

# An Organization Study Report of ASHOK LEYLAND LTD

BY

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USN 1CR19MBA17

Submitted to

**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI**



*Inpartial fulfillment of the requirement for the award of the degree of*  
**MASTER OF BUSINESS ADMINISTRATION**

*Under Guidance of*

***Dr. Prakash B. Yaragol***

*Professor*



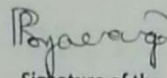
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
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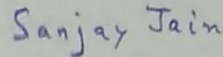
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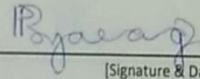
This is to certify that **Mr. CHETHAN KUMAR M** bearing **USN 1CR19MBA17** is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on **ASHOK LEYLAND LTD** is prepared by him under the guidance of **Dr. Prakash B. Yaragol**, Professor, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, affiliated to Visvesvaraya Technological University, Belagavi Karnataka.

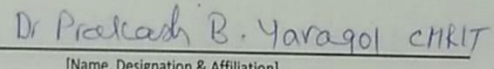
  
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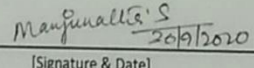
  
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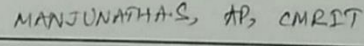
  
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## DECLARATION

I, **Mr. CHETHAN KUMAR M** bearing USN **ICR19MBA17** hereby declare that the organization study conducted at **Ashok Leyland Ltd** is record of independent work carried out by me under the guidance of **Dr.Prakash B. Yaragol**, faculty of M.B.A Department of CMR Institute of Technology, Bengaluru. I also declare that this report is prepared in partial fulfillment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone an organization study for a period of four weeks. I further declare that this report is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University /Institution.

### Disclaimer

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Place: *Bangalore*  
Date: 28/9/2020

  
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Mr CHETHAN KUMAR M  
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# EXECUTIVE SUMMARY

The four weeks implant training of VTU is all about learning an organization and the corporate processes in it. This program is designed with the intention of colligating the organizational context with reference to the operational definition and to apply the concepts already learnt to solve management decisions situations.

The executive summary of this study was assorted into five sections, wherein sec A pertained to the study of industry profile and company profile, pertained to the study of Mckensy's 7' S framework with special references to organization study structure, skill, style, strategy, system, staff, shared value, pertained to SWOT analysis of the company's , pertained to the study of the latest annual report of the company and finally Pertained to the overall learning experience.

The study was dedicated by conceiving the research design of observing, interviewing and undergoing through both primary as well as secondary data. The study mainly concentrates on the study of Mckensy's 7s model. The collected data were analyzed and the findings, suggestions, and recommendations were summed up. Based on the findings the suitable suggestions were provided so as to make some success in the organization, which would aid in directing the company towards Organizational Effectiveness and Organizational Excellence

# CHAPTER- 1

## INTRODUCTION



Ashok Leyland Ltd is the 2nd largest manufacturer of commercial vehicles in India the 4th largest manufacturer of buses in the world and the 12th largest manufacturer of trucks globally. The company's products include buses trucks engines defence and special vehicles. From 18-seater to 82-seater double-decker buses from 7.5 ton to 49 ton in haulage vehicles from numerous special application vehicles to diesel engines for industrial marine and genset applications Ashok Leyland offers a range of products. The company is the flagship of the Hinduja Group. Headquartered in Chennai India Ashok Leyland's manufacturing footprint spreads across the globe with 9 plants; including one each at Great Britain and Ras Al Khaimah (UAE).

The company's Joint Venture partners include John Deere (USA) for Construction Equipment Continental AG (Germany) for Automotive Emotronics and the AL teams Group for the manufacture of high-press die-casting extruded aluminium components for the automotive and telecommunications sectors. Ashok Leyland Ltd was incorporated in the year 1948 with the name Ashok Motors.

The company was set up in collaboration with Austin Motor Company England for the assembly of Austin cars. In The year 1949 they commenced production at the factory situated at Ennore south of Madras. Also, they rolled out the first indigenously assembled A40 Austin car. In the year 1950 the company made an agreement with Leyland UK in which Ashok Motors got sole rights to import assemble and progressively manufacture Leyland trucks for seven years.

CARE Ratings said in a press release that the revision in long-term rating of Ashok Leyland factors in the continuous improvement in its financial position in the past three years ended December 2017 supported by its strong operational and financial performance. Resultantly the capital structure has witnessed significant improvement in FY 2017 and 9 months ended December 2017. On 13 April 2018 Ashok Leyland announced that it has won another critical order from the Ministry of Defence (MOD). The contract is for supplying Ashok Leyland's High Mobility 10x10 vehicles (HMV 10x10) to carry the Smerch Rockets. This initial order is worth over Rs 100 crore.



### **More effective use of the existing Magic Bus Infrastructure**

The modules will be used on residential trips, day trips and sports programmes that are being conducted with the existing Magic Bus Infrastructure. These modules will integrate the various Magic Bus programmes. The residential will be the initial principal learning platforms with follow-up sessions in a specific issue during the sports sessions. All the activities will focus on each child's self-development. Programs will be designed to maximize the time available for learning. Magic Bus will have trained education counselors designing the curriculum, which principally addresses the following key issues

- Emotional education
- Value education
- Health education

The project will focus on 1,500 less privileged children to participate in our new modules and a further 3,500 on our recreation and sports activities, selected from our existing NGO network and will provide a blueprint for replication.

### **Creating a scalable programmed reaching out to more children**

Magic Bus will create a working model that can be migrated to other cities in India and even abroad. This will involve a documented quality tested curriculum, a broad funding base and a solid human resource base. By November 2003 Magic Bus in Mumbai will have reached its maximum target audience of approximately 3,500 children per annum. After completion of this project over the period of one year we will use the recommendations to move to other cities in a more effective and efficient manner.

### **Use Magic Bus for higher child involvement in existing NGO's**



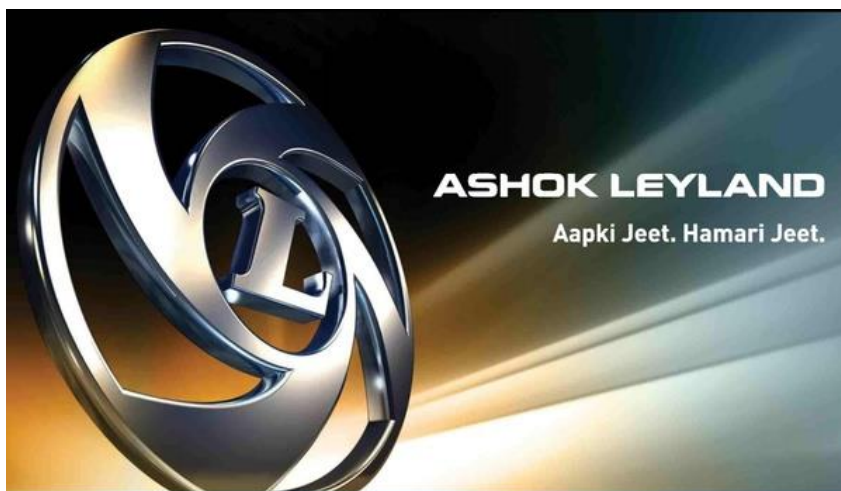
The Magic Bus works with children's organizations in Mumbai involved with street and slum children. A key aim of the project is to use the various Magic Bus activities as incentives to the children in each organization to become more interactive with the opportunities presented to them. Each of the participating organizations presents their selection criteria for their children. This involves monitoring individual children's performance in areas such as greater attendance in school, an increase in overnight stays in hostels, incentives to join hostels and improved literacy. Magic Bus staff will monitor the achievements of each incentive scheme.

### **Provide neutral forum for children's organisations to interact**

Children and staff from two organizations will participate in each activity. There will be an allocated time and agenda for staff to utilize this platform most effectively to discuss ideas and comparison of curriculums, learning methods and fund-raising ideas. Also, the group activities taught to the children can be used effectively by the NGO's, in their centers in the city for continued impact.

### **Increase involvement and awareness of corporations**

Along with the interaction between children of different NGOs, the sponsoring corporation will be also exposed to the staff and children of the two participating NGOs in every activity. Apart from sponsorship of the cost of the activities, the organization will be required to send 4 members of their staff as volunteers for each residential programme and 2 members on other activities. Magic Bus aims that through this unique corporate volunteering programme, it is able to map its database of corporate volunteers to respective NGOs in each city for sustained volunteering and long lasting relationships between different sections of society.



### **Mission**

First to meet emission standards:

Over the decades, our focus has been to address the twin concerns of fuel-efficiency and emissions. When legislation came in 1987, limiting vehicular emission, our vehicles were ready to meet them. In 1992 when more stringent norms for gaseous emissions were introduced, we were already offering eco-friendly engine technology

thanks to our timely technology tie-ups. In 1996, when the permissible levels of gaseous exhaust emissions were tightened, we again met the norms with ease.

India's first CNG-powered Bus was introduced in 1997 in Mumbai. Today, over 6,500 CNG buses ply on the roads of Delhi, Ahmedabad, Vijayawada and Mumbai.

India's first Hybrid Electric Vehicle was showcased in 2002 marking the introduction of another alternative vehicle technology.

