

**INTERNSHIP REPORT ON**

**HERO MOTOCORP LTD**

**Submitted By**

**ANEES V I**

**USN : 4AL21BA005**



**Submitted To**

**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAUM**

**In partial fulfillment of the requirements for the award of the degree of**

**MASTER OF BUSINESS ADMINISTRATION**

**Under the guidance of**

**Internal Guide:**

**Mr. Guru Prasad Pai .**

**Assistant professor**

**MBA,AIET,MIJAR ,MOODBIDRI**

**External Guide:**

**Adarsh. V P**

**HR & Admin**

**HERO MOTOCORP LTD,KOZHIKODE**



**P G DEPARTMENT OF BUSINESS ADMINISTRATION**

**ALVAS INSTITUTE OF ENGINEERING AND TECHNOLOGY**

**SHOBHAVANA CAMPUS, MIJAR, MOODBIDRI 2021-22**

**CERTIFICATE FOR INTERNSHIP**

This is to certify that MR: ANEES V.I , MBA (HR and Marketing) student of ALVAS INSTITUTE OF ENGINEERING AND TECHNOLOGY has successfully completed his Internship with us, KOYENCO HERO Authorized dealer of Hero bikes for a period of 30 days from 20 /10/2022 to 18/11/2022.


During the period of his internship, we found him hardworking, sincere and innovative in his approach.

We wish him all the best for his future endeavors.

Issued Date: 19 November 2022

Regards,

Adarsh . VP  
HR & Admin  
Koyenco Mobikes





# ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY


(A Unit of Alva's Education Foundation @ Moodbidri)  
Affiliated to Visvesvaraya Technological University, Belagavi  
Approved by AICTE, New Delhi & Recognised by Government of Karnataka  
Accredited by NBA (CSE & ECE)

DATE: 30/01/2023

## CERTIFICATE

This is to certify that **ANEES V I** bearing USN **4AL21BA005**, is a bonafide student of Master of Business Administration program of the Institute (2021-23) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "**HERO MOTOCORP, KASARGOD**" is prepared by him under the guidance of **Mr. Guruprasad Pai**, Assistant Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

  
**Mr. Guruprasad Pai**  
Internal Guide

  
**Mrs. Priya Sequeira**  
DEAN  
Dept. of Business Administration  
Alva's Institute of Engg. & Technology  
MIJAR - 574 225

  
**Dr. Peter Fernandes**  
Principal  
Alva's Institute of Engg. & Technology,  
Mijar. MOODBIDRI - 574 225, D.K

## **DECLARATION**

I **ANEES V I** bearing **USN 4AL21BA005** hereby declare that the internship report entitled “An Organization Study on **HERO MOTOCORP LTD** has been prepared by me under the guidance of Mr. **Guru Prasad Pai**. PG Department of Business Administration, Alva’s Institute of Engineering and Technology. I also declare that this internship work is towards the partial fulfillment of the university regulation for the award of degree of Master of business administration by VTU Belagavi, Karnataka I have undergone the internship for a period of 4 weeks. I further declare that this project 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.

## **DISCLAIMER**

The enclosed document is the outcome of a student academic assignment, and does-not represent the opinions/views of the University or the institution or the department or any other individuals referenced or acknowledged within the document. The data and information studied and presented in this report have been accessed in good faith from secondary sources/web sources/ public domain, including the organization’s website, solely & exclusively for academic purposes, without any consent/permission, express or implied, from the organization concerned. The author makes no representation of any kind regarding the accuracy, adequacy, validity, reliability, availability or completeness of any data/information herein contained.

**Place: Moodbidri**

**ANEES VI**

**Date:11/03/2023**

**4AL21BA005**

## ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere gratitude to all those who have helped me throughout this organizational internship study. It gives me immense pleasure to acknowledge all those who have rendered encouragement and support for the successful completion of this work

I express my deep sense of gratitude to my internal guide **Mr.Guru Prasad Pai**, PG Department of Business Administration, for constant support and encouragement to carry out my internship project successfully without much difficulty.

I would like to express my sincere thanks to Principal **Dr. Peter Fernandes, AIET**, and Moodbidri. 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. I am grateful to **Mrs. Priya Sequeira, HOD**, PG Department of Business Administration and the faculty for all the help and support rendered. Deepest thanks to you all. They are all indeed the reason for the successful completion of this internship

And also express my thanks to **Mr. Adarsh. V P** Human Resource Manager of **Hero MotoCorp LTD**, Kozhikode who had been kind enough to permit me to undertake the project work in the organization and also, I am very grateful to the staffs of the showroom for the whole hearted cooperation.

## TABLE OF CONTENTS

<b>Chapter No</b>	<b>Contents</b>	<b>Page No</b>
<b>1</b>	<b>Introduction to Automobile Industry</b>	<b>7-12</b>
<b>2</b>	<b>Profile of Hero MotoCorp</b>  <b>2.1 Background</b>  <b>2.2 Vision,Mission,Quality,Values</b>  <b>2.3 Product / Service Profile</b>  <b>2.4 Ownership Pattern</b>  <b>2.5 Achievements / Awards</b>  <b>2.6 Workflow Model</b>  <b>2.7 Future Growth and Prospects</b>	<b>13-23</b>
<b>3</b>	<b>Mckensy s 7s Framework and Porters Five Force Model with Reference to Hero MotoCorp</b>	<b>24-32</b>
<b>4</b>	<b>SWOT Analysis</b>	<b>33-38</b>
<b>5</b>	<b>Analysis of Financial Statements</b>	<b>39-50</b>
<b>6</b>	<b>Learning Experience Bibliography</b>	<b>51-52</b>
<b>7</b>	<b>Anneuxur</b>	<b>53-54</b>

## LIST OF THE CHART

<b>Chart No</b>	<b>particulars</b>	<b>Page No</b>
<b>1</b>	<b>Equity Per share ratio</b>	<b>44</b>
<b>2</b>	<b>Margin ratio</b>	<b>45</b>
<b>3</b>	<b>Return ratio</b>	<b>46</b>
<b>4</b>	<b>Liquidity ratio</b>	<b>47</b>
<b>5</b>	<b>Leverage ratio</b>	<b>48</b>
<b>6</b>	<b>Turnover ratio</b>	<b>49</b>
<b>7</b>	<b>Growth ratio</b>	<b>50</b>

## **EXECUTIVE SUMMARY**

The dominant function of Hero MotoCorp Limited is to produce motorcycles which is best and efficiently suitable for the Indian market. It stands as the best motorcycle in India which sells around 60,000 motorcycles in a month which was a good record considering the competitors in the same market in total including the scooters in the segment of automobile industry. It serves as the best and one among the top competitors of motorcycles in India. It has made the benchmark for selling efficient and most affordable motorcycles in the market and is named as the India's largest two-wheeler manufacturer on the back of high volume of motorcycles, is now aiming for a dominant position in the scooters segment also. Hero MotoCorp has entered into an interesting segment of scooters also and will be unveiling many more productions which can make the company stand out and make the organization more relevant and adopting to the Indian economic market which helps them to attain high level of profits at the same time focus on the consumer needs and be successful as the company.

Their successful strategy of collaboration also has made after a quarter-century of collaboration with Honda Motors of Japan, Hero MotoCorp, Ltd., a motorcycle and scooter manufacturer based in New Delhi, India, went on to dominate its domestic market and become the world's largest maker of two-wheel vehicles.

A qualitative study based on interviews with 32 executives at the firm reveals the crucial role of strategic management of technology and mutual trust in building a productive and rewarding partnership. Focusing on the elements of long-term success, it highlights the importance of indigenization, vendor development, and continuous refinement of technological capabilities while still in the collaborative phase.

The lessons learned from the manufacturer's experience can guide other organizational leaders in designing effective technology management strategies before, during, and after a joint venture. The focus on bringing about the change in the organization with respect to the technology has been the motive and has made it to the mark of production, manufacturing and better sales force to achieve their goals and to build a better demand and reach more customers in the market. The company is prominently collaborating to make sure their growth in the two-wheeler segment and the scooter segment in been reached to higher demand and to make their products and services available to the customers.



## **CHAPTER 1**

### **INTRODUCTION TO INDUSTRY & ORGANIZATION PROFILE**

#### **PURPOSE OF THIS STUDY**

- ❖ To understand the structure and functions of the organization
- ❖ To understand how different departments in the organization performs their activities and functions
- ❖ To understand the competitive level of the organization
- ❖ To know the working environment in the organization
- ❖ To understand how collected information used in organization for decision making at various levels
- ❖ To gain knowledge
- ❖ To understand how technologies adopted in the organization for smooth functioning of business activities
- ❖ To study the performance of the organization
- ❖ To know the marketing position and financial position of the business
- ❖ To know how marketing strategies used by the organization to gain competitive advantages

#### **INTRODUCTION**

The Indian automobile industry has historically been a good indicator of how well the economy is doing, as the automobile sector plays a key role in both macroeconomic expansion and technological advancement. The two wheelers segment dominates the market in terms of volume, owing to a growing middle class and a huge percentage of India's population being young. Moreover, the growing interest of companies in exploring the rural markets further aided the growth of the sector. The rising logistics and passenger transportation industries are driving up demand for commercial vehicles. Future market growth is anticipated to be fueled by new trends including the electrification of vehicles, particularly three-wheelers and small passenger automobiles.

India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy trucks manufacturer in the world. India's annual production of automobiles in FY22 was 22.93 million vehicles.



India is also a prominent auto exporter and has strong export growth expectations for the near future. In addition, several initiatives by the Government of India such as the Automotive Mission Plan 2026, scrap page policy and production-linked incentive scheme in the Indian market are expected to make India one of the global leaders in the two-wheeler and four-wheeler market by 2022.

## **HISTORY OF AUTOMOBILE INDUSTRY**

The Hindustan motor is the first automobile industry in India before independence before that India imported only in small numbers. The auto mobile was first invented and perfected in Germany and France in the late 1800s, though American quickly came to dominate the auto mobile industry in the first half of the twentieth century. But after independence the government of India decides to encourage automobile sector with the intention of economic growth and employment generation. But Indian automobile sector was affected by the system of License raj between 1947 – 1990. This policy hindered the setting up and growth of Indian automobile sector. After introducing new industrial policy 1991 there was the liberalization of industry from regulation like Licenses and the main intention was India's industrial development. This policy is the key tool for industrial development and it boosts automobile sector.

In 2020, India was the fifth-largest auto market, with ~4.25 million units combined sold in the passenger and commercial vehicles categories. It was the seventh-largest manufacturer of commercial vehicles in 2022.

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

India is also a prominent auto exporter and has strong export growth expectations for the near future. In addition, several initiatives by the Government of India and major automobile players in the Indian market is expected to make India a leader in the two- wheeler and four-wheeler market in the world by 2022.

