

An Organizational Study
At
ROOTS INDUSTRIES INDIA LIMITED



An Internship Report Submitted for Partial Fulfilment of the Requirements
of Bangalore University for the Award of Degree In
Master of Commerce (International Business)



Submitted By: **DHIVYASRI. G**

(Reg No. 17PUCIB002)

Under the guidance of

Dr. D. Joel Jebadurai

Assistant Professor

Department of Commerce (PG)



Acharya Institute of Graduate Studies
(Affiliated to Bangalore University and NAAC Accredited)
Soldevanahalli, Hesaragatta Road, Bangalore -560107

[2018-19]

DECLARATION

I **DHIVYASRI G** (17PUCIB002) hereby declare that the report entitled “**An Organizational Study At Roots Industries India Limited**”, Coimbatore, Tamilnadu under the guidance of **Dr.D.Joel Jebadurai**, Assistant professor, Department of Commerce (PG) Acharya Institute of Graduate Studies, Bengaluru in partial fulfilment of the award of the degree of Master of Commerce in International business from Bengaluru University.

I also declare that this internship report is the result of my own efforts the same has not been submitted to other universities or institutions for the award of any other degree or diploma course partially or whole.

Date:

Ms. DHIVYASRI.G

Place: BANGALORE

REG NO :(17PUCIB002)

ACKNOWLEDGMENT

I am glad to use the opportunity to express my to all of them who are connected in bringing out this report.

My sincere thanks to **Prof.GURUNATH RAO VAIDYA**, Principal, Acharya Institute of Graduate Studies, for his immense help and guidance which was inspiring, cheering factors for successful completion this project.

I would like to thanks **Dr. ANIL B MALALI**, Head, Department of commerce, Acharya institute Graduate studies for giving their valuable suggestion for successful complement of this project.

I thank my project supervisor **Dr. D. JOEL JEBADURAI**, Assistant Professor, Department of Commerce (PG), Acharya Institute Graduate studies, for giving his guidance and valuate input and advice during my project.

I express my gratitude to Management and staff member of **ROOTS INDUSTRIES INDIA LIMITED** for sharing of required information and guidance in completion of this project.

Last but not least, I went to thanks, my parents and all my friends for their moral support and helping me to overcome the hurdles that I faced during the entire course of the study.

Date:

Ms. DHIVYASRI.G

Place: BANGALORE

REG NO :(17PUCIB002)

S.No	PARTICULARS	PAGE.NO
1	INTRODUCTION	01
2	OVERVIEW <ul style="list-style-type: none">• INDUSTRY PROFILE• COMPANY PROFILE	02
3	ORGANISATION STRUCTURE	16
4	FUNCTIONAL AREAS	20
5	SWOC ANALYSIS	58
6	FINDINGS AND SUGGESTIONS	60
7	CONCLUSION AND BILOGRAPHY	61

CHAPTER 1
INTRODUCTION

CHAPTER 2

OVERVIEW OF THE COMPANY

AND INDUSTRY PROFILE

CHAPTER 3
ORGANISATION STRUCTURE

CHAPTER 4

FUNCTIONAL AREAS

CHAPTER 5

SWOC ANALYSIS

CHAPTER 6

FINDINGS

AND SUGGESTIONS

CHAPTER 7

CONCLUSION

BIBLIOGRAPHY

1. INTRODUCTION

AUTOMOBILE INDUSTRIES

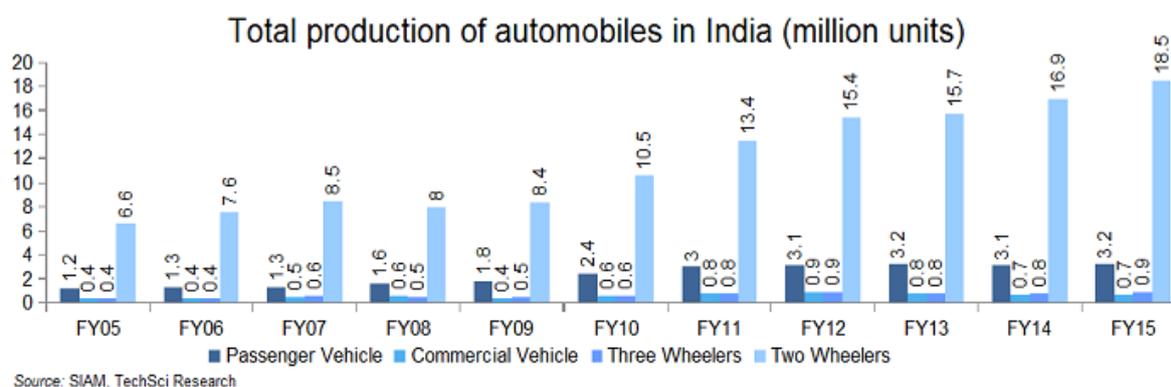
The automobile industry in India is expected to be the world's third largest by 2016, with the country currently being the world's second largest two-wheeler manufacturer. Two-wheeler production is projected to rise from 18.5 million in FY15 to 34 million by FY20. Furthermore, passenger vehicle production is expected to increase to 10 million in FY20 from 3.2 million in FY15.