India's first CNG Hybrid Plug-in Bus: which uses a combination of CNG and electricity was launched in 2010 and was in service during the Commonwealth Games in New Delhi.

## **We were also the first in India to develop a common rail engine for commercial vehicles.**

### **Beyond Products**

To get the best out of our eco-friendly engine technology through reduced emissions, round-the-year awareness and action programmes are held at operator meets and service campaigns.

While our comprehensive all-India network of service and genuine parts outlets ensure scientific vehicle maintenance, regular training is also imparted to our dealers and customer service personnel at our service training centers and mobile training vans.

## **VISION**

FY18-19 will go down as a landmark year in the history of Ashok Leyland (AL). After years of focused pursuit and progress, the CV maker has managed to accomplish its global vision during the financial year. Mr. Dheeraj G. Hinduja, AL Chairman, states in the company's FY18-19 annual report: "With great pride, I would like to share that in 2018-19, Ashok Leyland has achieved its Vision to be among the global top 10 players in medium and heavy trucks and top 5 in buses. This is a significant achievement in the annals of our company considering the ever-changing market dynamics and increasing competitive pressures."

AL has some key product actions on the anvil to make it future-ready. Some of the key highlights in this regard include:

- As known, FY20 is a period for all players to get ready for the BS-VI launch by April 1, 2020. Unlike global majors, Indian players are required to leapfrog from BS-IV to BS-VI in just three years. This is a steep challenge for both OEMs and the ancillary sector. In this regard, AL boasts that its state of readiness is next to none in emission conformance and fuel performance.

- Concurrently, the OEM is also rolling out its Modular Vehicle Programme, that enhances flexibility to meet customer needs in a cost-efficient way.
- Building on the success of the current LCV range, a suite of products in a new platform is being readied for launch from April 2020.
- Its Electric Vehicle (EV) strategy and roll-out plan is in shape with a competent team put in place to pursue this thrust area vigorously.
- The CV industry, like all others, is likely to see disruptions in the new digital age. Foreseeing the changes, AL has been taking steps to ensure that it stays ahead of the game, whether it is in products, technology, or service, always keeping the central focus on its customers.



## **ENNORE PLANT**

The Ennore plant is not just the oldest for Ashok Leyland, but is also said to be one of the most modern one, with over 66 % of the machines under six years old. The fully-integrated plant manufactures chassis as well as important aggregates like transmission, engine and axles for international assembly facilities. The plant also

houses automated test beds, tool monitoring through radio-frequency identification (RFID) and material handling systems. The facility has a total headcount of around 1,800 associates along with numerous robots for automation.

## **MANUFACTURING & ASSEMBLY**

Ashok Leyland had been using individual manual machines for manufacturing products over the past, which included separate machines for lathe, milling, drilling, welding, etc. However, these individual manual machines have been replaced with CNC machines, following which the company added robots and mistake-proofing systems for safety critical processes, informed Natarajan. These steps have been undertaken for all the assembly areas of engine, chassis and axles.

## **ENGINE**

Ashok Leyland manufactures two-, three-, four- and six-cylinder engines at its Ennore plant, with the power rating ranging from 20-360 hp. While the lower-powered two- and three-cylinder engines are for industrial applications, the four- and six-cylinder engines are for manufacturing commercial vehicles. There are two types of engines manufactured at the plant – H series and N series – with the latter being a relatively new development.

## **CHASSIS & VEHICLE ASSEMBLY**

The last processes for finished vehicles inside the Ashok Leyland Ennore plant take place in the final vehicle assembly hall. The main stations at the final assembly are frame loading, front and rear axle coupling, propeller shaft and silencer mounting, frame turnover, and fuel tank fitment, fuel hoses and battery. This is followed by the mounting of the engine and radiator, oil-filling as well as mounting of cab and ABC setting. Subsequently, the vehicle's electrical connections and bumper fitment take place, after which the wheels are mounted and headlamps fitted. The final stations of the vehicle assembly are for wheel torque tightening, mechanical maximum speed cut setting, vehicle starting and air leak and oil leak checking. The vehicle assembly process culminates with the mounting of the mud guard, after which the vehicle is sent off to the testing track.

## DEVELOPMENT ACTIVITIES

Ashok Leyland's R&D activities are carried out at a separate location about 11 km from the Ennore facility. The designs for components and products are provided directly for production to the plant from this R&D facility. Natarajan said Ashok Leyland is moving towards a modular business programme, wherein higher customisation levels can be carried out on a single platform. Customers will be able to explore numerous options of using components and their state of tune, which could include steering box, engine power rating and transmission ratios, he pointed out. The price of the product will then depend on the level of customisation and the type of components selected by the customer. The modular business programme will be implemented from early 2020, when the company begins offering BS VI variants to its customers, Natarajan said.

This modular business programme results in the requirement for a high level of tailored components, for which the suppliers play a significant role. Once a customised order is received by Ashok Leyland, the order is forwarded to a plant in the vicinity of the customer. The company will subsequently forward the order of requirements to its suppliers, who are expected to deliver the required components in four hours. In order to ensure quicker delivery of components to assist in Ashok Leyland's modular business programme, the company is training its suppliers in efficient manufacturing as well as in continuous quality improvement, Natarajan observed.



# INDUSTRY PROFILE



Every other day, we have been hearing about some new launches, some low cost cars - all customized in a manner such that the common man is not left behind. In 2019, the automobile industry is expected to see a growth rate of around 9%, with the disclaimer that the auto industry in India has been hit badly by the ongoing global financial crisis.

The automobile industry in India happens to be the ninth largest in the world. Following Japan, South Korea and Thailand, in 2019, India emerged as the fourth largest exporter of automobiles. Several Indian automobile manufacturers have spread their operations globally as well, asking for more investments in the Indian automobile sector by the MNCs. Potential of the Automobile industry In 2018, Hyundai Motors alone exported 240,000 cars made in India. Nissan Motors plans to export 250,000 vehicles manufactured in its India plant by 2019. Similar plans are for General Motors.

## **Top Automobile Companies in India**

### **Tata Motors**

Tata Motors is the largest automobile manufacturing companies in India. Established way back in 1945 Tata Motors is a multinational automobile company with its headquarters in Mumbai. Previously known as Telco TATA Engineering and Locomotive Company Tata Motors belongs to Tata Group. This company manufactures compact medium sized utility vehicles. Over the last few decades it has stood as the undisputed leader in the commercial vehicles segment. It is also the third largest producer of passenger cars in India. This automobile company in India is listed on both the Bombay Stock Exchange and the New York Stock Exchange. The revenues earned by Tata Motors in 2010 accounted to \$20.572 billion. Some of the well known cars manufactured by Tata Motors are: Tata Indigo, Tata Indica, Tata Sumo            Tata            Indigo            Marina            and            Tata.

### **Hindustan Motors Limited**

Hindustan Motors Limited was founded in the year 1942 by B.M Birla. It is an operative subsidiary of the Birla Technical Services group. This company held the title of the biggest manufacturer of cars in India before Maruti Udyog. Hindustan Motors was the pioneer in manufacturing automobiles in India. The company accounted for a sales turnover of Rs 150.66 crore in 2010. Some of the important cars and multi utility vehicles manufactured by Hindustan Motors Limited include; Mitsubishi Lancer, Trekker, Contessa, Ambassador.

### **Ashoke Leyland**

Ashoke Leyland is a leading commercial vehicle manufacturer in India. It was established in 1948. The company over the years has become synonymous with the production of trucks, passenger buses and emergency military vehicles. It happens to be the second largest commercial vehicle producer in India holding a market share of almost 30 percent. The company holds a record for selling almost 60, 000 vehicles and almost 7000 engines per years. Ashok Leyland accounted for consolidated revenues of US\$ 1.4 billion in 2009. Some of the popular products by this company are; Panther BS-II Multi-axle Vehicles, Cheetah Bus-III, Tractors and Ecomet, Lynx BS-II, Diesel and Natural Gas gensets from 15KVA to 250KVA.

### **Maruti Suzuki India Limited**

Maruti Suzuki India Limited was established in 1981. A part of this company is owned by Suzuki Motor Corporation of Japan. It is the country's largest passenger car manufacturing company. Credited for having brought in the automobile revolution in the country Maruti Suzuki India Limited was known as Maruti Udyog Limited till 2007. With its headquarters in Delhi this automobile company in India happens to be the largest producer and market share holder of cars. The company accounted for consolidated revenues of US\$4.8 billion in 2010. Maruti Suzuki India Limited is credited for manufactures a variety of passenger cars SUVs, and Sedans. Some of Maruti's most popular cars are: Alto, Gypsy, Omni, Wagon R, Maruti 800, Versa.

### **Hyundai Motor India Limited**

Hyundai Motor India Limited (HMIL) is owned entirely by Hyundai Motors of South Korea. Hyundai Motors happens to be the largest car manufacturer in South Korea and the sixth largest in the world. This automobile company in India is also the largest passenger cars exporter in India. Established on May 6 1996 this company in a short span of time has taken the Indian automobile industry by storm. Some of the popular cars manufactured by this company are; Santro, Getz Prime, Hyundai i10, Hyundai i20 Accent and the Verna.