#### **List of various automobile industries**

Name of industry		Time of origin
➤ Hero MotoCorp Ltd.	-	1984
➤ Eicher Motors	-	1948
➤ Ashok Leyland	-	1948
➤ Bajaj Auto	-	1945
➤ Force Motors	-	1958
➤ Hindustan Motors	-	1942
➤ ICML	-	2003
➤ Mahindra and Mahindra	-	1945
➤ Tata Internationals	-	1978
➤ Tata motors	-	1945
➤ TVS Motors	-	1978

#### **EVOLUTION OF INDUSTRIAL SECTOR**

- ❖ 1930-India was an importer of automobiles
- ❖ 1940-The Indian automobile industry started its own manufacturing unit
- ❖ 1950-60-Tremendous trade restrictions could not boost the automobile industry
- ❖ 1960-80-The market was largely dominated by Hindustan Motors, with the Ambassador model
- ❖ 1983-Maruti came into the competition and swept the marketed
- ❖ 1984-92-The Govt. of India started promoting the automobile industry; Delhi Auto Expo was established

- ❖ 1992-The Year of liberalization and the opening up of the FDI
- ❖ 1996-The merger of Maruti and Suzuki swept the market with 60% market share
- ❖ 2000-Almost all major car companies expanded their presence in India by establishing manufacturing units
- ❖ 2009-India emerged as the 4th largest exporter of passenger cars after Japan, South Korea and Thailand
- ❖ 2011-India became the 6th largest car manufacturer in the world. India is Asia's 2 largest two-wheeler manufacturer for liberalization.

## **IMPACT OF GOVERNMENT POLICIES ON INDIAN AUTOMOBILE INDUSTRY:**

### **1. Voluntary Vehicle Scrap policy**

Under the new scheme, passenger vehicles older than 20 years and commercial vehicles older than 15 years will need to undergo a mandatory “fitness” test. If the vehicles do not meet the standards set by the government, they will have to be scrapped.

### **2. Change in Basic Custom Duty Rates of Parts of Automobile Industry**

In the year 2021-22, Finance minister of India Nirmala Sitharaman Announced increase in custom duty of different parts including ignition wiring Sets, safety glass and parts of signaling Equipment to 15 % from Feb 2.

### **3.3. Investment in Infrastructure Projects**

Indian government expanded the NIP (National Infrastructure Projects). Government proposed 217 Projects worth Rs. 1.10 lakh corer were completed as of 2020. Through the NIP, Government invested \$1.4 trillion in infrastructure development.

- Missed Areas of the Budget, 2021.
- Vehicle Scrap policy
- Voluntary Change in Basic Custom Duty Rates of Parts of Automobile Industry
- Investment in Infrastructure Projects
- Acquisition of Over 20000 Buses
- AMRG Take

## **COMPETITIVE POSITIONS**

### **Firm Strategy, Structure and Rivalry:**

A large number of domestic as well as multinational players. Highly competitive industry

#### **❖ Factor conditions:**

India's comparatively cheaper and skilled workforce can be effectively utilized to setup large low – cost production bases

Huge investment from the firms for capacity, R&D etc.

#### **❖ Demand conditions:**

High demanding consumers

Rapid urbanization, increases liter and rising per capital income. Have caused rapid growth and changes demand patterns

#### **❖ Related and supporting industries:**

Strong industry associations to promote the interests

Well- established components industry supports OEM'S ‘

#### **❖ Government:**

Liberalized policy regime

Automatic approval for up to 100%FDI

The customs duty on inputs and raw materials has been reduced from20%-15%

## **MARKET SIZE:**

The India passenger car market was valued at US\$ 32.70 billion in 2021, and it is expected to reach a value of US\$ 54.84 billion by 2027, while registering a CAGR of over 9% between 2022-27.

The electric vehicle (EV) market is estimated to reach Rs. 50,000 crore (US\$ 7.09 billion) in India by 2025. A study by CEEW Centre for Energy Finance recognized a US\$ 206 billion opportunity for electric vehicles in India by 2030. This will necessitate a US\$ 180 billion investment in vehicle manufacturing and charging infrastructure.

According to NITI Aayog and the Rocky Mountain Institute (RMI), India's EV finance industry is likely to reach Rs. 3.7 lakh crore (US\$ 50 billion) by 2030. A report by the India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, projection for the EV battery market is expected to expand at a CAGR of 30% during the same period

Indian automotive industry is targeting to increase export of vehicles by five times during 2016-26. In FY22, total automobile exports from India stood at 5,617,246.

### **OPPORTUNITIES OF INDIAN AUTOMOBILE INDUSTRY:**

- ❖ Automobile industry is one of the most important drivers of economic growth of India and also participation in global value
- ❖ The growth of automobile industry has been done with the strong government support
- ❖ The automobiles produced in India uniquely to serve the demands of low- and middle-income groups of the population which makes automobile industry stand out among the automobile countries
- ❖ The government roles such as policies (ex. New industrial policy), infrastructure, and other enabling factors plays a major role in the expansion of Indian automobile and automotive sectors
- ❖ In the year 2017, India became the world's fourth largest automobile market and the demand for Indian vehicles continues to grow in both domestic and international markets

## CHAPTER 2

### ORGANISATIONAL PROFILE



#### **BACKGROUND:**

Industry –Automotive Founded – 19/01/1984

Founder – BrijMohanLall Munjal Headquarters – New Delhi India

Key play – Pawan Munjal chairman MD and CEO Products – Motor Cycles and Scooters

HERO MOTORS CORP Ltd formally known as Hero Honda. Hero Motor is a Indian motor Cycle and Scooter manufacturing in New Delhi, India. The company largest two- Wheeler manufacturing in the world and also in India. The market share is 46% two- wheeler. 2006 list of the 200 worlds most expected company hero Motors. On 31/03/2013 the market capitalization of company was 308 billion. In June 2012 Hero Motor corporation approved proposal to merge the invest hero private Ltd Auto maker.

Hero Motor is a brand name used in Munjal Brothers Hero Cycle Ltd joint venture between the hero group and Honda motor is establishes in 1984 Hero Honda Motor Ltd at Dharuhera India. The Munjal family and Honda group both are having a 26% of shares in a company. The 1980 the company introduced motorcycles that were popular India for fuel company.

2001 the company is the second largest two-wheeler manufacturing company India, The name changes from Hero Motors Ltd to Hero Motor Corp limited on 29/7/2011.

The new brand identity and logo of the Hero Motors Corp were developed by British Firm. The Logo was revealed on 9<sup>th</sup> August 2011 London. Hero Motor Corp can export to Latin, America, Africa and west Asia.

21/04/2014 Hero Motor announced the plan to start a plant worth 2.540 billion the plant started production 2017 under the name HMCL Niloy Bangladesh Ltd.

Hero Motor Corp own 55% manufacturing company and the rest of 45% owned by Niloy Motors.

Hero Motor also updated its 100cc engine range in 2014 for 110cc bikes except Hero Dawn.

The company is the largest two-wheeler manufacturer in the world, and also in the India, where it has to market share of about 37.1% in the two-wheeler industry. As of 2022, the market capitalization of the company was 59,600 crore

### **VISION:**

Vision is a vivid mental image of what the company wants its business to be at a same point in the future based on your goals and aspirations. Vision gives focus to the business a clear focus and can stop you heading in the wrong direction.

The vision of 'Hero MotoCorp Ltd' is to "Be the Future of Mobility"

### **MISSION:**

Create:

- ❖ Redefined mobility through the creation of the mobility roadmap
- ❖ Set best practice and benchmarks for the industry Collaborate:
- ❖ Leverage partnership and exhibit teamwork
- ❖ Co-create solution that benefit the community
- ❖ Both internal and external environment ecosystem

Inspire:

Move forward to achieve organizational objectives

Inspire our colleagues and customer communities and local global stage of the organization

### **VALUES:**

Focus on result-oriented process Accept learn and improve from failures SQDC our way of decision-making Organization growth to inspire all associated individuals everyone is customer services provider at Hero.



## **QUALITY POLICY:**

Hero Motor developing manufacture and supply components assemblies to Automotive of the Hero motors and white good and health segments OEM Industries. The Hero Motor design implement and comply with quality management system and full fill requirement of interested parties and ensures its effectiveness and continued improvement in participation of all employees.

Excellence quality is core value of Hero Motor Corp philosophy. Committed at all level of achieve high quality in whatever they do.

1. Innovation ion product process and services
2. Continues improvement in our total quality management system
3. Teamwork and responsibility
4. Rules and regulations
5. Adopt to new things

## **PRODUCT AND SERVICES PROFILES:**

As of today, Hero Motor Corp manufacturer currently many scooters.

### **List of Hero Motors two wheelers:**

- ❖ Hero pleasure
- ❖ Hero pleasure plus
- ❖ Hero maestro edge
- ❖ Hero destiny 125
- ❖ Hero duet
- ❖ Hero motor currently manufactures several models of bikes
- ❖ Hero HF: HF DAWN, HF Deluxe eco, HF Deluxe i3s
- ❖ Hero splendor: Splendor plus, splendor pro, splendor pro classic, Super splendor, Splendor I smart 110,
- ❖ Hero passion: Passion pro, passion i3s passion xporo,
- ❖ Hero glamour
- ❖ Hero Xstream: xstream classic, xstream sports
- ❖ Sporty Karishma ZMR
- ❖ Many service centers are put by the Hero motor Corp in many parts of the states in India.
- ❖ Xstream 160RBS6
- ❖ Xplus 200 4V

- ❖ Passion pro BS6
- ❖ HF100
- ❖ Xplus200t
- ❖ Xstream 200S
- ❖ Maestro Edge 110BS6.
- ❖ Maestro Edge 125
- ❖ Xoom.

### **SERVICE:**

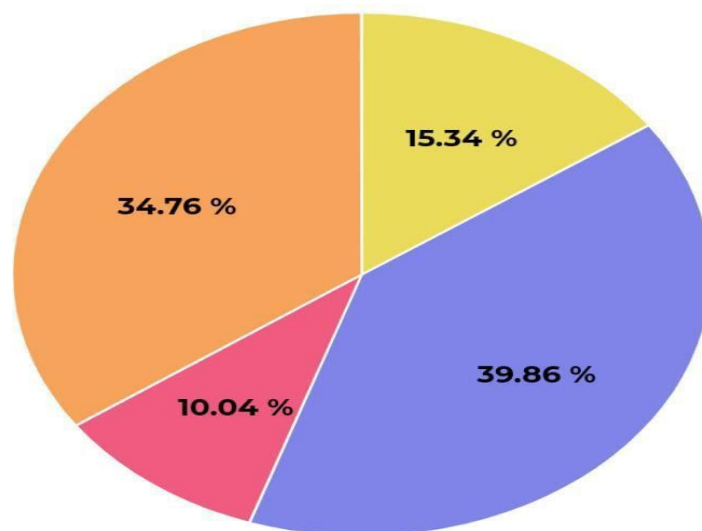
Hero Motor Corp offers free services of all bikes that the customer should service with in the stipulated conditions for the time period or kilometer range and conditions get satisfied earlier from date of purpose after the completion of free services or its validity period must be continued in paid service as per the service schedule.

### **OWNERSHIP PATTERN**

Ownership pattern based on shareholding pattern of the organization are Number of shares 100%.

