

**INTERNSHIP REPORT ON
“TOYOTA KIRLOSKAR MOTOR PVT LTD”**

Submitted By

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Submitted To

VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELGAUM



**In partial fulfilment of the requirements for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION**

Under the Guidance of

INTERNAL GUIDE

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PG DEPARTMENT OF BUSINESS ADMINISTRATION

ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY

SHOBHAVANA CAMPUS, MIJAR, MOODBIDRI 2021-2022

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I am privileged to thank our, HOD Of PG Department of Business Administration, **Mrs. Priya Sequieria**, Alva's Institute of Engineering and Technology, Mijar. And it would be a failure in my part not to mention my parents, family and friends whose undying support and encouragement kept me going at times of need. Deepest thanks to you all. They are all indeed the reason for the successful completion of this internship.

DECLARATION

I SINCHANA Y S hereby declare that this Organization Study conducted at TOYOTA KIRLOSKAR MOTOR PVT LTD is a record of independent work carried out by me under the guidance of Mrs. Maithri, Senior lecturer. I also declare that this organization study is towards the partial fulfilment of the university regulation for the award of the 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 organization study is based on the original study undertaken by me and has not been submitted for the award of any degree from any other University/Institution.

Place: Mijar

Signature of the Student

Date:

(SINCHANA Y S)

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Executive summary:

This is an attempt to know how the theories can be applied to practical situation. As MBA student of Alva's Institute Of Engineering And Technology it is a part of study for everyone to undergo internship at some good organization. So, this purpose I got the opportunity of internship program in **“TOYOTA KIRLOSKAR MOTOR PVT LTD”**

This report is divided into six chapters. The first chapter deals with the introduction about the internship, industry profile. The second chapter is about the organization profile,

- Nature of business,
- Vision mission, quality policy,
- Workflow model
- Product/service profile,
- Ownership pattern,
- Achievements/awards if any,

Third chapter is McKinsey's 7S frame work with special reference to organization under study. The fourth chapter deals with the SWOT analysis. The fifth chapter is Analysis of financial statement sixth chapter is learning experience. It also consists of Bibliography.

CHAPTER – 1
INTRODUCTION ABOUT THE INDUSTRY

HISTORY OF ORGANIZATION &INDUSTRY

The Toyota motor corporation is a Japanese car manufacturer, which is the world's second largest manufacturer from General Motors, regardless of this fact it is ranked first in terms of profitability, its net worth and revenue collection. It was founded in 1937 as a subsidiary of Toyota industries. In the late 19th century, a Japanese Saki chi Toyoda invented Japan's first power loom for textile industry.

In 1918, Saki chi founded the Toyoda Spinning & Weaving Company, and with the help of his son, Kiichiro Toyoda, his dream came true to make an automatic loom in 1924. After Two years, he established Toyoda Automatic Loom Works. Kiichiro adopted innovations in nature by his father, especially during his visits to Europe and the U.S. in the 1920's, he started taking interest in the nascent automotive industry, Saki chi Toyoda received for selling the patent rights of his automatic loom, and Kiichiro laid the foundations of Toyota Motor Corporation (TMC), which was established in 1937.

Started From looms to cars, the Toyota successful experience has been shaped by extending the boundaries of outstanding vehicles manufacturer all around the world. Now Toyota is one of the world's largest automobile manufacturers, selling over 9million models in 2006 on all five continents of the world. Also Top 10 Fortune Global500 enterprises, Toyota ranks among the world's leading global corporations and is proud to be the most admired automaker. Toyota in Pakistan: In Pakistan, Indus Motor Company is having sole distributorship of Toyota and Daihatsu Motor Company for assembling, marketing and manufacturing.

Indus Motor Company (IMC) is a joint venture between the House, Toyota Motor Corporation Japan (TMC), and Toyota Tsusho Corporation Japan (TTC)for assembling, progressive manufacturing and marketing of Toyota vehicles in Pakistan since July 01, 1990. IMC is engaged in sole distributorship of Toyota and Daihatsu Company Ltd. Vehicles in Pakistan through its dealership network.

The company was incorporated in Pakistan as a public limited company in December1989 and started commercial production in May 1993. The shares of company are quoted on the stock exchanges of Pakistan. Toyota Motor Corporation and Toyota Tsusho Corporation have 25 % stake in the company equity. The

majority shareholder is the House of Habit. Indus Motor Company's plant is the only manufacturing site in the world where both Toyota and Daihatsu brands are being manufactured.

Heavy investment was made to build its production facilities based on state of art technologies. To ensure highest level of productivity world-renowned Toyota Production Systems are implemented.

1.1 PURPOSE OF THE STUDY

The purpose of the study is to explore the corporate social responsibility programmes of Toyota Kirloskar Private limited. The study of a corporate social responsibility of Toyota Kirloskar Motor ltd is important as it is a significant explanatory factor for profitability and sustainability of company.

1.2 INDUSTRY PROFILE

The company was originally founded as a spinoff of Toyota Industries, a machine maker started by Sakichi Toyoda, Kiichiro's father. Both companies are now part of the Toyota Group, one of the largest conglomerates in the world. While still a department of Toyota Industries, the company developed its first product, the Type A engine in 1934 and its first passenger car in 1936, the Toyota AA.

After World War II, Toyota benefited from Japan's alliance with the United States to learn from American automakers and other companies, which would give rise to The Toyota Way (a management philosophy) and the Toyota Production System (a lean manufacturing practice) that would transform the small company into a leader in the industry and would be the subject of many academic studies.

1.2.1 Competitive position

- As a joint venture between Toyota Motor Corporation (one of the largest automobile manufacturers in the world) and Kirloskar Group (India's largest maker of pumps and valves), TKMPL has expanded swiftly to rise as a notable player in India's passenger car and MUV market segments.

- 89% of the share is owned by the Toyota Motor Corporation while the Kirloskar group holds the remaining 11% share. TKM's present plant in Karnataka is built over 850 acres of land with a capacity to hold 110,000 vehicles per annum.
- TKMPL entered the automobile industry 24 years back with the launch of Toyota Qualis, an MPV sold by the name of Kijang in Japan. Another multi-purpose vehicle introduced by TKM was Innova embodied with various factors and affordable too. It has been ruling the MPV segment since its launch.
- TKM has been soaring in the market industry of car manufacturing with its way up the brand commitment, various design theories and liberal ways of marketing. Toyota cars are known for their reliability and durability. Toyota Kirloskar Motor Private Limited won the Golden Peacock National Training Award in 2000.

CHAPTER – 2
ORGANIZATION PROFILE

2.1 BACKGROUND

Toyota's origins lie in the Japanese weaving industry when Saki chi Toyoda invented the world's first automatic loom and, subsequently, set up the Toyoda Spinning and Weaving Company in 1918. His invention reduced defects and increased yields since a loom stopped and would not go on producing imperfect fabric and using up thread after a problem occurred. This principle of designing equipment to stop automatically and call attention to problems immediately (judoka) remains crucial to the Toyota Production System today.

The loom impressed a British Company, the Platt Brothers, so much that, in 1929, they bought the production and sales rights for £100,000. Saki chi gave those proceeds to his son, Kiichiro, to develop automotive technology at Toyoda. This in turn led to the launch of the Company's first ever passenger car in 1936, the Model AA, and in 1937, the Toyota Motor Company was born. Production of Toyota vehicles outside Japan began in 1959 in Brazil and now, besides its own plants, manufacturing subsidiaries and affiliates in Japan, Toyota manufactures Toyota and Lexus brand vehicles and components throughout the world.

Look back at the history of Toyota, starting with the birth of founder Saki chi Toyoda. It traces the company's development from 1937 when Toyota Motor Corporation was established to when the two millionth Pries hybrid was sold.

2.2 NATURE

Toyota Motor Corporation (TMC) origin in the country of Japan is the world's largest auto manufacturer, offering a full range of beautiful and latest vehicles design models. Toyota not just selling auto motors, but also ensures after sales and full service of their clients with full different range of warranties. Toyota builds dealer networks to sell these cars and to do services. Ensure dealers are sufficiently trained and can deliver excellent services to customer Toyota is at the heart of global manufacturing, a company that has grown within 70 years to become the world's second largest vehicle manufacturer, which shows the great interest of reliability and full trust from the customers of Toyota for many years. The company wanted to integrate back office systems and external sources of information regarding vehicle

data to ensure continuous feedback and improvement. Toyota Motor customized the system to meet its unique needs, which enabled the company to automate many day-to-day processes and continuous improvement in their auto-vehicles.

OBJECTIVES

Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people. Through our commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile.

2.3 VISION AND MISSION QUALITY POLICY

Vision

Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people. Through our commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile.

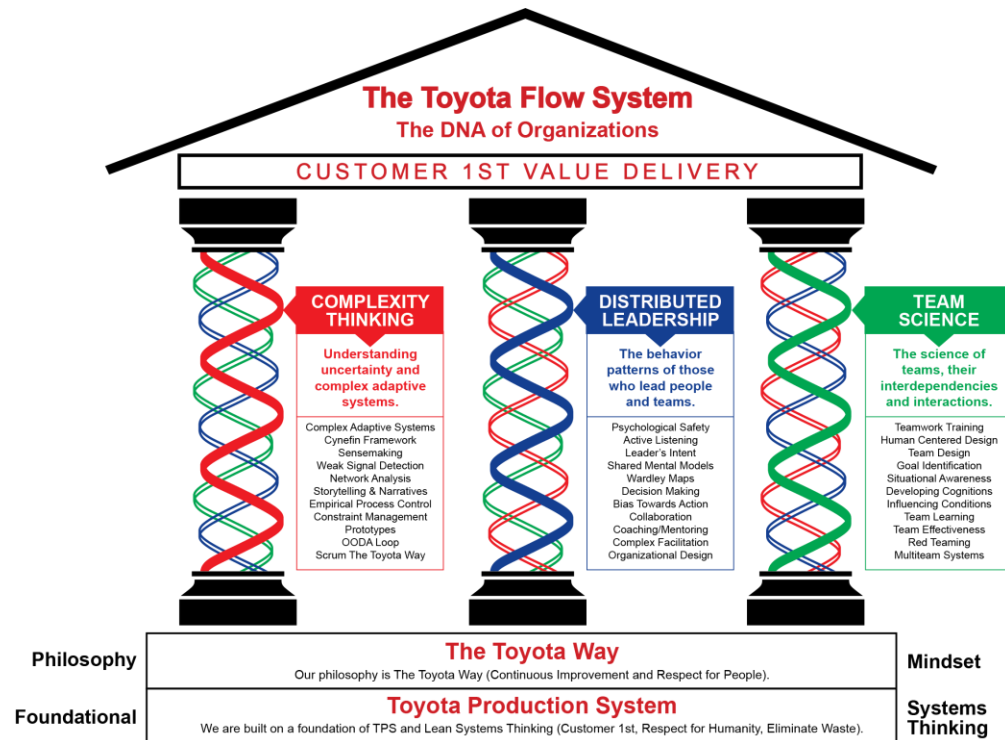
Mission

Mission Statement: "To attract and attain customers with high-valued products and services and the most satisfying ownership experience in America."

