

CHAPTER 1

INTRODUCTION

1.1 INDUSTRIALIZATION

Industrialization is the period of social and economic change that transforms a human group to an industrial society from an agrarian society, involving the extensive manufacturing re-organization. of an economy. Industrialization requires many key elements to grow on a significant scale. They are land, labour, capital technologies and connections. Industrialization is the process by which an economy is transformed from a primarily agricultural me to one based on the manufacturing of goods.

Industrialization is a transformation away from an agricultural or resource based economy, towards an economy based on mechanized manufacturing. on Industrialization is usually associated with a greater average income and improved living standards.

Industrialization is defined as a process in which there is the transformation from the dependence on agrarian and handicraft to the dependency on an industrial sector driven economies.

1.2 INDUSTRY

"Industry is referred as a group of Companies offering products or services that are close substitutes for each other, that is products or services that satisfy the same basic customer's needs" -**Porter.**

An industry is a group of companies that are related based on their primary business activities. In modern economies there are dozens of industry classification. Industry classifications are typically grouped into larger categories called sectors. Individual companies are generally classified into an industry based on their largest source of revenue.

A group of firms which produce the goods and services are termed as an industry. The industry refers to the production of finished groups from raw materials. It denotes the production activities of the business. The industry is a business which involves processing, raising and producing goods.

1.3 AUTOMOTIVE INDUSTRY

The automotive industry comprises a wide range of companies and organizations involved in the design, development, manufacturing, marketing, selling, repairing and modification of motor vehicles. It is one of the world's largest industries by revenue. The industry's principal products are passenger automobiles and light trucks, including pickups, vans, and sport Utility vehicles. Commercial vehicles (i.e, delivery trucks and large transport trucks, often called semis), though important to the industry, are Secondary.

1.4 GROWTH AND DEVELOPMENT OF AUTOMOTIVE INDUSTRY

The Indian automobile industry is a key contributor to the country's economic growth. it adds 75% overall GDP and 49% to India's manufacturing GDP. The Indian auto parts industry witnessed a remarkable 23% growth, contributing 2.3% to India's GDP during the last decade, the advancement in production and management systems has revolutionized the automobile industry. The industry has witnessed the opening up and growth of several emerging markets. The automobile industry is now facing new and pressing challenges

1.5 CONTRIBUTION OF AUTOMOBILE INDUSTRY TOWARDS ECONOMIC DEVELOPMENT

The auto and auto component industry's impact on the Indian economy currently is significant as it contributes 7% to the country's GDP and is expected to increase to 12% as per the automotive mission plan. The auto industry does a lot of good for the MSME sector which is a big employment generator for India and an important log in the Indian economy. The industry has the potential to compete with global leaders. As one of the leading driving forces of the economy, the auto industry Contributes to above 49% to the India's manufacturing GDP and 7.5% to the GDP at large.

1.6 GOVERNMENT POLICIES TOWARDS AUTOMOTIVE INDUSTRY

- **Production Linked incentive (PLI)**

The union cabinet announced the production linked incentive scheme in the automobile and auto Components sector. The PLI scheme for automobile sector proposes financial incentives of up to 18% to boost domestic manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain.

- **Foreign Direct investment (FDI)**

Under the automotive route, 100% Foreign Direct investment (FDI) is permitted along with full delicensing. Hence, making it easy for investors to setup their manufacturing plant/shop in India.

- **Automotive mission plan 2016-2026 (AMP 2026)**

The automotive mission Man 2016-2026 outlines the trajectory of growth of the automotive ecosystem in India, including the glide path of decline regulations and policies that govern research, design, technology, testing, manufacturing, imports/esports, Sale, use, repairs, and recycling of automotive vehicles, Components and services.

1.7 FIVE YEAR PLAN OF AUTOMOTIVE INDUSTRY

Planning commission constituted a working group on automotive sector for the 12th Five Year plan (2012-2017) under the chairmanship of secretary, department of heavy industry. Three sub-groups one each on automotive mission plan (AMP), auto Component and electric mobility were constituted. The methodology consisted of inviting information/ suggestions from all the stake holders, such as industry associations, centers of excellence and government departments etc. The inputs were collated and deliberated upon in-depth at various fora, before finalizing the report. This is the report of the working group on automotive sector

1.8 RECENT TRENDS IN AUTOMOBILE INDUSTRY

over the past few decades, the Indian automotive industry has witnessed a remarkable transformation with the influx of technology playing a critical role in its evolution. The use of artificial intelligence (AI) and machine Learning (ML) has revolutionized the industry, with companies using data analytics to optimize their operations and enhance the customer experience. The rise of the internet of things (IOT) has also led to the development of connected cars allowing drivers to access real-time information. and control their vehicles remotely. The top 5 most recent trends influencing the Indian auto industry embrace innovation and sustainability, ADAS, IOT, Safety, electrification.

