

Field Project

Analysis of

Mahindra and Mahindra

and its subsidiary companies

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Details about the Companies under consideration:

Stories Of Inception

Mahindra and Mahindra: Mahindra and Mahindra (before partition referred to as Muhammad and Mahindra) was a steel trading company and was founded by J.C. Mahindra, K.C. Mahindra and Malik Ghulam Muhammad. After partition they started trading with UK supplier and also won a contract to manufacture Willys Jeeps in India and began its production in 1947. By 1956 the corporation got listed by BSE (Bombay stock exchange) and by 1969 Mahindra and Mahindra had entered the planet market as exporter of utility vehicles and spare parts. Since at that point Licence Raj was going on, so Mahindra and Mahindra started expanding into different industries. Mahindra and Mahindra created a tractor division in 1982 and Tech division (now Tech Mahindra) in 1986. By 1994 Mahindra and Mahindra became so diverse that it had to do fundamental reorganization in which the company was divided into six strategic business units: Automotive, Farm Equipment, Infrastructure, Trade and Financial Services, Information Technology, Automotive Components (known internally as Systech)

In 2000, the new Managing Director, Anand Mahindra also followed reorganization with a new logo. In 2002, Mahindra and Mahindra successfully launched a wholly indigenously designed vehicle Mahindra Scorpio. Along the launch and overhaul in production and manufacturing methods helped the company become more competitive as the Group's reputation and revenues had risen noticeably. Mahindra and Mahindra is one of the 20 largest companies in India, the group was also named among the top 200 reputable companies by Forbes. In January 2011, Mahindra group launched a new corporate brand Mahindra Rise. So that they could unify Mahindra's across the industries and geographies.

GROMAX AGRI EQUIPMENT LIMITED

Gromax, once in the past known as Gujarat Tractors, is an agri equipment association with an objective to better the lives of ranchers across India with moderate automation arrangements. It is a subsidiary of Mahindra and Mahindra and Government of Gujarat. Mahindra and Mahindra has 60% of its stake while Government of Gujarat has the rest 40%. The organization believes that the life of a farmer can be changed by GROWing Maximum from his sources of inputs and henceforth the name. Its most popular mechanisation solutions are

TRAKSTAR tractors and TRAKMATE farm implements. Spread across 55 acres, its assembling plant is situated in Vadodara city - "the Sanskari City" of Gujarat.

Ford India Pvt. Ltd.

Ford India Ltd. Is one of the best car makers present in India and on eighth rank in terms of production with an objective to provide the working class with affordable automobiles. It's an American car manufacturer having production units found everywhere throughout the world. Ford entered the Indian market in the year 1926 with its then most successful model, Ford Escort. However tasks were shut in the nation due to suffering huge losses in 1954. The production was restored in the nation by government approval in a 50:50 endeavour with Mahindra in 1995. It was renamed as Mahindra Ford India Limited (MIFL).

Founder Details:-

1.Mahindra and Mahindra:

1)J.C.Mahindra

Jagdish Chandra Mahindra was conceived in Ludhiana, Punjab, India. He believed in the power of education so he made sure all his siblings had education. He graduated from Veermata Jijabai Technological Institute(VJTI) Mumbai. He began at TATA steel as the senior project supervisor from 1929 to 1940 and he was appointed as the first steel controller of India during world war II. In 1946 he established Mahindra and Mohamed.

2)K.C.Mahindra (alias name KC)

Kailash Chandra Mahindra was sibling of J.C.Mahindra and was born in 1894. He went to Government College, Lahore and he earned his Honours from Cambridge University. After graduation he joined Martin and Company where. KC was appointed as the Head of the Indian Purchasing strategic U.S. In 1945 he returned to India and helped in shaping the coal industry by applying the latest method of coal mining. In 1946, KC moved to Bombay to establish Mahindra and Mohammed. KC likewise filled in as a Director of RBI, Air India and Hindustan Steel.