QUALITY POLICY

This production control system was established based on many years of continuous improvements, with the objective of making the vehicles ordered by customers in the quickest and most efficient way, in order to deliver the vehicles as swiftly as possible. The Toyota Production System (TPS) was established based on two concepts: "judoka" (which can be loosely translated as "automation with a human touch"), as when a problem occurs, the equipment stops immediately, preventing defective products from being produced; and the "Just-in-Time" concept, in which each process produces only what is needed for the next process in a continuous flow.

2.4 WORKFLOW MODEL



- Csikszentmihalyi, M. (1990). Flow: The psychology of optimal experience. New York: Harper & Row. Kindle edition.
- More than 2,300 papers were included in a recent High-Performance Team study. The study found that team flow is an amalgamation of shared vision, small team size, collective self-efficacy, empathy, high levels of information sharing, training through simulation, leadership, openness, and more. Wilkinson, David (2019). The Oxford Review. High-Performance Teams: What the research says.
- Bejan, A., Zane, J.P. () Design in Nature: How the Constructal Law governs evolution in biology, physics, technology, and social organization

2.5 PRODUCT/SERVICE PROFILE

A Product-Service System starts from the premise that companies must offer the function of the product, not the product itself. This concept is maturing with respect to the real needs of the consumer, who does not necessarily want to own things, but to benefit from using them.

Toyota Service Concept

We do not only provide you with quality products, but also with quality service. Customer satisfaction is our number-one priority, and we do everything we can to meet your expectations. That's why we apply the Toyota Service Concept, a structured approach to optimise our services thanks to 12 key value.

Accreditation

Through accreditation, we ensure that our service activities are in line with Toyota standards.

Responsiveness

Responsiveness is the priority when your operation is down. This means getting your business up and running quickly and efficiently.

Standardisation

No matter where you are you can rely on our high service standard and accurate time assurances.

Judoka

Judoka is about making problems visible. We take all your problems seriously and resolve them as quickly and safely as possible

GenchiGenbutsu

"To go and see", so we can truly understand the real-life situation and solve each issue.

Exact fit

We aim to be an exact fit for your needs. With the right people, the right skills, the right parts and the right agreements.

Kaizen

Trusting our continuous improvement philosophy, a principle of the Toyota Way and our TPS system, rest assured that we are always working to improve the quality of our service.

Poka yoke

Poka Yoke is a mechanism or process designed to avoid mistakes. By constantly upgrading the quality of spare parts and checking them before shipping, we ensure the right part will be delivered in time.

Hoshin

Thanks to our commitment to long-term and strategic planning, you can be confident that we will meet your requirements not only tomorrow but also over the years to come.

Heijunka

Heijunka levels the workload and creates a smooth workflow. That's why planning and scheduling each visit is our priority.

2.6 OWNERSHIP PATTERN

A type of business entity that is owned and run by one individual – there is no legal distinction between the owner and the business. Sole Proprietorships are the most common form of legal structure for small businesses.

Taxation: A sole Proprietorship has pass-through taxation. The business itself does not file a tax return. Instead, the income (or loss) passes through and is reported on the owner's personal tax return through a Schedule C (Form 1040).

Liability: The Owner of the sole proprietorship has unlimited personal liability for any liabilities the business incurs. You can mitigate this risk with insurance and sound contracts.

Formation: The sole proprietorship is the simplest way of doing business. The costs to create a sole proprietorship are very low and very little formality is required.

1. General Partnership

An association between two or more people in business seeking a profit. Partnerships can be created with little formality, but because more than one person is involved, a partnership agreement should be created. A partnership agreement stipulates the terms of the partnership by formalizing rules for profit/loss sharing, ownership percentages, dissolution terms, and management rights among many other things.

Capital Contributions

- Distributions of profits/losses
- Management Responsibilities
- Bookkeeping
- Banking
- Dissolution

2. Limited Liability Company (LLC)

A hybrid between a corporation, general partnership, and sole proprietorship. Owners of an LLC are called members. Members may include individuals, corporations, other LLCs and foreign entities. Most states permit an LLC with only one owner, called a "single member LLC."

- Ownership interest for each member
- Member rights and responsibilities

- Member voting power
- Profit & Loss allocation
- Management Structure
- Buy-Sell provision

2.7 ACHIEVEMENTS/AWARDS

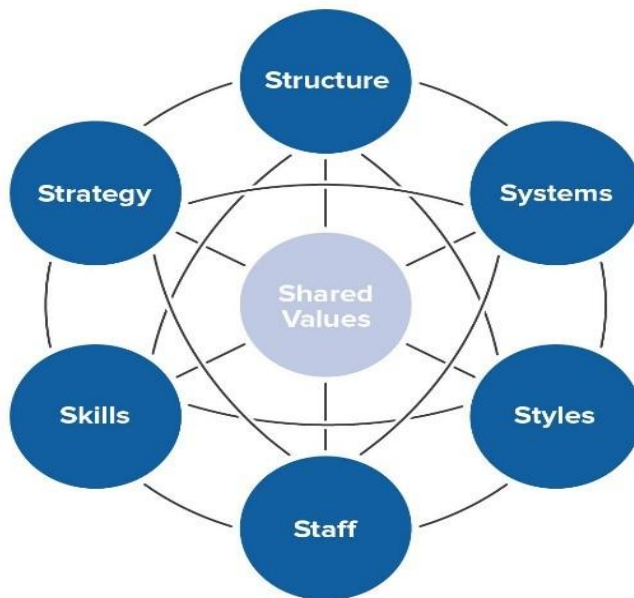
- CSR excellence award 2017 for project ABCD by Bureaucracy Today.
- CSR Impact Award 2017 for health & hygiene by Ngobox.
- Asia Responsible Entrepreneurship Award (area) 2017 for health & hygiene by Enterprise Asia, Thailand.
- TKM secured 10th rank in Responsible Business Rankings 2019. We were ranked 29th (2018) and 28th (2017) in the preceding years. In 2020 and 2021, TKM Ranked 16th.
- CSR excellence award 2017 under the category CSR practice of the year by Media Bytes.
- TKM recognized by former Prime Minister Dr. Manmohan Singh for outstanding contribution on CSR (Feb,2019).
- ABCD acknowledged as a case study by Harvard Business School and covered by IVEY publication.
- CSR Impact Award 2017 for health & hygiene by Ngobox.

CHAPTER – 3
MCKENSY’S 7S FRAMEWORK
AND
POTER’S FIVE FORCE MODEL

McKinsey 7S Model

The McKinsey 7s model is a strategic tool and framework that helps managers and businesses assess their performance. The McKinsey 7s model identifies 7 key elements for an organization that need to be focused and aligned for successful change management processes as well as for regular performance enhancements.

Figure 1: McKinsey 7S Model



The 7 elements identified in the McKinsey 7s model can be categorized as being hard or soft in nature. They are identified as:

Figure 2 : Hard and Soft elements of the McKinsey 7S Model

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

Toyota makes use of the McKinsey 7s model to regularly enhance its performance and implement successful change management processes. Toyota focuses on the 7 elements identified in the model to ensure that its performance levels are consistently maintained, and improved for the offerings

1.Hard elements

The hard elements of the McKinsey 7s model comprise of strategy, structure, and systems. The hard elements of the model are easier to identify, more tangible in nature, and directly controlled and influenced by the leadership and management of the organization.

Strategy

Clearly defined

The strategic direction and the overall business strategy for Toyota are clearly defined and communicated to all the employees and stakeholders. This helps the organization manage performance, guide actions, and devise different tactics that are aligned with the business strategy. Moreover, the business strategy's definition and communication also make operations for Toyota more transparent and aligns the responsibilities and actions of the company.

Guiding behaviour for goal attainment

The strategic direction for Toyota is also important in helping the business guide employee, staff, and stakeholder behaviour towards the attainment and achievement of goals. SMART Goals are set with short and long term deadlines in accordance with the business strategy. The business strategy helps employees decide tactics and behaviours for attaining the set goals and targets to help the business grow.

Competitive pressures

Toyota's strategy also takes into consideration the competitive pressures and activities of competitors. The strategy addresses these competitive pressures through suggestive measures and actions to address competition via strategic tactics and

activities that ensure sustainability to Toyota via adapting to market changes, and evolving consumer trends and demands.

Changing consumer demands

An important aspect of the strategy at Toyota is that it takes into constant consideration the changing consumer trends and demands, as well as the evolving consumer market patterns and consumption behaviour. This is an important part of the strategic direction at Toyota as it allows the company to remain competitive and relevant to its target consumer groups, as well as allows the company to identify demand gaps in the consumer market.

The company then strategically addresses these gaps through product offerings and marketing activities which give the company successful and leading-edge over other patterns in the market.

Flexibility and adaptability

The strategy at Toyota is flexible and adaptable. This is an important aspect of the strategic direction, and strategy setting at Toyota. Rigidity in strategy leads a company and a business to often become stagnant and obstructs advancement, and progression with evolving changes in the consumer markets.

With flexibility and adaptability, the Toyota is not only able to benefit from quickly reacting and responding to changing consumer patterns globally, but is also able to locally and culturally adapt its products via localization for different countries and regions. Moreover, the company is often able to proactively predict consumer market changes, and devise strategic changes accordingly to meet the market trends.

Structure

Organizational hierarchy

Toyota has a flatter organizational hierarchy that is supported by learning and progressive organizations. With lesser managerial levels in between and more access to the senior management and leadership, the employees feel more secure and confident and also have higher access to information. Moreover, the flatter hierarchy

also allows quicker decision-making processes for Toyota and increases organizational commitment in the employees.

Inter-Departmental coordination

Toyota has high coordination between different departments. The company's departments often form inter-department teams for projects and tasks that require multiple expertise. All coordination between different departments is effective and organized. Toyota has a systematic process for initiating and monitoring coordination between departments to ensure smooth work operations and processes – and goal attainment.

Internal team dynamics [department specific]

Toyota encourages teamwork and team-oriented tasks. Where jobs require individual attention and scope, the company also assigns individual responsibilities and job tasks. However, all employees at Toyota are expected to be team players who can work well with and through other members, and who get along well with other people. The teams at Toyota are supportive of all members and work in synch with synergy towards achieving the broader team objectives and goals under the Toyota designed strategy and values.

Centralization vs. decentralization

Toyota has a hybrid structure between centralization and decentralization. Like many progressive organizations, Toyota largely supports decentralized decision making. Job roles at Toyota are designed to be carried out with responsibility, and employees often set their goals with mutual coordination and understanding with the supervisors.

However, Toyota is also centralized in making sure that supervisors oversee, and approve of the various efforts, and tactics that employees choose to ensure that they are aligned with the organizational strategy and values.

Communication

Toyota has a developed and intricate system for ensuring communication between employees and different managerial levels. The communication systems at Toyota enhance the overall organizational structure. The systematic, defined, and organized communication allows an easy flow of

Information and ensures that no organizational tasks and goals are compromised because of a lack of communication, or misunderstandings.

