

An Organization Study Report on
FORCE MOTORS LTD
(18MBAOS307)

Submitted by
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Submitted to
VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI



In partial fulfillment of the requirement for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION

Under Guidance of

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CERTIFICATE BY THE INSTITUTION

This is to certify that **Mr. KARTHIKEYAN G M** bearing **USN 1CR19MBA37** is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on **FORCE MOTORS LIMITED** is prepared by him under the guidance of **Mr. Santosh Kathari**, Assistant 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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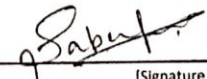

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DECLARATION

I, **Mr. Karthikeyan G M** bearing **USN: 1CR19MBA37**, hereby declare that the Organization Study conducted at **FORCE MOTORS LIMITED** is record of independent work carried out by me under the guidance of **Prof. Kathari Santosh** faculty of M.B.A Department of CMR Institute of Technology, Bengaluru.

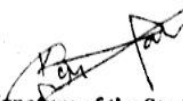
I also declare that this organisation study report is towards the partial of the university regulation for the award of degree of **Master of Business Administration** by **Visvesvaraya Technological University, Belagavi**.

I have undergone an organization study for a period of four weeks. I further declare that this organisation study report is based on the original study undertaken by me and not been submitted for the award of any degree/diploma from any other University /Institution.

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EXECUTIVE SUMMARY

Force Motors Ltd is a fully, vertically integrated automobile company, with expertise in design, development and manufacture of the full spectrum of automotive components, aggregates and vehicles. Its range of products includes Light Commercial Vehicles (LCV), Multi-Utility Vehicles (MUV), Small Commercial Vehicles (SCV), Sports Utility Vehicles (SUV) and Agricultural Tractors. Force Motors is a subsidiary of Jaya Hind Investments Private Limited, promoter of the company, which holds 57.38% stake in the company. Tempo Finance (West) Private Limited, a subsidiary company of Force Motors Limited, is engaged in providing financial services. Force Motors Ltd was incorporated in the year September 08th, 1958 with the name Bajaj Tempo Ltd. The company was promoted by N K Firodia. Initially, the company started production of the HANSEAT 3-Wheelers in collaboration with Vidal & Sohn Tempo Werke Germany. In 1959, the company started their manufacturing operation in a small plant at Goregaon, a suburb of Mumbai. In 1961, they acquired about 1502 acres of land in Akurdi near Pune. In May 1961, the company was converted in to public limited company. In 1964, they transferred their production facility to Pune. In November 1964, they commenced the manufacture of Tempo Viking 4-wheeled Truck & Vans. In the year 1969, the company subsequently upgraded the Viking vehicle with the diesel engine and thus they started manufacturing Matador. In the year 1975, they increased the manufacturing capacity to 12,000 vehicles per year, in addition to 6,000 diesel engines for other purposes. In 1983, the company entered into a technical collaboration agreement with Daimler Benz AG West Germany for the manufacture of light commercial vehicles such as Mercedes vans station wagons and mini buses at Pithampur. In 1987, the company set up a new plant at Pithampur in Madhya Pradesh, for the production of Tempo Traveller. This plant was designed and built to the specification of Daimler-Benz. They increased the licensed capacity from 30,000 to 50,000 per annum including 5,000 three-wheelers. In the year 1989, they established the production facility for various rear axles and 5-speed Mercedes gear boxes. In the year 1990, the company established a new commercial tool room at Akurdi, equipped with the latest CNC 3 dimension dies sinking equipment and capable of manufacturing large panel dies for bodies. They also established a modern CAD/CAM facility to support the tool room activity. They entered into agreement with Ricardo Consulting Engineers for technology up gradation of D 301 E2 engine. In the year 1991, the

company introduced the new models of Tempo Trax called Challenger and Town & Country in the market. In 1993, they offered rights to part finance for modernization of their manufacturing facilities. In 1994, the company entered into a license agreement with Robert-Bosch GmbH for the manufacture of Tractor Hydraulics. In 1995, the company increased the licensed capacity from 50,000 to 60,000 number of automobiles per annum. In the year 1996, they introduced a new range of Three Wheelers - Minidor - pick up and auto rickshaw. These vehicles were completely designed in house using their own modern Computer Aided Design and Computer Aided Manufacturing facilities. In 1997, the company conceived a technologically superior tractor the OX, as a diversification and the OX 45, a 45 HP tractor was introduced. The tractor was designed using Transmission technology from ZF, Germany, technical assistance for engines from AVL, Austria and hydraulics technology from Bosch. In the year 1999, the Excel range of state of the art Light Commercial Vehicles was introduced. These vehicles with their superb ergonomics and superior aggregates represent the latest generation of LCVs in India that can carry payloads up-to 4 tonnes. They also introduced a 35 HP version of the tractor, the OX 35. In the year 2000, Pithampur plant and their Mercedes Engine facilities received the prestigious ISO 9002 certification for quality systems. In 2003, the entire Akrudi plant and Pithampur plant were certified to ISO 9001:2000. The company signed an MoU with Punjab Tractors Ltd and Corporation Bank for financing Tractors. Also, they launched the Balwan range of tractors in the same year. In the year 2004, the company formed a new alliance with MAN, world leader in engines and truck technologies. This alliance enabled the company to produce trucks that have latest technology and possess highly reliable engines. In September 2004, they entered into a comprehensive Technological Agreement with ZF - the world leader in transmission technology. This agreement enabled the company to acquire both product and process technology. The company changed their name from Bajaj Tempo Ltd to Force Motors Ltd with effect from May 12, 2005. In May 2005, the company entered into an agreement with DaimlerChrysler AG for sourcing the technology for G32 Gear box. In June 2005, they entered into an agreement with MAN Nutzfahrzeuge to source technology for Heavy Duty Planetary Rear Axles. In April 2006, the company signed a joint venture agreement with MAN for manufacture and sale of heavy commercial vehicles. They established a new plant at Pithampur for manufacturing of heavy commercial vehicles. In order to implement the joint venture project, MAN Force Trucks Pvt Ltd, a subsidiary company, was

formed during the year. As per the agreed arrangement, MAN holds 30 per cent of the equity of this subsidiary company whereas 70 per cent of the equity was owned by the company. During the year 2006-07, the company transferred all assets, liabilities and contracts, including the technology and licenses arranged in respect of Heavy Commercial Vehicles Project to Man Force Trucks Pvt Ltd. During the year 2007-08, the company started production of the new generation planetary 9-speed gearboxes, under license from ZF Friedrichshafen AG, Germany. During the year 2008-09, the company transferred part of their shareholding in the subsidiary company Man Force Trucks Pvt Ltd to MAN Nutzfahrzeuge AG, the collaborator, and received consideration of Rs 309.47 crore. They also divested their holding in ZF Steering Gear (India) Ltd. During the year, the company completed the Development project for the new small commercial vehicle the TRUMP. They developed two new versions of Bullet Proof - Armoured Vehicles, on the Trax platform. During the year 2010-11, the company has developed a new SUV named Force One. A completely new sales channel comprising of 30 dealers pan-India, with independent and dedicated show rooms, separate service facilities are created, to support the sales of these SUVs. The company has entered into agreement with MBtech (a company of the Daimler Group) for technical support in respect of refinement - of electronic architecture, installation of aggregates and systems, and build quality of the coach work, interiors, etc. The company has installed Cathodic paint shop at pithampur unit. This is a fifth generation CED paint shop incorporating the latest technologies. In the year 2011-12, The Company unveiled the Traveller 26 at the Auto Expo in January 2012. This product is the largest known monocoque panel van in the world. Having been evolved from the iconic Traveller vehicle, it represents a big step forward in consolidating the Company's van business. During the year 2012-13, The Company has developed an Extreme Offroad Vehicle (EOV) - the 4x4x4 Trax Gurkha (all wheel drive x all terrains x all seasons) -, which will cater to the specialist market for offroad vehicles. The SUV - Force One EX - a highly fuel-efficient and power optimized version, is also developed and under introduction. The Company has created a new high-tech, engine and vehicle-testing lab at Akurdi. During the year 2013-14, the company, having commissioned the new and hitech Engine Tech Centre at Akurdi - comprising of latest engine dynamometers and chassis dynamometers - has created a very capable infrastructure, for undertaking engine development and vehicle development programmes. The company has become a subsidiary of Jaya Hind Investments Private Limited, promoter