3)Malik Ghulam Muhammad

Malik Ghulam Muhammad was born in Lahore, Punjab, India. He got his BA degree in accountancy from MOA school of AMU(Aligarh Muslim University). After that he served

many influential and High Ranking positions in the Railway and Government and in 1945 he Co-Founded Mahindra and Mohamed Steel Company.

2.GROMAX AGRI EQUIPMENT LIMITED:

Pashabhai Patel : Around 1912, a Gujarati-Origin businessman named Pashabhai used to import tractors through M/s Pashabhai Patel Co. After Independence, he was asked to acquire 500 tractors by the then Prime Minister, Jawaharlal Nehru. His company was granted a permit and he teamed up with Czech company, Motokov Praha Czechoslovakia and other details about the founder are not available.

3.Ford India Pvt. Ltd.

Henry Ford was an American industrialist and businessman, founder of the Ford Motor Company and boss engineer of the sequential construction system procedure of large scale manufacturing. By making the car that white collar class Americans could bear, he changed over the vehicle from a costly interest into an available movement that would significantly affect the scene of the twentieth century.

Vision and Mission Statements:

Mahindra and Mahindra: Mahindra and Mahindra main **vision** is “to empower the Nation through education”. The **mission** of Mahindra and Mahindra can be encapsulated in the words given below:

“ “ Educated, skilled and able women and men are a country’s true strength. We aspire to see Children who are purposefully engaged, youth that is constructively employed and a society that provides equal opportunities to people with different abilities ” ”

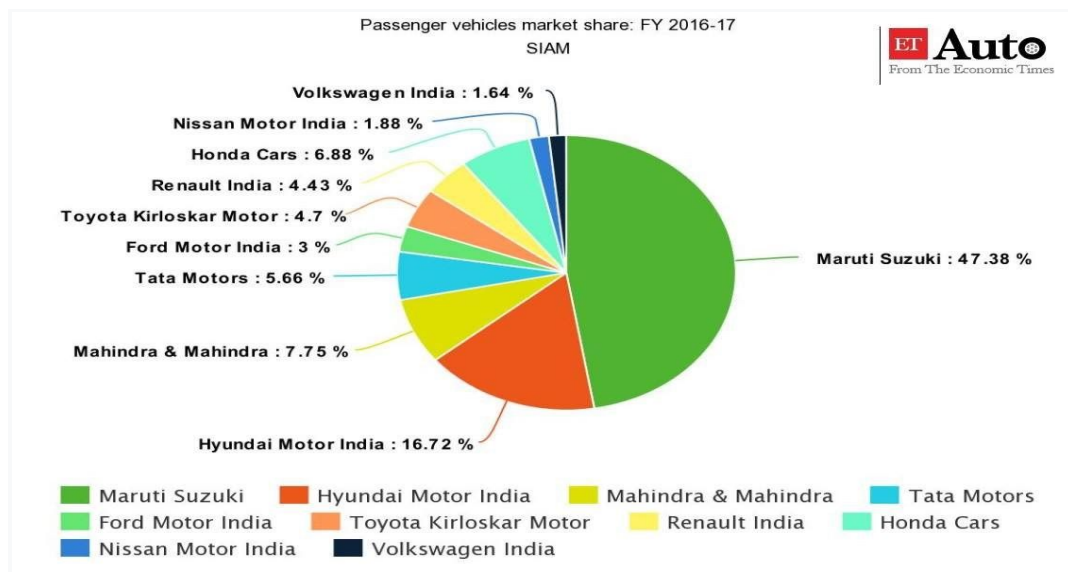
GROMAX AGRI EQUIPMENT LIMITED: “We are committed to the cause of enhancing and enriching the lives of farmers across India with affordable mechanization solutions.”

Ford India Pvt. Ltd. : The vision of the company is “ to become the world's most trusted company, designing smart vehicles for a smart world”. The mission of the company is “ to make people’s life better by making mobility more accessible and affordable”.