### **SHARE HOLDING PATTERNS**

Total share holdings



CATEGORY	NO, OF SHARES	PERCENTA GE	% CHANGE
Promoters	6,94,42,081	34.76%	0.00%
Foreign institutional investors	7,96,38,954	39.86%	-2.42%
Domestic institutional investors	3,06,38,047	15.34%	+1.76%
Mutual fund	1,25,60,811	6.29%	+1.64%
Others	2,00,70,807	10.04%	+0.66%

## **ACHIEVEMENT AND AWARDS;**

### **❖ 2018 Awards received for Hero MotoCorp:**

- Best launch of Two-wheeler at the CNB Auto Expo Awards for Excellence 2018
- Highest Ranked Executive Motorcycle in Initial Quality - Hero Super Splendor- by JD Power India
- Bike Sport award of the year - Times Auto Awards

### **❖ 2022 Awards received for Hero MotoCorp:**

**“ Best in innovation & Technology “at the HERO – NEXT 22**

### **❖ 2020 Awards received for Hero MotoCorp:**

- Motorcycle of the year- Exhibit Auto Tech Awards 2020
- Tourer Bike of the Year (Up to 250cc) - Flywheel Auto Awards 2020
- Business Leader of the Year Awards
- Car & Bike India Awards
- Scooter of the year - Bike India

## ❖ **Achievements**

- Life achievement awards from TERI, E&Y, AIMA and ET.
- Indian Automotive Hall of Pride by Overdrive
- Forbes 200 Most Respected companies
- The Brand Trust Report published by Trust Research Advisory ranked Hero Honda in the 13th position.
- Green Pioneer award
- Best value for money bike maker

## ❖ **2017 awards of Hero Motor Corp**

Hero Glamour – Commuter Motorcycle of The Year – NDTV Car and Bike awards 2017

Creative Television Commercial of the Year – Hero MotoCorp – Play Inspire FIFA – NDTV Car and Bike awards 2017

Indian MNC of the Year by All India Management Association (AIMA) Manufacturer of the year – NDTV Car and Bike awards 2017

Highest Ranked Executive Motorcycle in Initial Quality – Hero Super Splendor – by JD Power India.

## ❖ **2016 awards of Hero Motor Corp**

Overdrive – ‘Viewers’ Choice Scooter of the Year – Hero Maestro Edge

MotoCorp Overdrive – Manufacturer of the Year (Two-wheeler) Award – Hero MotoCorp

## ❖ **2014 awards**

Motor beam – Bike Manufacturer of the year

Zig wheels – Entry-Level Bike of the year: Hero Splendor I Smart

## ❖ **2013 awards**

CFO of the year awards

Motor beam bike manufacturing of the year

Business leader of the ATMA managing India awards

## ❖ 2012 awards

Business Leader in Automobiles (two-wheelers) at the NDTV Profit Business Leadership Awards 2012 (Conferred upon Mr. Pawan Munjal)

Best value for Money Bike Maker and Best Advertising in Two Wheelers Category at the Auto India Best Brand Awards 2012

Digital Advertiser of the year at the Indian Digital Media Awards (IDMA) 2012.

Three awards (Launch Event of the year, Rural Engagement Pregame and Live Patron Award for Marketing Excellence) at the WOW Awards organized by Event FAQs.

Advertiser of the year 2012 by Indian Digital Media Awards 2012.

Innovation in Loyalty Marketing Award (Initiative: Hero Good Life Utsav) by Colloquy Loyalty Awards.

TPM Excellence Award 2012 by JIPM (Japan Institute of Plant Maintenance) Best Learning & Development Award.

Asia's Third Best Employer Brand Award ET Now Talent & HR Leadership Award

8<sup>th</sup> Recruiting and Staffing Best-in-Class Award Global HR Excellence Award

India Human Capital Award by Human Capital Business Technology Excellence Awards

2012 Business Technology Innovation Awards 2012 Top Green IT Enterprise Award

IT Transformers Award

Quality Circle Excellence Award at National QC Convention – 2012

## ❖ 2011 awards

Most Recommended Two-Wheeler Brand of the Year award by CNBC awaze Consumer Awards

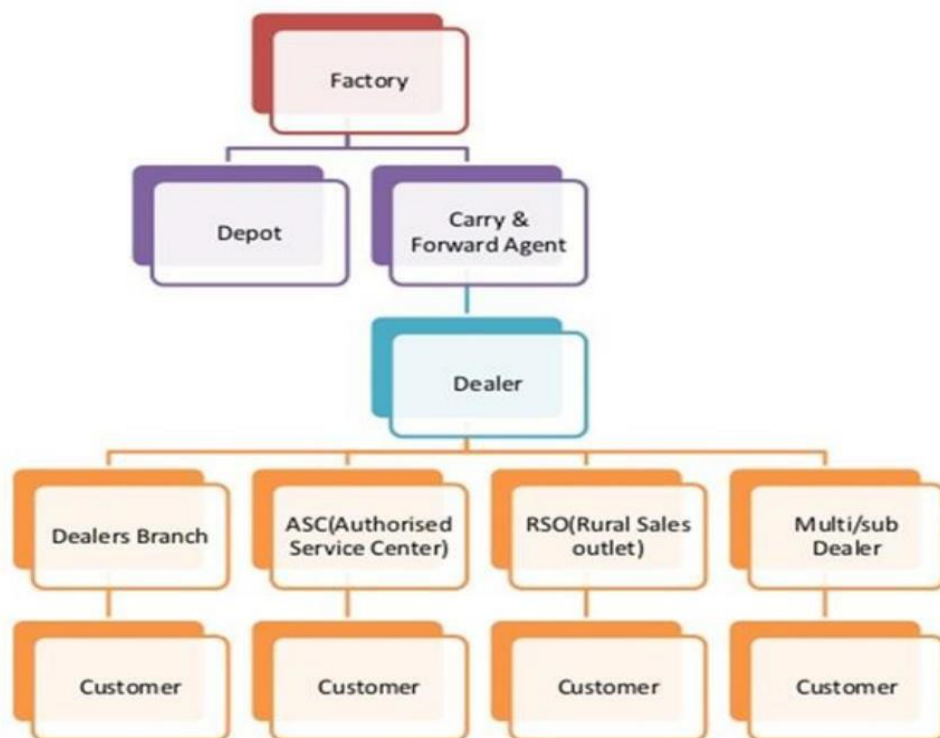
Colloquy Loyalty Awards Innovation in Loyalty Marketing International 2011 for Hero good Life

Ranked No 1 brand in the Auto (Two-Wheelers) category in the Brand Equity Most Trusted Brand 2011 survey

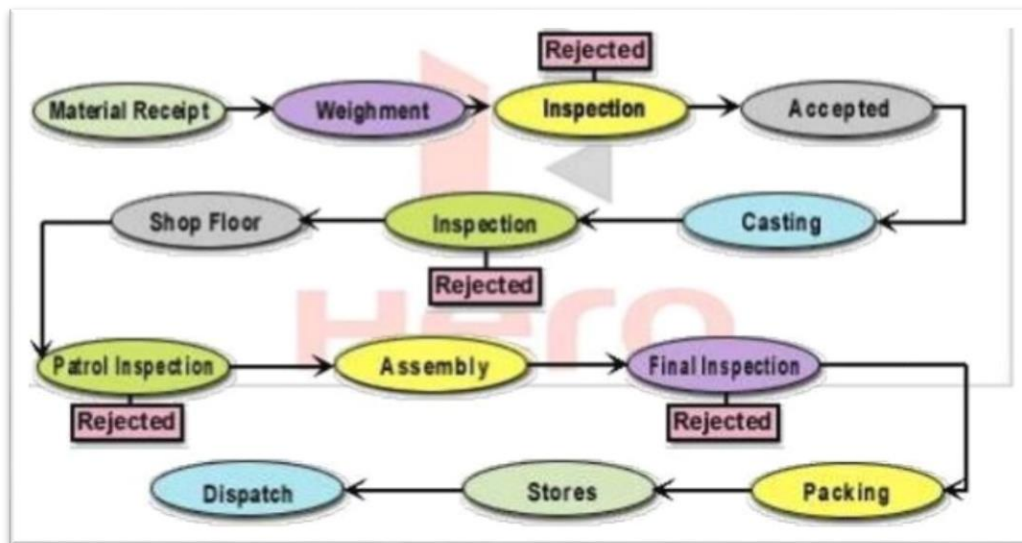
Innovator of the Year NDTV Profit Business Leadership Awards

## WORKFLOW MODEL

- ❖ **Stamping:** is the beginning of a vehicle's manufacturing process and involves converting the raw materials received in the form of steel sheets into body parts.
- ❖ **Sheet metal:** is the second step in the manufacturing process and involves joining the sheet metal and aluminum parts together to form the box.
- ❖ **Painting:** the third step in the manufacturing process, aims to protect the body against corrosion and give it its final appearance. To seal the vehicles, putty is applied to each
- ❖ **Assembly :** is the last in the manufacturing process . At this stage are assembled and Mounted the mechanical elements , the driving position , mirrors and the interior trim of the vehicle.



## ❖ Manufacturing process



## MILESTONES

- **2020;** Hero motor corps forges into connected mobility with hero connect

Hero motor corps Capuche's glamour BS-VI, passion pro BS-VI, Xplore rally kit and extreme 160 at hero world 2020

- **2019;** hero moto sports win the pan African rally 2019 at merzouga

Hero MotoCorp surpass 2t million units land Mark in cumulative production at Haridwar facility

Hero moto crop launches India first BS-VI motor cycle

- **2018;** Launch of e- commerce portal for hero genuine parts. Entry into pre owned two-Wheeler business
- **2017;** brand launch in Argentina

Appointment of Diego someone as brand ambassador Surpassed 70 million of the cumulative sales.

- **2016;** CIT inauguration

Best two-Wheeler pavilion at the CNB auto expo awards.

## **FUTURE GROWTH AND PROSPECTS;**

Be the future of mobility', is the new vision for Hero MotoCorp the of works on Multiple hero motor strategies aimed to be sustainable growth in an age of disruptions. Some of the could see the ₹ 33,651 crore company hero venture into new areas of the mobility, perhaps Beyond motorcycles and scooters. And beyond vehicles, to be services too. To achieve its goals in fast-changing with the disruptive mobility industry, Hero MotoCorp cycle could strike some new partnerships. There could into the multiple partnerships Going forward for the various different things says Pawan Munjal, chairman, MD and CEO, Hero MotoCorp. Among the new partners is also being a market rival, or two. Friends and enemies are getting together. The era of the partnerships, so anything Is possible to way says Munhall. Not quite a rival, but premium hero motorcycle maker and is to be Harley-Davidson is reportedly in Talks with Hero motor for a crop of midsize motorcycles, an emerging segment is the indie and overseas too. Hero moto peers TVS Motor Co (with BMW Motor) and Bajaj Auto (KTM, Husqvarna, Triumph) and the made struck different kinds of the partnerships' to be Enter the premium motorcycle segment, while offering their partners an opportunity to Play in segments, and market the offer much bigger volumes and thereby help the Grow well. To help it be in tune with the fast-changing times the Hero MotoCorp has recognition is d its Organizational structure to be add a new unit called Emerging Mobility Business Unit. The unit is tasked to identify new opportunities in the mobility space. In this quest, the company have to working with start-ups – external and internal of hero motorcycle.

