

# **CHAPTER 2**

## **HISTORY OF THE COMPANY**

## **2.1 INCORPORATION OF A COMPANY**

Incorporation is a legal process in order to form a company entity. In other words, incorporation means the registration of a company with the Registrar of the Company. The incorporation of the Companies in India is regulated by the companies Act 1956. The companies Act deals with all the requirements of establishing the rules and regulations of both private and public companies in India. The primary step to form a Company is the approval of the name of the Registrar of Companies in the state / union territory where the company will maintain its registered office. The words "Private Limited" in case of private Company and "Limited" in case of public company to be included after the name of the company. After all the required documents are presented along with requisite registration fee, the registrar of the companies will give the Certificate of Incorporation.

### **PROCEDURE FOR INCORPORATION OF A COMPANY**

Documents shall be filled with the registrar within whose jurisdiction the registered office of a company is proposed to be situated, the following documents are necessary for registration ,

- The Memorandum and Articles of the Company duly signed by all the subscribers in such a manner which may be prescribed.

A declaration in a prescribed form by an Advocate, chartered accountant, Cost Accountant or company secretary, who is engaged in formation of the company and by a person named in the Article as a director, manager or secretary that all the requirements of this Act and rules made there under the Act and the registration have been complied with.

- A declaration from each of the subscribers to the Memorandum from the person named as, the first directors, if any in the Articles that he is not convicted of any offence and that all the documents filed with the Registrar for registration of the company Contains the information which are correct and true to best of his knowledge and belief.
- The address for the correspondence were the registered office is established.

The particulars of name, including surname or family name, residential address with proof of identity as may be prescribed and in case of subscriber being a body corporate, such particulars as may be prescribed.

- The particulars of the person mentioned in the Articles as the first directors of the company, their names, including surname family name, Director Identification number, residential address, nationality and such other particulars including proof of identity as may be prescribed.
- The particulars of interest of body corporate along with their concern to act as Directors of the company in such form and manner as may be prescribed.

The Registrar on the basis of the documents and Information filed under subsection (1) shall register all the documents and information referred to is that sub section with the registral and issue a Certificate of incorporation in prescribed form to the effect that the proposal company incorporated under this Act.

From the date mentioned in the certificate of incorporation issued under sub section (2) the registrar shall allot company corporate identity number, which shall be distinct to the identity for the company and which shall also be included in that certificate. The company shall maintain and preserve at its registered office copies of all documents and information, originally filed under sub section (1) till its dissolution under this Act.

If any person furnishes any false or incorrect particulars of any information of which he is aware in any of the documents filed with Registrar in relation to the registration of company he shall be liable for action under section 447.

As per section (5) at any time during the incorporation of the company, if it is proved that the company has been incorporated by furnishing false or incorrect information in any of the documents of declaration filed for incorporation, the person named as the first director of the company and the person making declaration under clause (b) subsection (1) shall be liable for action under section 447.

When the requisite documents are filed with the Registrar, the Registrar shall satisfy himself that the statutory requirements regarding registration have been duly complied and then he issues a certificate of incorporation.

## **2.2 INCORPORATION OF ASHOK LEYLAND LIMITED**

Ashok Leyland limited is a listed public company incorporated on 7th September 1948. It is classified as a Public Limited company and is located in Chennai, Tamil Nadu. It was founded by Raghunandan Saran an industrialist and Sir Arthur Hope, the Governor of Madras. It started as Ashok Motors and later merged with Leyland Motors to form Ashok Leyland. Since it has been producing a wide range of Commercial vehicles, including buses, trucks, and defence vehicles.

## **2.3 VISION AND MISSION**

### **VISION**

Achieving leadership in the medium heavy duty segment of the domestic commercial vehicles market and a significant presence in the world market through transport solution that best anticipate customer needs, with the highest value to cost being among the top Indian corporations acknowledged nationally and internationally.

### **MISSION**

Be a leader in the business of commercial vehicles excelling in technology value to the customer, fully supported by customer services of the highest order and meeting national and international environment and safety standards.

- Identifying with warmers.
- Being the lowest cost manufacturer.
- Global benchmarking our products processes and people against the best in the industry.

