

## Priyadarshni Taxi Service: Steering the Wheel

Pooja Singh and Rekha Singhal\*

### Case Synopsis

It was 2008, 31st October when Mumbai city started experiencing taxi which had women behind the wheels. This important decision was taken by Ms. Susibhen Shah a social worker, business women to empower women from minority and economically backward sections of the society. India is a growing tourism hub and Priyadarshni Taxi Service (PTS) has emerged as a safe and viable alternative for women tourists and women in general with family members including males. Ms Shah brought PTS into existence despite her anxiety and apprehension about an all female taxi service being accepted in a city like Mumbai with male dominated culture. A strong union based taxi industry and presence of strong competitors has not deterred PTS to leave its mark in Mumbai transport scenario. But there are still some questions that stay unanswered. Will this profession be acceptable to women who would join the fleet without any fear? Would this initiative attract more and more women to come forward and join PTS? Can the mission of women empowerment be achieved through this venture by roping in more participants? Can PTS attract more investors with this unique idea which is path breaking and contrary to the existing Mumbai culture? Should PTS invest more for a faster growth to ensure increased women empowerment and better customer service?

### **Introduction**

Indian Taxi market is a booming sector in the transport industry of India. It is evident that out of every five cars on Indian roads, two are taxis. Taxis have always had a special, nostalgic presence in every Indian's psyche. The journey of taxi cabs in India began somewhere in 1910

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\* Pooja Singh, Fellow Researcher , Faculty of Human Resource Management, Indian Institute of Forest Management, Nehru Nagar , Bhopal. Email: poojasingh48@gmail.com

Rekha Singhal, Professor, Faculty of Human Resource Management, Indian Institute of Forest Management, Nehru Nagar , Bhopal. Email: rekha@iifm.ac.in

as a replacement of horse wagons. The first taxis were the traditional Ambassador and Premier Padmini painted black and yellow to serve the Indians for daily commuting. These were metered taxis that gradually had spread over to various cities including Mumbai, Delhi, Bangalore and other major cities of the country. Today, the cab industry has grown from the traditional black and yellow metered taxis paving way to hi-end technology driven machines.

Taxis being an integral part of the Indian automotive market in metros like Delhi, Mumbai, Bangalore, Chennai, the total number of fleet taxis has , touched the 5,000-mark (Sen 2013). Mumbai which represents the commercial capital of India has taxis running under the Mumbai Taxi Union (MTU) banner, plus a few thousand more on the Mumbai-Pune, Mumbai-Nashik and other regional sectors, one can imagine the importance of it. This is in addition to several thousand private taxis. The black and yellow taxis in Mumbai are integral part of the city's heritage. These metered taxis ply throughout Mumbai and have monopoly from Bandra to Churchgate on the Western line and Sion to Chatrapati Shivaji Terminus on the Central line. A mechanical meter decides the fare and is proportional to the distance travelled.

Against this backdrop, one can proceed to analyze the significance of this topic. With the winds of change sweeping across the country, among many transitions one that India witnessed was PTS and Forshe taxi entering the taxi industry in Mumbai with women drivers behind the wheels. To this society where men are dominant, women are subservient, men are aggressive, women are passive; where men are power-centric, women are person-centric; men are bread winners, women are home makers women driven taxi service is certainly a transformation in culture. Taxi driving is mostly a male dominated industry since its inception. But women driving cabs is a blessing for young girls, the elderly, working women and hassled mothers of young children's. With the increase in number of crimes with women had especially confined the working and career women in many ways (especially taking night travels ). Women drivers are indeed a great boon for one and all. Mumbai witness the lady taxi service driver. In this purview the case examines the PTS with the organization culture. Case also tries to examine the

empowerment of women while trying to focus on the changes which will be required to bring in the society and government officials at different places with the women drivers in the society.

This case is divided in to three sections. The first section will talk about the process of how to get a taxi company on wheels second part will deal with PTS origin, growth and challenge and last is the concluding section of the case.