### **Bajaj Auto**

Bajaj Auto is another important automobile manufacturing company in India. It is one of the India's most trusted car manufacturers. It is an operative subsidiary of the Bajaj Group. Bajaj Auto happens to be the largest two and three wheeler manufacturer in India and also ranks in this field across the globe. This automobile company was established on 2 November 1945. The company was then known as M/s Bachraj Trading Corporation Private Limited. The company made a modest beginning by importing and then selling two and three wheelers in India. Today Bajaj Auto has become synonymous with two and three wheelers in the country. Some of its popular two wheelers are; Pulsar 220DTS and Kawasaki Ninja 250R.

## CHAPTER-2 ORGANIZATION/COMPANY PROFILE

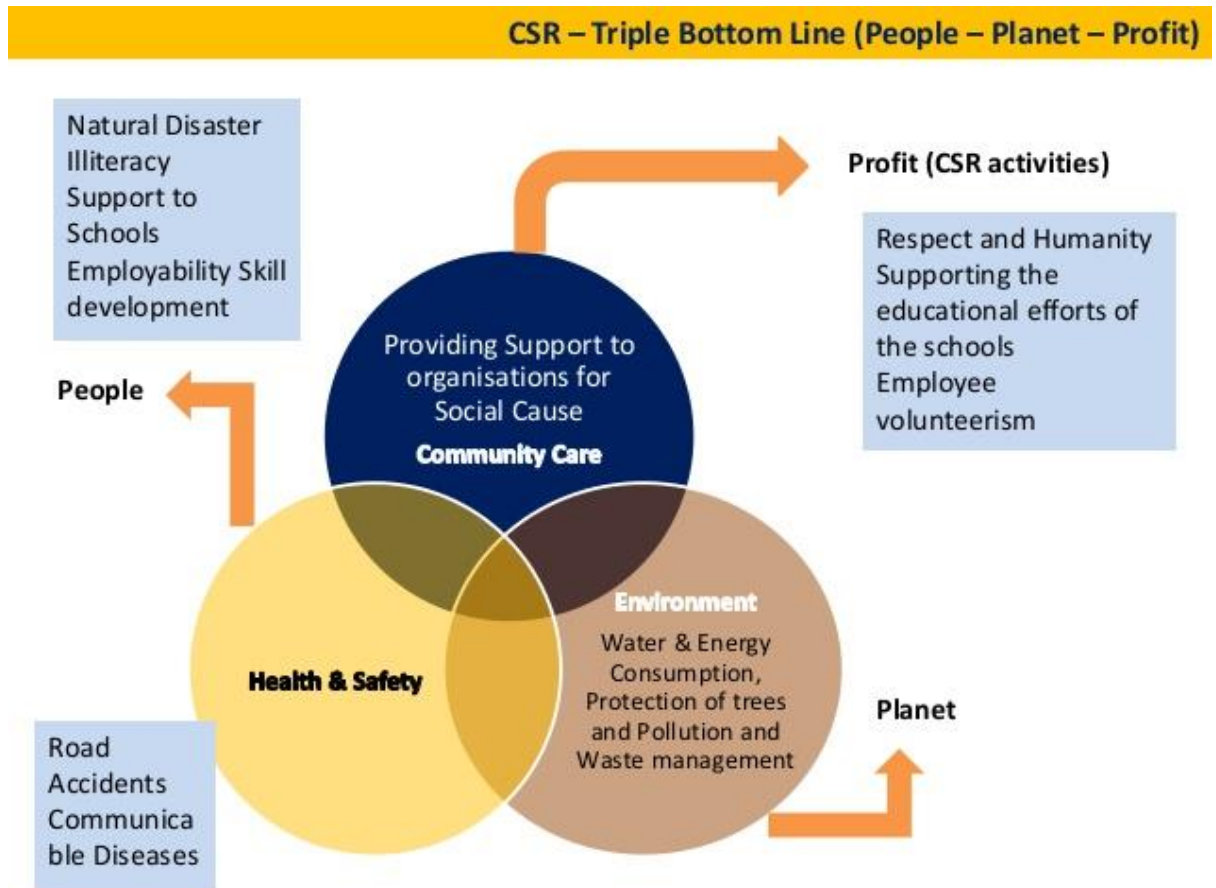


Type	Public
Traded as	BSE: 500477, NSE: ASHOKLEY
ISIN	INE208A01029
Industry	Automotive commercial



Founded	7 September 1948
Headquarters	Chennai, Tamil Nadu, India
Area Served	Worldwide
Revenue	▲ ₹21,332 crore (US\$3.0 billion) (2020)
Net income	▲ ₹1,223 crore (US\$170 million) (2020)
Number of employees	11,906 (2020)
Parent	Hinduja Group
Subsidiaries	Albonair GmbH Global TVS Bus Body Builders Limited <a href="#">Optare</a> Hinduja Leyland Finance Hinduja Tech Lanka Ashok Leyland

## Corporate Social Responsibilities of ASHOK LEYLAND



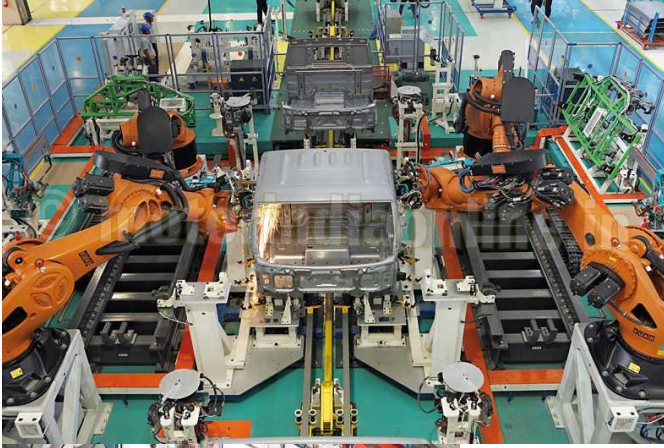
### Nature of business

Eight out of ten metro state transport buses in India are from Ashok Leyland. At 70 million passengers a day, Ashok Leyland busses carry more people than the entire Indian rail network. Ashok Leyland has a near 98.5% market share in the Marine Diesel Engines markets in India. In 2002, all the vehicle manufacturing units of Ashok Leyland were ISO 14001 certified with environmental management system. The company has six manufacturing locations in India. Those are:

Ennore, Chennai  
Hosur, Tamilnadu (3 plants)  
Alwar, Rajasthan  
Bhandara, Maharashtra

Spread over 135 acres, Ashok Leyland Ennore is highly integrated Mother Plant accounting for 40% of all production. The plant manufactures a wide range of vehicles and house production facilities for important aggregates such as Engines, Gear Box, Axles and other key in-house components.

## **MACHINERY AND EQUIPMENT**





Ashok Leyland carries out the application study of the equipment and operating conditions along with the OEMs to suggest best engine configuration/packaging requirements. Engines are fine-tuned to suit the applications and ensure they deliver the expected customer experience. The conception to prototype commissioning for typical customer takes around 12 – 16 weeks.

Special requirements for machine applications are:

- Equipment specific requirements, viz., Power, Torque, Electrical system, Auxiliaries, etc.
- Equipment operating conditions, packaging requirements and operating environment factors

Our dealership network pan-India provides service & spares support.

We at Ashok Leyland truly believe in 'Aapki Jeet, Hamari Jeet'. The end customers do not compromise on performance expectations against better TCO, including better initial investment costs. Having the best initial cost of the equipment is the first step in meeting customer expectations followed by optimal fuel and maintenance costs.

## **Product / Service profile**

Its main product line includes Trucks, Buses, Defense & Special Vehicles and Engines for Indian and overseas market.

- Ashok Leyland – is the market leader in Indian bus market, offering CNG, Double Decker and Vestibule bus variants.
- Ashok Leyland – is the market leader and pioneer for multi axle trucks and tractor-trailers
- Ashok Leyland – enjoys market supremacy in Diesel engines for Industrial, Gen-set and Marine applications.
- Ashok Leyland – is the largest supplier of logistic vehicles to the Indian army.
- Activities: Ashok Leyland offers a wide spectrum of products and services in the following areas -
- Ashok Leyland – Manufactures and sells Trucks, Buses, Défense & Special Vehicles and Engines.
- Ashok Leyland – Customer Care network provides -
- economical and revenue-boosting products.
- customer-friendly service offerings with 3 types of workshops for vehicles - Dealers, Authorized Service Centers and Highway Repair Centers.
- product support by dedicated genuine spare parts providers.
- Ashok Leyland – provides easy financing facilitates through schemes offered by accredited finance companies.
- Ashok Leyland – offers 'Total Maintenance Solutions' through maintenance contracts for its products, relieving the customers of all maintenance worries.
- Ashok Leyland is aggressively working on development of Euro IV compliant engines.
- Ashok Leyland is soon to launch ALTRUX which will market quality second-hand trucks to help customers improve the residual value of their vehicle.

## Area of operation



Chennai: Commercial vehicles manufacturer Ashok Leyland NSE 1.64 % on Wednesday confirmed that it has received permission from the relevant government authorities to resume operations at its Alwar, Bhandara and Pantnagar plants.

"We are currently working out the supply chain readiness post which we will resume operations and commence production in line with demand," said NV Balachandar, President - HR, Communication and CSR, Ashok Leyland.