Systems:

Organizational systems in place

Toyota has defined and well-demarcated systems in place to ensure that the business operations are managed effectively and that there are no conflicts or disputes. The systems at Toyota are largely departmental in nature, and include, for example:

- Human resource management
- Finance
- Marketing
- Operations
- Sales
- Supply chain management
- Public Relation Management
- Strategic leadership

Defined controls for systems

Each of the defined and demarcated systems at Toyota has especially designed tools and methods as controls for evaluating performance and goal attainment. These controls and measures are designed specifically in different departments based on the nature of their tasks and responsibilities. Moreover, each department also designs specific controls for members for performance evaluation, as well as for inter-departmental tasks and responsibilities.

Monitoring and evaluating controls

Toyota continually evaluates its systems through the designed controls. This monitoring of the performance is continual and ongoing. This is largely done through observation and informal discussions. Feedback to employees and overall department heads is informally given regularly as and when is required. Formal evaluation of performance is also conducted semi-annually or quarterly, depending on the need and the urgency of the projects and assigned tasks. This is a formal process that is undertaken by supervisors and managers to ensure the identification of performance lags, and suggestive means of improvement.

Internal processes for organizational alignment

Toyota also has special processes and methods for ensuring that all departments and systems within the organization are aligned and working in harmony towards the greater business goals and targets. This is made possible through ensuring that all systems are designing and working towards goals and targets specific to their expertise under the broader business vision and strategy. Moreover, the strategic leadership at Toyota also ensures that all systems are allocated with resources, and set specific targets to achieve similar business goals in any specific period.

2. Soft elements

The soft elements of the McKinsey 7s model, in turn, include shared values, staff, skills, and strategy. These elements are less tangible in nature and are more influenced by the organizational culture. As such, the management does not have direct influence or control over them. These elements are also harder to describe and directly identify – but are equally important for an organization's success and improved performance.

Shared values

The core values at Toyota are defined and communicated to foster a creative and supportive organizational structure that will allow employees to perform optimally,

and enhance their motivation and organizational commitment. The core values at Toyota include, but are not limited to:

- Creativity
- Honesty
- Transparency
- Accountability
- Trust
- Quality
- Heritage

The Toyota business also ensures that all its activities and operations are conducted with high ethical and moral standards that redefined and benchmarked against international criteria.

Corporate culture

Toyota encourages an inclusive culture that celebrates diversity. The company has an international presence, and production units that are spread across different countries, as such, Toyota ensure that its organizational culture is supportive of diversity, and has internal policies to reduce incidences of discrimination.

The corporate culture at Toyota also encourages innovation and creativity by allowing independence for growth to individuals and teams –thus helping them refine their careers as well as personalities. Lastly, the corporate culture at Toyota also has a supportive leadership which works towards increasing employee motivation and job satisfaction by giving way to visibility and accessibility.

Task alignment with values

Toyota ensures that all its job tasks and roles are aligned with the core values that the company propagates. This means that all activities, tactics, and strategic tactics employed by Toyota will reflect its core values, and will not deviate away from these. This is to ensure a consistent, and reliable brand image, as well as an honest organizational culture. In the event of organizational change, the company will continue to ensure that all change management processes and methods incorporate

the core values so that the organizational culture is consistently maintained, and systematically changed if need be.

Style

Management/leadership style

Toyota has a participative leadership style. Through a participative leadership style, Toyota is able to engage and involve its employees in decision-making processes and managerial decisions. This also allows the leadership to regularly interact with the employees and different managerial groups to identify any potential conflicts for resolution, as well as for feedback regarding strategic tactics and operations. Through its participative leadership, Toyota is able to enhance employee motivation, and increase organizational commitment and ownership amongst employees as well as other stakeholders.

Effectiveness of leadership style

The participative leadership style is highly effective in achieving the business goals and vision of the organization. Employees feel to be active members of the organization who are valued for their suggestions, feedback, and input. Moreover, through participative leadership, leaders and managers are able to identify current and potential conflicts within the Toyota organization, and actively work to resolve them as soon as possible.

Cooperation vs competition – internally

With its supportive and encouraging organizational culture, Toyota gives way to internal collaboration and cooperation between employees, systems, teams, and departments. This cooperation and collaboration at Toyota is important since its operations are spread globally and also because tasks and responsibilities within the company often require inter-departmental feedback and input. Moreover, with increased expansion, and synergy, the business also regularly forms project teams – which function effectively because of the cooperative and collaborative culture within the Toyota organization.

Team vs groups

Toyota has effective and functional teams and works with them internally to achieve its various business goals and objectives and complete tasks. The company's management is encouraging and supportive, and the leadership provides a motivating and pragmatic vision to achieve. The human resource management system, as well as the organizational training, supports all employees in their growth fairly and transparently. This leads to effective team formation instead of nominal groups within the organization for various projects, as well as department-specific tasks and role

Staff

Employee skill level vs business goals

Toyota has a sufficient number of employees employed across its global operations. Employees for different job roles and positions are hired internally as well as externally – depending on the urgency and the skill levels required. Based on this, it is seen that Toyota has employees who are skilled as per the requirements of their job roles and positions. All employees are given in-house training to familiarize themselves with the company and its values. External training along with in-house training is provided for skill level enhancement.

All job roles and positions are designed to facilitate the achievement of business goals, and as such, employee skill level at Toyota is sufficient to achieve the business goals of the company.

Number of employees

Toyota has employed a large number of employees. The number of employees varies from country to country as per the requirements and needs of the business and operations. The global team of Toyota is an inclusive one that accepts, and encourages diversity, and works in synchronization with members to ensure attainment of business goals. The team members and employees are the most important part of business success for Toyota.

Gaps in required capabilities and capacities

Toyota has a well-defined system for identifying potential needs of capabilities and capacities for the organization. The human resource function of the business has a systematic process that aligns all other departments to identify potential vacancies or skill gaps. Based on the nature of the need, the human resource department arranges for recruitments which may be permanent or contractual in nature, as well as arranges training sessions if need be for the current workforce.

Skills

Employee skills

Toyota has a commendable workforce, with high skills and capacities. All employees are recruited based on their merit and qualifications. Toyota prides itself on hiring the best professionals and grooming them further to facilitate growth and development.

Employee skills vs task requirements

Toyota has defined tasks and job roles and hires and trains employees for skill levels accordingly with respect to those. The company ensures that all its job requirements are met and that employees have the sufficient skills to perform their respective jobs in accordance with the values and culture as well as the business goals and strategy of Toyota.

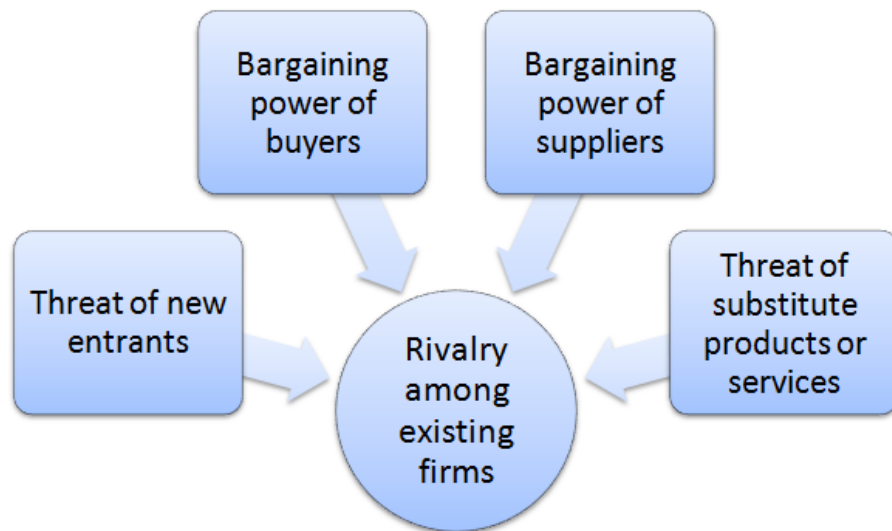
Skill management

Toyota pays particular attention to enhancing the skills and capacities of its employees. It arranges regular training and workshops – internally as well as externally managed- to provide growth and development opportunities for its employees. Toyota focuses on personal as well as professional growth for its employees and works accordingly with them.

Company's competitive advantage

The human resource is one of the core competitive advantages of the company. The skills of employees are developed specifically for job roles and requirements at Toyota and provide a competitive benefit to the company – where players cannot imitate employee skills or training. This creates a unique and non-substitutable competency for Toyota.

PORTER'S FIVE FORCE MODE



Toyota Porter's Five Forces Analysis :

Porter's Five Forces Analysis of Toyota covers the company's competitive landscape as well as the factors affecting its sector. The analysis focuses on measuring the company's position based on forces like threat of new entrants, threat of substitutes, bargaining power of buyers, bargaining power of suppliers and competitive rivalry.

Toyota Five Forces analysis helps to analyze its current position in the market based on multiple internal and external factors like competitors, customers, suppliers (vendors and partners), financial strength, future scope & alternate solutions.

In this article :

- Threat of New Entrants
- Threat of Substitutes
- Bargaining Power of Customers
- Bargaining Power of Suppliers
- Competitive Rivalry

Threat of New Entrants:

The threat of new entrants in the Toyota Porter Five Forces Analysis can be explained as follows

The threat of new entrants is low to moderate for Toyota as the barriers to entry are very high. Some of the obstacles can be listed down as the technological needs as well as the considerable capital required to set up a factory. For any new entrant, the cost of making the first vehicle or the prototype would be very high. It is a very capital-intensive job. Having 8.9% share in the international market Toyota has a very strong market position.

With the emergence of electric vehicles, the threat of new entrants has become moderate. Still, Toyota has also innovated its own electric cars and is using this opportunity to ensure that it also utilizes the innovation to gain more market share.

Given the fact the barriers of entry are high, and Toyota has a significant market share, we can confidently say that the threat of new entrants for Toyota is moderate too low.

Threat of Substitutes:

Below are the threats of substitute products of Porter's Five Forces analysis of Toyota:

The threat of substitute in the 4 Wheeler market is moderate, with several innovations like electric vehicles, electric two Wheelers, and the work from home culture during the pandemic has shown Toyota that people are moving towards a more remote working situation where the need for 4 Wheelers is reducing, especially with the concerns of several nations regarding the carbon emission and the promise of very several countries to become carbon neutral by 2050 has posed a significant threat.

As one may not realize, but with the work from home culture becoming a norm these days, apps like zoom and Google meet or one of the major competitors of the 4-Wheeler market because the people no longer need the 4 Wheelers to travel to their offices. But the dependence of people on the 4-Wheeler is still high. The change will

not be a sudden one, but a gradual one, and Toyota are planning to ride this wave of change and innovate itself into a newer and better organization.

Bargaining Power of Customers:

In the Toyota Porter Five Forces Analysis the bargaining power of the customers can be explained as:

The bargaining power of customers in the 4-Wheeler market is moderate to high; with the emergence of several substitutes like two Wheelers and electric vehicles, the customers have started to pressure the organization into reducing their price and adapting to more sustainable practices.