### **Process or Steps to Start a Taxi /Cab Service in India**

The twelve year old radio cab industry (started in year 2001) has grown to Rs. 1100 crore industry in 2012. According to a recent study conducted by Sunstone Business School (Greater Noida), the radio cab market is 15,000 plus cabs in size with three large multi-city operators (Meru, Easy, Mega Cabs) holding nearly 70% market share as well as several smaller operators mushrooming in different cities. Despite growing tremendously over the last 6 years, radio cabs are a minuscule portion of the overall private taxi business in cities. For instance, in Mumbai the total strength of the radio cab offering is less than 3% of overall market share. However, demand for radio cabs, is set to grow with rising middle class as they seek better transport. Starting a taxi service has its own positive side as one can dictate his/her own working hours in a boss-less environment and can choose to go back home anytime he/she wants. However, it can also be equally demanding, physically with risk of abuse from unruly or drunk passenger, and financially with rising running cost, vehicle going out of service in case of major breakdown and repair expenses thereof apart from the loss of income from taxi service due to the breakdown. Here in this section the process or steps to start taxi service or company will be discussed. The major steps are discussed below:

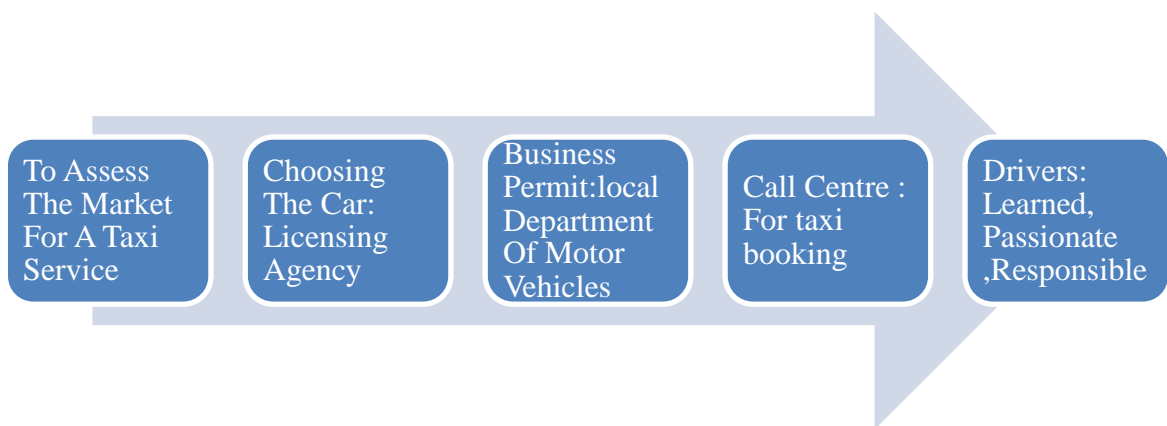
1. To assess the market for a taxi service. Many taxi companies get very defensive at the risk of new companies entering the market place. So getting information on starting a

taxi service in the desired area is very crucial. The radio cab market has witness a shift from largely catering to airport pickups and drops to providing point-to-point commuting services across big cities. Currently, operators earn between 30-50% of their revenue from the airport segment. However, with increasing demand for services within the city and rising tariffs for parking at airports, operators are thinking about new ways to cater to the non-airport demand. At present Mumbai has some major players in taxi like Meru, Tab cabs, Easy cab, Cool Cabs and yellow and black cars.

2. Many new models from various car manufacturers are now being pressed into taxi service. One must decide rationally about the model to choose while optimizing comfort and efficiency. One cannot decide a vehicle purely out of fancy features it offers and may take help of the licensing agency.
3. Before commencing the operation of taxi business in India one should have a license and permit. Grant of licenses to prospective operators for radio taxi networks is provided by respective state government. Indian government allows state governments to exercise powers mentioned in section 74 of Motor Vehicle Act, 1988. Under this act, state governments have powers to set fare structure and terms related for commercial passenger transport vehicles. At state level, each state has a State Transport Authority with multiple Road Transport offices (RTO). The RTOs work under directions of the state governments' transport ministry and provides fleet licenses to Radio Cab service operators. They set minimum service requirements for operators to protect larger public interests like fare structure, systems/processes to be followed, driver & operator code of conduct, fleet strength, geographic scope of operations. Taxi drivers need driving permit which is a document issued by the transport authority to the vehicle driver, specifying the area in which he/she is allowed to ply the vehicle and an authorization to use it as public transport. To obtain a permit from the RTO, an application has to be made through a form titled Form P.Co.P.A under rule 70(1) for the