## **2.4 OBJECTIVES**

### **PRIMARY OBJECTIVES OF ASHOK LEYLAND**

- **Profit maximization**

One of the primary objectives of Ashok Leyland is to maximise its profits. The company aims to generate revenue by selling its commercial vehicles and related services while minimizing Loss to ensure sustainable profitability.

- **Market leadership**

Ashok Leyland strives to establish and maintain a leadership position in the Indian commercial vehicle market. This involves consistency offering high-quality products and services that meet the needs of its customer and outperforming competitors.

- **Innovation and product development**

The company places a significant emphasis on innovation and product development. Ashok Leyland aims to design and manufacture vehicles that are technologically advanced , fuel efficient, and environmentally friendly. This helps to stay competitive and cater to evolving customer demands .

- **customer satisfaction**

Ensuring customer satisfaction is a crucial primary objective for Ashok Leyland. Satisfied customers are more likely to become repeat buyers and recommend the company's product to others. Providing excellent after-sales services and support is part of achieving this objective.

## **SECONDARY OBJECTIVES OF ASHOK LEYLAND**

- **Sustain ability and environment**

Ashok Leyland recognizes the importance of environmental sustainability. Therefore, one of its secondary objectives is to reduce the environmental impact of its operations and products. This includes working on developing eco-friendly technologies and reducing emissions.

- **Global expansion**

while primarily operating in India, Ashok Leyland also has aspirations for global expansion. The company aims to export in vehicles and services to international markets, expanding its presence beyond India.

- **Employee Development and welfare**

Ensuring the well being and professional development of its employees is another secondary objective. Ashok Leyland invests in training, skill development and safety measures to maintain a skilled and motivated work force.

- **Corporate Social Responsibility (CSR)**

Ashok Leyland takes its corporate social responsibility seriously. It actively engages in initiatives related to education, healthcare and a community development to contribute positively to society.

- **Financial stability**

Maintaining Financial stability and a strong balance sheet is crucial for a company's long term success. This includes managing debt, optimizing capital structure practices and prudent financial management practices.

## **OTHER OBJECTIVES OF ASHOK LEYLAND**

- **Community and Social Responsibility**

Ashok Leyland have objectives related to Corporate social responsibility (CSR) It involves contributing to the community through initiatives such as education, healthcare and environmental conservation.

- **Financial stability**

ensuring the financial stability by managing debt, maintaining adequate cash reserves and effectively managing financial risks

- **Regulatory Compliance**

Complying with local and international regulations which includes safety standards, emission norms and other legal requirements.

## **2.5 INTERNAL MANAGEMENT**

Internal management refers to the management controlled internally by the organisation. It plays an important role in detecting and preventing fraud and protecting the organisation's resources both tangible and intangible. Ashok Leyland Limited has a proper and adequate internal control system to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded. The adequacy of internal control systems and the process are being audited every quarter in selected areas by qualified external auditor and reported to audit committee and the Board. In line with Corporate governance philosophy, all statutory and other significant material information are placed before the Board of Directors to enable it to discharge its responsibility of superintendence, control and direction of internal management of strategic and day to day affairs of the company.



## **2.6 PRODUCTS AND SERVICES**

Its main product line includes Trucks, Buses, Defence and special vehicles and engines for Indian and overseas market.

- Ashok Leyland is the market leader and pioneer for multi axle trucks and tractor trailers.
- Ashok Leyland is a market leader in Indian bus market, offering CNG Double Decker and versatile bus variants.
- It Manufactures and sells trucks, buses, Defence and special vehicles and engines.
- It offers economical and revenue boosting product.
- Ashok Leyland offers customer friendly service offerings vehicles with 3 types of workshops for dealers, Authorized services centres and highway repair centres.
- Ashok Leyland offers "Total maintenance solutions" through maintenance contracts for its products, relieving the customers of all maintenance worries.

## **2.7 ANCILLARY UNITS**

Ancillary units in the context of Ashok Leyland or any other automotive company, typically refers to the various suppliers and manufactures. That produce components and parts used in the assembly of Ashok Leyland vehicles. These ancillary units play a crucial role in the supply chain and production process of Ashok Leyland.