Automobile exports grew at a CAGR of 14.65 per cent during 2010-15. Passenger Vehicles, Commercial Vehicles, Three Wheelers and Two Wheelers grew by 6.89 per cent, 13.77 per cent, 18.69 per cent and 16.60 per cent CAGR during 2010-15. Two wheelers accounted for the largest share of exports at 69.4 per cent in FY15. Passenger vehicles comprised a sizeable 16.7 per cent of overall exports. Exports of three wheeler vehicles registered around 11.1 per cent share in exports in FY15.

The government aims to develop India as a global manufacturing as well as a research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRiP) centres as well as a National Automotive Board to act as facilitator between the government and the industry.

Alternative fuel has the potential to provide for the country's energy demand in the auto sector as the CNG distribution network in India is expected to rise to 250 cities in 2018 from 125 cities in 2014. Also, the luxury car market could register high growth and is expected to reach 150,000 units by 2020.

S



2. OVERVIEW

2.1.INDUSTRY PROFILE

The Indian auto industry became the 4th largest in the world with sales increasing 9.5 per cent year-on-year to 4.02 million units (excluding two wheelers) in 2017. It was the 7th largest manufacturer of commercial vehicles in 2017.

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. Automobile exports grew 26.56 per cent during April-July 2018. It is expected to grow at a CAGR of 3.05 per cent during 2016-2026. In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the two-wheeler and four wheeler market in the world by 2020

Domestic automobile production increased at 7.08 per cent CAGR between FY13-18 with 29.07 million vehicles manufactured in the country in FY18. During April-July 2018, automobile production increased 16.69 per cent year-on-year to reach 10.88 million vehicle units.

Overall domestic automobiles sales increased at 7.01 per cent CAGR between FY13-18 with 24.97 million vehicles getting sold in FY18. Auto sales in July 2018 witnessed a year-on-year growth rate of 7.9 per cent across segments, driven by 46.24 per cent growth in three-wheeler sales in terms of percentage.

Premium motorbike sales in India crossed one million units in FY18. Two leading luxury car manufacturers, BMW and Mercedes-Benz, recorded their best-ever half yearly sales in India during January-June 2018. Sales of BMW grew 13 per cent year-on-year to 5,171 units and sales of Mercedes-Benz grew 12.4 per cent year-on-year to 7,171 units.

Sales of electric two-wheelers are estimated to have crossed 55,000 vehicles in 2017-18.

Automobile industry the business of producing and selling self-powered vehicles, including passenger cars, trucks, farm equipment, and other commercial vehicles. By allowing consumers to commute long distances for work, shopping, and entertainment, the auto industry has encouraged the development of an extensive road system, made possible the growth of suburbs and shopping centres around major cities, and played a key role in the growth of ancillary industries, such as the oil and travel businesses. The auto industry has become one of the largest purchasers of many key industrial products, such as steel. The large number of people the industry employs has made it a key determinant of economic growth.

The automobile assembly plant represents only the final phase in the process of manufacturing an automobile, for it is here that the components supplied by more than 4,000 outside suppliers, including company-owned parts suppliers, are brought together for assembly, usually by truck or railroad. Those parts that will be used in the chassis are delivered to one area, while those that will comprise the body are unloaded at another.