With a range of options & several competitors, the bargaining power of the customers is increasing day by day. However, due to the fixed everyday prices of the entire industry, the bargaining power of customers is still limited; for a company like Toyota that enjoys a good market share in many countries, the bargaining of power of the customers is limited because there are no other cheaper alternatives in the premium segment.

Toyota understands this and ensures that it targets a niche audience and fulfils a set of needs that no other competitor is currently addressing.

Hence after considering all the factors, we can say that the bargaining power of the customers in the 4 Wheeler market segment is moderate to high for Toyota.

Bargaining Power of Suppliers:

Following is the bargaining power of suppliers in the Porter's Five Forces analysis of Toyota:

The bargaining power of suppliers in the industry is moderate, as the world's second-largest car manufacturer Toyota must deal with several kinds of vendors; for example, to buy several components for the cars, Toyota has to deal with 200 different vendors in Japan only.

To ensure an efficient supply chain, Toyota has integrated several vendors into the company itself but still deals with some of the 3rd party vendors.

Toyota has to deal with several of its vendors, for example, Tesla and General Motors, which provide its engines and the infotainment system that it uses in the car, being the second biggest car manufacturer, the vendors usually do not negotiate a problematic deal, however, to ensure that the quality of the product they are making is constant they have to provide the raw material.

The components are of the same quality. The supply chain of any manufacturing industry is vital, and hence the bargaining power of suppliers is moderate in the case of Toyota.

Competitive Rivalry:

The impact of key competitors in the Toyota Porter Five Forces Analysis is as follows:

The competitive rivalry in the car manufacturing and four Wheeler industry is relatively high, with several players trying to capture more and more markets by innovating and designing new cars.

With several new government norms, such as trying to be carbon neutral, the industry has to go around many changes, especially after the introduction of electric vehicles, as the cost of shifting between companies is moderate, the customers have an option to switch brands hence it is vital that each brand has its own offering that is different and distinct from its competitors.

Being the second largest 4 Wheeler manufacturer, Toyota has the upper hand over its competitors; even though the competitive rivalry in the industry is relatively high, each brand has its own niche market that it targets.

With new emerging technologies and competitors fighting for more and more market share we can safely conclude that the competitive rivalry in the 4 Wheeler market is moderate to high for Toyota.

To conclude, the above Toyota Porter Five Forces Analysis highlights the various elements which impact its competitive environment. This understanding helps to evaluate the various external business factors for any company.

CHAPTER – 4

SWOT ANALYSIS

Toyota's Strength

- **Strong financials-** Toyota group generated \$245 billion in revenue in 2021. It has a free cash flow of 10,40,783 yen and it has an excellent debt to equity ratio of 1.007, meaning that the company is not much in debt. The financial power can benefit a company while overcoming market threats and exploring new opportunities.
- **Impressive Product range-** Toyota has a full range of vehicles including hatchbacks, sedans, SUVs, and pick-up trucks. Its most popular hatchback is Corolla with more than 1.1 million units sold worldwide in 2021 while Camry is most sold in the Sedan category with more than 300,000 units sold annually and RAV-4 is the most sold SUV with more than 1.1 million units sold annually and it occupies more than 3% market share in the pick-up segment. Toyota also owns a luxury vehicle brand named Lexus.
- **Technology and innovation capabilities-** Toyota is innovating with its products and has recently launched two new models of Lexus and Mirai that are equipped with autonomous driver technology wherein the car would automatically be able to maintain a safe distance from the vehicles ahead by detecting the traffic through sensors that would help in the reduction of accidents (Reuters, 2021).
- **Customer-related initiatives-** Toyota engages in continuous improvement of its vehicles by implementing Kaizen and PDCA business processes. Further, the company has an excellent after-sales service wherein it has implemented the 3S model that relates to Sequake, Shiniest, and Shinar which in simple terms means accuracy, care, and trust (Toyota, 2019).
- **Strategic partnerships-** Effective and beneficial partnerships with other brands have helped Toyota broaden its customer base in emerging markets. For instance, the strategic partnership of the company with Maruti Suzuki to jointly develop successful cars for the Indian market has proved highly beneficial to the company. Such partnerships will help Toyota in greater market penetration across developing countries like India.

Toyota's Weaknesses

- **Strategic partnerships**- Toyota has a hierarchical structure and decision making is fully centralized wherein the top bosses are responsible for decision making and the employees are just required to follow the order. This can lead to less employee engagement levels which would affect their motivation and work performance.
- **Consistent recall of vehicles**- Toyota has recalled a large number of vehicles over the years. Recently, it announced 227,000 recalls of its 2019 model Camry and 41,544 Venza Hybrid models (Toyota, 2021). The frequent recalls can hamper the trust of the customers and this can have a direct impact on the sales of the vehicles.
- **Limited options in the middle**-class segment- In emerging markets like India, Toyota offers limited options in budget-friendly cars including light utility vehicle and hatchbacks. This proves to be a major inability of the company to capture markets in developing countries through effective change management.

Toyota's Opportunities

- **Investment in EV segment**- Toyota can enhance its investment in the EV segment, especially in emerging markets like India where the government is offering financial assistance on a large scale and the market is expected to grow by a huge margin of 94.4% from 2021-2030.
- **In-house chip manufacturing**- Toyota can utilize its expertise in engineering and start production of the semiconductor chips. This would enable the company to have more control over the quality and the company would be able to overcome the supply chain barriers to some extent.
- **Budgeted cars**- Toyota can launch more budget-friendly options with more fuel efficiency, especially in the market of India where 72% of people prefer low-priced cars (Gupta, 2020).

Toyota's Threats

- **High degree of rivalry-** The top competitors of Toyota include Hyundai, Volkswagen, and General Motors along with many others. General Motors occupies a 15.5% market share in the US and its global revenue increased by 3.7% in 2021 to \$127 billion. Hyundai occupies a 5.4% market share globally in the automobile segment while it is gaining dominance in the Indian market with its share being 12.70% (Cain, 2022). Furthermore, Tesla has the ability to provide stiff competition to Toyota if it decides to expand its electric vehicle segment worldwide as it is the global leader with a 14% market share (ET, 2022).
- **Unavailability of chips-** The disruption in production and supply of chips, an important component in the manufacturing of vehicles because of the shortage in raw material due to the Russia-Ukraine war can pose a threat to its protection level. To encapsulate, Toyota has the advantage of being present worldwide in more than 170 countries. Because of its high presence, it is able to sell more vehicles, it sold around 9 million vehicles in 2021. Further, Toyota has effectively maintained its debt and its debt to equity ratio is 1.007 which is considered to be excellent. Toyota needs to build its cars with more efficiency to avoid recalling the vehicles on a frequent basis and it is an expert in high-end models but it can capture more market if it launches more affordable and fuel-efficient options. The company faces threats in the form of a shortage of ships globally and even the competitiveness in the market is also high with General Motors occupying a 15% market share in the US and the expansion of the EV segment can be a hurdle as the company would have to compete with Tesla, that is already a dominant market player with 14% market share in the EV segment. Besides, to understand how external factors can affect the company, you can go through our well-crafted Toyota PESTLE Analysis.

CHAPTER -5
ANALYSIS OF FINANCIAL STATEMENTS

BALANCE SHEET

A balance sheet is a financial statement that reports a company's assets, liabilities, and shareholder equity. The balance sheet is one of the three core financial statements that are used to evaluate a business. It provides a snapshot of a company's finances (what it owns and owes) as of the date of publication

BALANCE SHEET OF TOYTA KIRLOSKAR COMPANY (in Rs. Cr.)	MAR 22	MAR 21	MAR 20	MAR 19	MAR 18
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	9.78	9.71	9.71	9.71	9.71
TOTAL SHARE CAPITAL	9.78	9.71	9.71	9.71	9.71
Reserves and Surplus	2,301.12	1,708.66	1,003.34	1,339.17	1,773.73
TOTAL RESERVES AND SURPLUS	2,301.12	1,708.66	1,003.34	1,339.17	1,773.73
TOTAL SHAREHOLDERS FUNDS	2,328.52	1,745.78	1,032.52	1,365.69	1,789.08
Minority Interest	1,736.74	489.09	351.89	320.38	287.65
NON-CURRENT LIABILITIES					
Long Term Borrowings	11.98	13.33	12.06	11.14	88.06
Deferred Tax Liabilities [Net]	197.76	89.74	115.94	95.36	82.63
Other Long Term Liabilities	73.84	32.92	13.07	22.23	19.56
Long Term Provisions	34.55	14.69	12.99	11.42	9.24
TOTAL NON-CURRENT LIABILITIES	318.13	150.68	154.06	140.15	199.49
CURRENT LIABILITIES					

Short Term Borrowings	1,144.83	291.77	311.24	126.88	0.00
Trade Payables	1,056.76	369.25	375.59	435.23	357.75
Other Current Liabilities	138.88	149.63	84.40	53.15	71.95
Short Term Provisions	0.00	0.00	0.00	0.00	0.00
TOTAL CURRENT LIABILITIES	2,340.47	810.65	771.23	615.26	429.70
TOTAL CAPITAL AND LIABILITIES	6,723.86	3,196.20	2,309.70	2,441.48	2,705.92
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	2,777.73	1,055.39	894.51	646.36	594.85
Intangible Assets	1.94	1.86	2.13	3.38	3.97
Capital Work-In-Progress	397.71	229.58	137.81	56.73	75.68
FIXED ASSETS	3,197.49	1,300.38	1,041.11	711.89	674.50
Non-Current Investments	0.00	0.00	0.00	0.00	0.00
Deferred Tax Assets [Net]	0.00	0.08	0.00	0.00	0.18
Long Term Loans And Advances	0.00	0.00	0.00	0.00	0.00
Other Non-Current Assets	213.86	104.41	139.50	131.58	51.72
TOTAL NON-CURRENT ASSETS	3,411.36	1,404.88	1,180.61	843.47	726.40
CURRENT ASSETS					
Current Investments	1,190.25	1,067.86	540.89	933.36	1,422.78
Inventories	992.22	284.39	236.44	246.27	217.19
Trade Receivables	746.88	360.75	292.59	380.36	293.01
Cash And Cash Equivalents	344.04	66.19	44.22	27.90	32.34

Short Term Loans And Advances	0.00	0.00	0.00	0.00	0.00
OtherCurrentAssets	39.11	12.13	14.95	10.12	14.20
TOTAL CURRENT ASSETS	3,312.50	1,791.32	1,129.09	1,598.01	1,979.52
TOTAL ASSETS	6,723.86	3,196.20	2,309.70	2,441.48	2,705.92
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					
Contingent Liabilities	401.27	194.50	102.96	312.80	167.65
BONUS DETAILS					
Bonus Equity Share Capital	4.85	4.85	4.85	4.85	4.85
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	0.00	0.00	0.00	0.00	0.00
Non-Current Investments Unquoted Book Value	0.00	0.00	0.00	0.00	0.00
CURRENT INVESTMENTS					
Current Investments Quoted Market Value	0.00	0.00	0.00	0.00	0.00
Current Investments Unquoted Book Value	5.84	36.64	52.67	933.36	0.00

PROFIT AND LOSS ACCOUNT:

A profit and loss account shows a company's revenue and expenses over a particular period of time, typically either one month or consolidated months over a year. The profit and loss account represents the profitability of a business. It cannot, for example, show you if you are running out of cash as you build stock.