Mumbai: Sweden's Volvo group will be transferring its bus division in India to VE Commercial Vehicles (VECV), its joint venture company with Eicher Motors for a cash payment of Rs 100.5 crore.

A new bus division will be formed at VECV that will house both the Eicher and Volvo bus businesses. It will be headed by Volvo Bus Corporation's Akash Passey, who will move to VECV. The deal is expected to conclude in the next two months.



Mumbai: Daimler Trucks, the world's largest commercial vehicle maker has committed an additional Rs 2,277 crore in the Indian market with a hope of quick bounce back in demand in 2021.

The maker of Bharat Benz expects the light to heavy truck market to grow by 30-50% in 2021.

But this bounce back in growth will be on a very low base of 2020, where Bharat Benz expects the market to slip by 50-60% this year.



NEW DELHI: Mahindra & Mahindra on Saturday reported 27 per cent jump in its tractor sales at 25,402 units in July. The company had sold 19,992 units of tractor in July 2019, Mahindra & Mahindra (M&M) said in a statement.

Domestic sales grew 28 per cent to 24,463 units in July this year, as compared to 19,174 units in the year-ago month, it added.

Exports during the month stood at 939 units, as compared to 818 units in July last year, up 15 per cent, the company.





NEW DELHI: Electric bus maker PMI Electro Mobility Solutions Pvt Ltd (PEMSPL), which has a technology partnership with China's BeiqiFoton Motors, is working to develop its own technology and integrate that into its products within five-six years, according to a senior company official.

The firm's promoters are also investing around Rs 15 crore on a battery assembling plant at Dharuhera in Haryana in order to localise more components for its electric vehicles (EVs) in India and reduce dependency on Chinese imports.



MUMBAI: Piaggio Vehicles on Tuesday launched online sales facility for its commercial vehicles to enable customers to book vehicle online by paying an initial amount of Rs 1,000, check ex-showroom and on-road prices for their cities and apply for loan, among others.

The new sales initiative, which the company claims is first-of-its-kind in the CV sales space, comes nearly a month after Piaggio Vehicles Private Limited (PVPL) rolled out a digital platform for its Vespa and Aprilia brands of scooters.

## QUALITY POLICY



At Ashok Leyland, our goals are closely linked to the success of the customer's journey—uninterrupted operations, being on the go without forced breaks – In other words, keeping the business cycle turning smoothly without a hitch.

This central promise of reliability demands unique and uncompromising focus on quality—whether designing a part or aggregate, or putting together an entirely new product that represents hundreds of parts working in complete sync. From the time the product is designed on the drawing board, through the processes by which it takes physical shape, and right up to the moment it is put to work in the real world, the entire journey is tempered with assiduous testing and rigorous observation and improvement.

At the aggregate level, vulnerabilities are exposed and overcome, first through detailed virtual simulations and then in a controlled physical environment. As the aggregates come together and the product begins to take shape, virtual simulations again work complex algorithms to check for vulnerabilities. Real-life conditions are re-created in a special environment to systematically record performance, safety and durability.

The product is then finally put through actual load conditions, put through the unpredictable forces of terrain, temperature and weather and finally, when the product reaches the customer, it stands by him through every challenge.

Quality is a hands-on, collaborative process at Ashok Leyland. One aspect which illustrates this is our ecosystem of supply partners. Over time and through a host of orientation programmes, we ensure that our suppliers share the same vision and commitment that we stand for. Through cross-pollination of ideas and best practices across facilities, our commitment remains consistent over time and across processes. The specifications benchmarked during the exacting design phase are then carried forward at the mass production scale.

## **OWERSHIP PATTERN**



### **MANAGING DIRECTOR (Vipin Sondhi), ASHOK LEYLAND**

Ashok Leyland Ltd on Thursday said it has appointed Vipin Sondhi as chief executive officer (CEO) and managing director (MD) of the automobile company starting 12 December 2019. The announcement comes after over a year of former CEO Vinod Dasari's resignation in November 2018. Sondhi will head the company for the next five years, with his term ending on 11 December 2024. The appointment is subject to the approval of shareholders, the company said in a regulatory filing. Sondhi has more than three decades of experience in the manufacturing and engineering sectors. He was previously heading JCB India Ltd, where he spent over 13 years, and was a member of JCB's global executive team. Sondhi led a \$1.7 billion business with five manufacturing plants in three locations, eight product categories, 60 products, 65 dealers and over 700 retail outlets, Ashok Leyland said.



### **VP Human Resources(Uma Rao), Ashok Leyland**

HR Professional with well rounded HR experience in multiple sectors like Petroleum, IT, Telecom, FMCG, Manufacturing and in leading MNCs and Indian Companies. Have worked very closely with Business in managing mission critical projects and assignments and provided a strategic perspective to business. Passionate about keeping up her own learning curve while developing and coaching team and extended teams.



### **EXECUTIVE DIRECTOR**

Mr. N.V. Balachandar completed his MSW (HR) from Loyola College in 1988. Joining Indian Hotels (Taj Group of Hotels) as management trainee in 1988, he went on to become Regional Manager for Southern Region. He served as Corporate Manager of Human Resources in Seagram and as Vice President and Group HR Head for all publishing divisions of India Today and TV Today. Before joining Ashok Leyland, he served the Aditya Birla Group with distinction, for a decade from 2002 to

2012. At Aditya Birla, he became the President and Chief People Officer for its Textile, Fibre and Overseas Spinning businesses.



## **CFO Gopal Mahadevan**

**Gopal Mahadevan, Chief Financial Officer, Ashok Leyland** is a Chartered Accountant and a Company Secretary with 25 years' experience in Finance across a variety of industries. Having started his career with the TTK Group, he had stints with the Sanmar Group, Sify and Amara Raja Batteries. His immediate prior assignment was with Thermax as CFO. Mr Mahadevan has won the Best CFO Award (Capital Goods & Engineering Industry) by CNBC TV18 in 2012, the Best CFO Award (Capital Goods & Engineering Industry) by the Institute of Chartered Accountants of India in 2011 and the Best CFO by YES Bank Business Today in 2010 for CSR.

## **ACHIVEMENTS AND REWARDS**

### **INDIA BUS AWARDS 2019 – WINNERS**

- Excellence in Bus Transport (2018) Private (East) – Mid & Large fleet: CITY SERVICES
- Excellence in Bus Transport (2018) Private (North) – Mid fleet: BAKSHI TRANSPORT SERVICE (P) LTD.
- Excellence in Bus Transport (2018) Private (North) – Large fleet: INTERCITY TRAVELS
- Excellence in Bus Transport (2018) Private (West) – Mid fleet: GUJARAT TRAVELS

- Excellence in Bus Transport (2018) Private (West) – Large fleet: PRASANNA PURPLE MOBILITY SOLUTIONS PVT. LTD
- Excellence in Bus Transport (2018) Private (South) – Mid fleet: JABBAR TRAVELS
- Excellence in Bus Transport (2018) Private (South) – Large fleet: SHRI BHAGIYALAKSHMI TRAVELS
- Excellence in Bus Transport (2018) Private (School) – Mid fleet: CONTI TRAVELS
- Excellence in Bus Transport (2018) Private (School) – Large fleet: ROYAL TOURIST
- Excellence in Bus Transport (2018) Private (Corporate) – Mid fleet: ROYAL TOURIST
- Excellence in Bus Transport (2018) Private (Corporate) – Large fleet: SRS TRAVELS
- Excellence in Environmental Initiative (2018) Private: ARASU TRANSPORTS
- Excellence in Environmental Initiative (2018) Public: TELANGANA STATE ROAD TRANSPORT CORPORATION

## **INDIA BUS SAFETY AWARDS 2018 – WINNERS**

- Excellence in Bus Safety Measures (2018) Private (North & East): BAKSHI TRANSPORT SERVICE PVT. LTD.
- Excellence in Bus Safety Measures (2018) Private (South): ARASU TRANSPORTS
- Excellence in Bus Safety Measures (2018) Private (West): PRASANNA PURPLE MOBILITY SOLUTIONS PVT. LTD.
- Excellence in Bus Safety Measures (2018) School: SCHOOL BUS OWNERS ASSOCIATION
- Excellence in Bus Safety Measures (2018) Corporate: PRASANNA PURPLE MOBILITY SOLUTIONS PVT. LTD.
- Jury Awards Top Driver – High Terrain (2018): MUTHUMANI.G, PARVEEN TRAVELS PRIVATE LIMITED
- Jury Awards Top Driver – Fuel Economy (2018): P.KESAVAN PARAMASIVAM, SHRI BHAGIYALAKSHMI TRAVELS
- Jury Awards Excellence for Sustainable Journeys (2018) Private: KALLADA TOURS & TRAVELS

- Jury Awards Excellence for Sustainable Journeys (2018) Public: MAHARASHTRA STATE ROAD TRANSPORT CORPORATION
- Jury Awards Excellence for Commitment To Road Safety (2018) Private: KAVERI KAMAKSHI TRAVELS
- Jury Awards Excellence for Commitment To Road Safety (2018) Public: RAJASTHAN STATE ROAD TRANSPORT CORPORATION
- Excellence in Bus Safety Measures (2018) Private (Pan India): ORANGE TOURS & TRAVELS
- Excellence in Bus Safety Measures (2018) Public City Transport: BANGALORE METROPOLITAN TRANSPORT CORPORATION
- Excellence in Bus Safety Measures (2018) Public State Transport: NORTH EASTERN KARNATAKA ROAD TRANSPORT CORPORATION.