### **Hero MotoCorp bets big on electric mobility for future 2022**

Dr. Pawan Munjal, chairman and CEO, Hero MotoCorp revealed that Hero has a huge focus on electric mobility for the future. He added that Hero MotoCorp is set to be a global leader in the EV segment and that the Indian two-wheeler brand will use its technology centers in India and Germany and its partnerships with the likes of Gogoro and Ather Energy to “springboard into 2030”. He also emphasized that the company will focus on sustainability internally and externally.

Hero MotoCorp is set to reduce dependency on fossil fuels and consider alternatives such as hydrogen, wind and solar power. About 10 percent of the company will focus on innovation and it aims to reach 100 percent product recyclability along with carbon-neutral dealerships by 2030.

Hero MotoCorp plans to launch its electric vehicles in 20 global markets and expects 15 percent of total volumes to come from global sales by 2025.

Additionally, the company is expecting a minimum of 30 percent of its sales to come from digital channels through 2030.



**Future strategy:**

Quark 1 a concept can be operated by the a two- or three-wheeler is one example a Project an internal start-up. Based on an Advanced by the Modular Scalable Electric Platform the Quark 1 is one of the multiple projects under Hero moto Hatch, the Company's incubation Centre indicative of fact that the OEM's future mobility Solutions by also have more than two wheels. The online marketplace for pre-owned Two-wheelers that's currently that's currently undergoing by the market trials in another Project by an internal start-up. Anther Energy, where Hero MotoCorp 30 % of a Stake is an example of the OEM partnering with an external start-up.

New big-ticket investment planned Hero MotoCorp he invests in the region of ₹ 10,000 core on R&D, alternate mobility solutions, network expansion, brand Building across the globe, and more. Raja Bhargava, Head – Strategy & Performance Transformation, by the Global Business & Emerging Mobility, Hero MotoCorp says, there are also projects in the pipeline which are the catering to the intersection of connected, Electric and sharing. There is to be collaboration for some with the goal of being a strong player in the mobility industry. After a decade of successfully riding Solo, after by parting ways with the Honda, the current decade will see Hero MotoCorp take series of steps to be the future of mobility. It will also see the OEM, which has Increased by exports business to reach around 40 markets now, it takes steps to what Munjal says as find our rightful place in the global business. India's largest two-wheeler maker Hero MotoCorp as announced that it aims sell as much as 10 lakh units in the overseas markets in the next 5-6 years. The company He also prepared a list of markets which it has decided to enter by the later to dominate. To mention its plans for the domestic front HMC is looking forward by invest a Whooping sum of INR 1,000 core to set up two new manufacturing facilities by besides Expanding in output of three its existing plants of strategy.

**Future plan.;**

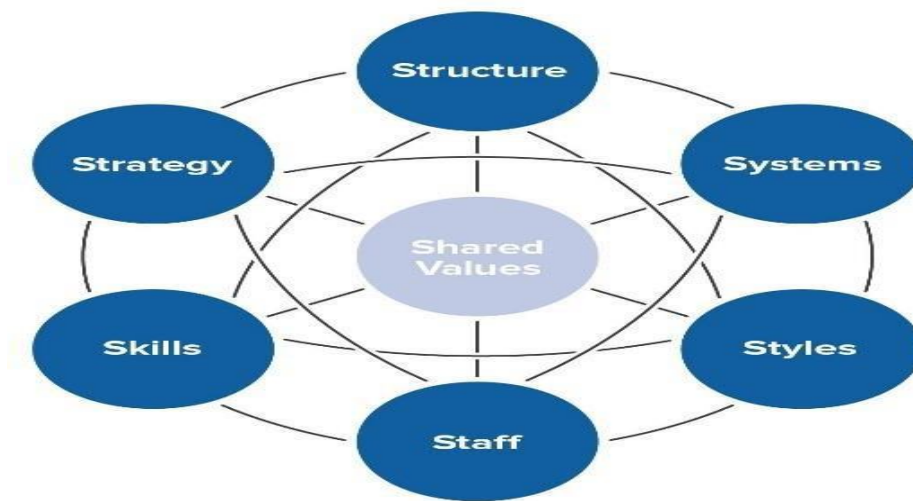
- Passenger car segment
- Relationship with suppliers
- Target of 10 billion to turn over of a span the next 5 to 6 years'
- Company to come up with the bike in the 200cc segment in hero bike.
- Hero motor in line with the largest plan of the increasing global foot print.
- Hero motor to set by up manufacturing business the planet to be in Brazil and Argentina.
- New model if launch
- Indigenization plan 4 more items to be localized.

## CHAPTER-3

### MCKENSY'S 7S FRAMEWORK AND PORTER'S FIVE FORCE MODEL

- McKinsey's 7S Framework MODEL Hero MotoCorp
- PORTER's Five Forces MODEL Hero MotoCorp

#### McKinsey 7S framework model: Hero MotoCorp:



McKinsey 7s model was developed by the 1980's by McKinsey consultants Tom Peters, Robert Waterman, Julien Philips with a help from Richard Pascale and Anthony G. Athos. Since the introduction, by the of model has been widely used by academics Practitioners and remains by the one of the most popular strategic planning tools in 7S model. It sought to Present an emphasis on the human resources (Soft S), rather than the traditional mass Production tangible of capital, infrastructure and the equipment, as a key to higher Organizational of 7S module by performance. McKinsey 7s model is a tool that analyses firm's Organizational designs by looking at 7 key internal elements in order by identify the effectively aligned and allow to be organization to achieve its objectives. The goal of the model was to show how 7 elements of the company which be aligned together to achieve effectiveness in the company Framework.

7 S module is help to people to the function efficiency by the module and order to achieve high performance of the organization of 7S framework module.

### **Objective of analysis of business model:**

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

### **Analyzing McKinsey's Framework 7S Elements on HERO MotoCorp Ltd.**

Hard elements:

#### **A. Strategy:**

##### **Business level Strategy**

Hero MotoCorp's business strategy is focused on enhancing its market leadership in India, expanding its global footprint, and constantly improving its product portfolio. Some key elements of the company's strategy include:

1. **Market Leadership in India:** Hero MotoCorp is focused on maintaining its market leadership position in India through a combination of increased market share, expanding its reach, and enhancing its brand value.
2. **Global Expansion:** Hero MotoCorp is seeking to expand its presence in international markets through exports and setting up local manufacturing facilities.
3. **Product Innovation and Upgrade:** The company is constantly working on improving its product portfolio and introducing new models to meet the changing needs of its customers.
4. **Customer Centricity:** Hero MotoCorp is focused on providing a superior customer experience and is constantly looking for ways to enhance customer satisfaction.

##### **Corporate-level strategy**

Hero MotoCorp, the largest two-wheeler manufacturer in India, has a strong corporate-level strategy aimed at maintaining its position as a market leader in the Indian two-wheeler industry. The company's corporate-level strategy can be summarized as follows:

1. **Diversification:** Hero MotoCorp has diversified its product portfolio by launching new products in different segments such as scooters, motorcycles, and electric two-wheelers,
2. **Global Expansion:** The company has expanded its operations globally and has established a strong presence in several countries, including Bangladesh, Nepal, Colombia, and others.

3. Focus on Quality: Hero MotoCorp has placed a strong emphasis on quality and has established world class manufacturing facilities to produce high-quality two-wheelers.

4. Research and Development The company has invested heavily in research and development to develop new products and improve existing ones

MotoCorp's concentrated strategy involves focusing its resources on a specific product or market segment to achieve a competitive advantage. By focusing on a specific product or market, the company can differentiate itself from competitors and build a strong brand identity.

The strategic direction for Hero MotoCorp is also important in helping the business guide employee, staff, and stakeholder behavior 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 behaviors for attaining the set goals and targets to help the business grow.

## **B SYSTEMS:**

### **● Organizational systems in place**

Hero MotoCorp 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 Hero MotoCorp are largely departmental in nature, and include, for example:

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

## **C. SKILLS:**

Hero MotoCorp Ltd. set up “Centre for Excellence” to build skill set amongst Youth which can make the youth and young generation equipped with several skill sets to achieve better and to inspire for a great future.

In keeping with its commitment to promote skilling amongst the youth, Hero MotoCorp Ltd, the world's largest manufacturer of motorcycles and scooters, opened on 1 October 2019 at New Delhi, a world-class training center. "The Centre of Excellence" at the Industrial Training Institute, Nizamuddin in New Delhi. Launched in association with the Department of Training and Technical Education, Government of the National Capital Territory of Delhi, the Centre will build key skill set amongst the youth, thereby enhancing career opportunities for them in the two-wheeler industry

This new initiative with the Department of Training & Technical Education is yet another effort to create a robust talent pool, and we will continue to this drive with fervor." The Centre of Excellence is equipped with conventional learning facilities, 30 including a fully automated workshop with pneumatic tools and precision equipment.

#### **D. STAFF:**

##### **1. Employee skill level vs business goals**

Hero MotoCorp 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 Hero MotoCorp 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 Hero MotoCorp is sufficient to achieve the business goals of the company.

##### **2. Number of employees**

Hero MotoCorp has employed a large number of employees. Total 8599 employees varies from country to country as per the requirements and needs of the business and operations. The global team of Hero MotoCorp is an inclusive one that accepts, and encourages diversity, and works in synchronization with members to ensure attainment of business goals. The team member sand employees are the most important part of business success for Hero MotoCorp.

#### **E. STYLE:**

##### **1. Management/leadership style**

Hero MotoCorp has a participative leadership style. Through a participative leadership style, Hero MotoCorp 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, Hero MotoCorp is able to enhance employee motivation, and increase organizational commitment and ownership amongst employees as well as other stakeholders.

## **2. 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 Hero MotoCorp organization, and actively work to resolve them as soon as possible.

## **3. Cooperation vs. competition – internally**

With its supportive and encouraging organizational culture, Hero MotoCorp gives way to internal collaboration and cooperation between employees, systems, teams, and departments. This cooperation and collaboration at Hero MotoCorp 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 Hero MotoCorp organization.

## **4. Team vs groups**

Hero MotoCorp 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 roles.