- Engines and powertrain components.
- Chassis and Frame components.
- Suspension and steering components.
- Braking systems.

- Electrical and electronic components.
- Cabin and interior components.
- Tyres and wheels.
- Exhaust system.
- Fuel systems.
- Lubricants and fluids.

These ancillary units are often located in different parts of India and around the world and are responsible for supplying high-quality Components that meet Ashok Leyland's standards.

## **2.8 GROWTH OF THE COMPANY OVER THE YEARS (1948-2022)**

**1948** - The birth of Ashok Motors.

**1949** - The First A40 assembled.

**1950** - Ashok Motors and Leyland, UK agree to Collaborate.

**1951** - Assembly of Leyland chassis commences.

**1954** - Government approval for manufacture of commercial vehicles.

**1955** - Ashok motors became Ashok Leyland.

**1967** - India's first double decker arrives.

**1969** - A revolution in steering.

**1970** - A specially designed vehicle for Indian army.

**1972** - Indian army based on its specific requirement.

**1974** - Turnover tops Rs 1000 million.

**1976** - The "Viking" The First ever bus with an alternative and a unique front overhang that facilitated front entry, hit the Indian roads.

**1977** - cheetah bounds into the frame. India's first rear-engine bus - cheetah was introduced with mixed reactions from drives.

**1980** - Hosur starts operations. The company's second plant Hosur -was inaugurated by M G Ramachandran ,the then chief minister of Tamil Nadu.

**1980** - Two major new truck introductions.

**1982** - India's first vestibule bus introduced.

**1982** - Manufacturing footprint expands northwards.

**1990** - Technical centre ready.

**1993** - First Indian auto company to receive ISO 9002 certificate.

**1995** - First driver haining facility set up.

**1996** - Hosur plant II in augurated.

**1997** - India's first & CNG bus launched.

**2002** – Another innovation in alternative fuel technology.

**2005** - First Indian auto company to receive BS 1799 certification.

**2006** - A stag crosses the border.

**2006** - Agreement linked with Ras AT Kamiah investment Authority.

**2007** - Joint venture with continental AG Germany.

**2007** - Carrying the dreams of the nation.

**2007** - Joint venture with the A-Team Group, Finland.

**2008** - Joint venture linked with John Deere, USA.

**2008** – Albonair GmbH established.

**2010** - India's first hybrid CNG plug-in bus.

**2010** - Pant agar plant inaugurated.

**2010** -The b-Truck platforms launch.

**2010** - stake in opt are plea.

**2011** - A full range plays with DOST.

**2011** - Enters the construction equipment space.

**2012** - Jan Bus.

**2012** - U-3723.

**2013** - LCV market.

**2014** - Ashok Leyland flagship.

**2015** - Ashok Leyland has tried up with Lakshmi Vilas Bank to provide finance to its commercial vehicle buyers. Ashok Leyland wins orders for buses worth 82 crores USA from Senegal.

**2016** - Ashok Leyland wins defence contract worth 800 Cr - Bags orders for supplying 3600 buses.

**2017** - The Deming prize is one of the Highest awards on total quality management. It is global award which is the oldest and most widely recognized award in the world.

**2019** - Awarded as Aon's best employer in India.

**2020** - Ashok Leyland ranks, 3rd Place in India.

**2022**- AVTR platforms Crosses 1 lakh production.

## **2.9 ACHIEVEMENTS AND AWARDS**

- In the journey towards global standards of quality Ashok Leyland reached a major milestone in 1993 when it became the first in India's automobile history to win the ISO 9002 Certification.
- The more comprehensive ISO 9001 certification came in 1994, QS 9000 in 1998 and ISO 14001 certification for all vehicle manufacturing units 2002.
- It has also become the first Indian auto Company to receive the Latest ISO/TS 16949 Corporate certification (in July 2006) which is specific to the Auto Industry.

## **2.10 ORGANIZATION STRUCTURE**

Professor kast and Rozenswerg defined organisation structure as the established pattern of relationships among the Component part of organization. It refers to the network of relationships among individuals and positions in an organisation.

