CHAPTER – III

PROFILE OF TVS LUCAS INDIAN SERVICE LIMITED
3.1. INTRODUCTION

The TVS Group is India's leading supplier of automotive components and one of the country's most respected business conglomerates.

The TVS Group, with a turnover of over one billion dollars, is the largest manufacturer of automotive components in India. The group produces auto-electrical, diesel fuel-injection systems, braking systems, automotive wheels and axle fasteners, powder metal components, radiator caps, two wheelers and computer peripherals. Backed by five service and distribution companies with an extensive network across the country, the group has the largest distribution network for automotive products in India.

22nd March 1877 marked the dawn of industrialization of Southern India with the birth of the doyen Shri TV Sundaram Iyengar. The TVS Group was formed in 1911 by T V Sundaram Iyengar, one of the pioneers of Indian industry. He was a visionary, whose ideas were years ahead of their times, and a man of principles. Both these things combined to make him a legend in his own life time all over southern India.

Three years before World War I, when the automobile was still seen as some kind of intimidating “horseless carriage”, he had the vision to set up south India’s first ever rural bus service. And, over the years, this transport company became the largest of its kind in the country – legendary for its punctuality and service. In fact, the rules and regulations our Founder laid down for himself later became the blueprint for the Motor Vehicles Act.

During the war years, TVS set up a service station for reconditioning vehicles and a tyre re-treading unit. The shortage of petrol was overcome through the manufacture of conversion kits which allowed the use of charcoal gas in automobiles as a substitute for petrol.
T V Sundaram Iyengar’s philosophy of business reflected the kind of man he was: simple, but stern. It was based rigidly on four concepts – quality, service, reliability and a sense of ethics. It is this personal philosophy that has formed the cornerstone of our corporate culture as, over the past 90 years, we have evolved into one of India’s leading industrial houses.

TVS believes that the success of any enterprise is built on the solid foundation of customer satisfaction. Continuous innovation and close customer interaction have enabled TVS companies to stay ahead of competition. The group endeavours to be competitive without compromising on Quality. And quality at TVS determines not only the end product but the systems, processes and operations at all levels.

The rise of India’s automotive industry after Independence saw TVS enter components manufacture, the Group’s next major milestone. For two decades, beginning in 1960, the TVS group formed alliances with many world leaders for manufacture of critical automotive components, and later, of two-wheelers.

Over a period of time with steady growth, expansion and diversification repeatedly proved the Group’s unique ability to sense a sunrise industry in the Indian environment and to build it up to maturity. This was not restricted to the automotive industry alone. Today the TVS Group has a leading presence in computer peripherals and consumer durables.

3.2. BIRTH OF LUCAS INDIAN SERVICE LIMITED

TVS Group is surging ahead towards attaining further heights in the industrial hemisphere of India, with the devotion and dedication of the multi-skilled work force behind. Lucas Indian Service Limited commenced its operations way back in 1930 with its base in Bombay as a sterling company under Joseph Lucas, Birmingham, U.K. The Company steadily grew, meeting the entire needs of diverse imported automobiles for auto electrical, diesel injection pumps, brakes, etc. in order to cope up with the growing demand from Eastern India; it opened a branch in Calcutta in 1936. Simultaneously, it also created a country wide dealer network in those early days to provide services.
The onset of the Second World War led to the total stoppage of supplies from U.K. and LIS rose to the challenge to keep the war efforts going by the indigenous and improvised methods of reconditioning worn out equipments for Defence. In fact, LIS, Calcutta became a major base for reconditioning. By the time the war ended in 1943, LIS acquired sufficient expertise in sales and service which led to the opening of its third branch in Madras in 1946.

LIS, Madras also set up a plant in the early 60’s to manufacture ignition coils for 2 wheelers / to cater to OE manufacturers / replace markets. It has been highly successful not only in meeting the demands of domestic market but also in exporting to other countries.

The post-independence period saw a proliferation of automobile manufacturers for country’s self-reliance and economic growth which in turn led to the development and manufacture of components for auto industry. Joseph Lucas joined hands with TVS – another pioneering institution in India in 1962 to manufacture Auto Electrical for a wide range of applications for 2 wheelers, cars, trucks, tractors, buses, marine / stationary engines. The product range is very comprehensive consisting of starters, alternators, dynamos, regulators, distributors, wiper motors, head lamps, horns, etc.

Due to new legislation brought out by the Government on import restrictions, LIS had to curtail the imports from U.K. and heavily depended on Lucas – TVS for its support to market / service their indigenous products and thus LIS became a fully owned subsidiary of Lucas – TVS limited from first August 1968.

LIS started expanding its network of branches starting from Delhi in 1972 to meet the country’s huge demands and rose to 17 branches in all metropolitan cities and major state capitals or major commercial centres of states. Apart from branch outlets for distribution and service, LIS has a dedicated dealer network of over 400 centres which in turn cater to about 20, 000 retail outlets all over India to meet the end user needs.

Apart from marketing of Lucas – TVS auto electrical and ‘LISPART’ spares, LIS has also a role to play in servicing these equipments and it has been successful in
developing and marketing highly accurate and precise test equipments and special tools. With the commencement of the production of Rotary type of diesel fuel injection pumps for car and LCV’s by LUCAS –TVS limited, LIS is also active providing country wide sales and service through its branch operations and upgrading the service points.