of the Company, w.e.f. 17th February 2014. During the year 2014-15, the company has established engine-manufacturing factory as a dedicated factory for BMW India Pvt. Ltd. at Chennai and the project to establish a new engine and axle production facility for Mercedes Benz at Chakan near Pune. It has enabled the Company to participate in the rapidly growing high performance luxury vehicles market in India. During the financial year ended 31 March 2016, Force Motors completed the construction of the dedicated plant at Chakan for manufacture of Mercedes Benz Engines and Axles. Active steps have been taken during the last financial year to substantially increase the production capacity at Pithampur. A new line of highly complex Body Shop equipment, with significant use of robotics/automation, which is engineered, and mostly manufactured within the company, was erected, installed and commissioned. The commissioning has happened by end of July 2016. The strong efforts over the last few years have been continued in the year under report, for substantially upgrading the sales channel, improving the service capability of dealers, and of authorized service stations. During the year ended 31 March 2016, the company completed the development of Euro IV engines, for powering the Traveller range of LCVs, as also of the matching gearboxes and axles. The entire design activity, development effort and testing, of these high-tech new aggregates was carried out in the company, with selective support from domain specialists like Bosch, AVL, Delphi, etc. The company completed the projects for new generation transmissions, which have been developed inhouse. During the year ended 31 March 2017, Force Motors successfully handled turbulence in the business arising successively from demonetization affected on 8 November 2016, preparation for the transition to GST in terms of installing the I.T. backbone and organising modifications to the business processes of the company and finally from preparing for the full transition to the BS IV standard of emission, for the full range of vehicles made by the company. Each of these transitions, and the required preparatory efforts by the company, by its suppliers, dealers, etc. involved unusual effort. This resulted in a significant change in the rhythm of the business. The company completed projects for the development of high power density engines by significant re-engineering of the well-proven OM 616 basic platform. During the year under review, the company's new manufacturing facility/plant at Chakan for production/manufacture of engines and axles for Mercedes-Benz India Private Limited became operational. Force Motors entered into Joint Venture Agreement with MTU Friedrichshafen GmbH, a subsidiary company of Rolls-Royce Power Systems AG, to

form an Indian Joint Venture Company, for producing engines (for power generation and rail application) and complete power generation systems including associated spare parts - for both the Indian and the global markets. A Joint Venture Company named Force MTU Power Systems India Private Limited was incorporated on 7 August 2018. During the year 2019, the Company completed the development activity of the T3 platform, which is, known the only lightweight monocoque panel van in the world catering to 33 to 41 seats capacity segment. During FY19, the Company completed development activity on two new tractor platforms viz. the Sanman series - comprising of Sanman 5000 and Sanman 6000 tractors, as also the Abhiman series - which has 4X4 configuration. During the current year 2019, both these products were introduced in the market. An important event during the year 2019 was the Acquisition by the Company, of the land, building, plant, tooling, equipment, machineries, drawings, designs etc, from MAN Truck & Bus India Pvt. Ltd. - as available in the plant at Pithampur. The Company had developed, with own efforts, using own design and engineering resources, and tooling manufacture capability - a complete range of Heavy Trucks. For this, select technology was purchased mainly from MAN and ZF Germany. On realization of the project- design, development, indigenization and productionising of the product range - at the inauguration of the production facility, a joint venture agreement was entered into - at MANs suggestion - to enable achieve major export of trucks from India in FY19. During the development effort, discussions had occurred with MAN, where they suggested to make European standard vehicles even if more expensive than required by Indian market, for them to be able to export. During the year 2019, the Company made an investment of Rs 13,36,20,000/- in tranches, in Force MTU Power Systems Private Limited, a subsidiary of the Company.

CHAPTER - 1
INTRODUCTION TO ORGANISATIONAL
STUDY

INTRODUCTION TO INDUSTRY

The automotive industry comprises a wide range of companies and organizations involved in the design, development, manufacturing, marketing, and selling of motor vehicles. It is one of the world's largest economic sectors by revenue. The automotive industry does not include industries dedicated to the maintenance of automobiles following delivery to the end-user, such as automobile repair shops and motor fuel filling stations.

The word automotive comes from the Greek autos (self), and Latin motivus (of motion), referring to any form of self-powered vehicle. This term, as proposed by Elmer Sperry need quotation to verify (1860-1930), first came into use with reference to automobiles in 1898.

The automotive industry began in the 1860s with hundreds of manufacturers that pioneered the horseless carriage. For many decades, the United States led the world in total automobile production. In 1929, before the Great Depression, the world had 32,028,500 automobiles in use, and the U.S. automobile industry produced over 90% of them. At that time the U.S. had one car per 4.87 persons.

After World War II, the U.S. produced about 75 percent of world's auto production. In 1980, the U.S. was overtaken by Japan and then became world's leader again in 1994. In 2006, Japan narrowly passed the U.S. in production and held this rank until 2009, when China took the top spot with 13.8 million units. With 19.3 million units manufactured in 2012, China almost doubled the U.S. production, with 10.3 million units, while Japan was in third

place with 9.9 million units. From 1970 (140 models) over 1998 (260 models) to 2012 (684 models), the number of automobile models in the U.S. has grown exponentially.

Economy

Automotive industry by country

Around the world, there were about 806 million cars and light trucks on the road in 2007, consuming over 980 billion liters (980,000,000 m³) of gasoline and diesel fuel yearly. The automobile is a primary mode of transportation for many developed economies. The Detroit branch of Boston Consulting Group predicted that, by 2014, one-third of world demand would be in the four BRIC markets (Brazil, Russia, India and China). Meanwhile, in the developed countries, the automotive industry has slowed. It is also expected that this trend will continue, especially as the younger generations of people (in highly urbanized countries) no longer want to own a car anymore, and prefer other modes of transport. Other potentially powerful automotive markets are Iran and Indonesia. Emerging auto markets already buy more cars than established markets. According to a J.D. Power study, emerging markets accounted for 51 percent of the global light-vehicle sales in 2010. The study, performed in 2010 expected this trend to accelerate. However, more recent reports (2012) confirmed the opposite; namely that the automotive industry was slowing down even in BRIC countries. In the United States, vehicle sales peaked in 2000, at 17.8 million units.