1.9 STATISTICAL INFORMATION

- The industry produced a total of 2,59,31,867 vehicles including passenger vehicles, commercial vehicles. Three wheelers, two wheelers and Quadricycles in April 2022 to March 2023 as against 2,30,40,066 units in April 2021 to March 2022.
- Total passenger vehicle sales increased from 7,16,566 to 962,428 units. Sales of medium and Heavy commercial vehicles increased from 2,40,577 to 3,59,003 units and light commercial vehicles increased from 4,75,989 to 603,465 units in financial year 2022-23 compared to Previous Year.
- The overall commercial vehicles sales increased from 116,566 to 962,468 units.

1.10 MARKET SHARE

India's Automotive Market was valued at USD 100 billion in 2021 and is expected to reach USD 160 billion in 2027, registering a CAGR of 8.1% over the forecast period (2022-2027). India is the 4th largest producer of Automobiles in the world with an average annual production of more than 4 million motor vehicles. Market share of automobile across India in financial year 2023 by segment.

Two wheelers-74.81%

Passenger vehicles-18.35%

Commercial vehicles-4.54%

Three wheelers-2.3%

Quadricycles -0%

1.11 FUTURE PROSPECTS OF AUTOMOBILE INDUSTRY

By 2030, around 70% of commercial vehicles, 40% buses, 30% cars and 80% two wheelers will be electrics. Several initiatives such as the National electric Mobility Mission Plan (NEMMP) and faster adoption and manufacturing of hybrid and electric vehicles (FAME) have been undertaken by the government of India to realise the 2030 goal.

1.12 ASHOK LEYLAND LIMITED

Ashok Leyland limited is an Indian multinational automotive manufacturer, with their headquarters in Chennai. It is owned by the Hinduja group. It was founded in 1948 as Ashok motors which became Ashok Leyland in the year 1955. Ashok Leyland is the second largest manufacturer of Commercial vehicles in India (with market share of 32.1% in 2016), the third largest manufacturer of buses in the world, and the tenth largest manufacturer of trucks with the corporate office located in Chennai, its manufacturing facilities an in Enore, Bandra, two in Hosur, Alwar and Uttarakhand. Ashok Leyland also makes spare parts and engines for industrial and marine applications. Ashok Leyland limited has a product range from IT GVW (overall vehicle weight) to 557 GGTW (overall trailer weight) in trucks, 9 to 80-seater bus, vehicles for defence and special applications, and diesel engines for industrial, genset and marine applications. In 2019, Ashok Leyland limited claimed to be in the top 10 global commercial vehicle makers approximately 140000 vehicles (MCV and LCV) in 2016. In the trucks segment, Ashok Leyland primarily concentrates on the 16 to 25 ton range

1.13 GOODWILL

goodwill refers to the reputation of the firm. Goodwill is an intangible assets which is associated with the purchase of one company by other company. It represents the value that can give the company a competitive advantage. Ashok Leyland limited has Placed on its website the standalone and consolidated financial statements and separate audited and unaudited accounts of all subsidiary companies as the tax may be and the company will provide a copy of separate audited financial statements.

1.14 MARKET SHARE

Market share represents the percentage of an industry or a market total sales, that is earned by a particular company over a specified time period. The company enjoys 32% of market share in the medium and heavy commercial vehicles segment and a 20% share in the light commercial vehicle segment.

1.15 FUTURE PROSPECTS OF ASHOK LEYLAND LIMITED

Ashok Leyland's management continues to be committed share to increasing the company's market share and presence through an increase in the dealership network. New product launches-it has been launching new produces in segments like electric vehicles, multi-axle, the tripper/haulage segment, etc. It would launch the 4930 model, the top of the line model powered by 300 hp engine The investment would be mainly for the capacity hike at the Uttarakhand Plant The Company has Launched India first electronic bus and will invest 1100 crore initially in EV business

CHAPTERIZATION

CHAPTER 1 - INDUSTRIALISATION

Chapter one consists meaning of Industrialization introduction of automotive industries, its growth and development, its Contribution towards economic development, government policies and measures market share, future prospects. brief introduction about Ashok Leyland limited.

CHAPTER 2 - HISTORY OF THE COMPANY

Chapter two Deals with the detailed explanation of incorporation of the Company, incorporation of Ashok Leyland Limited, Vision and mission of Ashok Leyland , objectives of Ashok Leyland followed by internal management, Products and services, growth of the company over the Years, Achievements and awards of Ashok Leyland , is also discusses in brief about the company's organization meaning, importance, advantage and structure of Ashok Leyland , the office location and office Layout.

CHAPTER 3 - DEPARTMENTATION

Chapter three Consists of meaning and advantages of various departments in an organization and their functions and duties of secretary. Dividend and capital structure of the company are explained in detailed manner.

CHAPTER 4 - RATIO ANALYSIS

Chapter four deals with the financial position of the company with the help of various ratio much as profitability ratio, financial ratio and turnover ratio. This chapter explains about the meaning, importance advantages of ratios followed by overall financial position of Ashok Leyland Limited.

CHAPTER 5 - SUMMARY AND CONCLUSION

Chapter five comprises of summary and conclusion of gist of all the 4 chapters, along with future prospects and recommendations of Ashok Leyland Limited.