The term organization is a structure and also a process. In a static sense, organization is a structure where a group of people functions within the structure and try to accomplish certain objectives. Organisation is a structure for the Conduct of business activities efficiently.

The typical Hierarchical arrangement of Lines of authority Communications, rights and duties of an organization. The Organization structure determine the power, roles, responsibilities are assigned, controlled and co-ordinated and how information flows between the different level of management.

## **IMPORTANCE**

- Organisational structure involves a chain Command which determines and defines, job position, who takes decisions and who is accountable for various duties.
- span of control determines and quantifies the actual number of employees a manager supervises.
- Departments within an organisation structure are sections of the structure divided into functional divisions such as production department Sales department relevant to specific tasks.
- Determining the activities talent, tasks to be grouped to achieve on organisation's objective is called the departmentalization process.
- Distribution of authority determines if decision. making authority is concentrated among few high level figures commonly seen in bureaucratic organization or the authority is shared and distributed through a variety of departments working close to their corresponding tasks.

## **ADVANTAGES OF HAVING A GOOD ORGANISATION STRUCTURE**

- Faster decision making
- Multiple business locations.
- Improved operating efficiency.
- Greats employee performance.
- Elimination duration of work.

### **Faster decision making**

when the company's various time are able to communicate more effectively, the company's overall communication "will be positively impacted as well. This will then lead to quicker decision-making.

## **Multiple business locations**

A Business owner, having an organisational structure ensure that all locations are operating in a similar manner and are abiding by the same procedures, because it is not possible for the business owner to be at every location. An organisation structure can provide a peace of mind. This is particular in care when the company begins to grow in size.

## **Improved operating efficiency**

As organisational structure divides companies into various teams or branches, they are helping out to ensure that all tasks and responsibilities specific to these divisions are met more easily. When an employee knows what they are working on, they are able to operate quickly efficiently. In essence, an organised structure creates an efficient and streamlined system that helps improve overall Operation of the Company as well.