Total Economic Output

The automobile industry is a capital-intensive and knowledge-intensive industry, and plays an important role in the country's socio-economic development. Currently, the industry is booming, involving an increasing number of countries in the production of cars, while the alignment of forces in the automotive market is constantly changing. The role of the automobile industry in the development of the modern economy and the prospects for its development is determined by the place of motor transport in the infrastructure of the national economy. The article talks about the historical development of the automobile industry in developed countries, analyses the current situation, makes forecasts and highlights the main trends in their automotive industry. In the modern age-the development of the economy of any country cannot be imagined without the development of the automobile industry. In recent years, the global share of the automotive industry in the GDP structure is increasing, and the growth dynamics will create new jobs and increase the average wage. The automotive industry contributes to the expansion of the taxable base and revenues of the state budget, develops auxiliary branches, influences scientific and technical progress, testifies to the demand and the standard of living of the population of the country and much more. Thus, the effective functioning and development of the automotive industry is important not only economically, but also socially for any country.

Currently, the development of the country's economy is difficult to imagine without the development of the automobile industry. According to the world association of car manufacturers "OICA" in 2017, 73.4 million cars and 23.84 million trucks were produced in the world. Several importance to note for the importance of Automotive Industry.

- 1) According to international estimates, the average annual turnover of the world automobile industry is more than 2.75 trillion.
- 2) Euro, which corresponds to 3.65% of world GDP. In the automotive industry over the last ten years (2007-2017) there was a 25% increase in production.
- 3) Cars are one of the world's largest export products, surpassing oil revenues, for example, world car exports by country in 2016 estimated at 698.2 billion dollars. USA. The industry is also a major innovator, investing more than 84 billion euros in research, development and production. So, among the 2500 leading companies in the investment in R&D, three major sectors dominate: pharmaceuticals and biotechnology, production of process equipment, and the automotive industry. For example, only the volume of investment in R&D corporation VW AG.
- 4) It has become about 13 billion euros, and two years later in 2016 about 13.2 billion US dollars. It is worth noting that tax revenue from car manufacturers in 26 industrialized countries is more than 430 billion euros per year.

The Automotive Industry in India at present as per the Indian Automobile Report of (June 2020), India is recorded as the fifth largest auto market in 2019 with sales reaching 3.81 million units. It was the Seventh largest manufacturer of commercial vehicles in 2019.

The two wheelers segment dominates the market in terms of volume owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In addition, several initiatives by the Government of India and major automobile players in the Indian market is expected to make India a leader in the two-wheeler and four-wheeler market in the world by 2020.

History

The first car that plied on Indian roads was as early as 1897 and the first Indian to own a car in 1901 was Jamshedji Tata. It was in 1942, before India's independence that Hindustan Motors manufactured the first automobile in India.

Soon after India's independence, the Government of India tried to boost the sector by encouraging manufacturing of automobiles. Before that, the cars were imported directly.

The Automobile Sector formally came into being in 1952 when the Government appointed its first tariff commission with the aim of indigenizing this industry. The year 1952 also marked the introduction of passenger cars in the country. Manufacturers like Hindustan Motors, Premier Automobiles and Standard Motors came into the limelight. Even SUV's started being manufactured by Mahindra and Mahindra, Bajaj, Standard Motors, etc. Cumbersome and medium commercial vehicles were made by 7 manufacturers which included Ashok Motors, Simpsons and Co., Premier Motors and more. Two-wheeler vehicles like scooters, motor bikes or mopeds were manufactured by Bajaj Auto, Escorts Group, Royal Enfield, Automobiles Product of India, Ideal Jawa, etc.

The Motor Liberalization phase started where there were few options with automobiles. This phase continued for an extended period until the phase of liberalisation. It encouraged many international players to foray into Indian markets. Many of them collaborated with the local manufacturers to form companies to capture markets as per the needs of local customers.

Global Market Size of the Industry

The automotive industry in India has come a long way from the 1950s when the annual production of vehicles was limited to 40 thousand. Early stages of production were confined to the three leading manufacturers like Hindustan Motors, Premier Automobiles and Standard Motors. Expertise in the automotive sector was by and large attained through trial and error in the early stages. Through the decades, the country emerged an important part in the global automotive industry - third largest in the Asia-Pacific in 2019.

In fiscal year 2018, the market size for auto components in the country accounted to approximately 51.2 billion U.S. dollars, up from about 43.5 billion U.S. dollars in fiscal year 2017. Industry forecasts predict the market size for automotive components is estimated to reach a value of around 115 billion dollars by fiscal year 2021. As per forecast for the fiscal year 2019, the Indian automotive sector was projected to produce approximately 24.5 million and four million two wheelers and passenger vehicles respectively.

Potentiality

The industry currently manufactures 26 million vehicles, of which 4.7 million are exported. India holds a strong position in the international heavy vehicles arena as it is the largest tractor manufacturer, second-largest bus manufacturer and third largest heavy trucks manufacturer in the world.

In April-March 2020, overall automobile exports registered a growth of 2.95 %. Passenger Vehicles exports marginally increased by 0.17 % and Two wheelers exports registered a growth of 7.30 % in April-March 2020 over the same period last year.

In FY 2018-19, sale of passenger vehicles has increased by 2.70%, two-wheeler by 4.86% and three-wheeler by 10.27% as compared to FY 2017-18.

In April-March 2019, overall automobile exports grew by 14.50%. The overall Commercial Vehicles segment registered a growth of 17.55% in April- March 2019.

The sector attracted \$24.2 billion FDI during April 2000 - March 2020; accounting for 5.1% of the total FDI inflows. India's annual production has been 29.08 million vehicles in 2018 as against 25.33 million in 2017, registering a healthy growth of 14.8%. India is expected to emerge as the world's third-largest passenger vehicle market by 2021.

Turnover

As per the Automotive Component Manufacturers Association of India (ACMA), has announced the findings of its Industry Performance Review for the first half of fiscal 2019-20. The turnover of the automotive component industry that contributes 2.3 per cent to India's GDP, 25 per cent to its manufacturing GDP and provides employment to 50 lakh people, stood at Rs.1.79 lakh crore (USD 26.2 billion) for the period April 2019 to September 2019, registering a de-growth of 10.1 per cent over the first half of the previous

India was the sixth largest producer of automobiles globally with an average annual production of about 29 million vehicles in 2017–2018, of which about 4 million were exported. India is the largest tractor manufacturer, second largest two-wheeler manufacturer, second largest bus manufacturer, fifth largest heavy truck manufacturer, sixth largest car manufacturer, and eighth largest commercial vehicle manufacturer. The contribution of this sector to GDP has increased from 2.77% in 1992–1993 to about 7.1% now and accounts for about 49% of manufacturing GDP (2015–2016). It employs more than 29 million people (direct and indirect employment). The turnover of the automobile industry is approximately US\$ 67 billion (2016–2017) and that of the component industry is US\$ 43.5 billion (2015–2016).

As per the OICA statistics, the Indian industry accounted for 4.92% of vehicle production globally in 2017 (5.38% of production in the car segment and 3.48% of production in the commercial vehicle segment).

India is a prime destination for many multinational automobile companies with aspirations of business expansion in Asia. It attracted about US\$ 14.48 billion (5.2% of total) in cumulative FDI equity inflows between 2000 and 2015. The basic advantages that the country provides as an investment destination include cost-effectiveness of operations, efficient manpower, and a fast-growing dynamic market. In the past, major investments have come from Japan, Italy, and the USA followed by Mauritius and Netherlands. The industry manufactures a wide range of products to meet both domestic and international demands.