	M&M	Ford	GROMAX
Revenue	₹105,806 crore (US\$15 billion)(2019)	₹26,324 crore(2019)	₹75.38 crore in 17-18 year
Operating Income	₹8,870 crore (US\$1.2 billion)(2019)	324 crore USD(2018)	₹186.41 Lakhs
Net Income	₹6,016 crore (US\$840 million)(2019)	367 crore USD(2018)	₹1994.8 lakhs in FY17
Profit Before Tax	₹1076.81 crore		₹521 lakhs in FY17
Total Market Capitalization	₹936.65 crore	37,693 million USD	NA
Number of Employee	20,867 Employees	10000 Employees	345 Employees

Few numbers in the companies expenditure:-

Details about the industry:



Comparative Analysis : Part A

Focus on Education :

The companies have focussed a good fraction of their CSR Activities on Education. Ford started its “Happy School” program in India in Chennai in 2014. The partnered with the established NGOs to conceptualize a model that focuses on the gaps in the areas of academics, health, nutrition and infrastructure across primary schools. Ford has established several other programs focussing on Education like Rural Empowerment Programme for

supporting schools in rural areas, LightHouse Program focussing on Girl child education, and the Rotary Digital Literacy program helping people secure digital literacy. Mahindra & Mahindra have also participated actively in the education sector through their CSR activities. They have launched several successful programs like the KC Mahindra Education trust where every company in the Mahindra group donates 0.5% of their PAT, the Mahindra Pride Schools which are setup near the production area to provide education to the children of their staff members, and the Nanhi Kali Project which supports the care and education of the girl child.

Focus on Public Healthcare :

The companies have been supporting healthcare through several programs. Ford has established the Primary Health care center - "Sanjeevi" which has provided medical care in the villages surrounding Chennai. The Maternal and Child health-care intervention was also one successful program that Ford has run in India. Ford has been named the largest Voluntary Blood Donor for around 2 decades straight. Mahindra & Mahindra has been very active in the public health drives. These initiatives include Blood Donation Camps, Eye Donation and Awareness, Eye Check-ups, Surgical Camps, Health Check-up camps and HIV/AIDS Awareness Camps.

Sustainability and Environmental Activities :

All these organizations believe in sustainable growth and creating an ecological balance. The Mahindra Group has gone Zero-Waste-To-Landfill in 11 of their facilities under the #CutTheCrap Project. To add to their Sustainability initiatives, Mahindra also invested in the Hariyali Programme, which since its start has planted over 16.4 million trees in India. Ford India is not behind in their part for the Environmental CSR Activities. Ford has supported the restoration of Pallikarni Marshland, which is home to hundreds of migratory birds. Ford has also led a restoration for Thirukachur lake.

Women Empowerment :

To help strengthen the communities, the companies have done their share for women empowerment as well. Ford India has supported Women Empowerment Programs in villages near Chennai where over 1300 women have been trained over the last 4 years. Ford's Project Valam under the Livelihood programs, equips women with skills for employment and empowerment. Ford has also supported the Neeva Foundation to provide training and employment to women as drivers. Mahindra and Mahindra has also done their share in

Women Empowerment through the Women Leaders Program. This programme creates a pipeline of female leaders and change agents for the Mahindra group. Around the world, the company's efforts to improve the community life is commendable.

Comparative Analysis B:-

Strategic Alliances:

Mahindra and Ford Motor Company framed a key collusion. The two organizations will mutually create and sell Ford items in India, just as Mahindra and Ford items in business sectors around the globe. The joint proclamation given by the two organizations expressed that the organization will cooperate for a conclusive period. The organization is esteemed at 1,925 INR. Mahindra will have 51% of the controlling stake while Ford will have the staying 41%. **Gromax Agri Equipment Ltd** (formerly Mahindra Gujarat Tractors restricted) is an auxiliary of Mahindra and Mahindra Ltd. As a piece of re-established procedure, Gromax propelled its new tractor brand-Trakstar. It ended up being a tremendous achievement. Mahindra has the greater part of the offers in the residential tractor market and Trakstar is a significant explanation for the achievement. **Ford Motors** is destined to stop autonomous activity in India. It formed a vital union with Mahindra and Mahindra and will have 49% of the all out stake. Under this partnership, Ford items will be created and advertised in India and furthermore trade elements to Ford elements all inclusive. The coalition should be operational by mid-2020.