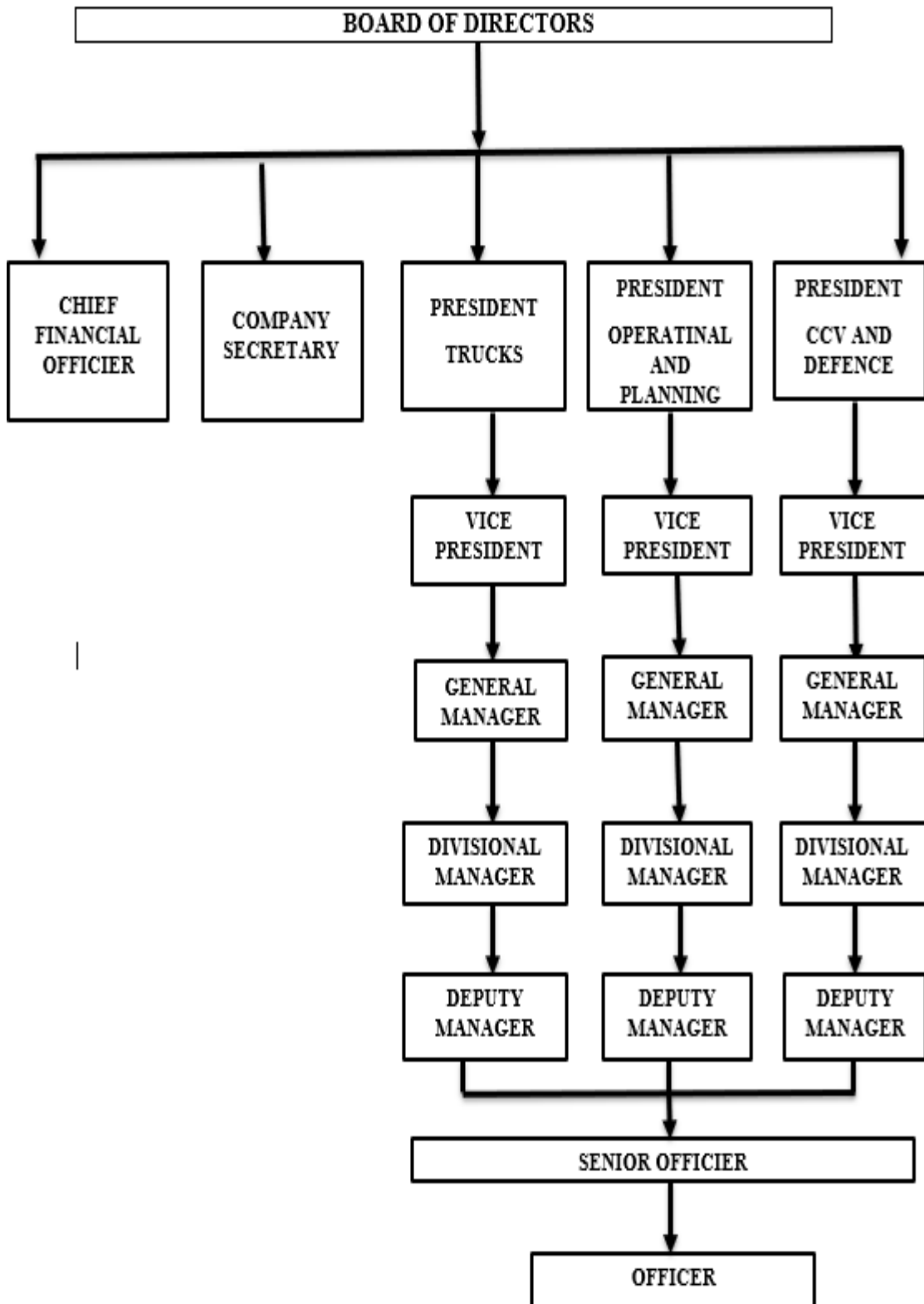
## **Greater employee performance**

When an employee is delegated certain tasks and responsibilities in a clear manner, they are able to perform well at their job. An organised structure provides employee with the guidance they need to perform at their best every day. An improvement in employee performance can also lead to greater employee morale and confidence.

## **Eliminate duplication of work**

When employees are divided into teams according to their skills and expertise, the risk of overlapping job duties is eliminated.

ORGANIZATION STRUCTURE OF ASHOK LEYLAND LIMITED





## **EXPLANATION TO ORGANISATION STRUCTURE**

The organization structure of Ashok Leyland Ltd shows that the organization is primarily operated by the board of directors . the three presidents, who are accountable to the BOD, manages various sections namely trucks sections, operations and planning section, and defence section. These sections are further headed by the vice president, general manager, divisional manager and the deputy manager of the concern departments. The senior officer is accountable to the deputy manager of various sections. The organization structure aides the operative functions of the management of Ashok Leyland Ltd.

### **2.11 OFFICE LOCATION**

An office is a space where an organisation's employees perform administrative work in orders to support and realise objects and goals of the organisation. The word "office" may also denote a position within an organisation with specific duties attached to it. when used as an objective, the term "office" may refer to business related tasks. A company of an organisation having offices is any place where it has official presence, even if that Presence Consists of for example a storage silo rather than an establishment with desk and chair.

An office is also an architectural and design phenomenon, ranging from a small office such as a bench in the corner of a small business of extremely small size, through entire floors of buildings, upto and including massive buildings dedicated entirely to one company. In modern tums an office is usually the Location where white-collar workers carry out their function. James Stephenson defines office as that part of business enterprise which is devoted to the direction and co-ordination of its various activities.

## **IMPORTANCE**

- **Attract potential customers in the area**

Walkable communities see plenty of pedestrian and vehicle traffic throughout the day. With higher visibility, one has the ability to gain new clients and potential customers that pass by the business" front door. It also gives the opportunity to make strong connections with Neighbouring business.

- **Improve the environment**

According to the environmental protection agency (EPA), motor vehicles collectively cause 75% of carbon monoxide pollution in US. Walkable cities and communities encourage more people to walk, or use public transportation to get to work with designated paths for walkers and Bikers, as well as accessible bus a metro routes. By offering a more environmentally friendly commute for employees, clients and customers , business can contribute to a more sustainable Economy.