As part of its service to Indian automotive industry, LIS conduct training courses for personnel from O.E. Manufacturers, Defence Establishments, Nationalized Transport undertakings, Fleet operators, Auto Electricians, etc.

LIS has employee strength of over 320 spread all over India, and has never lost a man day as industrial relationships has been always cordial. With a turnover of over Rs. 125 Crores, LIS has come to be acknowledged as a unique automobile institution of this country and the day is not far in it becoming a giant in its business class.

Much of the success and growth of TVS is due to the culture and work ethos that has evolved over the years. It is a culture which emphasizes concern for the people and customers, respect and mutual trust and pursuit of professional excellence. These are the values which have enabled TVS to readjust with the fast changing business environment and equip itself to need the challenges of the future with confidence.

The institute has acquired core competency in consultancy services specifically in the field of contract management, performance management, Human Resource management and Organization development, and being an experimentation ground for innovations in Human Resource management, has set a number of benchmarks. Further, in order to enable the Human Resource Development strategies and interventions to extend more support to enhance the self-renewal capability of individuals and to optimize the use of emerging information techniques in management, initiatives have been taken to constitute three areas of excellence, viz.

- Business development
- Organisation development
- Technology development
3.3. HUMAN RESOURCE DEVELOPMENT PRACTICES IN TVS

TVS’s Human Resource Development Institute, with its standing of a respectable center of learning, seeks to collaboration in the above activities with other Management Institutes and in-house Human Resource Development institutes of national and international repute with a prime objective of mutually sharing the resources and expertise for competency building in various areas by jointly conducting training programmes, seminars, workshops conferences, consultancy, action research, case-study development and academic activities to achieve greater heights.

The main focus of such collaborative ventures would be to bridge the gaps and overcome the barriers, which are likely to emerge in the turbulent future.

TVS’s Human Resource Development Institute is extending its invitation and intends to collaborate with leading management institutes and in-house Human Resource Development Institutes in India and abroad to identify and work together on new frontiers of Human Resource Development.

TVS has been a pioneer in the areas of Human Resource Development, being the first Public Sector Undertaking of its kind, in India to have set-up an extensive HRD infrastructure as way back as the early sixties. Human Resource Development Centre (HRDC) of TVS Chennai, Hyderabad occupies a significant place not only among other HRDCs of TVS but also as an important Training and development centers in the twin cities of Hyderabad.

HRDC organize and conduct different kinds of Training and Development programs for employees, customers, suppliers, and others. The spirit at our HRDC is continuous learning and “the learning” which move towards focused individual and Organisational Growth.

3.4. VALUES

- Meeting commitments made to external & internal customers
- Foster learning, creativity and speed of response
• Respect for dignity and potential of individuals
• Loyalty and pride in the company
• Team playing
• Zeal to excel
• Integrity and fairness in all matters

3.5. OBJECTIVES

1. **Growth:** To ensure a steady growth by enhancing the competitive edge of TVS in existing business, new areas and international operations.

2. **Profitability:** To provide a reasonable and adequate return on capital employed, primarily through improvements in operational efficiency, capability utilisation and productivity and generate adequate internal resources to finance the company’s growth.

3. **People Orientation:** To enable each employee to achieve his potential, improve his capabilities, perceive his role & responsibilities and participate and contribute positively to the growth and success of the company. To invest in human resources continuously and be alive to their needs.

4. **Technology:** To achieve technological excellence in operations by development of indigenous technologies efficiency absorption and adaptation of imported technologies to suit business needs and priorities, and provide a competitive advantage to the company.

5. **Image:** to fulfill the expectations which stakeholders like Government as owner, employees, and the country at large have from TVS.

3.6. MAIN POLICIES OF TVS COMPANY

1. **Quality Policy:** In its quest to be world-class, TVS pursues continual improvement in the Quality of its products, Services and Performance leading to Total Satisfaction and Business Growth, through dedication, commitment and team work of all employees.
2. **Environment Policy:** Compliance with applicable Environmental Legislation/Regulation by regular monitoring and updating.
   - Continual improvement in Environmental Management System to protect our natural environment and control pollution by using pollution prevention techniques / technologies.
   - Promotion of activities for conservation of resources by Environmental Management with focus on water, oil, paints and electricity energy.
   - Development, manufacture and supply of pollution control and energy saving equipments for reducing pollution.
   - Enhancement of Environmental awareness amongst employees, customers and suppliers by proactive communication, training and facilitation.

   Assist and co-operate with concerned Government agencies / Regulatory bodies engaged in Environmental activities, offering TVS’s capabilities in this field.

3) **Safety Policy:** To ensure occupational safety and compliance of all applicable legal requirements by active participation of all employees in order to protect all the resources from hazards.

4) **Purchase Objective:** The main objective of procurement activity shall be to purchase the require materials, equipments and related or associated services, at the right time at an optimum price consistent with quality requirements with transparency in order to adhere to commitments made to customers.

5) **Economic Value Addition (EVA):** EVA is the after tax cash flow generated by a business minus the cost of the capital it has deployed to generate that cash flow. EVA is the quantum of economic value generated by a company in excess of its cost of capital. Mathematically, it is the difference between the net operating profit after taxes and the capital charge.

6) **Business process reengineering (BPR):** It is “fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed”.

7) **Value Addition:** It is an improvement process where, input is processed and converted into an output.
Insert organisation chart