Consolidated Profit & Loss account	----- in Rs. Cr. -----				
	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18
	12 mths	12 mths	12 mths	12 mths	12 mths
INCOME					
Revenue From Operations [Gross]	3,725.84	1,994.78	1,867.90	2,160.96	1,687.70
Revenue From Operations [Net]	3,725.84	1,994.78	1,867.90	2,160.96	1,687.70
Other Operating Revenues	56.73	59.87	18.08	29.30	104.96
Total Operating Revenues	3,782.57	2,054.65	1,885.98	2,190.26	1,792.66
Other Income	38.21	27.62	44.07	36.40	37.41
Total Revenue	3,820.78	2,082.27	1,930.05	2,226.66	1,830.07
EXPENSES					
Cost Of Materials Consumed	2,296.23	1,048.79	1,131.40	1,344.78	1,088.70
Purchase Of Stock-In Trade	0.00	0.00	0.00	13.97	59.86
Operating And Direct Expenses	498.28	316.31	303.84	403.87	338.84
Changes In Inventories Of FG,WIP And Stock-In Trade	-29.52	3.45	1.67	-8.59	0.26
Employee Benefit Expenses	147.24	114.28	101.35	100.00	90.38
Finance Costs	31.10	26.76	18.60	17.99	12.52
Provsions and Contingencies	4.12	2.35	-0.09	-0.71	-0.12
Depreciation And Amortisation Expenses	95.48	79.34	60.46	56.76	51.03
Other Expenses	209.53	113.26	112.91	110.96	97.39
Total Expenses	3,252.46	1,704.54	1,730.14	2,039.03	1,738.86
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	568.32	377.73	199.91	187.63	91.21
Profit/Loss Before Tax	568.32	377.73	199.91	187.63	91.21
Tax Expenses-Continued Operations					
Current Tax	163.56	93.94	33.64	43.45	21.46
Deferred Tax	86.81	-27.07	21.32	12.79	2.16
Tax For Earlier Years	1.77	-0.59	-5.68	-0.35	-0.46
Total Tax Expenses	252.14	66.28	49.28	55.89	23.16

Profit/Loss After Tax And Before Extra Ordinary Items	316.18	311.45	150.63	131.74	68.05
Profit/Loss From Continuing Operations	316.18	311.45	150.63	131.74	68.05
Profit/Loss For The Period	316.18	311.45	150.63	131.74	68.05
Minority Interest	-122.58	-147.66	-54.74	-47.66	-18.44
Consolidated Profit/Loss After MI And Associates	193.60	163.79	95.89	84.08	49.61
OTHER ADDITIONAL INFORMATION					
EARNINGS PER SHARE					
Basic EPS (Rs.)	199.00	169.00	99.00	87.00	51.00
Diluted EPS (Rs.)	194.00	164.00	99.00	86.00	51.00
DIVIDEND AND DIVIDEND PERCENTAGE					
Equity Share Dividend	9.71	0.00	9.71	20.39	19.42
Tax On Dividend	0.00	0.00	2.91	5.66	3.95

RATIO ANALYSIS

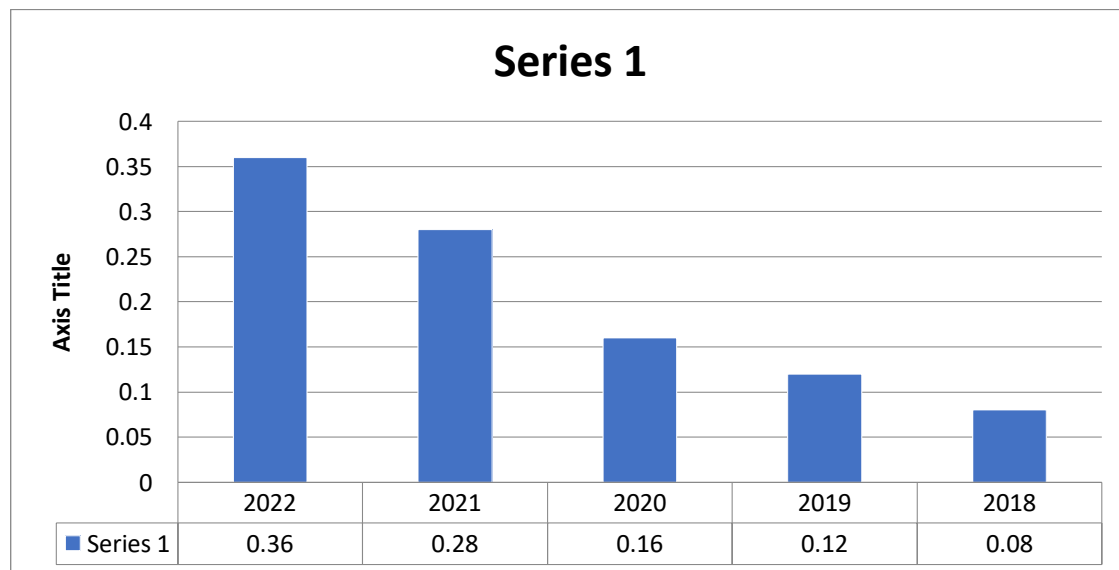
SHORT TERM SOLVENCY RATIOS :

1. CURRENT RATIO

The current ratio helps investors understand more about a company's ability to cover its short-term debt with its current assets and make apples-to-apples comparisons with its competitors and peers

Current Ratio Formula = Current Assets / Current Liabilities

YEAR	2022	2021	2020	2019	2018
CURRENT RATIO	0.36	0.28	0.16	0.12	0.09



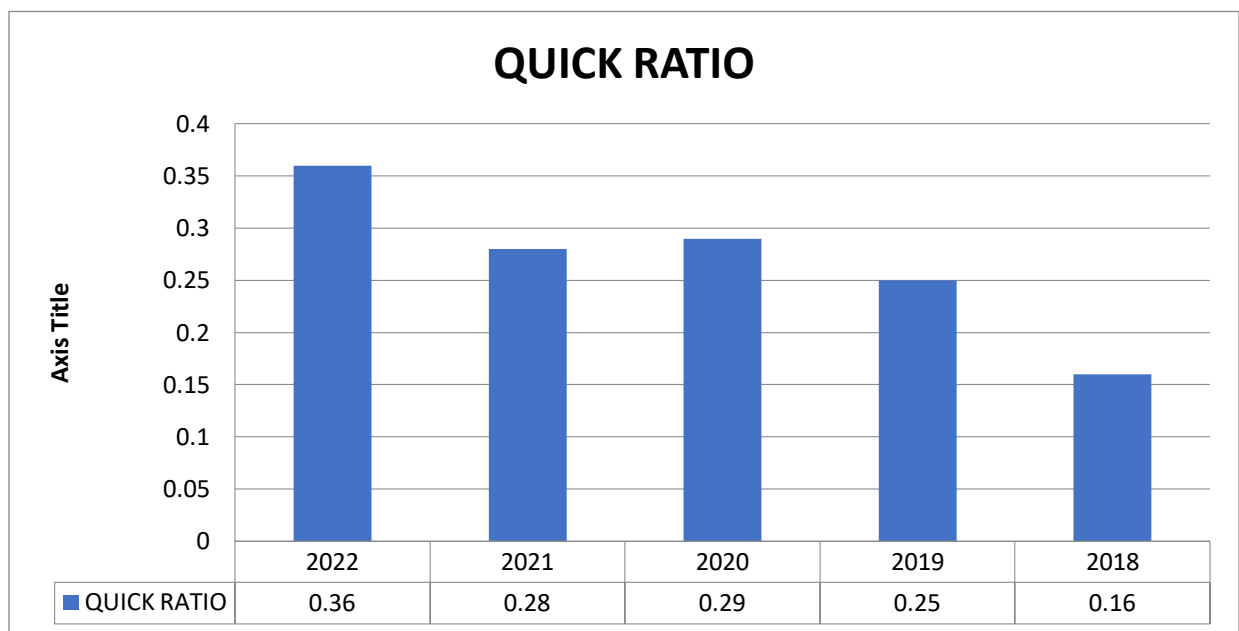
INTERPRETATION: The above graph reveals the results of current ratio of time period 2018- 2022. As we can see initially in the year 2018 the current ratio is 0.09 which Shows the firm was not idle. The idle current ratio is 2:1 which shows that current assets should be double the value of current liabilities. The firm doesn't show idle position from 2018-2022. The current ratio is seen as increasing from 2018-2022

2. LIQUID OR ACID TEST OR QUICK RATIO

The quick ratio measures a company's capacity to pay its current liabilities without needing to sell its inventory or obtain additional financing.

$$\text{Quick Ratio} = \frac{\text{Quick Assets}}{\text{Current Liabilities}}$$

YEAR	2022	2021	2020	2019	2018
QUICK RATIO	0.35	0.25	0.03	0.25	0.16



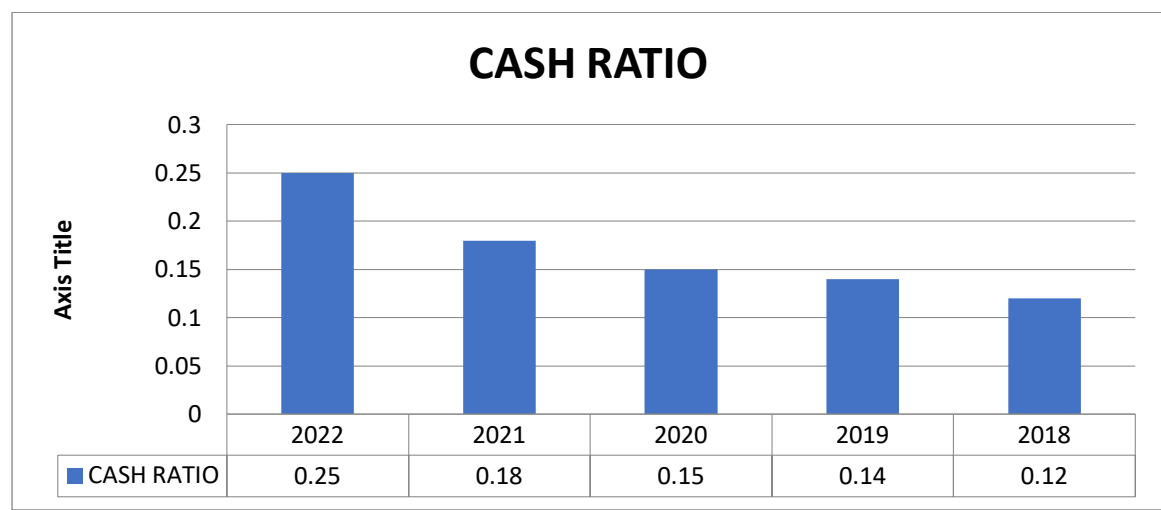
INTERPRETATION: The above graph shows the results for quick ratio of time period 2018-2022. As the results reveal a better view of liquidity. The results range from 0.16-0.36 from year 2018-2022 of the firm.