## FUTURE GROWTH PROSPECTS



Hinduja group flagship [Ashok Leyland](#) said the company had enough liquidity and an effective strategy in place to take care of necessary obligations and future growth momentum, even as it predicted the market conditions to remain volatile and challenging. In a filing with the stock exchanges on the impact of Covid-19 on its operations/businesses, Ashok Leyland said, “We expect the market conditions to remain volatile and challenging. However, we remain motivated to build a sustainable future over the long term through more proactive steps and create sustainable

growth.” The pandemic has impacted the company operations in terms of disruptions in production, supply chain, manpower shortage, lockdown of production facilities, which have, in turn, impacted the sale volumes and consequently revenue and market share. The company is taking several measures to mitigate the negative effects like close collaboration with customers, banks/financial institutions, suppliers and employees.

During the past few months, the company has launched several initiatives to improve cost management. These efforts are expected to have beneficial effects. A centralised team has been formed to roll out initiatives for cost reduction. To consolidate and further grow its market position, the company is ready with its indigenous, cost-effective iGen6 mid-nox engine technology for BS-VI and Modular Business Program platform, Ashok Leyland further informed the stock exchanges.

## **RISK MANAGEMENT**

Internal [audits](#) over the years have progressed a lot and plays a vital role in enterprise risk [management](#), says Venkataraman TV, head internal audit risk management at Ashok Leyland, an automobile company. "Internal audits have now become a forward looking, risk-based mechanisms for organizations to take cognizance of what are the key risks and this is where it is a complementary role with enterprise risk management," says Venkataraman.

He says internal audits needs to progress when it comes to technology. "How do you leverage technology and how do you make internal audit functions more agile using structured analytics and using technology levers," remarks Venkataraman.

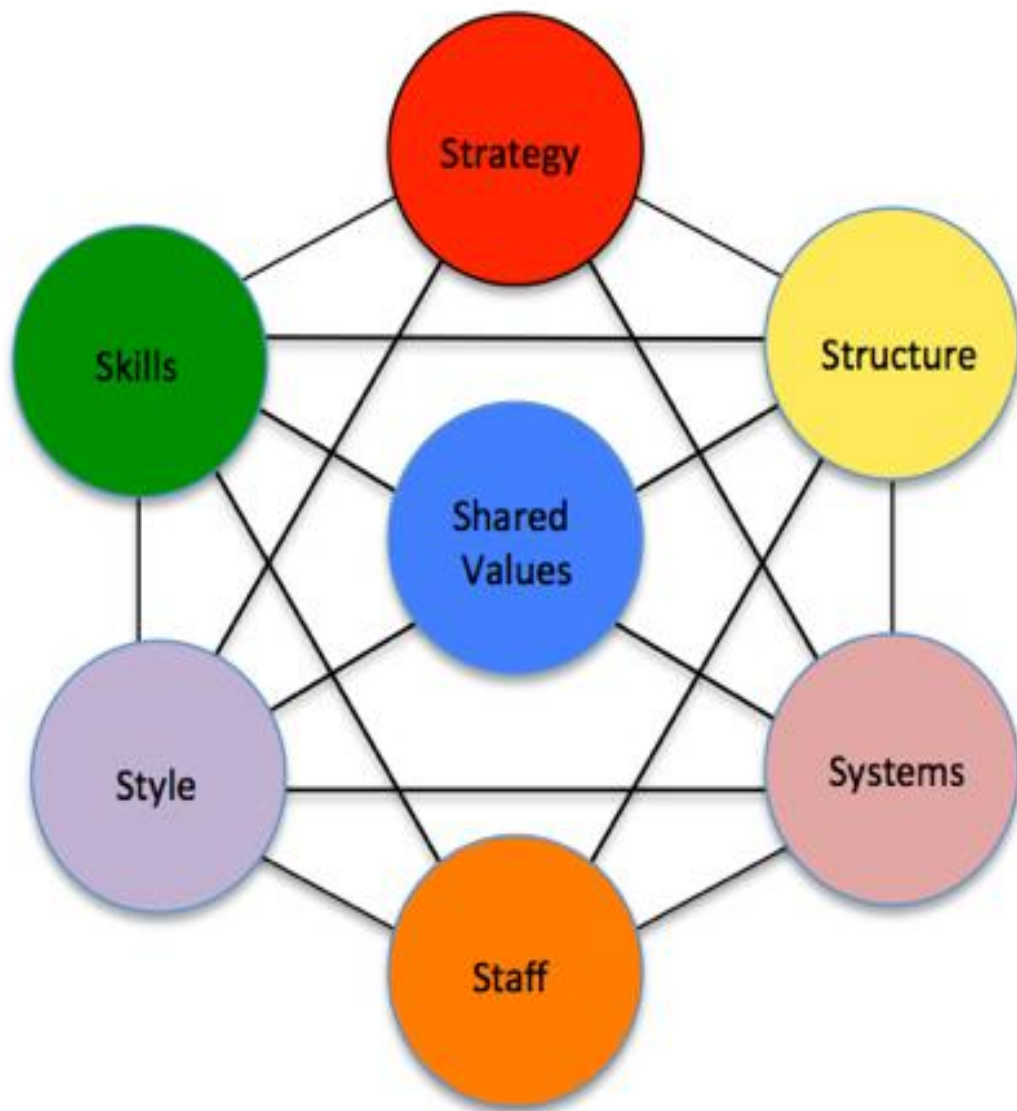
In this interview with Information Security Media Group taken during the [Fraud and Breach Prevention Summit](#) at Bengaluru, Venkataraman also discusses:

- What is new about Integrated Risk Management;
- What are the challenges when it comes to audits;
- Technologies to use for continuous data monitoring.

Venkataraman is head internal audit risk management at Ashok Leyland, an automobile company. He has more than 20 years of experience spanning manufacturing and service sectors, across diverse geographies in the domains of governance, risk management, and compliance. Prior to joining Ashok Leyland, he was the head of assurance at Flipkart Group.



**CHAPTER-3**  
**McKINSEY'S 7S FRAME WORK**



The McKinsey 7s Framework, developed in the early 1980s by McKinsey and company employees Tom Peters and Robert Waterman, introduced a more human-centric focus on better organization success. Rather than focusing on the money a business possesses and the equipment they have to work with Peter and Waterman suggested that it was the human capital in a company that when aligned together could lead to more effective and successful outcomes.

## Seven Elements

The Mckinsey 7s model involves seven interdependent factors which are categorized as “Hard” and “Soft” elements.

Hard Elements	Soft Elements
Strategy  Structure  Systems	Shared Values  Skills  Style  Staff

### Hard Elements

Hard Elements are those things that are tangible, such as the strategic direction of a business or how the flow of management is organized, and easier to define or identify and management can directly influence them.

**Strategy** – Strategy is how a business plans designed to achieve a long term or overall goals of the organization and also to hold a competitive advantage in the market.

**Structure** – Structure is hierarchical arrangement of lines of authority, communication, rights and duties of the organization. Organizational structure determines how the roles, power and responsibilities are assigned, controlled and coordinated and how information flows between the different levels of management.

**System** – System are how all the business processes that happen daily to make the business run it is a formal procedure for measurement, reward and resource allocation.

## **Soft Elements**

Soft Elements are the intangible attributes such as the skills employees possess and the values that workers are led by and more influence by the culture. However, these soft elements are so important as Hard Elements if the organization is going to be successful. There are four of these, including

**Shared Values** – Shared values are the concepts, beliefs and principles that forms the culture of an organization and which are used to guide decision and the behaviour of its members.

**Skills** – Skills are what employees are capable of, and the organization's core competencies and distinctive capabilities. Skills & the ability to carry out a task with determined results often within a given amount of time, energy or both.

**Style** – Style is the art of getting employees together on a common platform and extracting the best out of them. It is the typical behavior patterns of key group and how the company's manager lead.

**Staff** – Staff groups are engaged in tasks that provide support for line groups. They consist of advisory (legal), services (human resources), or control (accounting) groups. Staff groups support those engaged in the central productive activity of the enterprise. Thus staff create the infrastructure of the organization.

The purpose of the 7s framework is to function as a checklist of sort for a business. By looking at each element and how it is connected to each other element, a business can determine whether it is in a position to achieve its goals and hoe it will respond, and adapt, to change. The idea is that if one area is lacking or needs adjustment, then the other elements will need to be adjusted as well.

## **HARD ELEMENTS**

## **STRATEGY**

Hinduja group flagship [Ashok Leyland](#) Limited (ALL) said it has drawn both short-term and long-term strategies to be more resilient and future ready. The company said it has weathered a lot, including economic downturn, NBFC crisis in 2018, axle load norms in mid 2018 and GST. Despite short-term blips and challenges, the company sees opportunities, both in India and abroad, to drive future growth

## **STRUCTURE**

Gopal Mahadevan, who was recently appointed as wholetime director in addition to his current role as CFO and president, Customer Solutions Business, will now also be responsible for Information Technology (IT), Corporate Strategy and Business Analytics.