Total Economic Output

India was the sixth largest producer of automobiles globally with an average annual production of about 29 million vehicles in 2017–2018, of which about 4 million were exported. India is the largest tractor manufacturer, second largest two-wheeler manufacturer, second largest bus manufacturer, fifth largest heavy truck manufacturer, sixth largest car manufacturer, and eighth largest commercial vehicle manufacturer. The contribution of this sector to GDP has increased from 2.77% in 1992–1993 to about 7.1% now and accounts for about 49% of manufacturing GDP (2015–2016). It employs more than 29 million people (direct and indirect employment). The turnover of the automobile industry is approximately US\$ 67 billion (2016–2017) and that of the component industry is US\$ 43.5 billion (2015–2016). As per the OICA statistics, the Indian industry accounted for 4.92% of vehicle production globally in 2017 (5.38% of production in the car segment and 3.48% of production in the commercial vehicle segment).

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CHAPTER - 2
ORGANISATION PROFILE - FORCE
MOTORS



Force Motors Ltd was incorporated in 1958 by signing a collaboration between Vidal & Sohn Tempo Werke. The company, formerly known as Bajaj Tempo Limited, is a Firodia Enterprise company established in 1958 the founder and the managing director for the company was N K Firodia.

Force Motors Limited, is an Indian automotive manufacturer, the flagship company of the Dr. Abhay Firodia Group. ... The company is known for brands like the Tempo, Matador, Minidor and Traveller. Over the last five decades it has partnered with global manufacturers including Daimler, ZF, Bosch, and MAN.

Formerly: Bajaj Tempo Motors

Key people: Abhay Firodia (Chairman); Prasan A. Firodia (Managing Director)

Products: Traveller, Trax, Gurkha, Orchard and Balwan Tractors



Force Motors Limited, is an Indian automotive manufacturer, the flagship company of the Dr. Abhay Firodia Group. From 1958 until 2005 the company was known as Bajaj Tempo Motors, because it originated as a joint venture between Bachraj Trading Ltd. and Germany's Tempo. The company is known for brands like the Tempo, Matador, Minidor and Traveller. Over the last five decades it has partnered with global manufacturers including Daimler, ZF, Bosch, and MAN. These associations have enabled the company to move away from its outdated products.

Force Motors which is well known for its commercial vehicles like Tempo Traveller, Trekker etc has made a significant entry into the SUV market in India. The company recently launched an SUV Force One in the Indian market.

Indian SUV market is now appearing lucrative to auto majors. Indian car market is skewed to small cars. The market is dominated by small cars. SUVs were a niche. But the recent trend is that consumers are purchasing more SUVs despite the poor infrastructure conditions and rising fuel prices. According to news reports, 324000 SUVs were sold in India during 2010-2011. The growth of SUVs were in fact more than the car segment.

The Indian SUV market is dominated by Mahindra with its flagship brand Scorpio. Toyota Fortuner is the second largest brand but dominates the premium segment of the SUV market. The market has witnessed a slew of launches from all major brands in the world. Hence the launch of a brand in this segment is very risky and difficult. Force One has taken this challenge seriously and has done some serious homework before going for the launch.



Force Motors took a very smart step by collaborating with Mercedes Benz for the engine of Force One. The company has already understood the benefits of tying up with a brand like Mercedes before in the success of its Traveller. So by sourcing the most critical element of the car from World's most respected company, Force One has almost negated the risk of Engine complaints and the Mercedes engine will give confidence to consumers about this newcomer's claims.

Second smart move was the design part. Indian SUV consumers like big mean machines. Frustrated by poor roads and rash and arrogant driving of larger vehicles like trucks and buses, most Indian consumers love to have a large vehicle to tame the arrogant truck and bus drivers. Hence Force One deliberately designed itself to look larger and meaner.

Vision, Mission and quality policy

Force Motors is India's largest van maker.

Force Motors Ltd, the manufacturer of light commercial vehicles (LCVs), is planning to set up a new plant to expand its small commercial vehicles range and embark on a nationwide brand-building exercise.

Prasan Firodia, managing director, Force Motors, said, "We want to offer a range of vehicles in the Trump brand—from 0.5 tonne to 1.5 tonne payload carrier. This will be a full range of new small commercial vehicles requiring a brand new plant with new engines, etc."

Force motors works with a vision of providing appropriate solutions for transport both goods as well as passengers- rugged, reliable and efficient transport solutions for every need rural or urban, long distance or local , over food roads or bad tracks.



Company continues in the founder's vision of providing efficient, utilitarian vehicles that empower the individual entrepreneur to meet his and the country's ever changing needs.

Quality policy

Force Motors has always strived to provide products and services of the highest quality at competitive prices. This it does by implementing a comprehensive quality management system that focuses on continually improving the effectiveness of its operations.

Products and Services profile

Force Motors manufactures a range of vehicles including Small Commercial Vehicles (SCV), Light Commercial Vehicles (LCV), Multi Utility Vehicles (MUV), Special Cross Country Vehicles and Agricultural Tractors.

Force Motors stands on the threshold of a new era in the automobile industry in India, with a stake in five products

- 1) Tractors: OX and Balwan – Modern tractors, sporting synchromesh transmission, Bosch hydraulics, excellent ergonomics and fuel efficient engines. Designed for demanding farmers of developing countries.
- 2) Three wheelers: Minidor – A family of new and beautifully engineered three-wheelers — economical, rugged and environment friendly — very efficient transport for people and goods.
- 3) Light commercial vehicles: Traveller and Excel range of passenger and goods carriers. Powered by a family of DI and IDI engines including the legendary Mercedes derived OM 616 engines. A range of high reliability axles and transmissions add value.
- 4) Multi Utility Vehicles: Complete range of multi utility vehicles including Trax Judo, Trax Gama, Trax Cruiser, Trax Kargo King range of single cabin and double cabin pickups. And the 4X4 cross country vehicle – Trax Gurkha.
- 5) Heavy commercial vehicles: In technical collaboration with MAN AG, Germany, the company will be introducing shortly a range of heavy commercial vehicles with a payload capacity ranging from 16 to 50 tonnes

Achievements and awards

- In the year 2000, the Pithampur plant and its Mercedes Engine facilities received the prestigious ISO 9002 certification by quality system.
- In 2003, the entire Akurdi plant and Pithampur plant were certified to 9001:2000.
- Milestones
- 2005
Tempo was rechristened as FORCE MOTORS LTD.
- 2006
New state-of-the-art HCV manufacturing facility was inaugurated at Pithampur.
- 2008–
Force Motors launched Traveller Shaktiman, Traveller Luxury and Traveller Smooth.
- 2011
Force Motors enters into Agreement with Daimler AG, Germany, in respect of licensing of technology for Multi Purpose Vehicle (MPV).
Force Motors launched its first offering in the Personal Vehicles segment, the FORCE ONE.
- 2012
Force Motors shakes hand with HPCL for oil supplies
Force Motors introduces a revolutionary passenger vehicle, Traveller 26.
- 2013
Force Motors introduces Gurkha, the Extreme Off-Roader Vehicle.

Future growth and Prospects

About Force Motors Ltd.