## **F. SHARED VALUE:**

### **1. Core values**

The core values at Hero MotoCorp 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 Hero MotoCorp include, but are not limited to:

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

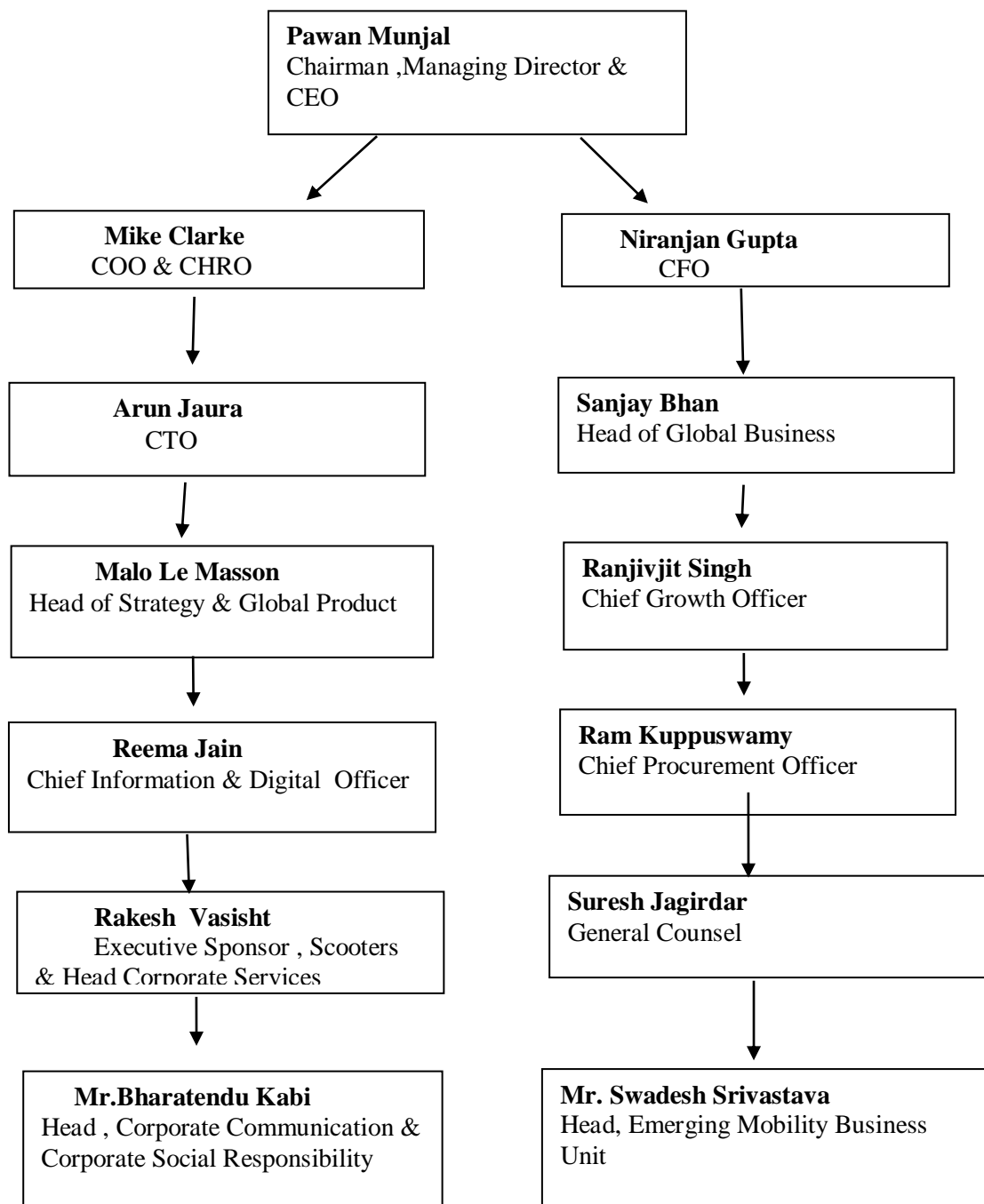
The Hero MotoCorp business also ensures that all its activities and operations are conducted with high ethical and moral standards that redefined and benchmarked against international criteria.

## **2. Corporate culture**

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

The corporate culture at Hero MotoCorp 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 Hero MotoCorp also has a supportive leadership which works towards increasing employee motivation and job satisfaction by giving way to visibility and accessibility.

**G STRUCTURE:** Organizational Hero MotoCorp is a multinational two-wheeler manufacturing company based in india .the company has a hierarchical organizational structure with clear line of authority and defined roles and responsibilities for employees at every level.





## **PORTER'S FIVE FORCE MODEL**

The tool was created by Harvard Business School professor Michael Porter, to analyse an industry's attractiveness and likely profitability. Since its publication in 1979, it has become one of the most popular and highly regarded business strategy tools. Porter identified five forces that make up the competitive environment, and which can erode your profitability. These are

### **1. COMPETITIVE RIVALRY (HIGH)**

The competition among the firms helps in identifying the lucrativeness of an industry where companies are competing hard in order to maintain their power within the industry. The Hero MotoCorp competition is moreover on basis of diversity, the development within the sector and the barriers related to entrance in the market. The competitive rivalry is the analysis of the brands and the product, its strengths and weakness along with the strategies, competitors and the share in the market. Hero MotoCorp's top 11 competitors are Bajaj Auto, TVS, Athar Energy, Go Green BOV, HERO, Maruti Suzuki, Yamaha Motor, Hyundai, Royal Enfield, Tata Motors and Honda. Together they have raised over 180.6M between their estimated 684.2K employees.

Hero MotoCorp has 8,551 employees and is ranked 6th among its top 10 competitors. The top 10 competitors average 57,731.

### **2. BARGAINING POWER OF SUPPLIERS (HIGH)**

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

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

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

### **3: BARGAINING POWER OF BUYERS (HIGH)**

The buyers having strong bargaining power can highly influence the profitability of the suppliers operating in the market by imposing condition that are not much favorable for the suppliers in terms of price, quality or service. Powerful buyers could flip the side of the powerful supplies by forcing the prices to move downwards and by demanding high quality and services by creating a competition between the participants in the industry on the basis of price and quantity. Hero MotoCorp Customer are deemed strong if they contain negotiating leverage specifically if the industry is sensitive to price, the buyers can pressure suppliers for further price reductions.

Customer is assumed to have strong buying power in case:

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

### **4: THREAT OF SUBSTITUTE PRODUCTS (LOW)**

The Hero MotoCorp substitute products are an alternative that are available in the market at comparatively better prices. Such products prevail due to the technological and innovative advancement. Due to which the products being produced by the companies that are already existing in the market and is using the same technology are than replaced by the other company's products that are comparatively better in terms of price and quality and are being produced from sectors with significant profits. The substitute products are dangerous as the companies are under constant threat of being replaced. High threat of substitute leads to low profitability as it limits the industry profits by placing a price ceiling due to the fear of being substituted by other product. Apart from this it also affects the growth potentials of the industry as a whole but reducing the profitability margins.

### **5: THREAT OF NEW ENTRANTS (LOW)**

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

## CHAPTER-4

### SWOT ANALYSIS



#### SWOT ANALYSIS OF HERO MOTOCORP

The acronym “SWOT” stands for Strength, Weakness, Opportunities and Threats. It is a useful tool that is widely used for strategic planning and management in many organizations. It is effectively used in building strategies for the organization to maintain its competitiveness in the market. It is simple yet powerful tool that help the organization in identifying its existing resources, capabilities, deficiencies, the existing opportunities and threats prevailing in the market.

SWOT analysis mainly have two dimensions internal and external dimensions. Internal dimension includes all the factors that could affect the organization which is the strength and the weakness while the external factor include the environmental

#### 4.1 STRENGTHS: -

Strength is a characteristic that adds value to something by making it more special, Unique and advantageous when compared. In this element of SWOT, the abilities and the key properties of organization are discussed that gives an organization an advantage over other organizations by making it more competitive. It defines the characteristics and situations of an organization which makes it more effective and efficient when compare with its competitors. It defines the areas in which the Organization hold a command or is good at doing it and that provides the organization and important capability. It can be a skill, a resource, image, market leadership, Relation with buyer or supplier or any other advantage relative to its competitors that

fulfill the needs of the market by providing the organization with a comparative advantage.

**Strengths of Hero MotoCorp are:**

1. Huge Brand Equity: -

This is really one of the biggest strengths of Hero MotoCorp. This company is one of the biggest players in the market of two-wheelers.

2. Strong Brand Image: -

A company can only grow once it is popular by its brand Name. Hero MotoCorp is really one of those companies who can play hard on the popularity field.

3. Excellent Distribution: -

Hero MotoCorp has more than 3000 dealerships and service center's which have made it the leading company in the industry.

4. Wide Variety of Products: -

The more products a company launch successfully, the More popular it becomes. Hero MotoCorp is, therefore, the real hero in the Market.

5. Awards and Recognition: -

Customers can rely on a brand when it is Acknowledged with rewards and awards. Hero MotoCorp has received many in all These years.

6. Sponsorships: -

Events, related to sports and racing provide sponsorships to the company that has made it hugely popular of all its competitors.

7. Brand Recognition:

Brand and brand trust play a huge part when purchase decisions are made by consumers. Hero MotoCorp is a strong brand which is synonymous with reliability and fuel efficient two wheelers. According to the brand trust report published by Trust research advisory, the conglomerate surged 223 places to rank 33 as one of India's most trusted brands in 2018. It was ranked 6 in the automobile category, the highest of any Indian two-wheeler manufacturer in the shortlist.

#### 8. Extensive Domestic Network:

Hero MotoCorp has over 6,500 dealerships and service points across India. The large number of service points has allowed it to roll out its express Service scheme, where it strives to service a customer's vehicle within 60 minutes.

#### 4.2 WEAKNESS: -

Hero MotoCorp Weakness refer to the situation in which the existing capabilities and the resources the company holds are weaker or not sufficient compared to others Organizations in the market. In other words, it means the aspects in which the Organization is less efficient and needs to improve in order to align with the market trends. As these aspects negatively affect the overall performance of the organization by making it weaker compared to its competitors. These are the factors that an organization lacks and does poorly in comparison to the Organizations operating in the same market at the same level. It is a deficiency or limitation of resources, capabilities, skills that majorly affect the organizations Effective performance. Management capabilities, Facilities, financial resources, marketing skills and the weak brand image can be the sources of weakness. Weakness means the areas where the business has lagged behind from others. There Are chances to overcome those and get back on to the track. The weaknesses of Hero MotoCorp are as follows-

##### 1. Strong Competition: -

There are lots of national and international players in the market who give tough competition to the Hero MotoCorp.

##### 2.Lack of Innovation: -

Maximum products of Hero MotoCorp come with almost similar features, whether is design and functions.

##### 3.Poor Gender Diversification:

As of late 2018, Hero MotoCorp had only 256 female employees out of 8266. Although the figure has tripled from a mere 1% in 2014, much more still can be done to address the gender inequality and diversification.

##### 4.Strong Competition: -

There are lots of national and international players in the market who give tough competition to the

Hero

MotoCorp

#### **5.Strong Competition: -**

There are lots of national and international players in the market who give tough competition to the Hero MotoCorp.

#### **6.Lack of Innovation: -**

Maximum products of Hero MotoCorp come with almost similar features, whether is design and functions.

#### **7.Poor Gender Diversification:**

As of late 2020, Hero MotoCorp had only 300 female employees out of 8599. Although the figure has tripled from a mere 1% in 2014, much more still can be done to address the gender inequality and diversification.

#### **8.Global Exports:**

Despite having a gargantuan market share domestically, Hero MotoCorp is still largely focused on India. In 2022, only 12% of the units sold by all two-wheeler manufacturers in India contributed to exports. This is greatly eclipsed by China, which had exported more than 46% of units sold, more than 4 times the amount.

#### **9.Declining Service Quality:**

In a study conducted by the international journal of innovative research in science, Engineering and Technology in 2015, the overall service quality for Hero MotoCorp fell below expectations of end consumers. According to the study based using SERVQUAL model of service quality, Bajaj Auto, one of its closest competitors, was deemed to have better overall service and appeal.

### **4.3 OPPORTUNITIES:**

Hero MotoCorp Opportunity is an advantage and the driving force for an organization. It is the convenient time or situation that is present in the environment and will help the organization in achieving its goals. It is a factor that contribute positively towards the growth of the organization. It is a condition existing in the external environment that allows the organization to take an advantage of the Organizational strengths, and help in overcoming the weaknesses and to neutralize the threats present in the environment.