issue of a permit, along with which a fee is to be paid. The documents required for this procedure are ration card, registration certificate, tax certificate and insurance clearance certificate. Each state levies varying permit cost on radio taxis starting from as low as 930 Rs/year to 7,500 Rs/year. Usually, marginal permit costs decrease in slabs as an operator adds new taxis. As an exception, permits in Mumbai city can also be procured from existing permit holders through a secondary market wherein prices range from Rs. 100,000 to 150,000. Unlike other city permits, that are typically valid for 5 years, these have lifetime validity and are completely transferable.

4. One need to have either call centre back-up or own telephone connection so as to enable customers contact and book taxi service whenever and wherever required.
5. A very important factor which plays a determining role in this business pertains to the drivers. One should look for responsible and good drivers because they are the ones who would be responsible for the taxis or one can say whole business is dependent on their fine service. So taxi drivers should be chosen wisely because they can make or break taxi business in India.



**Figure1: Showing steps to start taxi business**

One can start the taxi business by following above steps. However, its not so easy to complete these steps in a short time due to the amount of paperwork and number of approvals needed to start the business.

## **Making of Priyadarshni**

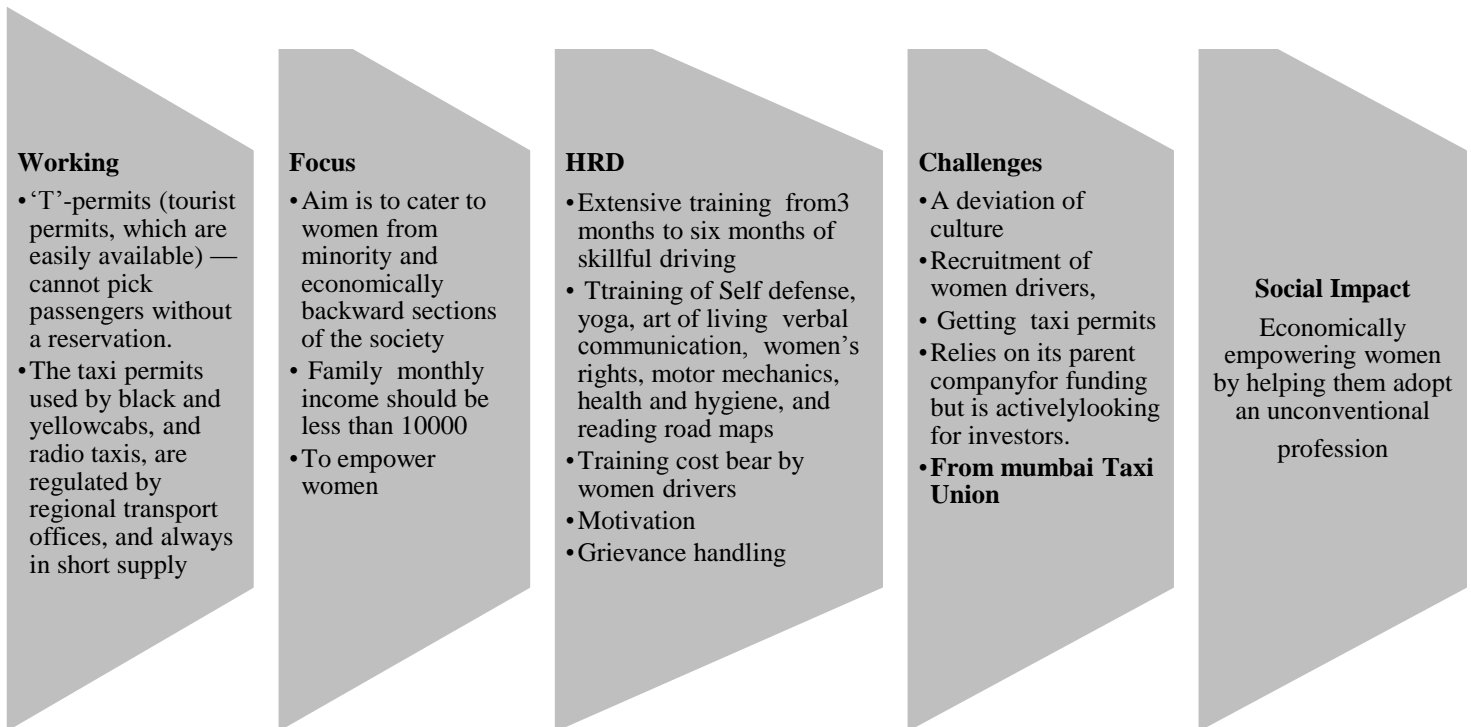
### **Origin**

Priyadarshni taxi service is one of the first taxi services of Mumbai which is driven by women. It was founded by Susibhen Shah a lawyer, social worker, cofounder of pharmaceutical company V S International, and an author, in the year 2008 on the birth eve of Mrs. Indira Gandhi our former prime minister. Priyadarshni taxi services is registered in the name of La'ccelerate Fleet Services Private Limited . It started the business with 4, 00,000 initial investment and in 2012 total asset was Rs 4,404,572 and net income Rs 1,41,2274.

The name "Priyadarshni" meaning (pleasing to look at) has been conceptualized from our first women Prime Minister Mrs. Indira Gandhi. Ms. Shah book on "Legal Awareness Amongst Women" which imparts women the basic information about their rights and privileges as prevalent under the Indian Law and Indian society was inaugurated in 2007 by Smt. Priya Dutt Member of Parliament (MP) and Ms. Renuka Chowdhary the then H'ble Minister of Women & Child Welfare, Government of India. It was Ms. Renuka Chowdhary who suggested for women taxis service to Ms Shah. That's hit the bull's eye. The owner started working towards it by trying to get permission, license and eventually advertising to recruit women drivers. Shah believes that the new younger generation women of 21<sup>st</sup> century desires to do something different, away from the traditional culture, to be counted at par with men.