Force Motors Ltd., incorporated in the year 1958, is a Small Cap company (having a market cap of Rs 1269.20 Crore) operating in Auto sector.

Force Motors Ltd. key Products/Revenue Segments include Light Commercial Vehicles (Traded) which contributed Rs 3620.01 Crore to Sales Value (99.12 % of Total Sales), Others which contributed Rs 26.70 Crore to Sales Value (0.73 % of Total Sales) and Service Charges which contributed Rs 5.39 Crore to Sales Value (0.14 % of Total Sales) for the year ending 31-Mar-2019.

For the quarter ended 30-06-2020, the company has reported a Consolidated sales of Rs 185.40 Crore, down -71.64 % from last quarter Sales of Rs 653.78 Crore and down -76.90 % from last year same quarter Sales of Rs 802.48 Crore. Company has reported net profit after tax of Rs -63.15 Crore in latest quarter.

The company's top management includes Dr. Indira Parikh, Mr. S. Padmanabhan, Mr. Pratap Pawar, Mr. Prashant V. Inamdar, Mr. Nitin Desai, Mr. Arvind Maharane, Mr. Arun Sheth, Mr. Anant Talaulicar, Mr. Abhaykumar Firodia, Lt. Gen. (Retd.) D. B. Shekatkar, Mr. Sudhir Mehta. Company has Kirtane & Pandit LLP as its auditors. As on 30-06-2020, the company has a total of 13,176,262 shares outstanding.

CHAPTER - 3
MCKINSEY'S 7'S FRAMEWORK
AND
PORTER'S FIVE MODEL FOR FORCE
MOTORS

MCKINSEY'S 7S FRAMEWORK

McKinsey 7s model was developed in the 1980's by McKinsey consultants Tom Peters, Robert Waterman and Julien Philips with a help from Richard Pascale and Anthony G. Athos. Since the introduction, the model has been widely used by academics and practitioners and remains one of the most popular strategic planning tools.

McKinsey 7s model is a tool that analyses a firm's organizational design by looking at 7 key internal elements in order to identify if they are effectively aligned and allow the organization to achieve its objectives. The goal of the model was to show how 7 elements of the company can be aligned together to achieve effectiveness in a company.

Objective of analysing the model

Is to analyse how well an organization is positioned to achieve its intended objective as follows:

Usage

- Improve the performance of a company
- Examine the likely effects of future changes within a company
- Align departments and processes during a merger or acquisition
- Determine how best to implement a proposed strategy

The basic premise of the model is that there are seven internal aspects of an organization that need to be aligned if it has to be a successful business in the economy.

Hard Elements

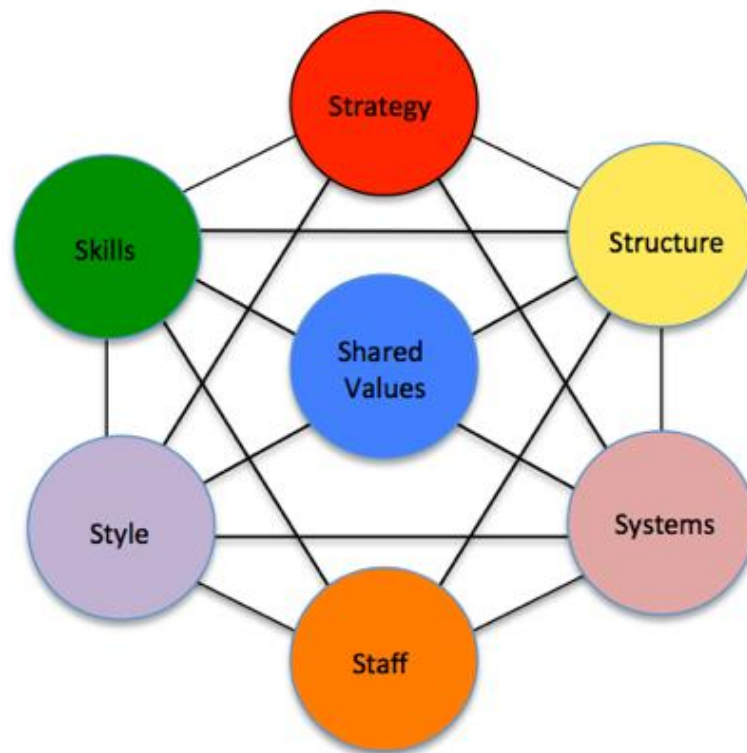
- Strategy - Purpose of the business and the way the organization seeks to enhance its competitive advantage.
- Structure - Division of activities; integration and coordination mechanisms.
- Systems - Formal procedures for measurement, reward and resource allocation.

Soft Elements

- Shared Values
- Skills - The organization's core competencies and distinctive capabilities.
- Staff - Organization's human resources, demographic, educational and attitudinal characteristics.

- Style - Typical behaviour patterns of key groups, such as managers, and other professionals

Elements of Mckinsey's model



Analysing McKinsey's Framework 7S Elements on FORCE MOTORS Ltd.

A. STRATEGY

Strategy is simply the goals you choose and the actions you take to achieve those goals that are set by an organization effectively.

Force motors uses these strategies for the business:

- Growth Strategy - The Corporate strategy is primarily about the choice of direction for a firm as a whole and the management of its business or product portfolio.
- Concentrated Strategy - If the company's current product lines have real growth potential, concentration of those resources on those product lines makes sense as a strategy for growth. The two basic concentration strategies are vertical and horizontal growth.

- Vertical and Horizontal Strategy - Vertical growth can be achieved by taking over a function previously provided by a supplier or by a distributor. The company in effect grows by making its own supplies and by distributing its own products.

Diversification Strategy - Force Motors is seeking to create a new premium category in the people carrier space, as well as launch products that are benchmarked against some key international brands and meet the requirements in over a dozen markets of the Middle East, Africa, South Africa, Southeast Asia and Latin America.

B Structure

PROFILE OF FORCE MOTORS, BSE, INDIA

- Date of Incorporation -08-Sep-1958
 - Date of Listing -01-Jan-1992
 - Name Designation
 - Yeshwant M Deosthalee Addnl.Independent Director
 - Abhaykumar Firodia -Chairman
 - Vinay Kothari -Director
 - Sudhir Mehta -Director
 - S Padmanabhan -Director
 - Pratap Pawar -Director
 - Indira Parikh -Director
 - Nitin Desai -Director
 - Arvind Mahajan -Director
 - Arun Sheth Director
 - Prashant V Inamda -Executive Director - Operations
- Prasan Firodia -Managing Director

C SYSTEMS

Several systems followed in order to keep the organization in more effective and systematic manner to make the organization stand out by the systems they use as rules and regulations are as follows:

- >Introduction to organization
- >Scope
- >Applicability
- >personal information
- >Prohibited Activities
- >Force motors Responsibility
- >Modification or Destruction
- >User's Responsibility
- >Actions causing damage
- >Emergency and Security measures
- >Unauthorized access
- >Intellectual Property Rights
- >Electronic Messaging

D STYLE

Management style of force motors is top to down as per the organizational structure.

Participative style of management has resulted in the development of a committed and motivated workforce, which is ready to meet the challenges of the future.