Anuj Kathuria has appointed as the COO for the Medium & Heavy Commercial Vehicle (M&HCV) business, while Nitin Seth has been appointed as COO, responsible for Light Commercial Vehicles (LCV), Defence, International Operations (IO) and Power Solutions Business (PSB).

The company's CTO, Dr N Saravanan in addition to his current role will also be responsible for the electric vehicles (EVs) business.

Announcing these organisational changes, Dheeraj Hinduja, chairman, Ashok Leyland said, "At Ashok Leyland we have always believed in nurturing and rewarding internal talent. We have a robust pipeline of leaders who are ready to take on greater challenges and these appointments are a fitting recognition of their contribution and capability. The Ashok Leyland team has performed well over the last few years and have collectively achieved its vision of breaking into the Global Top 10 in M&HCV trucks and Global Top 5 in M&HCV buses in volume terms. A milestone we are indeed very proud of and one which has encouraged us to aspire for greater goals."

## **SYSTEM**

Ashok Leyland Defence Systems was floated on 18 March 2008. Hinduja Group's flagship company [Ashok Leyland](#) holds 26 percent in the newly formed company. Ashok Leyland has been involved in the design, development and manufacture of

vehicles for the Indian armed forces. Ashok Leyland is ranked among the world's largest producers of medium duty defence vehicles today.<sup>[1]</sup>

Ashok Leyland's defence vehicles are serving armed forces in ground support roles from troop carriers to special application logistical and tactical vehicles. Its diesel engines have been used to power vehicles, boats, cranes, ground starter aggregates, compressors and generators.

Ashok Leyland has supported the modernization of the Indian Army by developing a host of logistical vehicles with military payloads ranging from 1.5 to 16 tonnes for Light Specialty Vehicles (LSV), Mine Protected Vehicles (MPV), General Services Role, Light Recovery Vehicles, High Mobility Vehicles, Fire Fighting Trucks, Field Artillery Tractors and other special applications.

Ashok Leyland Defence has a rich heritage of association with defence forces around the world through its association with Leyland and AVIA.<sup>[2]</sup> The Mk VIII Centaur tanks which were built at Leyland taking part in the Italian campaign in 1943. While the OT 64 Czech armoured carrier's chassis units were manufactured by AVIA in 1963.

## **SOFT ELEMENTS**

### **Shared value**

In McKinsey Shared value are refers to “super ordinate goal” and core values of the company. The overall objective of Ashok Leyland will follow the same values and they are interlinked with each other. The same values are shared among all the department of the company because they are the part of organization and components of one system it is having one objective, so all components should work in order to achieve the objective.

One of the growth strategies that has been given priority within the Ashok Leyland Group is “Creating Shared Value (CSV),” which seeks to solve social issues by offering new value developed through our business activities. We capitalize on our technologies, products and services, human resources, and other resources to become part of the solutions for social issues as well as to build new markets, attract new customers and introduce innovation.

### **Style**

A Leadership style is a leader's style of providing direction, implementing plans and motivating people. K2K Infrastructure Private Limited follows a few types of leadership qualities according to the hierarchy. We believe it to be the best way to get through our workers and will also help in achieving more easy way to getting work done.

The style of the organization is to look towards the employees requirements and provide other additional welfare and safety facilities to improve and develop the individual .ie the employees and also for the development of the company and with the same processes, materials and equipment that they will be used at their work place.

## **Skills**

A Skill is the ability to carry out a task with pre-determined results often within a given period of time, energy. Skills can often be divided into domain-general and domain-specific skills. For example, in the domain of work some general skills would include time management, teamwork and leadership, self-motivation etc whereas domain-specific skills would be useful only for certain jobs. Skills of K2K Infrastructure Private Limited employees are :-

- Ability to work independently and unsupervised, in a team-based work environment
- Manages multiple deadlines
- Team-oriented with good interpersonal skills
- Good communication skills and proven ability to work with minimum supervision
- Problem solving ability, self-starter, good decision making, good organizational skills
- Computer proficiency, key boarding skills.
- Even in this regard K2K Infra as done well by identifying and training classes to increases their existing skills to further improvements and development of their personality.

## **Staff**

Staffs means that the company has hired people, trained them well and assigned them to the right jobs for which they are the best suited according to their qualification, skills, knowledge and experience.

Staff is one where employees work together under the control and direction of one department head who guide them in their routine business. An enterprise may have a comprehensive business plan, a sound organization structure, but it cannot accomplish results as per plan without effective staff in the company.

## **Ashok Leyland hires consulting firms McKinsey and BCG**

Ashok Leyland, India's second-largest commercial vehicle maker, has hired consulting firms [McKinsey & Company](#) and [Boston Consulting Group](#) (BCG) to help improve its strategic performance. Main focus of the review will be on improving financial performance.

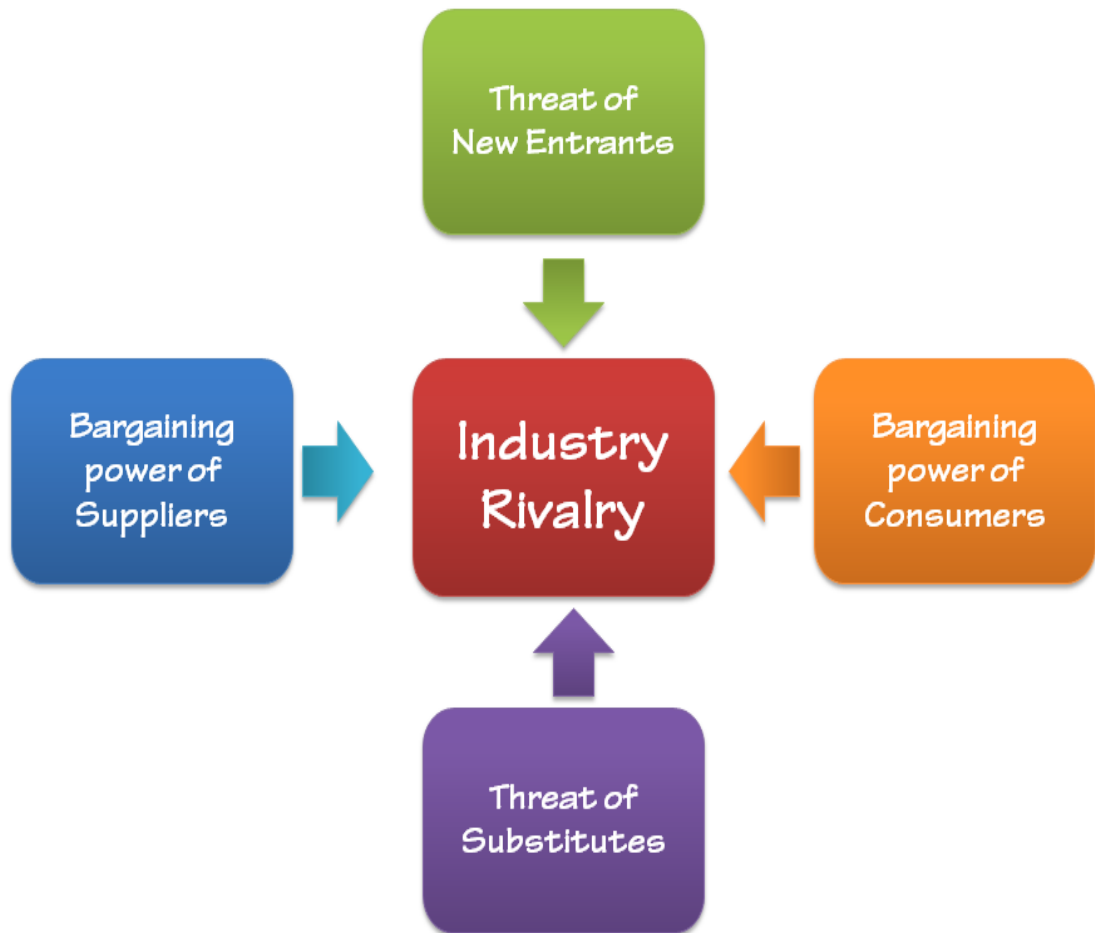
## **Performance**

Over the past months Ashok Leyland's performance has deteriorated. Net sales dropped by approximately 10% in comparison with a year ago and net profit by 23%, mainly due to low sales and high discounts it had to give on its trucks and buses. In addition to the difficult market conditions, the vehicle maker is having difficulty implementing its pricing strategy. "We have been unable to raise the prices of our products as planned for in our strategic plans, leading to lower margins" says RajiveSaharia, Executive Marketing Director of Ashok Leyland.

The outlook for the coming months is not much better. The global commercial vehicle market, especially in the category of medium and heavy-duty trucks, will remain subdued in the coming two quarters. Industry volume is expected to fall further with double-digits and simultaneously pressure on discounts will continue to grow. In a bid to improve financial performance, Ashok Leyland has hired the two renown strategy consulting firms: The Boston Consulting Group and McKinsey & Company.



## PORTER'S 5 FORCE MODEL



### **Threats of new entrants**

If new entrants move into an industry they will gain market share and rivalry will intensify the position of existing firms is stronger if there are barriers to entering the market are low threat will be high and vice versa

### **The bargaining power of buyers**

Powerful customers are able to exert pressure to drive down price Eg. Supermarket business is increasingly dominated by a small number of large retail chains able exert great power over suppliers.