### **Recruitment of Women Drivers**

The women are picked up for driving through advertisement in newspaper through NGO. The family income of the applicant has be to less than R.10000 per month to be eligible for recruitment process.



**Figure 2: Priyadarshni Taxi service an Overview**

Women are picked up from deprived classes but willing to drive taxi. Some minority women, who are victims of some awful incidents, are also recruited and trained as women drivers. The education requirement of women driver is minimal. The training cost for drivers is required to be borne by them which come to between Rs.10000 to Rs.12000. As many families are not in a position to bear such a large amount, funding from Government is sought to take care of the same. As driving is a very demanding job both physically and mentally, the Company sometimes has to do a pre-counselling to the mother and other family members of the candidates and convince them to agree and support for taking up this job. As many women are not coming forward to take up this assignment, the Company does not let a recruited driver go off easily on family issues, rather go for counselling of their mothers and family members to let her continue

the work. Many mothers who are comfortable with their son driving a taxi but are apprehensive about their daughters taking up this job need counselling. Taxi driving is a tough job as it might require at least 10 hours and sometimes over 12 hours a day on road. To prepare women drivers for this, PTS undertakes extensive training to instill passion and commitment within them, which are the most important recipe for the system to survive and thrive.

### **Human Resource Development at PTS**

Before they start their work, women drivers are provided extensive training for three months learning driving on road. They also receive other trainings like road knowledge, yoga, art of living, self defence and methods to tackle aggressive passengers. PTS facilitates economic empowerment to the women drivers by letting them be independent in terms of time and area of operation and getting paid for the same. The drivers are not in the payroll of PTS, rather they pay Rs.700 to PTS every day they operate, towards maintenance and insurance of the car PTS provides them. Money received from operation above this amount is the earning for the drivers, where PTS does not restrict them on working hours and area of operation. The drivers can work for 8 to 10 hours and may even work longer up to 15 hours a day, in case any outstation assignment comes up.