E STAFF

The training & development team at Force motors Corporate has developed content and trained over 10,000 employees in the Automotive & Manufacturing Industries in India. The underlying philosophy of this cell is to enable sharing of best practices through the creation of a platform to exchange ideas and continuous learning for all stakeholders. The cell arranges for world-class speakers and experts in various areas of economy to address different groups of individuals. This provides a platform for inter-disciplinary learning, brain-storming as well as knowledge creation and sharing. The key success factor for the ongoing Training & Development cell at Force motors is to understand the need of the hour at both ends of the spectrum. At the board-level, video based and

class room teaching methods for a variety of topics ranging from quality management, benchmarking to personality management programmes are used across the group for senior professionals.

F SKILL

Skill is what the company does best; the distinctive capabilities and competencies that reside in the organization.

Skills that are followed in this organisation are as follows

Sr. No. Key Skills

1. Leadership
2. Research & Development
3. Management & Strategy
4. Operations & Engineering
5. Supply Chain Management
- S. Sales and Marketing
7. Finance, Banking & Investment
8. Audit and Risk Management
9. Legal and Corporate Governance
10. CSR, Sustainability & Philanthropy
11. Information Technology
12. Human Resources and Industrial Relations.

G SHARED VALUES

Shared Values are at the core of McKinsey 7s model. They are the norms and standards that guide employee behaviour and company actions and thus, are the foundation of every organization. The authors of the framework emphasize that all elements must be given equal importance to achieve the best results.

A company that believes in maintaining ecological standards along with business standards.

Force motors main purpose which can be stated as shared values are quiet similar to their objectives and scope and they are to follow the systematic approach to training and development programmes which helps to keep an organisation at the front of it's industry to maximise performance and energise the level of the organisation.

They also aim at involving expertise in the field of design, development and manufacture of automotive components.

PORTER'S FIVE FORCE MODEL

The tool was created by Harvard Business School professor Michael Porter, to analyse an industry's attractiveness and likely profitability. Since its publication in 1979, it has become one of the most popular and highly regarded business strategy tools.

Porter recognized that organizations likely keep a close watch on their rivals, but he encouraged them to look beyond the actions of their competitors and examine what other factors could impact the business environment. He identified five forces that make up the competitive environment, and which can erode your profitability. These are:

1) Competitive Rivalry: This looks at the number and strength of your competitors. How many rivals do you have? Who are they, and how does the quality of their products and services compare with yours?

Where rivalry is intense, companies can attract customers with aggressive price cuts and high-impact marketing campaigns. Also, in markets with lots of rivals, your suppliers and buyers can go elsewhere if they feel that they're not getting a good deal from you.

On the other hand, where competitive rivalry is minimal, and no one else is doing what you do, then you'll likely have tremendous strength and healthy profits.

2) Supplier Power: This is determined by how easy it is for your suppliers to increase their prices. How many potential suppliers do you have? How unique is the product or service that they provide? The more you have to choose from, the easier it will be to switch to a cheaper alternative. But the fewer suppliers there are, and the more you need their help, the stronger their position and their ability to charge you more. That can impact your profit.

3) Buyer Power: Here, you ask yourself how easy it is for buyers to drive your prices down. How many buyers are there, and how big are their orders? How much would it cost them to switch from your products and services to those of a rival? Are your buyers strong enough to dictate terms to you?

When you deal with only a few savvy customers, they have more power, but your power increases if you have many customers.

4) Threat of Substitution: This refers to the likelihood of your customers finding a different way of doing what you do. For example, if you supply a unique software product that automates an important process, people may substitute it by doing the

process manually or by outsourcing it. A substitution that is easy and cheap to make can weaken your position and threaten your profitability.

5) Threat of New Entry: Your position can be affected by people's ability to enter your market. So, think about how easily this could be done. How easy is it to get a foothold in your industry or market? How much would it cost, and how tightly is your sector regulated? If you have strong and durable barriers to entry, then you can preserve a favorable position and take fair advantage of it.



Analyzing the Porter's Five Forces Model of Force Motors:

➤ COMPETITIVE RIVALRY

The competition among the firms help in identifying the lucrativeness of an industry where companies are competing hard in order to maintain their power within the industry. The force motors competition is moreover on the basis of diversity, the development within the sector and the barriers related to entrance in the market. The competitive rivalry is the analysis of the brands and the product, its strengths and weaknesses along with the strategies, competitors and the share in the market.

Force motors top competitors are Bajaj Auto, Isuzu , Ashok Leyland, Maruti Suzuki, Yamaha Motor, Hyundai, Toyota motors, Tata Motors.

➤ BARGAINING POWER OF SUPPLIERS

Powerful suppliers possess more power to capture significant value for themselves by demanding high prices while limiting the quality and the quantity of the product or services or by transferring the cost on the participant of the industry. Many conditions imposed by the suppliers generally include the increase in price while compromising the quality and quantity.

Bargaining Power of a supplier in the market is strong if:

- It is more concentrated than the industry it is selling to.
- It is not heavily relying on the industry for its profits.
- If the participants in the industry have to incur high cost for switching suppliers or the firms are located adjacent to the suppliers manufacturing facilities.
- The products being offered by the suppliers are highly differentiated.
- And when there is no close substitute available for the products being supplied by the suppliers.

➤ BARGAINING POWER OF BUYERS

The buyers having strong bargaining power can highly influence the profitability of the suppliers operating in the market by imposing conditions that are not much favorable for the suppliers in terms of price, quality or service. Therefore, choosing clients often become crucial for the organizations as to avoid the situation of being highly dependent on the buyers. The level of interest and concentration of buyers toward the product gives them more or less power.

Powerful buyers could flip the side of the powerful supplies by forcing the prices to move downwards and by demanding high quality and services by creating a competition between the participants in the industry on the basis of price and quantity. Force motors customers are deemed strong if they contain negotiating leverage specifically if the industry is sensitive to price, the buyers can pressure suppliers for further price reductions.

Customer is assumed to have strong buying power in case:

- If the number of buyers is limited or each of the buyers purchases large quantities relative to the size of the suppliers.
- The products in the industry are standardized or are undifferentiated.
- The cost of switching is comparatively low.

➤ **THREAT OF SUBSTITUTE PRODUCTS**

The Force motors substitute products are an alternative that are available in the market at comparatively better prices. Such products prevail due to the technological and innovative advancement. Due to which the products being produced by the companies that are already existing in the market and are using the same technology are then replaced by the other company's products that are comparatively better in terms of price and quality and are being produced from sectors with significant profits. The substitute products are dangerous as the companies are under constant threat of being replaced.

High threat of substitutes leads to low profitability as it limits the industry profits by placing a price ceiling due to the fear of being substituted by other products. Apart from this it also affects the growth potentials of the industry as a whole but reducing the profitability margins.

➤ **THREAT OF NEW ENTRANTS**

It is in the favour of the companies that exist in the market to create barriers for the new entrants to prevent them from entering into the industry. The organizations could be the new companies or the companies that are planning to diversify itself in the market. The barriers can be both industrial and legal. Apart from this the size and the reputation of the companies that are already operating in the market also play an important role. Furthermore, the cost related to the entry, access to raw materials, barriers related to culture and technical standards also play a major role and can affect the decision of the new entrants in the market.

CHAPTER - 4
SWOT ANALYSIS

SWOT analysis (or SWOT matrix) is a strategic planning technique used to help a person or organization identify strengths, weaknesses, opportunities, and threats related to business competition or project planning.



Analysis of Force motors are as follows;

As we know about swot analysis it consists of strength weaknesses opportunities and threats. Let us take a deep concentration about these aspects in the analysis of Force motors LTd.