- **Cultivate a Healthy workplace culture**

According to Harward Health, walking just 30 minutes a day can have an immense health and well-being. Breaks are both convenient and effective for office employees who work on a computes all day. By situating office in a convenient location with nearby side walk, gyms, nature trails, shopping centres and other convenience one can help to foster a healthy work place culture among employees. In addition to work break walks, a convenient location gives many employees and clients the option to walk or bike to office rather than drive.

## **ADVANTAGES OF HAVING GOOD OFFICE LOCATION**

- **Availability of sufficient space**

The office should have sufficient accommodation and facilities i.e rooms, storage space etc. Future expansion and requirements should also be kept in view.

- **Proximity to other departments**

The office should be located in a central place so as to be easily accessible to other sections, units and departments of the organisation.

- **Availability of transport facilities**

Every office requires adequate transport facilities for the convenience of workers and outsiders dealing with the office.

- **Service facilities**

Besides transport, availability of Banking, postal internet, telephone and telegraph facilities are also necessary for the efficient Conduct of office functions. The service of insurance agencies are also necessary for various purpose. The office should be therefore located, where such facilities exists.

- **Availability office employees**

It is desirable to locate the office where it may be easier to recruit and retain different categories of office staff eg: Stenographers, Computer operators, accountants, clerks, typists, peons etc.

## **OFFICE LOCATION OF ASHOK LEYLAND**

### **Registered office**

No.1 Sardar Patel Road,

Guindy,

Chennai 600032

### **Plants**

Tamil Nadu - Enore (Chennai), Sriperumbudur (Foundry),

Vellivayal Chavadi (Technical centre) Hosur

Maharashtra Bhandana, Rajasthan - Alwar,

Uttarakhand Pant agar,

Andhra Pradesh-Vijayawada.

## **2.12 OFFICE LAYOUT**

An office is the administration centre of Business. It refers to the functions performed by a certain at of people who are responsible for the progress, development and growth of the business. An office layout is a kind of chart representation which gives a clear idea about the company..

Office layouts are arranged so that staff can together in departmental and team grouping the best opportunity for efficient work, flow, Communication and supervision.

According to Little field, “office layout may be defined as the arrangement of equipment within the available floor space”.