PTS lets the drivers use the car as if they own the same, thereby not putting any restriction on number of working hours. This motivates the drivers work hard and longer as this adds to their income directly and has been the prime mover for a better standard of living for the driver families, who can provide better education for their children, go for decent housing and get self satisfaction, of being able to do all these. Ms Shah knows all the women by their name and in case of any family dispute; they reach out to her for counselling and settlement through the company and these handled efficiently by PTS.



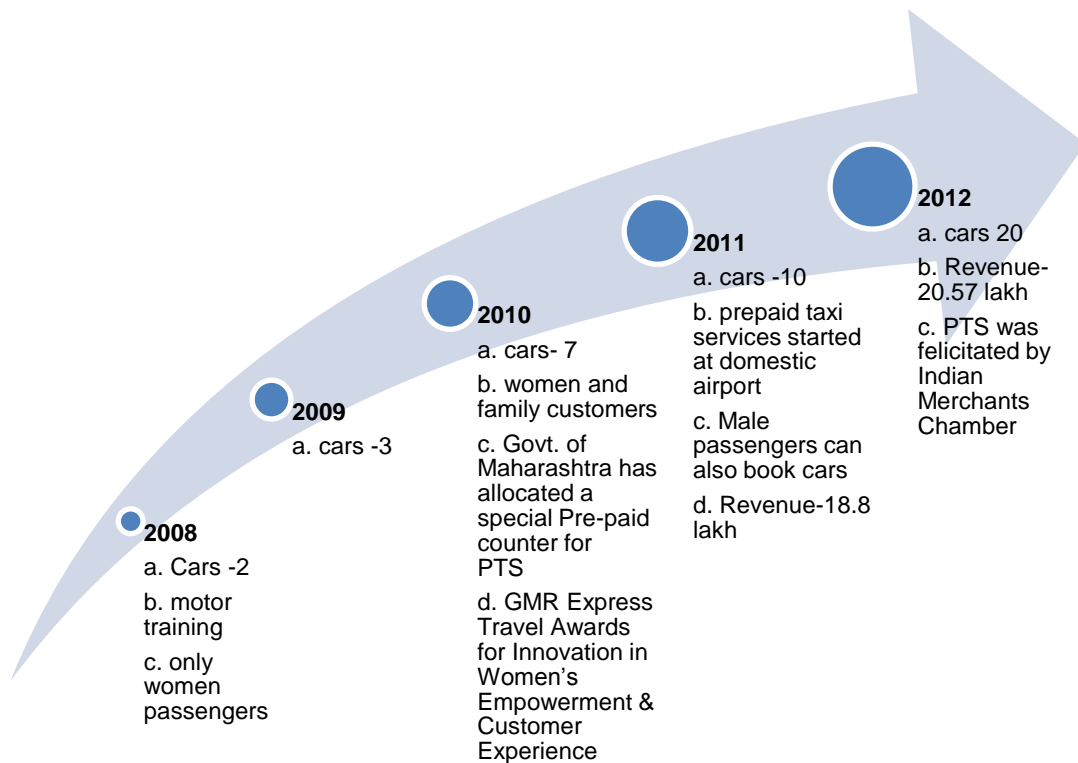
**PTS from the Drivers Version**

Chetna a women driver starts her work at 9.00 am in the morning and is back home by 6.00 pm as she has a three year old daughter. She feels very happy as her work is recognized and her income varies from Rs 10000 to 12000 monthly. Some of the drivers are the sole bread winners of the family and earn about Rs.10,000/- Rs.15,000/month thus the income so generated has drastically improved their lives . Some women drivers work for 15 hours, do night shifts and are plying to Pune also. Priya is very happy because she has bought a house from her earnings. Drivers feel safe driving in Mumbai. They narrated that sometimes elderly people hesitate to sit in the cars because of women driving but drivers try to convince their elderly customers by saying “we are like your daughters, ek baar humare saath chalo to uncle”. This sometimes initiate the elderly people to take the service and end up giving high tips for the cooperative and helping behavior of drivers. Sometimes the women drivers have to tackle some hail attacks but in the four years they have learnt a lot and they feel pride to say that now male taxi drivers know that Priyadarshni is there with them on roads. Drivers mark that they have a very collegial kind of culture in PTS. They are allowed to take taxi at home. Ladies at PTS feel pride; get lots of appreciation, gratitude, admiration and pleasure in this profession. They are delighted to say that customers especially women passengers, old age passengers , school and college students feel safe in the aura of women drivers.