Firstly let us see about

> **STRENGTH**



- Company with low debt
- Company with Low Debt Company with Promoter Pledge.
- Strong Momentum
- Price above short, medium and long term moving averages

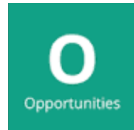
>**WEAKNESS**



- Degrowth in Revenue and Profit
- Decline in Net Profit (QoQ)
- Decline in Quarterly Net Profit (YoY)
- Decline in Net Profit with falling Profit Margin (QoQ)
- Decline in Quarterly Net Profit with falling Profit Margin (YoY)
- Degrowth in Quarterly Revenue and Profit in Recent Results
- Declining Revenue every quarter for the past 2 quarters
- Declining profits every quarter for the past 2 quarters Major fall in TTM Net Profit
Recent Results
- Fall in Quarterly Revenue and Net Profit (YoY) Recent Results

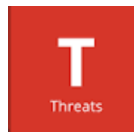
-Declining Operating Profit Margin and Net Profits (YoY)

> OPPORTUNITIES



-Stock with Low PE (PE < = 10)

> THREATS



-Profit to Loss Companies Degrowth in Revenue

-Profits and Operating Profit Margin in recent results (QoQ)

- Increasing Trend in Non-Core Income

Below SWOT analysis is NOT a BUY/SELL/HOLD Recommendation. Do your own diligence & contact your financial advisor before making any investment decision						
Company - Industry	Force Motors -- Fully, vertically integrated automobile company. Industry - Commercial Vehicles					22-Mar-20
Peers	SML ISUZU	Ashok Leyland	Tata Motors	Eicher Motors	M&M	CMP - 762
Strength			Oppurtunities			
Fully, vertically integrated automobile company, with expertise in design, development and manufacture of the full spectrum of automotive components, aggregates and vehicles.			Deal underway with Rolls -Royce Power Systems AG to produce engines for Power generation and railways			
Only company in the world to produce and assemble engines and powertrain components for both Mercedes and BMW. Locally assembled luxury cars such as Mercedes C-Class, E-Class, S Class, BMW 3 Series, 5 Series, X3 and X5 run on engines provided by Force Motors.			Company is in advanced stages of completing in-house development work on a completely new bus and utility vehicle. Under talks with few german companies for sourcing electric technology. Electric vehicle under development and validation			
Quality and maintenance of engines is a big plus ~67% market share in van segment ~42% LCV passenger market share			Loads of oppurtunities in new vehicles like bus, SUV. Hybrid models manufacturing New innovative features in existing vehicles Luxury Mini Buses to cater to tier II Tier III cities.			
50% market share in 6-20 seater segment, Large promoter holding, Diverse revenue streams from LCV, Tractors and auto components			With epansion of medical facilities, demand of ambulances will increase.			
Almost a debt free company			Increase in export to diversify the business can also yeild consistent profits			
Weakness			Threats			
Poor information disclosures. Lot of complaints in different forum about management not answering invesor questions through mails, confcalls			Ban on BS IV engines		Strong competitors ike Tata Motors, Ashok leyland, SML, M&M leads to tough pricing environment	
Apart from Traveller and Trax, no other brand has strong visibility in consumer		Most of market sales is in domestic business.	Increase in commodity prices like Steel, rubber, crude oil		Extended Slowdown in economy or drought	
Other income is quite high as compared to operating income for few years continuously			Speed of change towards electric vehicles		Developing resistance to diesel fuel	
Things to watch out in next few quarters		Any reduction in taxation on vehicles with seating capacity>9	Smooth Transition to BS VI engines, fuel		Any future policy changes impacting Diesel engines e.g. >2000cc diesel engine banned by SC	
		Profits coming from core business and not from other income	Electric Traveller could be gamechanger			

CHAPTER - 5

FINANCIAL STATEMENT ANALYSIS

Financial Statement

What is a financial statement?

Financial statement analysis (or financial analysis) is the process of reviewing and analyzing a company's financial statements to make better economic decisions to earn income in future. These statements include the income statement, balance sheet, statement of cash flows, notes to accounts and a statement of changes in equity (if applicable). Financial statement analysis is a method or process involving specific techniques for evaluating risks, performance, financial health, and future prospects of an organization.

Financial statement of force motors

Balance sheet of force motors

Force Motors Standalone Balance Sheet	in Rs. Cr.				
	Mar '20 12 mths	Mar '19 12 mths	Mar '18 12 mths	Mar '17 12 mths	Mar '16 12 mths
Sources Of Funds					
Total Share Capital	13.18	13.18	13.18	13.18	13.18
Equity Share Capital	13.18	13.18	13.18	13.18	13.18
Reserves	1,962.53	1,921.69	1,785.61	1,652.23	1,467.26
Networth	1,975.71	1,934.87	1,798.79	1,665.41	1,480.44
Secured Loans	234.72	256.50	0.00	0.00	0.00
Unsecured Loans	0.00	0.00	0.00	198.46	2.64
Total Debt	234.72	256.50	0.00	198.46	2.64
Total Liabilities	2,210.43	2,191.37	1,798.79	1,863.87	1,483.08
	Mar '20 12 mths	Mar '19 12 mths	Mar '18 12 mths	Mar '17 12 mths	Mar '16 12 mths
Application Of Funds					
Gross Block	1,845.23	2,503.62	2,112.92	2,012.00	1,797.53
Less: Accum. Depreciation	0.00	1,287.79	1,164.46	1,100.58	1,004.21
Net Block	1,845.23	1,215.83	948.46	911.42	793.32
Capital Work in Progress	0.00	371.80	369.17	220.26	0.00
Investments	91.84	28.19	10.60	9.67	1.23
Inventories	551.52	503.56	477.10	437.67	547.51
Sundry Debtors	168.72	166.52	241.91	115.10	150.40
Cash and Bank Balance	66.27	3.20	40.93	234.22	317.64
Total Current Assets	786.51	673.28	759.94	786.99	1,015.55
Loans and Advances	382.96	546.80	430.86	671.82	279.16
Total CA, Loans & Advances	1,169.47	1,220.08	1,190.80	1,458.81	1,294.71
Current Liabilities	848.03	591.83	668.50	682.64	759.82
Provisions	48.08	52.70	51.74	53.65	50.95
Total CL & Provisions	896.11	644.53	720.24	736.29	810.77
Net Current Assets	273.36	575.55	470.56	722.52	483.94
Total Assets	2,210.43	2,191.37	1,798.79	1,863.87	1,278.49
Contingent Liabilities	0.00	297.43	0.00	0.00	219.08
Book Value (Rs)	1,499.02	1,468.45	1,365.17	1,263.95	1,123.57

Source : Dion Global Solutions Limited

FORCE MOTORS Balance Sheet Analysis

- The company's sources of funds are mentioned in the above statement and they are total share capital and equity share capital and over the past five financial years they are observed to be constant.
- There is point fluctuation change over the years in Revenues. For the latest revenue it is 1,962.53 which is more than the previous financial year.
- Net worth of the company is seen to be increased over the years

- Total debt for the current year has reduced compared to the FY 2018 The money owed is relatively less than last year. It shows it has relatively less dues
- Total liabilities have also increased over the years and according to the current year compared with the FY 2018 it has increased. It has moved to 2,210.43 as per the FY 2020.
- Application of funds and how the funds are allocated to each and every sector are also mentioned and their numbers and how much funds are spent and allocated for each and every sector and finances used for improvement of business.
- Net block for the current year is 1,845.23 and it is very high compared to other financial years. Assets which are worth to the company have increased.
- Total assets are also increased over the years and when we notice the numbers there is a gradual increase over the years. 2,210.43 for the current year which is more than the previous year which was 2,191.37. Book value which is stated in Rupees has also increased over the period of time and it also shows improvement.

