

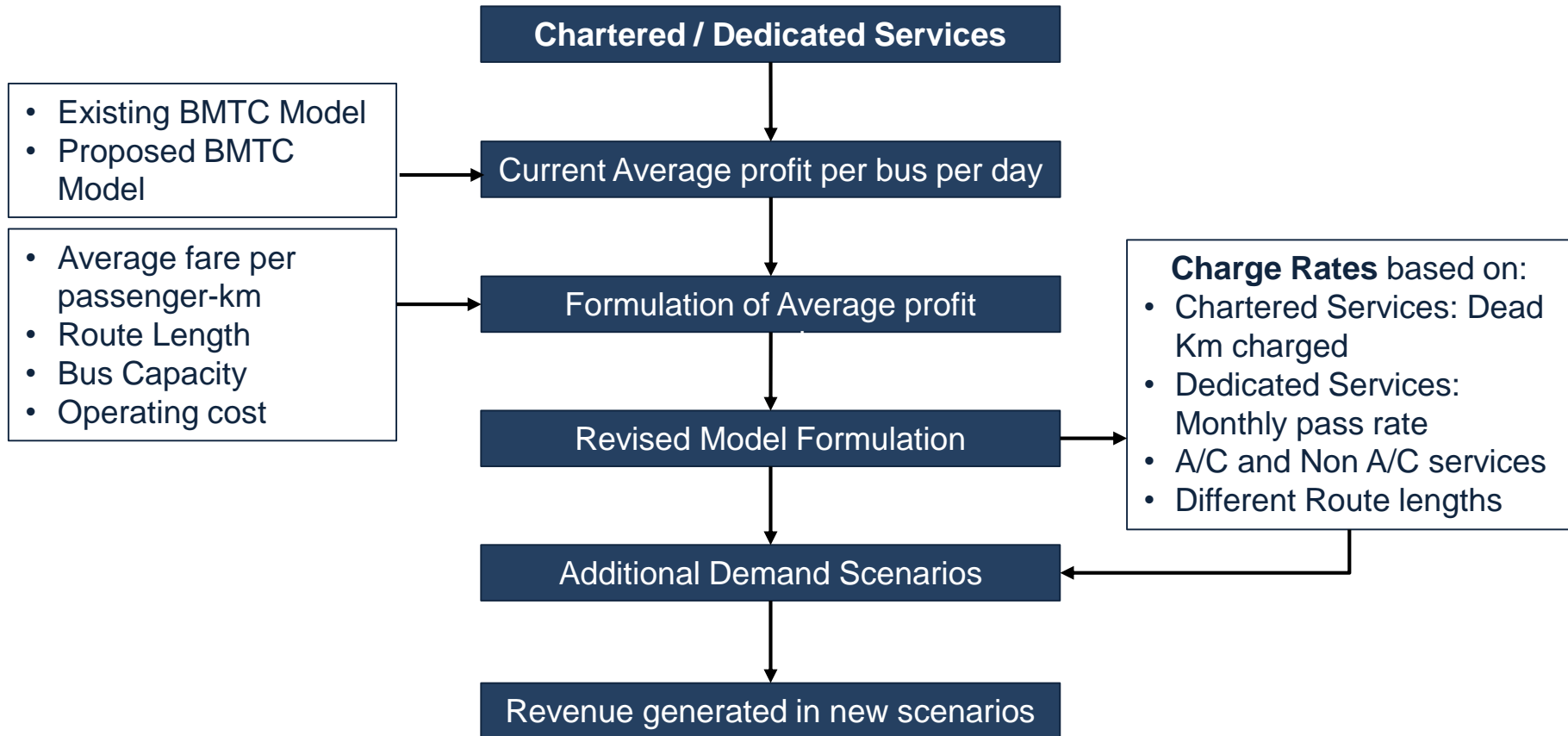


Improvement and Extension of Chartered Services

Objective

- To propose a model to increase revenue from chartered/dedicated bus services.

Methodology



Data Analysis: Additional Demand

Net Profit per Day for the Additional Demand for Ordinary Services (600 buses)

Scenarios	Net Profit per day (INR)-Ordinary bus				
	Average profit per bus per day	Percentage of spare fleet used			
		100	75	50	25
Scenario 1	INR 500	-3,00,000	-3,75,000	-4,50,000	-5,25,000
Scenario 2	INR 750	0	-1,12,500	-2,25,000	-3,37,500
Scenario 3	INR 1,000	3,00,000	1,50,000	0	-1,50,000
Scenario 4	INR 1,250	6,00,000	4,12,500	2,25,000	37,500

Net Profit per Day for the Additional Demand for A/C Services (200 buses)

Scenarios	Net Profit per day-A/C Services				
	Average Profit Per Bus Per Day	Percentage of Spare Fleet Used			
		100	75	50	25
Scenario 1	INR 750	-50,000	-87,500	-1,25,000	-1,62,500
Scenario 2	INR 1,000	50,000	0	-50,000	-1,00,000
Scenario 3	INR 1,250	1,50,000	87,500	25,000	-37,500
Scenario 4	INR 1,500	2,50,000	1,75,000	1,00,000	25,000

Proposed Slab Rates

Proposed Slab Rates for Chartered Services

$$x = \frac{\pi_{norm} + OC * l - CS * l}{CS}$$

Scenarios	Route length two way (km)	Dead km charged per day (km)- Ordinary Buses		Dead km charged per day (km)- A/C Buses	
		42 Seats	50 Seats	35 Seats	42 Seats
Scenario 1	< 25	5.00	5.00	5.00	5.00
	25-50	10.00	10.00	10.00	10.00
	50-75	15.00	13.00	13.00	13.00
	75-100	20.00	18.00	18.00	18.00
Scenario 2	< 25	7.00	7.00	5.00	5.00
	25-50	13.00	12.00	10.00	10.00
	50-75	20.00	20.00	18.00	17.00
	75-100	28.00	25.00	25.00	23.00
Scenario 3	< 25	10.00	8.00	7.00	7.00
	25-50	18.00	15.00	15.00	13.00
	50-75	28.00	25.00	22.00	20.00
	75-100	38.00	35.00	30.00	28.00
Scenario 4	< 25	10.00	10.00	8.00	8.00
	25-50	20.00	20.00	15.00	15.00
	50-75	33.00	30.00	25.00	25.00
	75-100	45.00	42.00	35.00	35.00

Findings and Recommendations

Findings

- Limited scope to increase client base under current model.
- Need for flexible slab rates
- Additional bus demand an important factor in the proposed model

Recommendations

- Adoption of model with flexible slab rates
- Negotiations with clients to ensure additional bus demand