**Growth at PTS**

In Mumbai taxi driving had a complete monopoly of male drivers and a very strong union of MTU. PTS started this service with three taxis with a strong apprehension as where it would lead to. But with few challenges and some good practices of Human Resource Development (HRD) PTS has now 20 taxis plying in Mumbai which has future plan to increase to 100 by December 2013. There were certain challenges like picking off women drivers as driving taxis in male dominated industry is commendable and a great challenge both for the women and the

family which she comes from. PTS started providing service to only ladies customer, then to family and is now catering all passengers (including men ) who seek to them for taxi. PTS has earned a lot of appreciation in these four years for the service it's providing to the society.



**Figure3: Showing the growth of Priyadarshni**

### Challenges for PTS

For nurturing a company with unique vision which is away from the societal tradition, and to develop a team to be able to further and maintain the vision, the company faced different strokes from time to time. Inception stage needed to bring in core personnel together, who have radical thinking aligned with PTS vision and who all share the same beliefs. PTS faced this challenge in attracting such personnel during start-up. The next big challenge was to get

women drivers who are willing to work in the male dominated arena and their family willing to let them work in this field. The other hurdle was about women drivers discontinuing work after pregnancy or other ailments. This made the recruitment processing very challenging for PTS. The other major bottleneck was the survival of PTS operation within the domain of powerful MTU. Around 65000 taxis ply within Maharashtra under this banner and have very strong and deep roots within this business. Many times women driver face hostile and abusing MTU taxi drivers while picking up passengers, who claim PTS passengers to be theirs saying “mera customer hain”

The other tough challenge which remains today is to seek permit. Since it is policy of Govt. of Maharashtra to support the economic empowerment of women and Mumbai is a relatively safe for women and to further ensure safety for ever increasing women workforce and commuters, it is the need of the hour to reserve Permits for Taxi. PTS is working on T- permit( tourist permit) the company is willing to pay the necessary fees/premium to obtain the said permits unless exempted by the Government.

The Government has reserved 1000 Taxi Permits for women. But the company has to constantly follow-up the matter (T- permit to taxi permit) from the past two years. The company worked hard to get approval for starting pre-paid taxi service at domestic airport. It is working for the same for the international airport and is hopeful of getting the approval in few months. There is a need to monitor airport operation as sometimes male drivers’ abuse or initiate a fight with PTS drivers, primarily to harass and dissuade them from their work. Therefore PTS staff man the airport taxi service area twice a week, i.e. Tuesday and Thursday to back the drivers up and boost their morale.

The other challenge is the expansion in number of cars. Shah believes “Investors look for exponential growth and scalability”. “You need to believe in the impact of the organization to push in money; you cannot get 100 taxis in two months, it requires a lot of capital” says Shah.

She would rather wait until the company becomes economically viable before expanding aggressively. "Once we hit the 35-50 numbers, the impact will be huge," is the hope of Shah.

### **Recognition and Reach of PTS**

Male drivers constantly oppose the female drivers saying they are good at home doing cooking and other household works. They feel it's a tough job and women drivers will not be able to survive in this profession. Hard to say but is it tough for them (men drivers) to swallow this change in society. But these 20 drivers are striving hard to sustain the change. It is believed by the company and trainers that not every woman can become a chauffeur, one requires women with a strong will to do something different. As most of them have never even sat in a car. The training, depends on how quickly a woman takes to it, it can last from four months to two years, and involves driving a variety of cars, from the humble Maruti 800 to the Honda City. Yet there are quite a few smart women pulling it off with aplomb. There are women with aspirations who are happy to get into smart uniforms and do something new. This change of women in driving seat is a blessing for young girls, the elderly and hassled mothers of young children who need to get going and would rather do it without having to worry about whether Mr. Cabbie will turn out to be a leech. It's also nice to know that each driver has been through a self-defense course and every GPS-enabled cab is equipped with pepper spray and a baton with permission from the company to batter any eve teasers. PTS which is helping women do what in India is still seen as a man's job, provides passengers with the services for e.g. 28-year-old Shubra, a stable, mature, single mother of three, who now drives Anju to work, escorts her to meetings and gives her, as she puts it, "the sense of independence" she has been struggling for in a city where few facilities are for the disabled. "It's a very peaceful experience when you can just be yourself inside the cab and especially you don't have a guy looking at you through the rear view mirror" is what Megha addresses. "With Neha, it's like driving with a friend," says Diksha who regularly takes the PTS service from airport.

