table, but McDonald's also chose to point out the five most appropriate indicators that customers can appreciate. The indicators are calories, protein, fat, carbohydrates, and salt. These five indicators are shown in a different colour, while the nutrition table is presented in plain text. The only packages that do not contains any nutritional information are those used in short-term promotions, labels and vessels that are used for multiple products. In those cases, customers refer to McDonald's websites and restaurant’s brochures.

ERP Implementation in the Construction Industry

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Construction is not a new business; it has existed for thousands of years, maybe from the timeof the Egyptian pyramids. The methods and procedures that may be used to get the most out of its resources, materials, and equipment are vastly different now. Construction is a complicated web of interconnected operations that some may describe as orderly chaos at best. Construction, by its very nature, presents issues that are not seen in other businesses. Construction varies from other sectors in several ways.

- ✓ The uniqueness of the project.
- ✓ Mostly remote sites with a problem of access.
- ✓ Unpredictable process.
- ✓ Application of automation issues.
- ✓ High chance of unexpected conditions.
- ✓ Variance in cost based on conditions.
- ✓ Hard to manage supply utilities and resources.
- ✓ Snail phased adoption of technical innovations.

All the above-mentioned reasons lead to the following challenges.

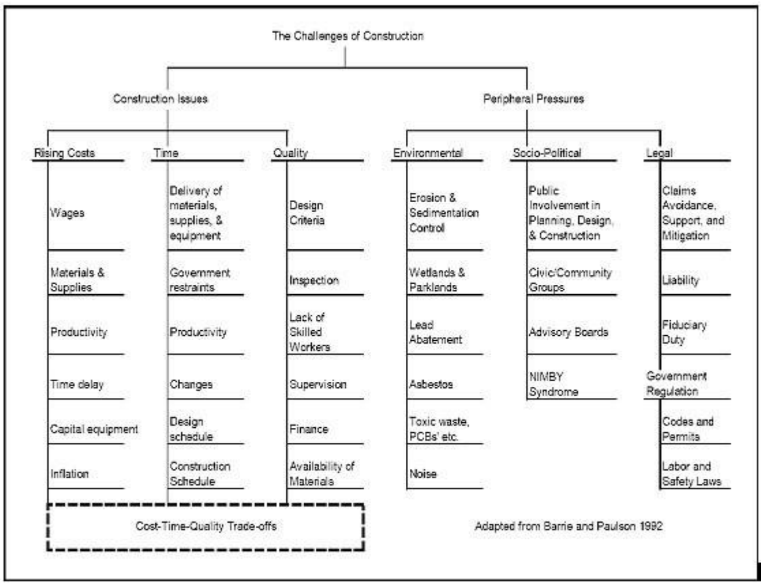


Fig. 1:- Challenges of Construction

1. The project manager needs to prepare a production report manual. No system ofelectronic tracking
2. Legacy applications like spreadsheets are used for budget and controls, whichincreases employee workload.
3. A unique method of encoding for each project.
4. Poor organization of off-site locations.
5. Difficult to track material and equipment usage.
6. Project managers lack critical information on Inventory and budget.
7. Lack of organized structure creates little time for follow-up.
8. No organized system to track fixed assets in the company books.
9. Ineffective way of mentioning fixed assets in the company books.10.No proper system to track multiple site inventory.
11.A cash flow problem arises due to the non-raising of invoices at frequent intervals.

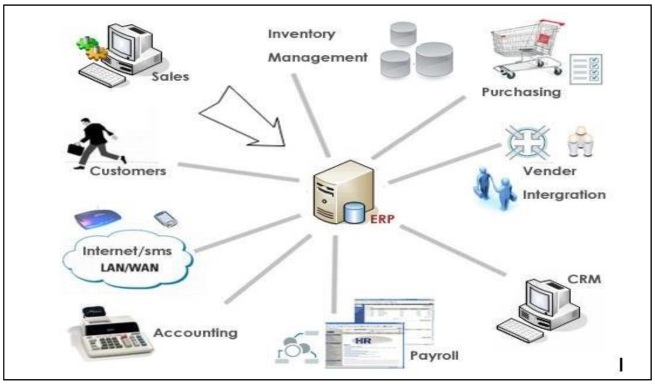
All of these challenges make building projects extremely difficult to manage and govern. If we are to properly manage these complicated initiatives, it is critical that the work progress and resources used be quantifiable. The success of a project will be determined by how wellit meets the cost, schedule, safety, resource allocation, and quality criteria established during the project's planning and budgeting.

The ERP's goal is to track progress at each stage of this project so that goals and objectivesmay be met through the strategic use of resources that fulfil the project's quality, cost, time,

scope, and safety criteria. The Project Manager should regulate, deflect, or lessen the impactsof any occurrence or scenario that might jeopardize project success using the ERP. Tailored ERP solution can lead to:

- ✓ Optimum resources usage.
- ✓ Achieve the highest productivity.
- ✓ Improved communication among departments.
- ✓ Possibility of analysing and tracking individual tasks and operations.

Fig 2:- ERP System



Now that it is evident that implementing an ERP solution may provide significant benefits to the construction sector, how can businesses ensure that they select the best ERP vendor?

After selecting the greatest ERP solution on the market, many construction businesses discover that it is not flexible enough to satisfy their demands. There are no two businesses alike, and forcing them to use software that isn't designed for their needs would almost certainly result in a loss of profit and the ERP solution's failure. They may be able to innovateand outwit their rivals after a few hundred or thousands of dollars in adjustments. There are, however, alternative options that do not need software businesses to waste time and money dealing with pre-packaged software.

Sigh a sigh of relief now, since ERP suppliers who understand each company's needs and have pioneered the art of customised ERP systems exist. They provide solutions that are light,versatile, cost-effective, and simple to install. These are industry-specific software solutions. Customized solutions are created for each organization's needs without the need for lengthy development cycles or the difficulties of updating.

These are agile software solutions because they are highly flexible and combine the benefits of a bespoke software solution with the finest features of a canned software solution. These customised solutions will be the most successful for the firm, and they will be able to expand and change as the organisation does so in a cost-effective manner, as opposed to pre-packaged pricey ERP systems.

Questions:

1 ”Uniqueness of construction Industry brings more Challenges for ERP”, Justify

2. How to implement Cost-effective ERP solutions for the construction Industry?

3. Is Vendor selection the biggest Challenge in Construction Industry?