### **The bargaining power of suppliers**

There are only a few large suppliers were the resource are scarce and the cost of switching to an alternative supplier is high.

### **Substitute**

It's were the competitors come into existence because of which competition arises among other competitors.

### **Rivalry**

There exist rivalry among number of competitors in the market and the market size leads the competition tends to intense in slow growth or decline in the market. The greater the customer loyalty and the less intense the competition. There exit barriers thus adding to the intensity of competition.

## **CHAPTER – 4**

### **SWOT ANALYSIS**

**SWOT** analysis is a process that identifies an organization's strengths, weaknesses, opportunities and threats. Specifically, SWOT analysis is a basic analytical framework that assesses what an entity (usually a business, though it can be used for a place, industry or products) can and cannot do. For this factor both internal (strength and weaknesses) as well as external (opportunities and threats). Using environmental data to evaluate the position of a company, a SWOT analysis determines what assists the firm in accomplishing its objectives, and what obstacles must be overcome or minimized to achieve desired results, where the organization is today, and where it may be positioned in the future.



## The Elements of SWOT ANALYSIS

**Strength** - Strength describe the positive attributes, tangible and intangible internal to your organization. They are within the control of organization

**Weaknesses** - Weaknesses are aspect of your business that detract (diminish) from the values you offer or place you at a competitive advantage. You need to enhance these areas in order to compete with your best competitors.

**Opportunities** - Opportunities are external attractive factors that represent reasons, your business is likely to prosper.

**Threats** - It is the external factors beyond your control that could place your strategy, or the business itself, at risk. You have no control over these, but you may benefit by having contingency plans to address them if they should occur.

# SWOT Analysis

Down to you

## STRENGTHS

- Abilities & skills
- Experience
- Knowledge
- Resources

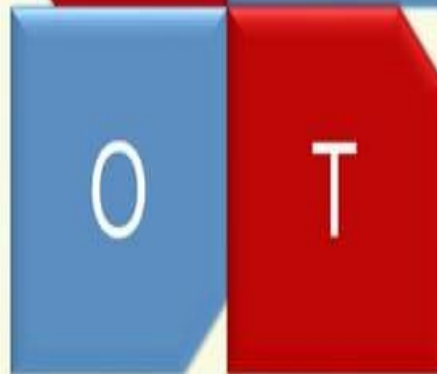


## WEAKNESSES

- Resources needed
- Skills/abilities needed
- Contacts needed
- Limitations

## OPPORTUNITIES

- Positive trends
- Support
- Networking
- Training available
- Technology



## THREATS

- Risks
- Change in circumstances
- Obstacles

Down to your  
surrounding environment

# **CHAPTER-5**

## **ANALYSIS STATEMENT OF ASHOK LEYLAND**

### **MEANING OF FINANCIAL ANALYSIS**

The term financial analysis is also known as interpretation of financial statements. It refers to the establishing meaningful relationship between various items of the two financial statements that is income statement and position statements is determines financial strength and weakness of the company. Analysis of financial statement is an attempt assess the efficiency and performs of an interface thus, analysis and interpretation of financial statements are very essential to measures efficiency, profitability, financing soundness and future prospects of the business units.

Financial statement analysis is a process of reviewing and analyzing a company's financial statements to make better economic decisions. These statements include the income statement, balance sheet, statement of cash flows, and a statement of changes in equity, financial statement analysis is a method or process involving specific techniques for evaluating risks, performance, financial health, and future prospects of an organization. Financial analysis is the process of evaluating business, projects, budgets and other finance Related to entities to determine their performance and suitability. When looking at a specific company, a financial analyst conducts analysis by focusing on the income statement, balance sheet and cash flow statement.

### **ASHOK LEYLAND FINANCIAL STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDING OF 31ST MARCH 2020**

<b>PROFIT &amp; LOSS ACCOUNT OF ASHOK LEYLAND (in Rs.</b>	<b>MAR '20</b>	<b>MAR '19</b>	<b>MAR '18</b>	<b>MAR '17</b>	<b>MAR '16</b>
-----------------------------------------------------------------------	----------------	----------------	----------------	----------------	----------------

Cr.)					
	12 mths	12 mths	12 mths	12 mths	12 mths
<b>INCOME</b>					
Sales Turnover	17,467.47	29,054.95	26,633.00	21,453.14	19,992.97
Net Sales	17,467.47	29,054.95	26,356.40	20,140.13	18,937.30
Other Income	-80.16	9.86	145.88	-200.39	-701.50
<b>TOTAL INCOME</b>	<b>16,195.84</b>	<b>30,023.61</b>	<b>25,227.18</b>	<b>20,698.54</b>	<b>18,664.82</b>
<b>EXPENDITURE</b>					
Raw Materials	11,234.24	21,770.47	17,264.27	14,823.87	13,700.13
Power & Fuel Cost	173.19	249.80	228.91	168.73	115.96
Employee Cost	1,615.06	2,098.77	1,837.78	1,480.05	1,385.06
Other Manufacturing Expenses	0.00	0.00	0.00	0.00	0.00
Miscellaneous Expenses	2,079.86	2,758.97	2,786.82	2,223.76	1,910.53
<b>TOTAL EXPENSES</b>	<b>15,102.35</b>	<b>26,878.01</b>	<b>22,117.78</b>	<b>18,696.41</b>	<b>17,111.68</b>
<b>OPERATING PROFIT</b>	<b>1,173.65</b>	<b>3,135.74</b>	<b>2,963.52</b>	<b>2,202.52</b>	<b>2,254.64</b>
PBDIT	1,093.49	3,145.60	3,109.40	2,002.13	1,553.14
PBDT	984.04	3,075.22	2,962.12	1,846.75	1,305.50
Depreciation	669.80	621.01	598.48	517.89	487.90
Profit Before Tax	314.24	2,454.21	2,363.64	1,328.86	817.60
PBT (Post Extra-ord Items)	314.24	2,454.21	2,363.64	1,328.86	817.60
Tax	122.40	513.60	668.10	107.01	436.94

<b>REPORTED NET PROFIT</b>	<b>239.52</b>	<b>1,983.20</b>	<b>1,717.73</b>	<b>1,223.08</b>	<b>389.60</b>
Total Value Addition	3,868.11	5,107.54	4,853.51	3,872.53	3,411.56
Equity Dividend	1,270.24	859.84	549.48	325.40	154.14
Corporate Dividend Tax	0.00	0.00	0.00	0.00	0.00
<b>PER SHARE DATA (ANNUALISED)</b>					
Shares in issue (lakhs)	29,355.27	29,355.27	29,271.04	28,458.77	28,458.77
<b>EARNING PER SHARE (RS)</b>	<b>0.82</b>	<b>6.76</b>	<b>5.87</b>	<b>4.30</b>	<b>1.37</b>
Equity Dividend (%)	50.00	310.00	243.00	156.00	95.00
Book Value (Rs)	24.67	28.36	24.75	21.53	19.00

## **ASHOK LEYLAND FINANCIAL STATEMENTS OF BALANCE STATEMENT FOR THE YEAR ENDING OF 31ST MARCH 2020**

<b>BALANCE SHEET OF ASHOK LEYLAND (in Rs. Cr.)</b>	<b>MAR '20</b>	<b>MAR '19</b>	<b>MAR '18</b>	<b>MAR '17</b>	<b>MAR '16</b>
	12 mths	12 mths	12 mths	12 mths	12 mths
<b>SOURCES OF FUNDS</b>					
Total Share Capital	293.55	293.55	292.71	284.59	284.59
Equity Share Capital	293.55	293.55	292.71	284.59	284.59
Reserves	6,947.25	8,031.75	6,952.83	5,841.48	5,122.56
<b>NETWORTH</b>	<b>7,263.99</b>	<b>8,332.43</b>	<b>7,245.54</b>	<b>6,126.07</b>	<b>5,407.15</b>



Secured Loans	3,064.83	398.40	612.55	603.77	674.13
Unsecured Loans	0.00	0.00	0.00	741.19	1,171.91
<b>TOTAL DEBT</b>	<b>3,064.83</b>	<b>398.40</b>	<b>612.55</b>	<b>1,344.96</b>	<b>1,846.04</b>
<b>TOTAL LIABILITIES</b>	<b>10,328.82</b>	<b>8,730.83</b>	<b>7,858.09</b>	<b>7,471.03</b>	<b>7,253.19</b>
Gross Block	9,224.52	7,304.52	6,719.91	5,715.78	5,207.33
Less: Accum. Depreciation	2,420.95	1,690.01	1,171.94	744.97	415.35
<b>NET BLOCK</b>	<b>6,803.57</b>	<b>5,614.51</b>	<b>5,547.97</b>	<b>4,970.81</b>	<b>4,791.98</b>
Capital Work in Progress	594.14	657.62	422.64	205.86	75.86
<b>INVESTMENTS</b>	<b>2,719.63</b>	<b>2,636.50</b>	<b>5,606.67</b>	<b>2,878.86</b>	<b>1,980.44</b>
Inventories	1,238.00	2,684.67	1,758.33	2,631.03	1,625.01
Sundry Debtors	1,179.82	2,505.53	944.78	1,064.39	1,250.95
Cash and Bank Balance	1,322.47	1,373.59	1,042.16	911.97	1,593.13
Total Current Assets	3,740.29	6,563.79	3,745.27	4,607.39	4,469.09
Loans and Advances	2,531.98	2,751.98	2,013.84	1,377.16	1,456.38
Total CA, Loans & Advances	6,272.27	9,315.77	5,759.11	5,984.55	5,925.47
Current Liabilities	5,255.25	8,441.17	8,414.77	5,918.18	5,208.70
Provisions	805.54	1,052.40	1,063.53	650.86	311.86
Total CL & Provisions	6,060.79	9,493.57	9,478.30	6,569.04	5,520.56
<b>NET CURRENT ASSETS</b>	<b>211.48</b>	<b>-177.80</b>	<b>-</b> <b>3,719.19</b>	<b>-584.49</b>	<b>404.91</b>
<b>TOTAL ASSETS</b>	<b>10,328.82</b>	<b>8,730.83</b>	<b>7,858.09</b>	<b>7,471.04</b>	<b>7,253.19</b>
Contingent Liabilities	856.79	927.91	713.07	665.35	547.55