3. CASH RATIO

The cash ratio is a measurement of a company's liquidity, specifically the ratio of a company's total cash and cash equivalents to its current liabilities. The metric calculates a company's ability to repay its short-term debt with cash or near-cash resources, such as easily marketable securities.

$$\text{Cash ratio} = \frac{(\text{Cash} + \text{Marketable Securities})}{\text{Current Liabilities}}$$

YEAR	2022	2021	2020	2019	2018
CASH RATIO	0.25	0.18	0.15	0.14	0.12



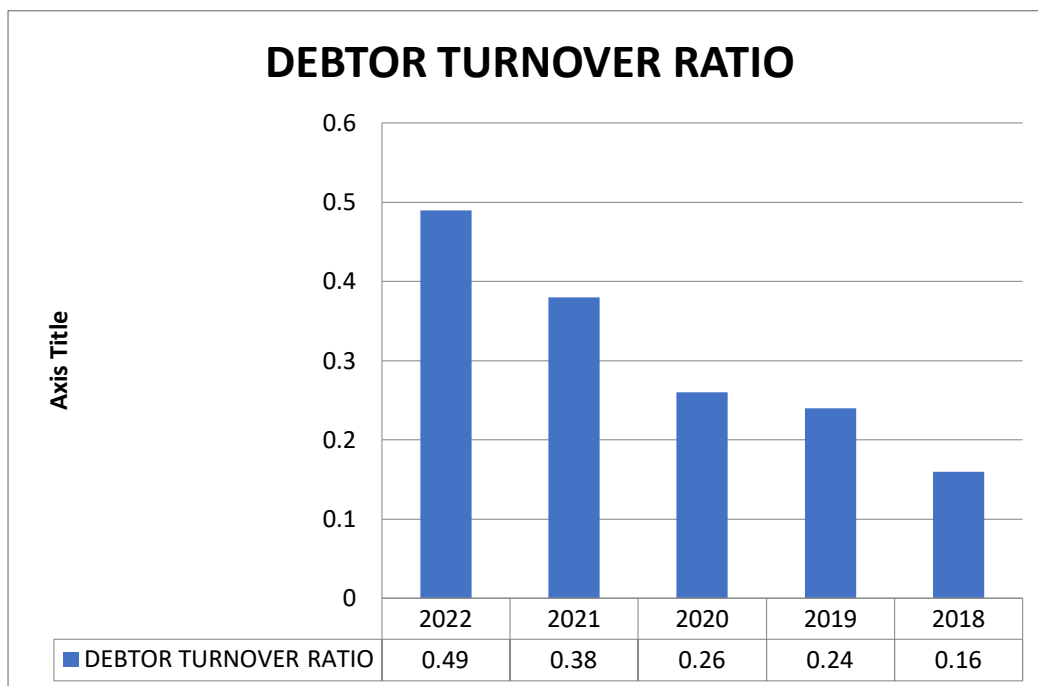
INTERPRETATION: The graph represents the cash ratio of the firm during the year 2018-2022. The firm doesn't show satisfactory results for cash ratio which depicts that the firm cannot easily fund its debt.

4. Management Efficiency Ratios:

Efficiency in management means **performing activities with the minimum wastage of resources** which also refers to optimum utilization of resources so that the organisation can maximize the profit.

Debtors Turnover Ratio = $\frac{\text{Net Credit Sales}}{\text{Average Trade Debtors}}$

YEAR	2022	2021	2020	2019	2018
DEBTOR TURNOVER RATIO	0.49	0.38	0.26	0.24	0.16



INTERPRETATION: Debtor's turnover ratio is also known as Receivables Turnover Ratio, Debtor's Velocity and Trade Receivables Ratio. It is an activity ratio that finds out the relationship between net credit sales and average trade receivables of a business. Debtor Turnover Ratio has been decreased in the year 2022 compared to 2021 and 2020, from 0.49 and 0.38 to 0.26, which implies inefficient management of debtors or less liquid debtors.

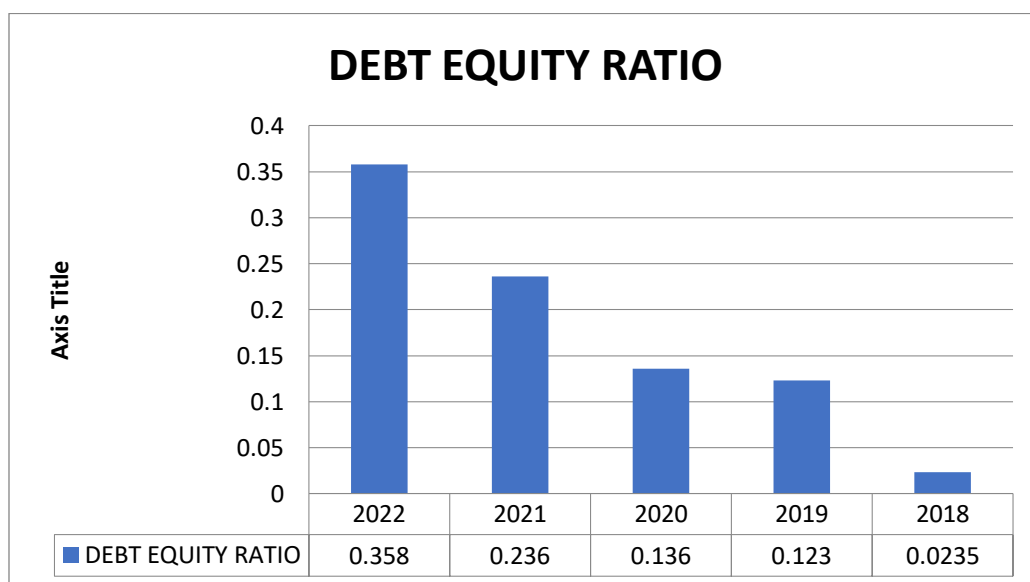
LONG TERM SOLVENCY RATIOS ARE

1) DEBT- EQUITY RATIO:

The debt-equity ratio is a measure of the relative contribution of the creditors and shareholders or owners in the capital employed in business. Simply stated, the ratio of the total long term debt and equity capital in the business is called the debt-equity ratio.

$$\text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Shareholders' Equity}}$$

YEAR	2022	2021	2020	2019	2018
DEBT EQUITY RATIO	0.358	0.236	0.136	0.123	0.0235



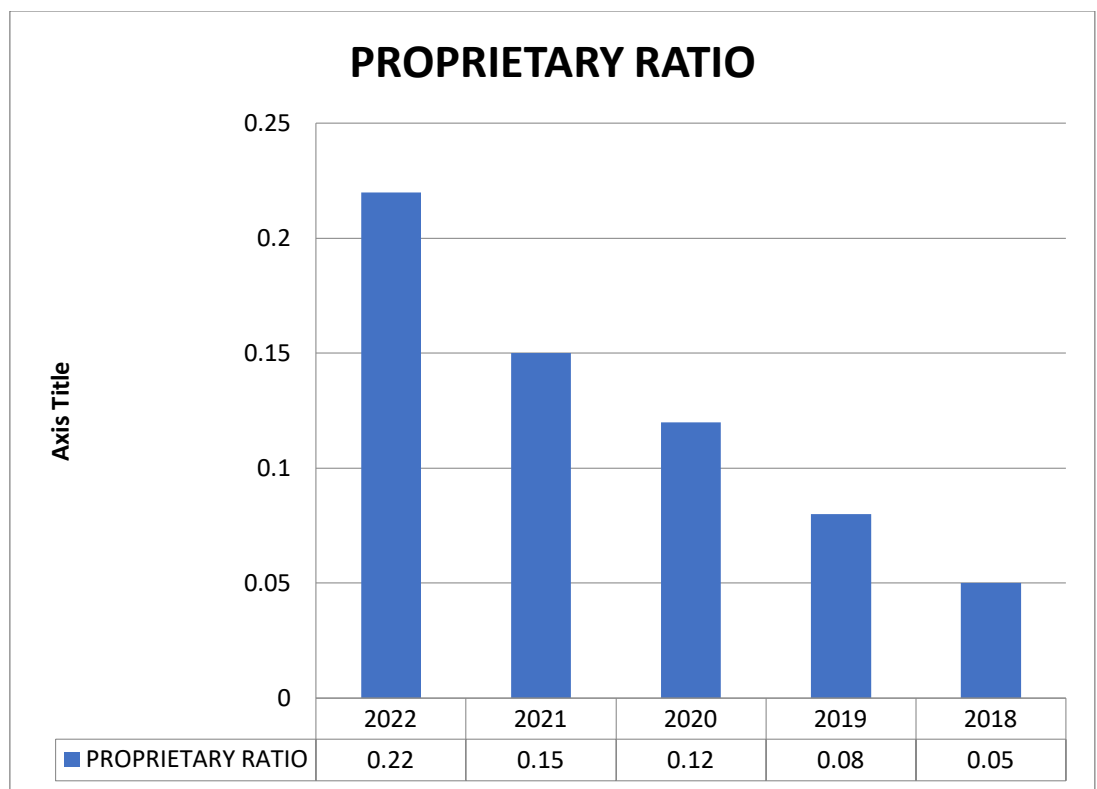
INTERPRETATION: The graph represents results of Debt to equity of a firm from 2018-2022. The firm shows sound financial position, which means low debt, is involved in a firm.

2) **PROPRIETARY RATIO:**

Proprietary ratio is a type of solvency ratio that is useful for determining the amount or contribution of shareholders or proprietors towards the total assets of the business.

Proprietary Fund= (Proprietors' Fund / Total Assets)

YEAR	2022	2021	2020	2019	2018
PROPRIETARY RATIO	0.22	0.15	0.12	0.08	0.05



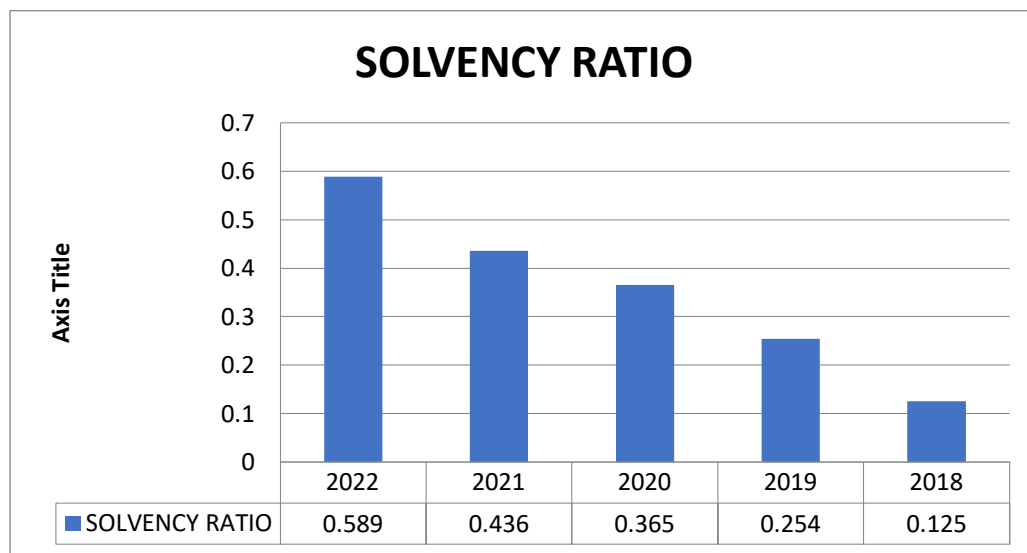
INTERPRETATION: The graph shows the results of proprietary ratio of the firm of time period 2018-2022. The proprietary ratio represents the relationship of owners fund to total assets. The firm shows greater results in the year 2022, which represents the long term solvency position of the firm. In the year 2018, the firm's ratio was low as compared to subsequent years. A higher ratio represents greater liquidity.