## **IMPORTANCE**

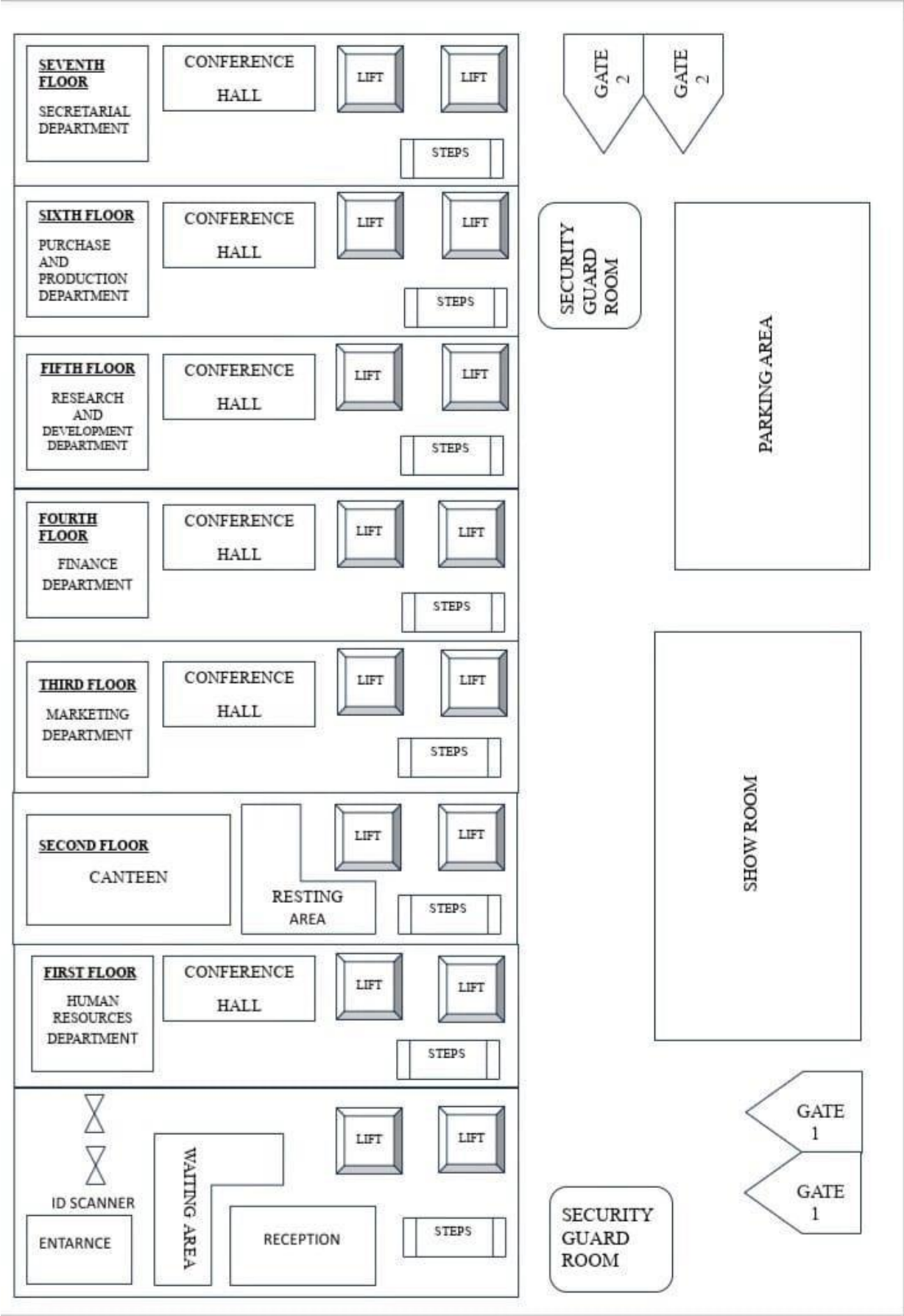
- To ensure proper utilisation of work place.
- To facilitate supervision.
- To facilitate inter-communication.
- To ensure better use of office machines and equipment.
- To ensure better comfort and moral of the worker.
- To ensure favourable impression on customers and visitors.
- To Ensure smooth work flow.

The important thing to be considered for location Is its overall desirability as accessibility from highways from employees well as the and mass transit and customers. Not only does a business in the right location enjoy excellent corporate presentation that accompanies the proper address, it also benefits from the exposure afforded by neighbouring business and their clients. Proper layout is vital to optimise the business for increased productivity.

## **ADVANTAGES OF HAVING AN OFFICE LAYOUT**

- No waste of time and energy of office personnel.
- Promotes efficiency of staff.
- Proper utilisation of floor space.
- Easy supervision.
- speed in inter-communication.
- Better use of office machines and equipment.

# OFFICE LAYOUT OF ASHOK LEYLAND LIMITED



## **EXPLANATION TO OFFICE LAYOUT**

The office layout of Ashok Leyland limited is designed in such a way that it facilitates the interlinking between various department/section according to their needs. The conference hall is located at each floor which is fully air conditioned and equipped with the technical equipments for facilitating a good meeting environment. The building is facilitated with CCTV Camera. It is also provided with lift facilities. In all the floors of the company. There are totally eight floors in the company. The first floor consists of human resource department ,The finance department is located at the eighth and fourth floor of the building. The canteen is located at the second floor of the building where lunch is provided for the employees. The marketing department is located at the third floor , research and development department at the fifth floor and purchase and production department at the sixth floor. For the welfare of the employees the company provides and facilitates parking and rest areas. The building of the company was constructed in a way of overall wellbeing of the organisation.

## **CONCLUSION**

Ashok Leyland Ltd focuses on employee development and training . The company has a strong corporate culture and values . Their passion for customers , investment in best technology and human resource has enabled them to meet the expectations of their customers . At Ashok Leyland they endeavor to be the first choice of customers by ensuring total customer satisfaction through continuous improvement in products and services.