The only one factor which play essential role in gaining revenues. The opportunities for this company are as follows-

### 1. Growing Industry –

The demand for two-wheelers is increasing a lot, and that brings the opportunity for the company to grow bigger.

### 2. Joint Ventures and Acquisitions

### 3. Entering to electric two-wheelers segment

### 4. Joint ventures and acquisitions: -

Despite the terminated joint venture with Honda Japan, it is crucial to note that for many years, technology in its two wheelers came from Honda. By acquiring start-ups or going into joint ventures will allow the conglomerate to obtain more valuable technology and tap into other market segments. A good example is its 49.2% stake buyout of Erik Buell Racing, which allows Hero MotoCorp to synergize motor technologies and extend sales into the North American market.

5. Electric Two Wheelers: The electric bike and scooter market is booming globally and it would be an opportunity for Hero MotoCorp to leverage on. The e-bike market is expected to reach about 24.3 billion U.S. dollars by 2025. According to Prescient and Strategic Intelligence, the electric scooter and motorcycles market in India alone will surge past \$617.7 million by 2025.

## 4.4 THREATS: -

Threats are the factors that prevent the organization from the actualization of an Activity. It is an unfavorable situation that exists in the environment making it difficult for the organization to achieve its defined goals. It is a situation that arises as a result of the changes that took place in the immediate or distant environment, preventing the organization from maintaining its existence and superiority in the Growing competition and are disadvantageous for the organization. All the environmental factors are considered as a threat to an organization that could affect the efficiency and effectiveness of the organization

These are the factors where the company is lagged behind its competitors. The areas are as follows:

#### •Strong Competition –

There are lots of other companies which are emerging Rapidly and give tough competition to the company.

#### •Betterment of Public Transport –

As other modes of transportation have increased a lot; the use of two-wheelers is not in demand.

However, there are some Limitations of Hero MotoCorp SWOT analyses:

The SWOT analysis is only a one stage of the business planning process and do not provide the organization with an in-depth analysis or research that could lead to a firm decision. Apart from this it only covers the issues that are definite and doesn't Priorities them. In addition to this it does not provide any solution or alternatives Decisions. As a framework, SWOT does process a value but it doesn't provide the Organization with any specific direction on how the key aspects can be identified. It significantly relies on the capabilities of the manager that how effectively it can prioritize and determine

the most important element. Another limitation associated with Hero MotoCorp SWOT analysis is that it provides equal weight to each factor regardless of their impact or relevancy.

Strong Competition: -

Hero MotoCorp faces strong competition domestically despite its strong foothold in India. The two-wheeler market in India is very competitive and is dominated by three other major players, TVS Motors, Honda, and Bajaj Auto. In 2012, Honda launched made-in-China two wheelers which are priced lower than equivalent cost-efficient models. Honda has been expanding aggressively since the joint venture was terminated in 2010

Public Transport Infrastructure: -

The government of India is striving to improve on its public transport infrastructure. Projects such as the National Highways Development Project (NHDP) under the ambitious Bharatmala Pari yojana will add on more than 80,000 km of highways in India.



## **CHAPTER -5**

### **FINANCIAL STATEMENT ANALYSIS**

#### **Financial Analysis of Hero MotoCorp;**

Hero MotoCorp Financial analysis is the assessment of the stability, viability as well As profitability of a sub-business, business or project. It is the process that is widely used for identifying the financial weaknesses and strengths of the corporations, this can be done by building the relationship between items of the profit & loss account and balance sheet. The analysis of the financial statement involves the methods use in interpreting and assessing the Outcome of the current and past financial position or performance since they associate to particular interest factors in investment decisions. Thus, the analysis of the financial statement is important mode of assessing the past performance as well as Planning and forecasting the future performance.

The Elements assessed by Hero MotoCorp financial analysts are as follows:

- Profitability –

The financial analyst generally assesses profitability of an organization since it is the ability allow organization sustaining growth and earning Income in both long term and short term. A degree of profitability of an organization highly depends on the income statement reporting on the operations results of company.

- Solvency –

It is the ability of an organization paying off its liabilities or obligations to third parties or creditors in long term. The solvency depends upon the balance Sheet of company indicating the company's financial condition at a given period of time.

- Liquidity –

It is the ability of an organization satisfying immediate obligations, maintaining positive cash flows and it most likely based on the balance sheet of company depicting the financial condition of organization.

- Stability –

The ability or an organization to remain in the business for the longer period of time without sustaining significant losses while conducting the business operation.

**The Financial Structure followed by Hero MotoCorp are:**

Financial leverage multiplier:

It is the connection between return on equity and return on assets of an organization. It provides the way of looking at the relative equity and debt amount that has been using by company in order to finance the assets.

Current debt to equity ratio:

It is the mix if the debt of an organization. In case of high current debt to equity ratio, it means that the company would be in problematic situation while paying its bills.

Equity turnover:

In case of high debt to equity ratio, it might because of the too little equity or too much debt burden on an organization

## **HERO MOTOR COMPANY LIMITED**

### **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

-----Rs in cores-----

#### **5.1 Profit and loss account**

<b>Annual</b>	<b>Mar 2022</b>	<b>Mar 2021</b>	<b>Mar 2020</b>	<b>Mar 2019</b>	<b>Mar 2018</b>
Sales	29,551	30,959	29,253	33,970	32,458
Other Income	555	557	730	686	523
Total Income	30,106	31,517	29,984	34,657	32,981
Total Expenditure	26,796	27,574	25,361	29,576	27,708
EBIT	3,310	3,942	4,623	5,080	5,273
Interest	63	46	46	37	30
Tax	729	913	951	1,637	1,569
Net Profit	2,528	2,982	3,624	3,405	3,672

**HERO MOTOR COMPANY LIMITED****BALANCE SHEET FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

-----Rs in cores-----

**5.2 Balance sheet**

<b>Equities &amp; Liabilities</b>	<b>Mar 2022</b>	<b>Mar 2021</b>	<b>Mar 2020</b>	<b>Mar 2019</b>	<b>Mar 2018</b>
Share Capital	39	39	39	39	39
Reserves & Surplus	15,78 2	15,35 7	14,35 0	13,07 0	11,93 1
Current Liabilities	5,517	6,504	4,279	4,409	4,481
Other Liabilities	1,138	1,194	1,004	984	943
Total Liabilities	22,47 8	23,09 6	19,67 4	18,50 4	17,39 6
Assets					
Fixed Assets	6,710	6,875	6,864	5,525	5,316
Current Assets	10,57 2	11,37 0	8,649	8,413	9,002
Other Assets	5,195	4,850	4,160	4,565	3,078
Total Assets	22,47 8	23,09 6	19,67 4	18,50 4	17,39 6

**HERO MOTOR COMPANY LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

-----Rs in cores-----

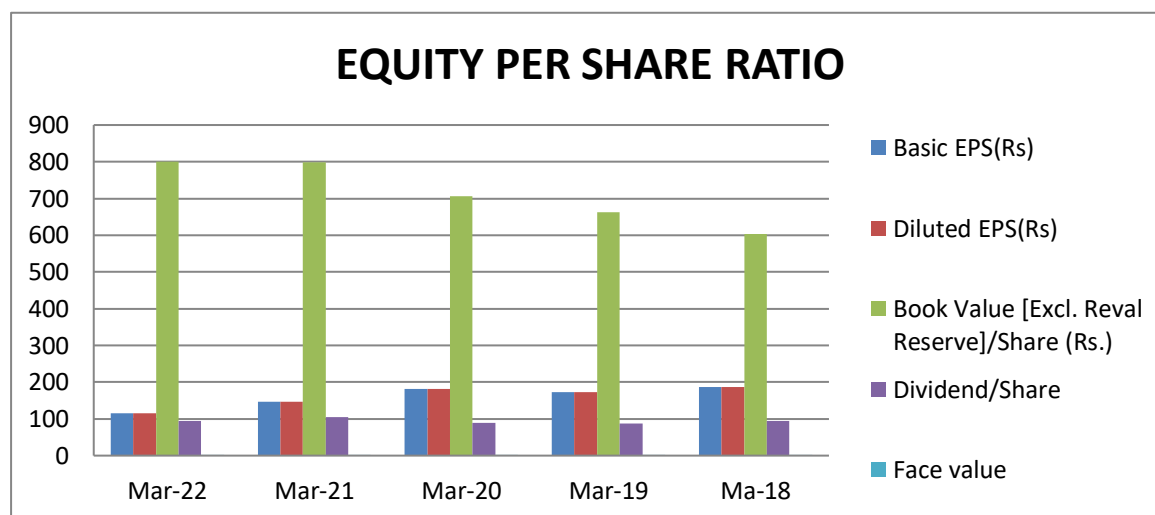
**5.3 Cash flow statement**

<b>PARTICULARS</b>	<b>Mar 2022</b>	<b>Mar 2021</b>	<b>Mar 2020</b>	<b>Mar 2019</b>	<b>Mar 2018</b>
Operating Activities	2,103	4,110	5,518	1,032	4,017
Investing Activities	-221	-2,289	-2,819	1,297	-1,858
Financing Activities	-1,975	-1,851	-2,601	-2,252	-2,102
Others	0	0	0	0	0
Net Cash Flow	-93	-30	97	77	56

## RATIO ANALYSIS

### 5.4 EQUITY PER SHARE RATIO

Per Share Ratios	Mar 2022	Mar 2021	Mar 2020	Mar 2019	Mar 2018
Basic EPS(Rs)	115.96	146.07	182.15	172.45	186.30
Diluted EPS (Rs)	115.96	146.04	182.15	172.44	186.29
Book Value [Excl. Rival Reserve]/Share (Rs.)	800.54	798.76	706.97	662.65	604.14
Dividend/Share (Rs.)	95	105.00	90.00	87.00	95.00
Face Value	2	2	2	2	2