3) **SOLVENCY RATIO**

A solvency ratio is a key metric used to measure an enterprise's ability to meet its longterm debt obligations and is used often by prospective business lenders. A solvency ratio indicates whether a company's cash flow is sufficient to meet its long-term liabilities and thus is a measure of its financial health.

Total Debt to Equity Ratio= Total Debt/ Total Equity

YEAR	2022	2021	2020	2019	2018
SOLVENCY RATIO	0.589	0.436	0.365	0.254	0.125



INTERPRETATION: The above graphs represents solvency ratio of orient cements from 2017- 2021.The firm shows moderate solvency during year 2017-2018 and in 2021 the firm resulted in higher solvency which means that the firm is able to pay out its liabilities.

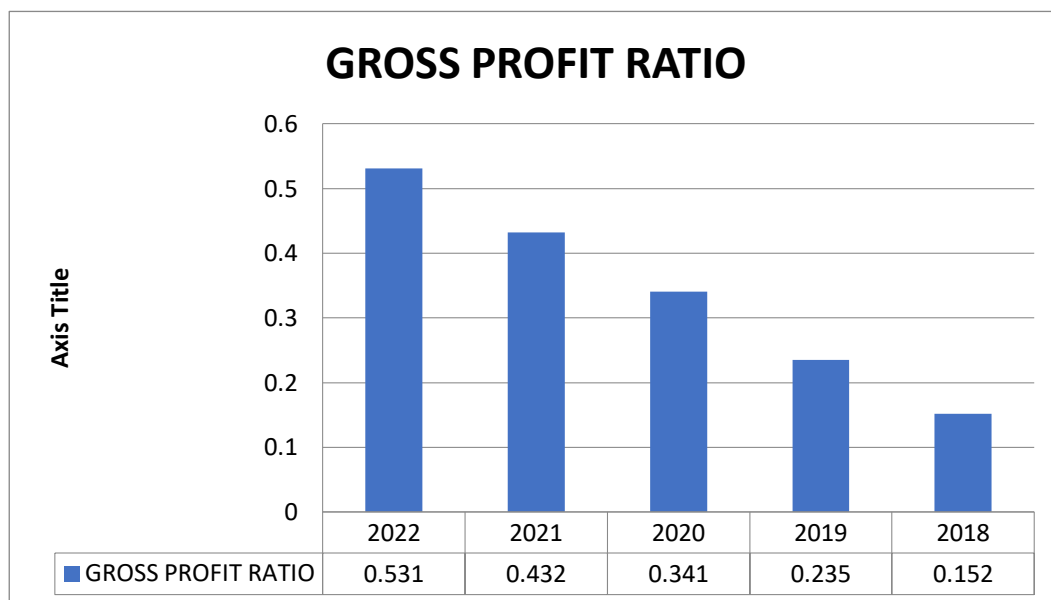
PROFITABILITY RATIOS

1) GROSS PROFIT RATIO:

The gross profit ratio shows the proportion of profits generated by the sale of products or services, before selling and administrative expenses. It is used to examine the ability of a business to create sellable products in a cost-effective manner. The ratio is of some importance, especially when tracked on a trend line, to see if a business can continue to provide products to the marketplace for which customers are willing to pay a reasonable price. There is no optimum ratio amount; it can vary substantially by industry.

Gross Profit = Net Sales – Cost of Goods Sold

YEAR	2022	2021	2020	2019	2018
GROSS PROFIT RATIO	0.531	0.423	0.341	0.235	0.152



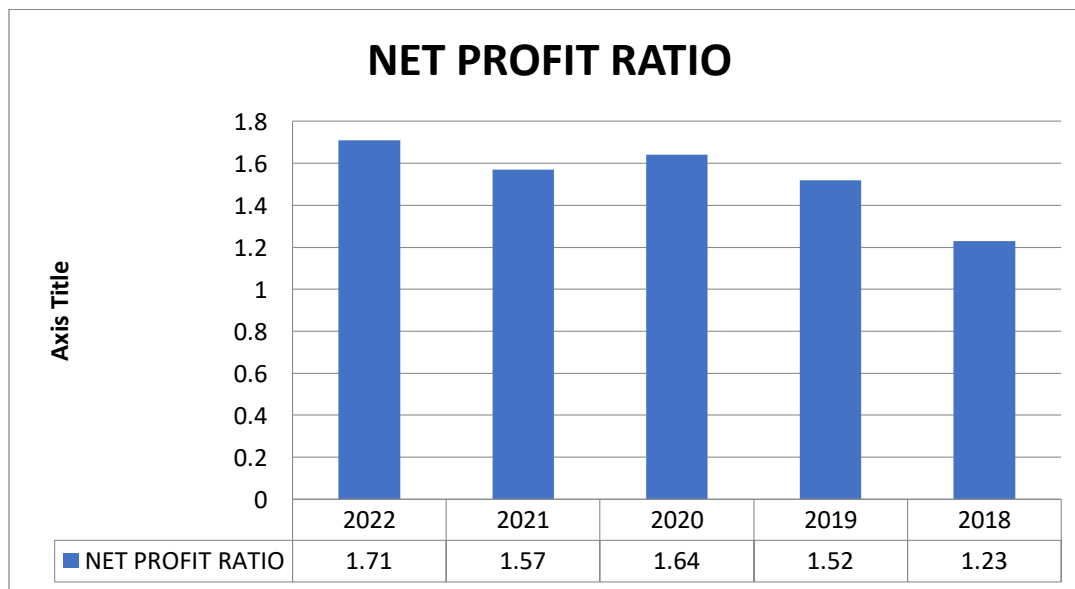
INTERPRETATION: The above graph represents the gross profit ratio of the firm from 2018-2022. The firm indicates low margins in 2017 and gradually the firm has increased its margin to 0.531 in 2022.

2) **NET PROFIT RATIO**

The net profit percentage is the ratio of after-tax profits to net sales. It reveals the remaining profit after all costs of production, administration, and financing have been deducted from sales, and income taxes recognized. As such, it is one of the best measures of the overall results of a firm, especially when combined with an evaluation of how well it is using its working capital. The measure is commonly reported on a trend line. To judge performance over time. It is also used to compare the results of a business with its competitors.

$$\text{Net Profit Ratio} = (\text{Net Profit} / \text{Net Sales}) \times 100$$

YEAR	2022	2021	2020	2019	2018
NET PROFIT RATIO	1.71	1.57	1.64	1.52	1.23



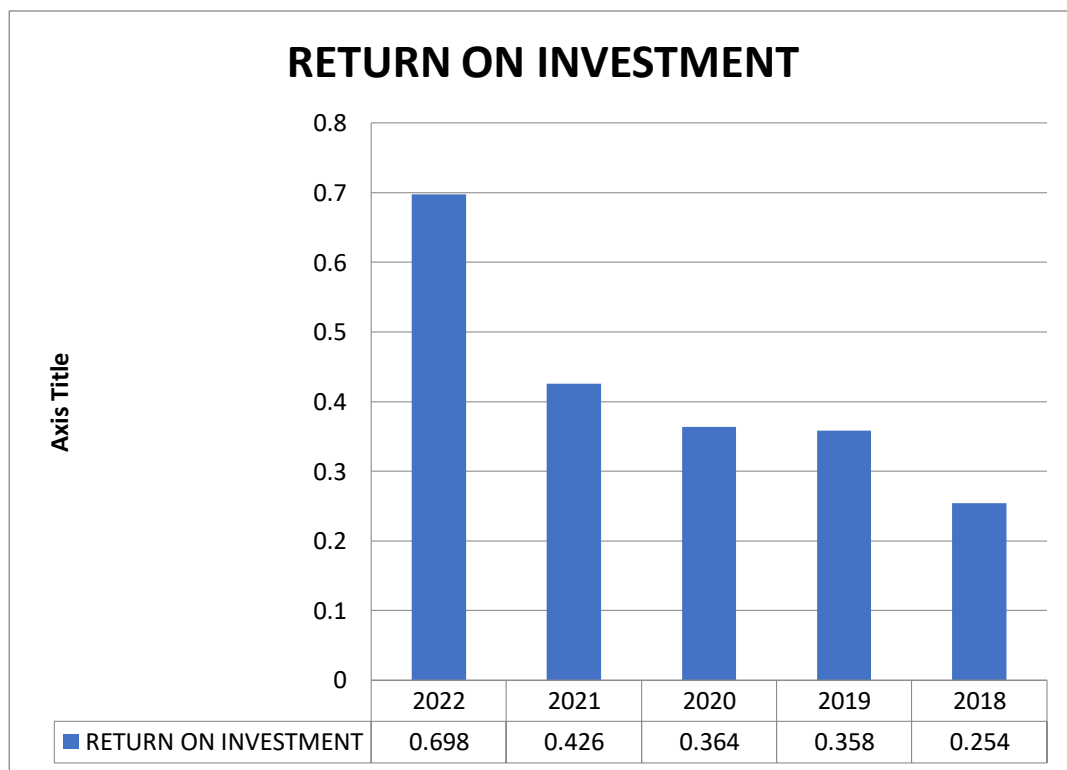
INTERPRETATION: The graph represents the net profit ratio of the firm. The net profit of the firm shows positive results and it shows an efficiency of firm. Net profit ratio ranges from 1.23- 1.71.