2.2.COMPANY PROFILE

Roots Industries India Ltd. is a leading manufacturer of HORNS in India and the 11th largest Horn Manufacturing Company in the world. Headquartered in Coimbatore - India, ROOTS has been a dominant player in the manufacture of Horns and other products like Castings and Industrial Cleaning Machines. Since its establishment in 1970, ROOTS has had a vision and commitment to produce and deliver quality products adhering to International Standards. With a strong innovative base and commitment to Quality, Roots Industries India Limited has occupied a key position in both international and domestic market as suppliers to leading OEMs and after market. Similar to products, Roots has leading edge over competitors on strong quality system base. Now, RIL is the first Indian Company and first horn manufacturing company in the world to get ISO/TS 16949 certification based on effective implementation of QS 9000 and VDA 6.1 system requirement earlier. RIL has entered into technical collaboration with Robert Bosch, SA to further enhance the technical competence. Roots' vision is to become a world-class company manufacturing world-class product, excelling in human relation.

Roots Industries India Ltd as ISO9001:2000 firm and the parent company manufacture electric horns currently holding 60% of the Indian Market Share. They are suppliers to leading automobile manufacturers such as Volkswagen, Toyota, Mercedes – Benz, BMW,

Skoda, Navistar, Harley Davidson, Tata Motors, etc., are also the exclusive suppliers of the special type horns to defence. Their export market covers above 40 countries, which include United States, Japan, Germany, Russia, China, Italy and Africa, now the Roots has expanded and concentrated on industrial cleaning machines.

2.2.1. ROOTS FAMILY

Roots Groups promoted by Mr.K.Ramasamy, A Master Degree holder in Automobile Engineering from Lincoln Technical Institute, USA, has its corporate office at Coimbatore in South India extending the philosophy of quality to all spheres of its activity in the market leader in India for flagship product automobile horns.

Roots single minded pursuit of enhancing the quality of life has led to many others diversifications. Roots today is a multi faced corporate entity with interests in automobile accessories cleaning equipment, castings, precision tools, hi-tech engineering services, healthcare & education.

- 1) Roots Industries India Limited
- 2) Roots Auto Products Private Limited
- 3) Roots Multiclean Limited
- 4) Roots Cast Private Limited
- 5) Roots Precision Products
- 6) Roots Digital Engineering Services Private Limited
- 7) Roots Brake System Private Limited
- 8) Roots Polycraft
- 9) RK Nature Care Hospital
- 10) Satchidananda Jothi Nikethan Matric Higher Secondary School
- 11) Roots Metrology Laboratory
- 12) Roots industries Malaysia Sdn. Bhd

Roots Multiclean Limited

Roots Multiclean Ltd based in Coimbatore, a Southern city in India known for its textile and light engineering products, is joint venture Roots Industries Limited with Hako Werke GMBH & Co. Germany is one of the largest manufacturers of cleaning equipment under license from Hako since 1994, within the short span of 10 year it has become India's largest manufacturers of floor cleaning equipment, manufacturing manually operated and powered suction, Sweepers, Scrubber Driers and the state of the art Mopping System.

The group comprises of server important manufacturing units with the state of the art CAD/CAM/EDP/quality assurance centres with advanced equipments.

Roots Precision Products

Roots Precision Products was established in 1987 to address the in-house tooling needs of the diverse industries in Roots group. Owing to continuous improvement and investment into better resources, the company has become self-sufficient. It is catering to the needs of various industries. RPP acts as a one-stop solution for tooling and precision machining. Specialized in design and manufacture of:

- ✓ Press tools
- ✓ Injection moulds
- ✓ Die casting – dies
- ✓ Jigs and fixtures

Roots Polycraft Limited

Roots Polycraft (PC) was established in 1988 to manufacture precision plastic components. It is equipped with latest microprocessor injection moulding machines to maintain consistent process parameters. Over the years, Polycraft has gained skills and unique techniques to manufacture small and medium size components for Automotive, Pump, Textile, and Medical Industries besides meeting the captive requirements of Roots Group. Being fully equipped to provide the best service, Polycraft has satisfied customers who have helped augment its technological advances. The Company's commitment towards the customer is demonstrated with quality products and service. This has resulted in continuous growth and product diversification. The process is closely monitored with proven techniques to obtain consistently good quality parts.

Roots Cast Private Limited

Roots Cast Pvt. Ltd., (RCPL) (formerly known as Aruna Auto Castings Private Limited) was established in 1984 to meet the captive requirements of the Roots group. With its ever probing eye on the needs of the market, the company in the late 80s expanded its operations to manufacture High Pressure Die Cast Aluminium and Zinc components to the exacting needs of various customers in Automobile and Textile Industries with a high degree of Quality and Perfection. RCPL now has established itself as a major player in the die cast component manufacturing thanks to the expertise built in the core activities like tool design, tool making and pressure die cast component manufacturing. RCPL supplies machined castings and sub-assemblies as per customer requisitions.