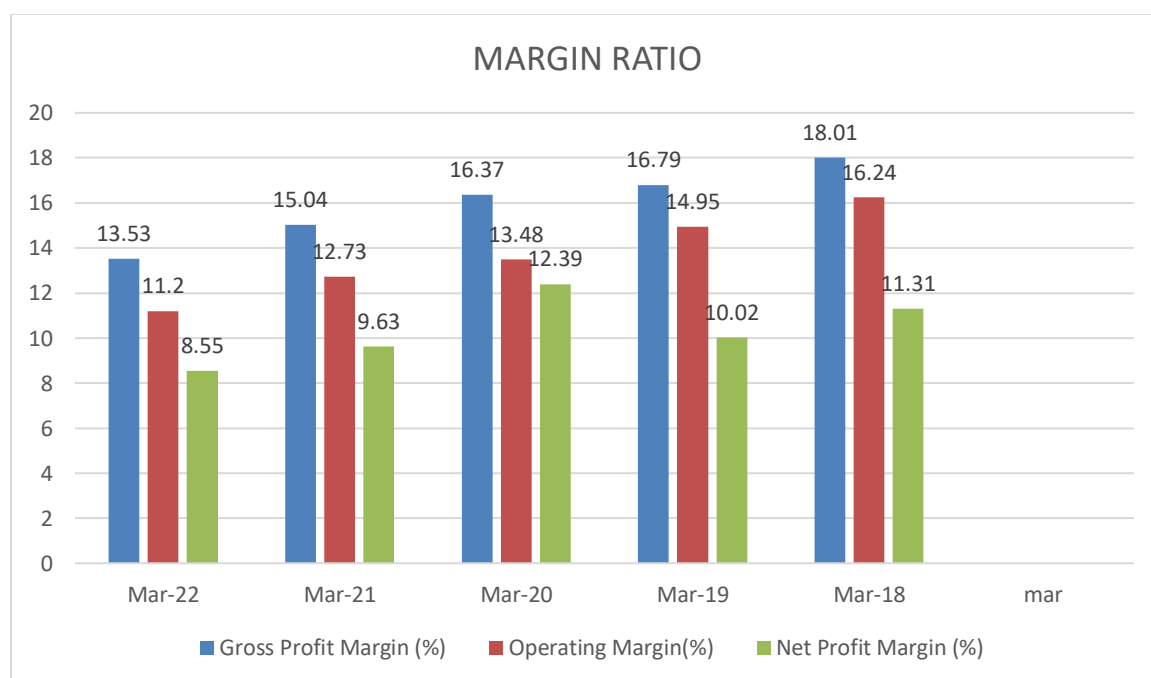


#### Interpretation:

Above table of Hero MotoCorp for the year 2018 to 2022. In the year 2018 the EPS was 186.30 when it is compared in the year 2018 the EPS in 186.30 that means in the year 2018 the EPS increasing 6.81 in EPS. In the year 2019 EPS 172.45 this year decreasing in 13.85 previous year. in the year 2020 was 182.15 as compared to 2019 it is increasingly 9.7. In the year 2022 the 115.96 compared to previous year decreasing by 30.11.

## 5.5 MARGIN RATIO:

Margin Ratios	Mar 2022	Mar 2021	Mar 2020	Mar 2019	Mar 2018
Gross Profit Margin (%)	13.53	15.04	16.37	16.79	18.01
Operating Margin (%)	11.20	12.73	13.48	14.95	16.24
Net Profit Margin (%)	8.55	9.63	12.39	10.02	11.31

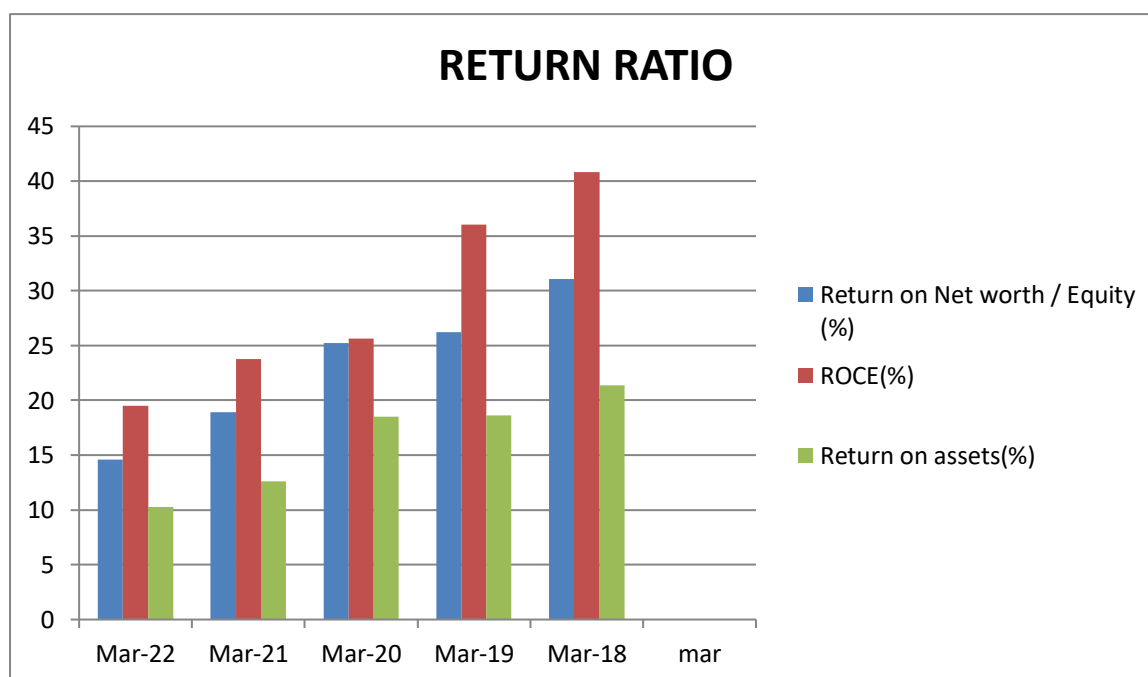


### Interpretation :

As graph shows HERO MOTOCORP LTD company's gross profit margin ratio in 2021 (16.37) is more than comparing to the 2021(15.04). As well as operating margin ratio and net profit margin ratio is decreasing from past five years so I made in conclusion company is not good.

## 5.6 RETURN RATIO:

Return Ratios	Mar 2022	Mar 2021	Mar 2020	Mar 2019	Mar 2018
Return on Net worth / Equity (%)	14.62	18.92	25.25	26.24	31.07
ROCE (%)	19.51	23.76	25.62	36.04	40.82
Return On Assets (%)	10.30	12.63	18.49	18.61	21.38



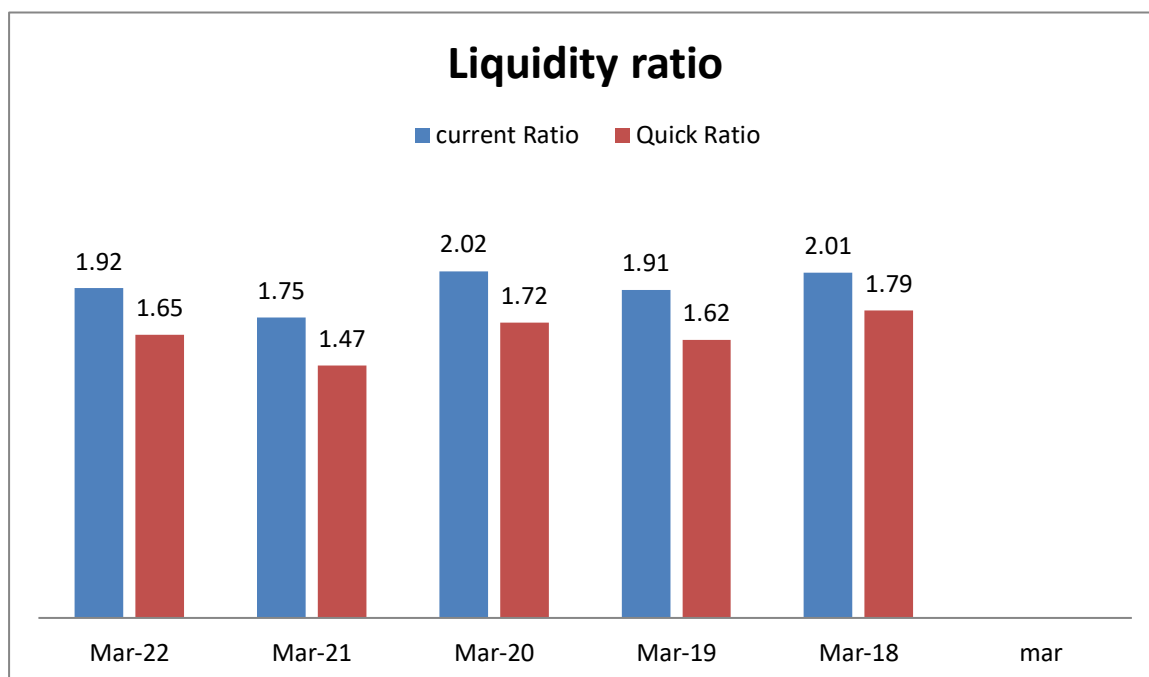
### Interpretation:

When we see the return on equity it seems to be very good because when we compare the HERO MOTOCORP LTD return on equity to and Fixed Deposit in a nationalized bank its 6.33 less (18.92-25.25), moving forward Return on capital employed for the year 2021 is very good when we compare it with its peers, return on asset is 12.63 which is decrease company from the previous years.



## 5.7 LIQUIDITY RATIO:

Liquidity Ratios	Mar 2022	Mar 2021	Mar 2020	Mar 2019	Mar 2018
Current Ratio (X)	1.92	1.75	2.02	1.91	2.01
Quick Ratio (X)	1.65	1.47	1.72	1.62	1.79

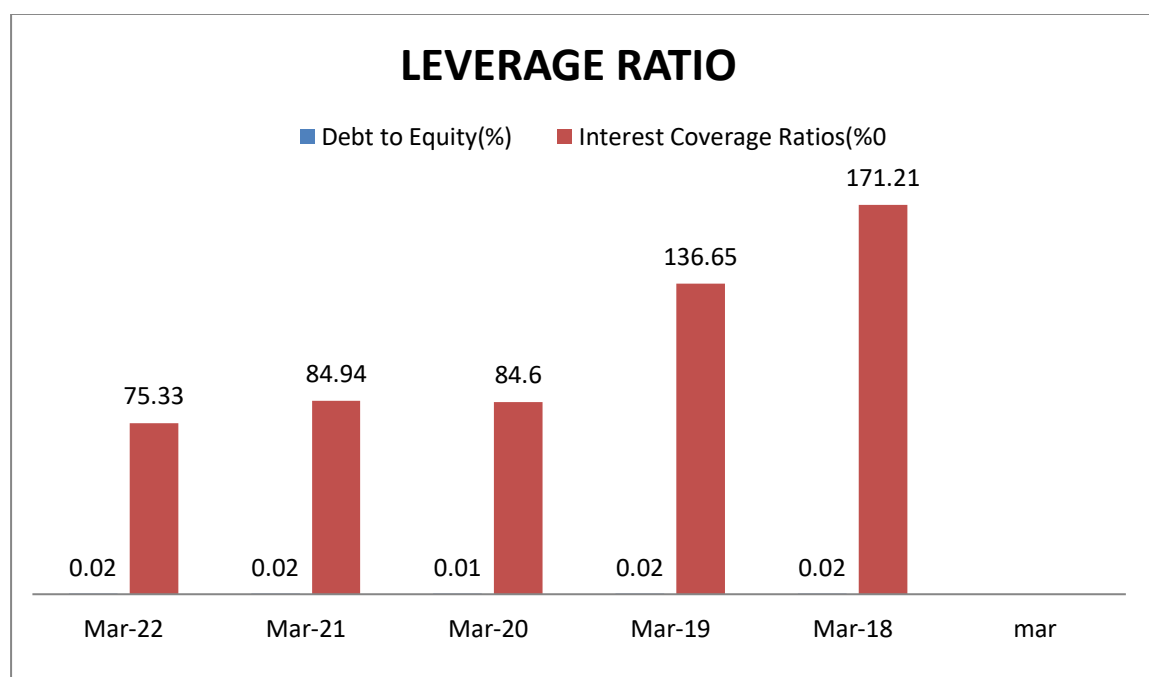


### Interpretation:

The ideal current ratio is 1.5 to 2 and when we see HERO MOTOCORP LTD it has decreased in the present year 2020 from 2.02 to 1.75, this is not a good sign as it makes the company had to have liquidity. The ideal quick ratio is said to be 1.47 and when we see HERO MOTOCORP it is in a decreasing trend and as said above by seeing current ratio and quick ratio it makes it had for the company to meet the short-term financial commitments.