3) **RETURN ON INVESTMENT**

Return on investment (ROI) is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment, relative to the investment's cost.

$$\text{ROI} = (\text{Net Profit} / \text{Investment}) \times 100$$

YEAR	2022	2021	2020	2019	2018
RETURN ON INVESTMENT	0.698	0.426	0.364	0.358	0.254



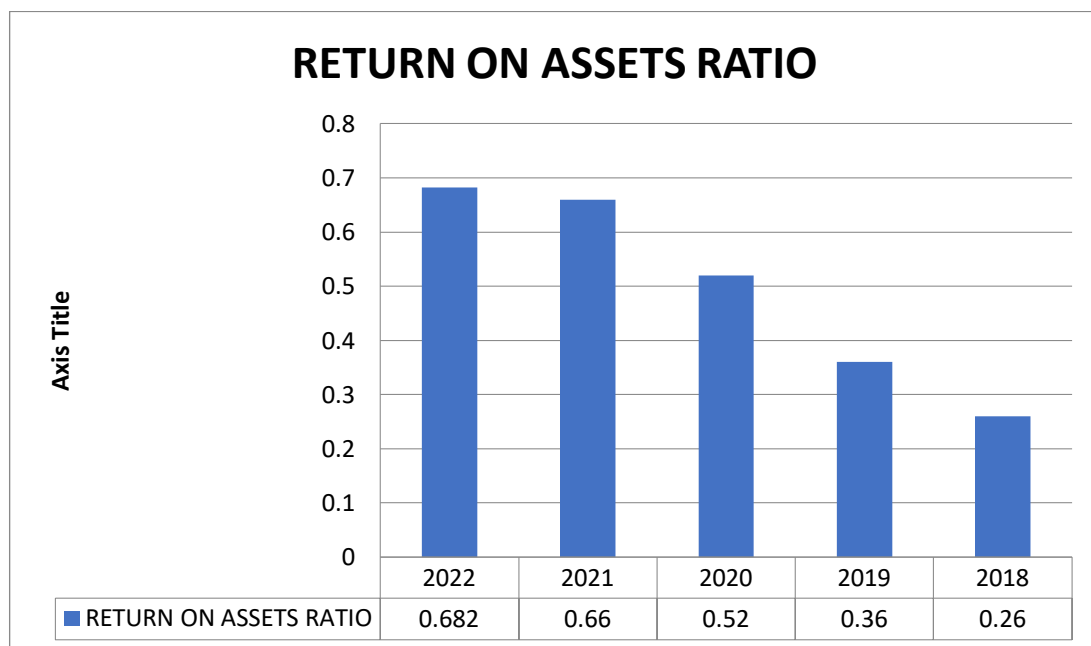
INTERPRETATION: The above graph represents the results for return on capital employed during 2018-2022. The firm is efficient in year 2022 with a result of 0.698 and least efficiency can be found in the year 2018 with a result of 0.254

4) **RETURN ON ASSETS RATIO**

The return on assets ratio, often called the return on total assets, is a profitability ratio that measures the net income produced by total assets during a period by comparing net income to the average total assets. In other words, the return on assets ratio or ROA measures how efficiently a company can manage its assets to produce profits during a period.

Return on Assets (ROA) = Net Income ÷ Average Total Assets

YEAR	2022	2021	2020	2019	2018
RETURN ON ASSETS RATIO	1.62	1.69	1.52	0.36	0.26



INTERPRETATION: The graph represents the results of Return on assets of a firm from 2018- 2022. The firm resulted in negative returns in the year 2018 and rest of the year showed positive return on assets maximum returns were noticed in the year 2022.

CHAPTER 6

LEARNING EXPERIENCE

Learning experience:-

The Internship Study has helped in gaining practical knowledge and experience about the functioning of the company. It was esteemed privilege for me to undergo on internship study in TOYOTA KIRLOSKAR MOTOR PVT LMT (LEAN MANUFACTURING PROSESS), which has industries by manufacturing cars.

TOYOTA KIRLOSKAR MOTOR PVT LMT mainly does the production business in motor cars, research and development of seasonal product. It was really a great learning experience for us, to feel and witness the manufacturing, testing and quality components.

I have gained lot of knowledge, the way of presentation skills, listening skill, in the organization and from the day one I entered to the corporate. I have maintained all their cords by which I got the information through various departments like Production department, quality testing process, employee relation Legal section. Public relations on manpower planning, purchase quality department, companies plan/target Achievement.

I came to know the following things: Its policies and vision Achievements its nature of business Working Environment Discipline Rules and Regulations My internal guide helped me to complete my organization study and clarify all my doubts during my period of internship training period. The college guide gave a required support and practical knowledge.

Wonderful experience which enhanced my knowledge about the organization and functioning which will be very helpful in future. The 4-week organization study gave me a clear idea about the functioning of the production industry and also developed a new desire of being a part of this organization in future.

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ANNEXURE

COMPANY



PRODUCT



PROFIT AND LOSS ACCOUNT

Consolidated Profit & Loss account	----- in Rs. Cr. -----				
	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18
	12 mths	12 mths	12 mths	12 mths	12 mths
INCOME					
Revenue From Operations [Gross]	3,725.84	1,994.78	1,867.90	2,160.96	1,687.70
Revenue From Operations [Net]	3,725.84	1,994.78	1,867.90	2,160.96	1,687.70
Other Operating Revenues	56.73	59.87	18.08	29.30	104.96
Total Operating Revenues	3,782.57	2,054.65	1,885.98	2,190.26	1,792.66
Other Income	38.21	27.62	44.07	36.40	37.41
Total Revenue	3,820.78	2,082.27	1,930.05	2,226.66	1,830.07
EXPENSES					
Cost Of Materials Consumed	2,296.23	1,048.79	1,131.40	1,344.78	1,088.70
Purchase Of Stock-In Trade	0.00	0.00	0.00	13.97	59.86
Operating And Direct Expenses	498.28	316.31	303.84	403.87	338.84
Changes In Inventories Of FG,WIP And Stock-In Trade	-29.52	3.45	1.67	-8.59	0.26
Employee Benefit Expenses	147.24	114.28	101.35	100.00	90.38
Finance Costs	31.10	26.76	18.60	17.99	12.52
Provsions and Contingencies	4.12	2.35	-0.09	-0.71	-0.12
Depreciation And Amortisation Expenses	95.48	79.34	60.46	56.76	51.03
Other Expenses	209.53	113.26	112.91	110.96	97.39
Total Expenses	3,252.46	1,704.54	1,730.14	2,039.03	1,738.86
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	568.32	377.73	199.91	187.63	91.21
Profit/Loss Before Tax	568.32	377.73	199.91	187.63	91.21
Tax Expenses-Continued Operations					
Current Tax	163.56	93.94	33.64	43.45	21.46
Deferred Tax	86.81	-27.07	21.32	12.79	2.16
Tax For Earlier Years	1.77	-0.59	-5.68	-0.35	-0.46
Total Tax Expenses	252.14	66.28	49.28	55.89	23.16
Profit/Loss After Tax And Before ExtraOrdinary Items	316.18	311.45	150.63	131.74	68.05
Profit/Loss From Continuing Operations	316.18	311.45	150.63	131.74	68.05
Profit/Loss For The Period	316.18	311.45	150.63	131.74	68.05

Minority Interest	-122.58	-147.66	-54.74	-47.66	-18.44
Consolidated Profit/Loss After MI And Associates	193.60	163.79	95.89	84.08	49.61
OTHER ADDITIONAL INFORMATION					
EARNINGS PER SHARE					
Basic EPS (Rs.)	199.00	169.00	99.00	87.00	51.00
Diluted EPS (Rs.)	194.00	164.00	99.00	86.00	51.00
DIVIDEND AND DIVIDEND PERCENTAGE					
Equity Share Dividend	9.71	0.00	9.71	20.39	19.42
Tax On Dividend	0.00	0.00	2.91	5.66	3.95

BALANCE SHEET

BALANCE SHEET OF TOYTA KIRLOSKAR COMPANY (in Rs. Cr.)	MAR 22	MAR 21	MAR 20	MAR 19	MAR 18
	12 mths	12 mths	12 mths	12 mths	12 mths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	9.78	9.71	9.71	9.71	9.71
TOTAL SHARE CAPITAL	9.78	9.71	9.71	9.71	9.71
Reserves and Surplus	2,301.12	1,708.66	1,003.34	1,339.17	1,773.73
TOTAL RESERVES AND SURPLUS	2,301.12	1,708.66	1,003.34	1,339.17	1,773.73
TOTAL SHAREHOLDERS FUNDS	2,328.52	1,745.78	1,032.52	1,365.69	1,789.08
Minority Interest	1,736.74	489.09	351.89	320.38	287.65
NON-CURRENT LIABILITIES					
Long Term Borrowings	11.98	13.33	12.06	11.14	88.06
Deferred Tax Liabilities [Net]	197.76	89.74	115.94	95.36	82.63
Other Long Term Liabilities	73.84	32.92	13.07	22.23	19.56
Long Term Provisions	34.55	14.69	12.99	11.42	9.24
TOTAL NON-CURRENT LIABILITIES	318.13	150.68	154.06	140.15	199.49
CURRENT LIABILITIES					
Short Term Borrowings	1,144.83	291.77	311.24	126.88	0.00
Trade Payables	1,056.76	369.25	375.59	435.23	357.75
Other Current Liabilities	138.88	149.63	84.40	53.15	71.95

Short Term Provisions	0.00	0.00	0.00	0.00	0.00
TOTAL CURRENT LIABILITIES	2,340.47	810.65	771.23	615.26	429.70
TOTAL CAPITAL AND LIABILITIES	6,723.86	3,196.20	2,309.70	2,441.48	2,705.92
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	2,777.73	1,055.39	894.51	646.36	594.85
Intangible Assets	1.94	1.86	2.13	3.38	3.97
Capital Work-In-Progress	397.71	229.58	137.81	56.73	75.68
FIXED ASSETS	3,197.49	1,300.38	1,041.11	711.89	674.50
Non-Current Investments	0.00	0.00	0.00	0.00	0.00
Deferred Tax Assets [Net]	0.00	0.08	0.00	0.00	0.18
Long Term Loans And Advances	0.00	0.00	0.00	0.00	0.00
Other Non-Current Assets	213.86	104.41	139.50	131.58	51.72
TOTAL NON-CURRENT ASSETS	3,411.36	1,404.88	1,180.61	843.47	726.40
CURRENT ASSETS					
Current Investments	1,190.25	1,067.86	540.89	933.36	1,422.78
Inventories	992.22	284.39	236.44	246.27	217.19
Trade Receivables	746.88	360.75	292.59	380.36	293.01
Cash And Cash Equivalents	344.04	66.19	44.22	27.90	32.34
Short Term Loans And Advances	0.00	0.00	0.00	0.00	0.00
Other Current Assets	39.11	12.13	14.95	10.12	14.20
TOTAL CURRENT ASSETS	3,312.50	1,791.32	1,129.09	1,598.01	1,979.52

TOTAL ASSETS	6,723.86	3,196.20	2,309.70	2,441.48	2,705.92
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					
Contingent Liabilities	401.27	194.50	102.96	312.80	167.65
BONUS DETAILS					
Bonus Equity Share Capital	4.85	4.85	4.85	4.85	4.85
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	0.00	0.00	0.00	0.00	0.00
Non-Current Investments Unquoted Book Value	0.00	0.00	0.00	0.00	0.00
CURRENT INVESTMENTS					
Current Investments Quoted Market Value	0.00	0.00	0.00	0.00	0.00
Current Investments Unquoted Book Value	5.84	36.64	52.67	933.36	0.00