Geographical Expansion:-

Mahindra and Mahindra has a great global and local presence it has about 18 manufacturing facilities (mainly USA) and 7 R&D facilities (mainly ITALY) all around the world. It also has about 18 manufacturing industries locally in India (most of them in Maharashtra) and about 5 R&D facilities (Automotive) in India. In their geographical expansion locally and globally they have acquired a lot of companies and some of the companies are Pininfarina (76.06%), Mahindra 2 Wheelers (group venture), Ssangyong Motors (74.65%), B.S.A company, GenZe, Mahindra Reva, Peugeot Motorcycle (100%), Ford India Private Ltd (51%) and Gromax. **Ford India** is currently being managed by Mahindra and Mahindra and is a sub branch of Ford. So it has local presence only and its two manufacturing units are Chennai (**Ford EcoSport** and **Ford Endeavour**) and Sanand

manufacturers **Ford** Figo, New **Ford** Aspire and **Ford** Freestyle. **Gromax** parent company is Mahindra and Mahindra. Gromax has a manufacturing facility in Vadodara - 'The Sanskari Nagari'. Gromax is limited to India only.

Mergers and Acquisitions :

Ford has had many acquisitions over the past few decades such as Quantum Signal, Breeze, SAIPS, Jaguar Land Rover, Volvo Cars Group etc. **Mahindra** and **Ford** will form a joint venture, with Mahindra owning a 51 percent controlling stake and Ford owning a 49 percent stake. Ford will transfer its India operations to the joint venture, including its personnel and assembly plants in Chennai and Sanand. Ford will retain the Ford engine plant operations in Sanand as well as the Global Business Services unit, Ford Credit and Ford Smart Mobility. A decade ago, Mahindra took acquisitions in 43.3% of the stakes in Punjab Tractors Ltd too. **Gromax** is an auxiliary company of Mahindra and Mahindra but hasn't done any mergers and acquisitions other than itself with Gujarat and M&M.

Divestment:

The latest divestment by Mahindra and Mahindra was in 2013 in subsidiary company Mahindra holidays and resort limited. It is about selling 8.03% of its stake in it. Ford India parent company Ford has divested its sub-branch Ford India and has given all their control to Mahindra and Mahindra and in this partnership they will own only 49% of the company. Gromax is one of the subsidiaries of Mahindra and Mahindra and is limited to India only.

Conclusion:-

1)Mahindra and Mahindra is a private association which was established by J.C.Mahindra, KC and Malik Ghulam Muhammad in 1947. It began as a steel industry however advanced with a section of time into the world's biggest tractor maker and has numerous achievements in the car business and has had the option to have incredible worldwide nearness. In 2011 it combined all its divisions into one Mahindra Rise.

2)Mahindra and Mahindra(51%) and Ford(49%) are shaping a joint endeavor. In which Ford India will move its India Operation to the joint endeavor and Mahindra will assume responsibility for Ford India Auto business.

3). The Mahindra Group has been associated with many CSR activities, which has earned it great market goodwill. Ford has done a lot for their CSR activities as well, although most of their programs were focussed near Chennai and their plants. Gromax is fairly new and being the child company of M&M they haven't done very extensive work in their CSR but have had their part.

4)From the above report we come to the conclusion that after investing in India in collaboration with mahindra the excellent market strategy of ford make it able to increase its profit in the indian market and create the demand for general public which lead it establish as ford India Pvt Ltd in 1998 and 6 th largest car manufacturer in present day automotive industry in India. Apart from one of the largest manufacturers the company has faced losses in the years of 2016-17 but is now gaining the hold of the market by introducing more advanced technologies to the indian market.

5)Gromax Agri Equipment Ltd. Is a subsidiary of Mahindra & Mahindra and the Government of Gujarat. Its manufacturing plant is located in Vadodara and its products are specifically designed for the needs of Indian farmers. Gromax has no global presence and its sales are limited to the Indian subcontinent. It looks forward to providing farmers with effective and affordable mechanisation solutions. Its two most popular products are TRAKSTAR tractors and TRAKMATE farm implements.

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