## 5.8 LEVERAGE RATIO:

Leverage Ratios	Mar 2022	Mar 2021	Mar 2020	Mar 2019	Mar 2018
Debt to Equity (%)	0.02	0.02	0.01	0.02	0.02
Interest Coverage Ratios (%)	75.33	84.94	84.60	136.65	171.21

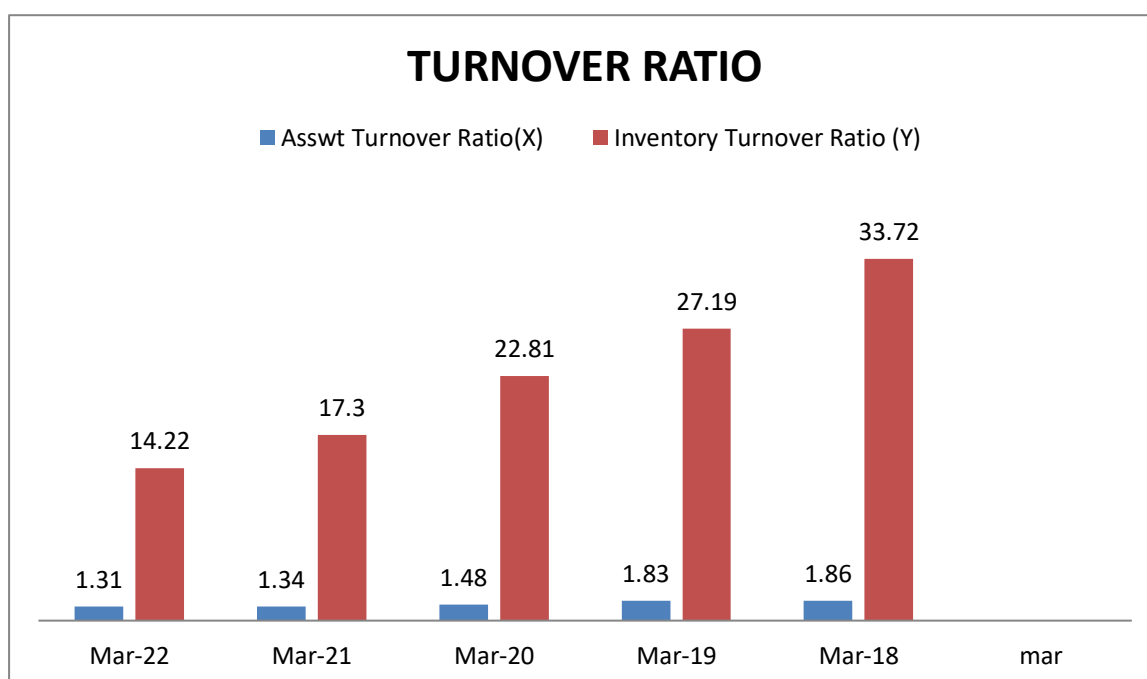


### Interpretation:

The ideal Debt Equity ratio is said to be around 1 to 2 in the financial terms if we see HERO MOTOCORP, we are able to see a decreasing trend in Debt and company stand at 2.00 in debt to equity it shows the good financial position of the company, moving forward when we see interest coverage ratio the company is standing in good position.

## 5.9 TURNOVER RATIO:

Turnover Ratios	Mar 2022	Mar 2021	Mar 2020	Mar 2019	Mar 2018
Asset Turnover Ratio (X)	1.31	1.34	1.48	1.83	1.86
Inventory Turnover Ratio (X)	14.22	17.30	22.81	27.19	33.72

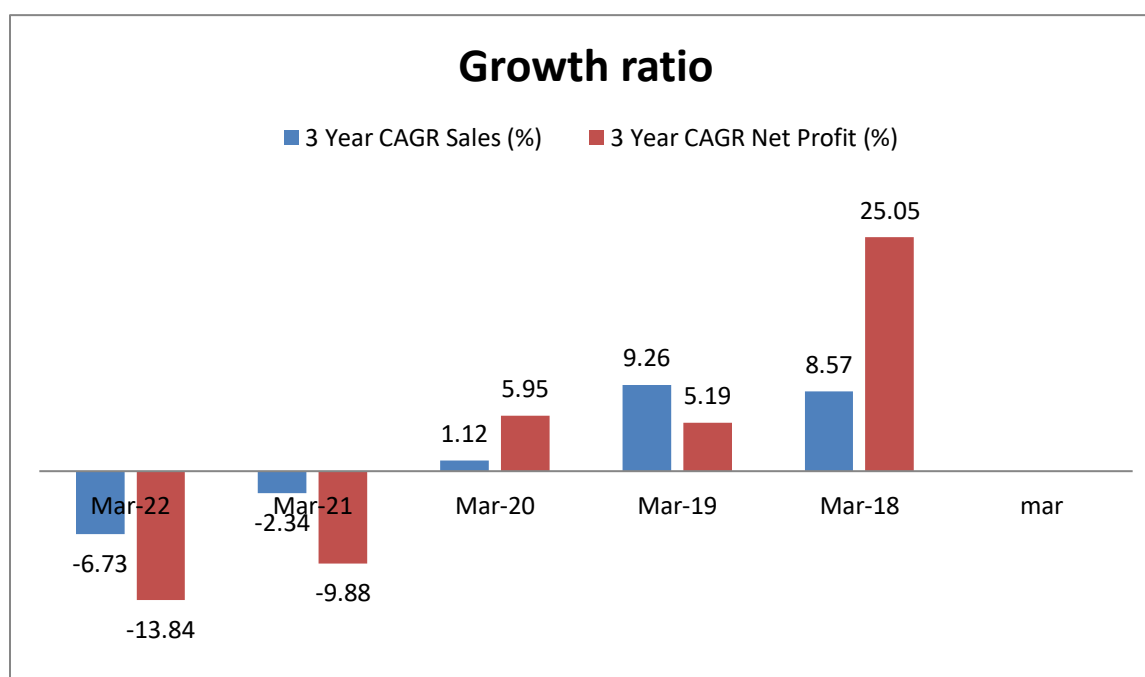


### Interpretation:

The above tables show the Inventory turnover ratio for the year 2018-2022. In the year 2019 the Asset turnover ratio was 1.83 and in the year 2018 it is 1.86 as compared to 2019 and 2018 the Inventory turnover ratio is not equal decreasing. In the period 2020 the Inventory turnover ratio 1.48 is decreasing by 0.35. In the year 2021 the Inventory turnover ratio 1.34 as compared to 2020 it is decreasing by 0.14. In the year 2022 the Inventory turnover ratio 1.31 as compared to the previous year it is decreasing by 0.03 Inventory turnover ratios.

## 5.10 GROWTH RATIO:

Growth Ratios	Mar 2022	Mar 2021	Mar 2020	Mar 2019	Mar 2018
3 Year CAGR Sales (%)	-6.73	-2.34	1.12	9.26	8.57
3 Year CAGR Net Profit (%)	-13.84	-9.88	5.95	5.19	25.05



### Interpretation:

The above table shows the growth ratio for the year 2018-2022. In the year 2018 the compound annual growth rate sales percentage is 8.57 and in the year 2019 it is 9.26 as compared to the year 2019 the CAGR sales increasing in 2019. In the period of 2019 CAGR sales 9.26 increasing by 0.69. In the year 2020 the CAGR sales 1.12 as compared to 2021 is decreasing by -1.22. In the year 2022 the CAGR sale is -6.73 as compared to 2021 is decreasing in this year the CAGR sales shows negative.

## **CHAPTER – 6**

### **LEARNING EXPERIENCE**

I have done my organization study in Hero MotoCorp Ltd. It was good experience for me. Even though I have done my organizational study through both offline and online like collecting information.

Hero MotoCorp is one among the best in the automobile industry which shows several aspects where I could get an exposure about the market and the role of Hero MotoCorp in the automobile industry.

I have gained an experience to interact with the customers. Feedback enquire via telephone and Email. Get to know how to tackle the customer perception. Get to know the customer task, behavior, thinking and perception on the product.

Gained the experience of working has team. Worked has a team to achieve a goal. I had able to improve my listing skills. Understudies will get the proficiency with the training and the transformation them into the real factor.

I got the clear idea about the function of the organization, information about the company's history, profile, growth, vision, mission and many more things.

**BIBLIOGRAPHY:**

- <http://www.google.com>
- <https://www.moneycontrol.com/india/stockpricequote/auto-23-wheelers/heromotocorp/HHM>
- Company website- <https://m.heromotocorp.com>
- Wikipedia – [https://en.m.wikipedia.org/wiki/Hero\\_Motocorp](https://en.m.wikipedia.org/wiki/Hero_Motocorp)
- NSE India and BSE India
- <https://www.ibef.org/industry/india-automobiles>

## **ANNEXURE**

### **PROFIT AND LOSS ACCOUNT**

<b>Annual</b>	<b>Mar 2022</b>	<b>Mar 2021</b>	<b>Mar 2020</b>	<b>Mar 2019</b>	<b>Mar 2018</b>
Sales	29,551	30,959	29,253	33,970	32,458
Other Income	555	557	730	686	523
Total Income	30,106	31,517	29,984	34,657	32,981
Total Expenditure	26,796	27,574	25,361	29,576	27,708
EBIT	3,310	3,942	4,623	5,080	5,273
Interest	63	46	46	37	30
Tax	729	913	951	1,637	1,569
Net Profit	2,528	2,982	3,624	3,405	3,672

### **BALANCE SHEET**

<b>Equities &amp; Liabilities</b>	<b>Mar 2022</b>	<b>Mar 2021</b>	<b>Mar 2020</b>	<b>Mar 2019</b>	<b>Mar 2018</b>
Share Capital	39	39	39	39	39
Reserves & Surplus	15,782	15,357	14,350	13,070	11,931

Current Liabilities	5,517	6,504	4,279	4,409	4,481
Other Liabilities	1,138	1,194	1,004	984	943
Total Liabilities	22,478	23,096	19,674	18,504	17,396
Assets					
Fixed Assets	6,710	6,875	6,864	5,525	5,316
Current Assets	10,572	11,370	8,649	8,413	9,002
Other Assets	5,195	4,850	4,160	4,565	3,078
Total Assets	22,478	23,096	19,674	18,504	17,396

### **CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>Mar 2022</b>	<b>Mar 2021</b>	<b>Mar 2020</b>	<b>Mar 2019</b>	<b>Mar 2018</b>
Operating Activities	2,103	4,110	5,518	1,032	4,017
Investing Activities	-221	-2,289	-2,819	1,297	-1,858
Financing Activities	-1,975	-1,851	-2,601	-2,252	-2,102
Others	0	0	0	0	0
Net Cash Flow	-93	-30	97	77	56