Profit and Loss Statement of force motors

Force Motors Consolidated Profit & Loss account	in Rs. Cr.				
	Mar 20 12 mths	Mar 19 12 mths	Mar 18 12 mths	Mar 17 12 mths	Mar 16 12 mths
INCOME					
Revenue From Operations [Gross]	3,080.52	3,620.36	3,493.54	3,463.53	3,457.09
Less: Excise/Sevice Tax/Other Levies	0.00	0.00	100.82	425.58	425.39
Revenue From Operations [Net]	3,080.52	3,620.36	3,392.72	3,037.95	3,031.69
Other Operating Revenues	0.00	32.09	30.23	31.42	28.45
Total Operating Revenues	3,080.52	3,652.45	3,422.95	3,069.37	3,060.14
Other Income	42.77	81.62	68.72	84.94	71.44
Total Revenue	3,123.29	3,734.07	3,491.67	3,154.31	3,131.58
EXPENSES					
Cost Of Materials Consumed	2,140.14	2,814.71	2,609.24	2,130.56	2,237.64
Changes In Inventories Of FG,WIP And Stock-In Trade	82.65	-34.25	-51.32	71.79	-65.19
Employee Benefit Expenses	406.58	418.13	386.55	350.08	303.69
Finance Costs	27.85	15.33	6.67	5.54	4.32
Depreciation And Amortisation Expenses	194.52	150.92	129.26	113.08	91.93
Other Expenses	182.27	308.95	312.13	321.93	351.10
Less: Amounts Transfer To Capital Accounts	0.00	133.87	101.44	73.09	41.54
Total Expenses	3,034.01	3,539.92	3,291.09	2,919.89	2,881.95
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	89.28	194.15	200.58	234.42	249.62
Exceptional Items	-39.06	0.00	0.00	0.95	0.00
Profit/Loss Before Tax	50.22	194.15	200.58	235.37	249.62
Tax Expenses-Continued Operations					
Current Tax	-8.26	42.08	43.71	49.15	28.89
Deferred Tax	0.00	4.88	15.14	6.06	41.08
Tax For Earlier Years	0.00	-0.24	-5.48	-0.02	0.00
Total Tax Expenses	-8.26	46.72	53.37	55.19	69.97
Profit/Loss After Tax And Before ExtraOrdinary Items	58.48	147.43	147.21	180.18	179.65
Profit/Loss From Continuing Operations	58.48	147.43	147.21	180.18	179.65
Profit/Loss For The Period	58.48	147.43	147.21	180.18	179.65
Minority Interest	-0.10	-0.09	-0.09	-0.09	0.00
Share Of Profit/Loss Of Associates	-8.21	-4.01	0.00	0.00	0.00
Consolidated Profit/Loss After MI And Associates	50.17	143.33	147.12	180.09	179.65
OTHER ADDITIONAL INFORMATION					
EARNINGS PER SHARE					
Basic EPS (Rs.)	38.00	109.00	112.00	137.00	136.00
Diluted EPS (Rs.)	38.00	109.00	112.00	137.00	136.00
DIVIDEND AND DIVIDEND PERCENTAGE					
Equity Share Dividend	0.00	13.18	13.18	0.00	13.18
Preference Share Dividend	0.00	2.70	2.68	0.00	0.00
Tax On Dividend	0.00	0.00	0.00	0.00	2.68

Source : Dion Global Solutions Limited

- An income statement or profit and loss account (also referred to as a profit and loss statement (P&L), statement of profit or loss, revenue statement, statement of financial performance, earnings statement, statement of earnings, operating statement, or statement of operations) is one of the financial statements of a company and shows the company's revenues and expenses during a particular period.

- It indicates how the revenues (also known as the “top line”) are transformed into the net income or net profit (the result after all revenues and expenses have been accounted for). The purpose of the income statement is to show managers and investors whether the company made money (profit) or lost money (loss) during the period being reported.

Cash flow statement of force motors

Force Motors Cash Flow	----- in Rs. Cr. -----				
	Mar 20	Mar 19	Mar 19	Mar 18	Mar 18
	12 mths	12 mths	12 mths	12 mths	12 mths
Net Profit/Loss Before Extraordinary Items And Tax	0.00	0.00	193.81	200.23	0.00
Net CashFlow From Operating Activities	0.00	0.00	312.03	256.48	0.00
Net Cash Used In Investing Activities	0.00	0.00	-605.58	-80.59	0.00
Net Cash Used From Financing Activities	0.00	0.00	256.26	-222.88	0.00
Net Inc/Dec In Cash And Cash Equivalents	0.00	0.00	-37.29	-46.99	0.00
Cash And Cash Equivalents Begin of Year	0.00	0.00	39.57	86.56	0.00
Cash And Cash Equivalents End Of Year	0.00	0.00	2.28	39.57	0.00

Source : Dion Global Solutions Limited

- A cash flow statement is a financial statement that provides aggregate data regarding all cash inflows a company receives from its ongoing operations and external investment sources. It also includes all cash outflows that pay for business activities and investments during a given period.
- A company's financial statements offer investors and analysts a portrait of all the transactions that go through the business, where every transaction contributes to its success. The cash flow statement is believed to be the most intuitive of all the financial statements because it follows the cash made by the business in three main ways—through operations, investment, and financing. The sum of these three segments is called net cash flow.

CHAPTER - 6

LEARNING EXPERIENCE

Force Motors Limited, is an Indian automotive manufacturer, the flagship company of the Dr. Abhay Firodia Group. From 1958 until 2005 the company was known as Bajaj Tempo Motors, because it originated as a joint venture between Bachraj Trading Ltd. and Germany's Tempo. The company is known for brands like the Tempo, Matador, Minidor and Traveller.

Through this organizational study, As an individual got to know more information about the Organisation. It let us know about how the organization works and management system within the organization. Through this organization study we got to know about their financial system and how much progress as a company it has grown over the years. Company's achievements over the years and how much positive impact it has given to the general public over the years through their services. It has enormously provided it's services in the transport sector.

However despite global pandemic we did not get the opportunity to directly meet the organisation and study about it. But through research and study from our homes we got to know more about the companies and their strategies and how the management system works regarding decision making. Overall it was a great experience personally where we got to know how the organisation works within themselves and some good knowledge about them through this study.

BIBLIOGRAPHY

- www.forcemotors.com
- www.moneycontrol.com
- <https://www.livemint.com>
- www.motorindiaonline.com
- www.capitalmarket.com
- www.carwale.com

WEEKLY PROGRESS REPORT

Student Name	Mr. Karthikeyan G M
USN	ICR19MBA37
Title of the Study	An Organisation Study on FORCE MOTORS LIMITED
Organization	FORCE MOTORS LIMITED
WEEK-1	
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
WEEK-2	
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.
WEEK-3	
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
WEEK-4	
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 Guide



Signature of the Student