**Case Review Questions**

1. Will PTS be able to sustain itself, discuss it in the light of organization and social culture?
2. Can PTS be called successful organization?
3. Are the women drivers empowered by PTS?
4. Does this case reflect any change or transformation in the taxi industry?
5. What should PTS do to have high social impact?
6. As Ms Shah believes in connecting to every driver on a personal basis, how big the organization can grow in terms of fleet of taxis so that this comfort level within drivers does not subside?
7. For large scale growth to achieve financial viability and better returns, can a franchisee model for replication to other area of service be a viable option?

**Key Resources Include:**

## 1. Interview

Name	Designation	Date of Interview
a. Suseiben Shah	CEO of PTS	26 <sup>th</sup> February, 2013
b. Shri. P.V.Mahajan	Deputy Transport Commissioner Mumbai	27 <sup>th</sup> February , 2013

3. Structured on-ground surveys with 10 drivers working for PTS.

4. Structured survey with 5 passenger regularly using PTS.

5. Informal discussions with 5 male drivers across different cab operators in Mumbai city.

## References

SEN. S, (JAN, 2013). FLEET CABS IN MUMBAI TOUCH 5000-MARK. *TIMES OF INDIA*, PAGE 3.

**Annexure-1**

**Questions from Owner**

1. What led to emergence of Priyadarshni Taxi Services(PTS)? Situational analysis?
2. Please highlight some distinctive features of PTS?
3. Comment on the activities of PTS?
4. How do you conduct training need assessment and organize recruitment of women drivers?
5. What was the need to give self defense training to women drivers? Was it given from initial years itself?
6. Is any incident which led to the self defense training to women drivers?
7. What in your view are the strength and weaknesses of PTS?
8. What challenges do you face as one of the first women taxi drivers?
9. What are the achievements of PTS in the four years?
10. What are the major operational problems which PTS has to deal?
11. How do you resolve these problems?
12. How did you fund the venture?
13. You are running PTS for about 4 years. How was the journey so far? What is the state of the business right now?
14. How about the competitors' of PTS in Mumbai?
15. What are your strategies for expansion of PTS?
16. What changes do you feel are required for women drivers?
17. Any other thing which you would like to add in the case?

Thanks a lot Mam for your help and time.....

Questions for Deputy Transport Commissioner

1. Comment on working of taxis in Mumbai?
2. How can an individual opt to start a taxi company?
3. What is the permits one need to start a taxi company?
4. Is it different for women driven taxi Company?
5. Do you find any bottleneck for women driven taxi company?
6. What are your suggestions to empower more women taxi drivers in Mumbai?

Thanks a lot....

Question for Drivers

1. Personal Profile: a) Name b) Education c) Members in the family d) Training e) Income
2. What are the benefits you feel in this profession?
3. How has this changed your life?
4. What problems do you face?
5. How do you solve the problems?
6. Do you get any support?
7. Will you suggest or do you suggest other fellow friends to join this profession?
8. Any incident which made you feel different and honored for the work you do?
9. Is your family supportive? How do they support you?
10. How is the company supporting you?
11. Is there any hindrance you feel while driving?
12. Do you feel pride?

Thanks for your support and time.....



Question from Customers

1. How did you learn or heard of PTS?
2. How many times you have taken the service of PTS?
3. How was the service?
4. Did you feel safe?
5. Did you face any problem?
6. Have you suggested your other friends to take the service?
7. Do you have any suggestions for improvement?

Thanks a lot.....

**References**

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