Book Value (Rs)	24.67	28.36	24.75	21.53	19.00
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## RATIO ANALYSIS OF ASHOK LEYLAND

KEY FINANCIAL RATIOS OF ASHOK LEYLAND (in Rs. Cr.)	MAR '20	MAR '19	MAR '18	MAR '17	MAR '16
<b>INVESTMENT VALUATION RATIOS</b>					
Face Value	1.00	1.00	1.00	1.00	1.00
Dividend Per Share	0.50	3.10	2.43	1.56	0.95
Operating Profit Per Share (Rs)	4.00	10.68	10.12	7.74	7.92
Net Operating Profit Per Share (Rs)	59.50	98.98	90.04	70.77	66.54
Free Reserves Per Share (Rs)	--	--	--	--	--
Bonus in Equity Capital	47.43	47.43	47.57	48.93	48.93
<b>PROFITABILITY RATIOS</b>					
Operating Profit Margin(%)	6.71	10.79	11.24	10.93	11.90
Profit Before Interest And Tax Margin(%)	2.86	8.62	8.90	8.30	9.27
Gross Profit Margin(%)	2.88	8.65	8.97	8.36	9.32
Cash Profit Margin(%)	6.05	9.12	8.83	10.24	8.85
Adjusted Cash Margin(%)	6.05	9.12	8.83	10.24	8.85
Net Profit Margin(%)	1.37	6.82	6.51	6.07	2.05
Adjusted Net Profit Margin(%)	1.36	6.79	6.46	6.03	2.04
Return On Capital Employed(%)	6.07	30.06	32.59	24.37	25.97
Return On Net Worth(%)	3.30	23.82	23.70	19.96	7.20
Adjusted Return on Net Worth(%)	5.45	24.51	24.10	25.44	22.18

Return on Assets Excluding Revaluations	24.67	28.36	24.75	21.53	19.00
Return on Assets Including Revaluations	24.67	28.36	24.75	21.53	19.00
Return on Long Term Funds(%)	7.29	30.43	33.01	25.03	26.06
<b>LIQUIDITY AND SOLVENCY RATIOS</b>					
Current Ratio	0.66	0.96	0.60	0.86	1.06
Quick Ratio	0.83	0.70	0.42	0.51	0.78
Debt Equity Ratio	0.42	0.05	0.08	0.22	0.34
Long Term Debt Equity Ratio	0.19	0.04	0.07	0.19	0.34
<b>DEBT COVERAGE RATIOS</b>					
Interest Cover	5.73	37.29	17.39	11.72	7.61
Total Debt to Owners Fund	0.42	0.05	0.08	0.22	0.34
Financial Charges Coverage Ratio	11.85	46.12	21.46	15.05	9.58
Financial Charges Coverage Ratio Post Tax	9.31	38.00	16.73	12.20	4.54
<b>MANAGEMENT EFFICIENCY RATIOS</b>					
Inventory Turnover Ratio	14.11	10.82	15.15	8.15	12.30
Debtors Turnover Ratio	9.48	16.84	26.24	17.40	15.10
Investments Turnover Ratio	1.69	3.33	15.15	8.15	12.30
Fixed Assets Turnover Ratio	2.22	4.47	4.40	3.73	3.89
Total Assets Turnover Ratio	1.95	3.67	3.70	2.81	2.74
Asset Turnover Ratio	1.83	3.50	3.44	2.74	2.53
Average Raw Material Holding	--	--	--	--	--
Average Finished Goods Held	--	--	--	--	--

Number of Days In Working Capital	-41.79	-	-	-	-
		32.96	74.46	32.01	10.66
<b>PROFIT &amp; LOSS ACCOUNT RATIOS</b>					
Material Cost Composition	64.31	74.92	65.50	73.60	72.34
Imported Composition of Raw Materials Consumed	--	--	--	--	2.46
Selling Distribution Cost Composition	--	--	--	--	--
Expenses as Composition of Total Sales	7.95	5.37	7.94	9.06	11.17
<b>CASH FLOW INDICATOR RATIOS</b>					
Dividend Payout Ratio Net Profit	530.32	43.35	31.98	26.60	39.56
Dividend Payout Ratio Cash Profit	139.69	33.01	23.72	18.69	17.56
Earning Retention Ratio	-	57.87	68.54	79.13	87.16
	221.30				
Cash Earning Retention Ratio	-19.25	67.70	76.57	84.33	90.87
AdjustedCash Flow Times	2.88	0.15	0.26	0.65	1.09

## **CHAPTER – 6**

### **LEARNING EXPERIENCE**

I got an opportunity to know the work flow model which organizes the work by determining authority and responsibility for staff it also help me to understand the concept of group effort which is more power full and important then the individual effort in most of the company's operation.

I have also known the importance of the product quality of product and also how organizations discharging social responsibilities as corporate citizenship. I realized the real importance of safety measures and risk involved in the job. I learned some HR concept like core functions teams where employees from different departments meet to discuss the problem and to find solution to the problem.

All employees will be on probation for a period of 6 months. The purpose is to determine the ability of the employee to do the assigned job effectively.

Probation period may be extended under any of the following circumstances:

- Mutual understanding between the probationer and the members of the team is incomplete.
- The performance of the probationer is not up to the expected level.
- A mismatch between role and required expertise or probationer's value and organizational values or both.

It is mandatory for an employee to Punch the time-in and time-out irrespective of the time he/she comes to the office. If an employee swipe in after 11:00am and swipe out before 4:30pm without valid reasons will be automatically considered as half day leave. If the leave balance is NIL, the same will be considered as LOP

Six day's late punch in or early punch out in a month will be considered as one day leave and will automatically be deducted from the employees leave

balance. Beyond six days, every three more days of late punch in or early out will be considered as half day leave. If the leave balance is NIL, the same will be considered as LOP. A grace period of ten minutes is being given to all the employees to cater for traffic hazards.

In case of emergency employee can avail leave by informing the concerned HOD and HR department over the phone, on resuming work, the employee shall submit a formal application within 24 hours of rejoining to the concerned HODs, which shall be forwarded to the HR department.

Even they concentrated on women's welfare and children education. Every year they celebrate women's day celebrations in office.

I came to know actual importance of training and various programs being preceded by the company. I also recognized the importance of time management which helps the entire organization in meeting delivery dates of customers and also came to know how quality assurance guide entire organization in providing quality services to customers there by improving loyalty from customers. This project helped me to link the application of management concept studied in the books to the actual practices in the organization. It was a good opportunity to learn the actual working of the organization.

Hence all the activities in Ashok Leyland are carried systematically according to the rules and regulation lay by government it was great opportunity to undergo 4 weeks of project training where I could learn and strengthen my knowledge on various aspects related to the organization.

Finally, I like to conclude that Ashok Leyland provided me a great opportunity to understand the varied functions that has been carried in the organization to meet the changing corporate trends.

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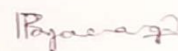
<https://www.shutterstock.com/search/ashok+leyland>

## WEEKLY PROGRESS REPORT

Student Name	Mr. CHETHAN KUMAR
USN	ICR19MBA17
Title of the Study	An Organisation Study on Ashok Leyland Ltd
Organization	Ashok Leyland Ltd
<b>WEEK-1</b>	
Duration (start date - End date)	6.8.2020 - 12.8.2020
Chapter s covered	Chapter 1 and Chapter 2
Descriptions of activities performed during the week	Introduction to organization, Industry profile and company profile
<b>WEEK-2</b>	
Duration (start date - End date)	13.8.2020 - 18.8.2020
Chapter s covered	Chapter 3
Descriptions of activities performed during the week	McKensy's 7S framework, Porter's Five Force Model.
<b>WEEK-3</b>	
Duration (start date - End date)	19.8.2020 - 26.8.2020
Chapter s covered	Chapter 4 and Chapter 5
Descriptions of activities performed during the week	SWOT Analysis and analysis of financial statements
<b>WEEK-4</b>	
Duration (start date - End date)	27.8.2020 - 30.8.2020
Chapter s covered	Chapter 6
Descriptions of activities performed during the week	Learning experience and Bibliography



**Signature of the Student**



**Signature of the Guide**