- 1) RSV Governor hsg Injection Pump
- 2) Heat- Sink for Alternator
- 3) Pump Body and Pump body Cover
- 4) Ring Holder for Ring Fr

2.2.2. MISSION

The mission of Roots has always been to locate and to mould exceptional leaders and private with all the sincere effort that solid basics to extend organization solutions to customers worldwide and there by enhance the Roots competitive advantage. The company does so thought long team and deeply committed human relations based on the key values like Activity focus, Discipline, Experience, Innovation, Integrity, Introspection, Professionalism, Quality Culture and Team Work.

2.2.3. VISION

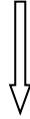
We will stand technologically ahead of others to deliver world-class innovative products useful to our customers. We will rather lose our business than our customer satisfactions. It is our aim that the customer should get the best value for his money. Every member of our company will have decent living standards. We care deeply for our families, or our environment and our society. We promise to pay back in full measure to the society by way of selfless and unstinted service.

2.2.4. BUSINESS OBJECTIVES

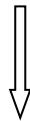
- Inputs for annual business plan 2016-2017
- Horn divisions (HD) PC1A-Manufacturing
- Existing business (HD) PC1B-Trading
- Export: Air Horn
- Replacements: Bulb, Brake pad, Brake shoe, Battery, Clutch plate, Alternator, Starter motor and Spares.

2.2.5. OWNERSHIP PATTERN

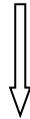
Board of Directors



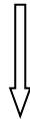
Chairman



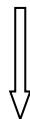
Company Secretary



Manager



Assistant Manager



Associates

2.2.6. PRODUCT RANGE

Automobile horns, halogen lamps, Brake pads, Brake shoes, Clutch plates, automotive batteries for two and four wheelers application and sophisticated parking guide systems. The company enjoys 60% market share in automobile replacement horn segment in India. Its growing market leadership has given enough incentive for Roots Industries India Limited to explore Malaysia as well.

Roots Industries India Limited is the first auto accessories manufacturing company to get ISO:9001 in India, QS9000 and VDA 6.1 certifications in Asia and ISO/TS 16949 certification in world. As an eco-conscious corporate, Roots Industries India Limited has also gained the ISO 14001 certification and also received the prestigious QI award from Ford motors.

CUSTOMERS

- Volkswagen
- Toyota
- Mercedes-Benz
- BMW
- Mitsubishi
- Skoda Auto India
- Navistar-USA
- Harley Davidson
- NACCO
- Tata Motors

PRODUCTS

- 1) Wind tone: - W 90, Wind tone Super, Wind tone Trio, Wind tone New, W75.
- 2) Vibrosonic: - Vibromax, Vibrosonic, Vibrosonic Delux, Supersonic, Vibro Mini.
- 3) Clear tone: - Clear tone Delux.
- 4) Bosch Range of horns: - FC4, FD4 Delux.

- 5) Roots 90:- Roots 90.
- 6) Mega sonic: - Mega sonic.
- 7) Smartone: - Smartone
- 8) Spider: - Spider (Available in 6 Colors).
- 9) FSA2:- FSA2.
- 10) R 70:- R 70.

2.2.7. QUALITY POLICIES

“Enhancing the quality of life

In more ways than one”

The company is committed to provide world class products and services with due concern for the environment and safety of the society.

Quality will be achieved through the following.

- 1) Continuous improvement of quality
- 2) Technology up gradation
- 3) Cost Reduction
- 4) Total employee involvement

The aim for quality in everything they do

- 1) Quality in Behaviour
- 2) Quality in Human Relation
- 3) Quality in Governance

2.2.8. MILESTONES

1970	Promotes American Auto Service for manufacture of Electric Horns
1972	First to manufacture Servo Brakes for Light Motor Vehicles
1984	Roots Auto Products Private Limited was established to manufacture Air Horns, Die Casting Unit commences commercial operations
1988	Polycraft, a unit for Plastic Injection Moulding was established
1990	Roots Industries Private Limited takes over Electric Horn business
1992	RMCL enters into Techno-Financial collaboration with M/s. Hako Werke GmbH, Germany
1992	Roots Industries Private Limited obtains the National Certification- ISI mark of quality
1994	Production of floor cleaning equipment commences. Roots Industries Private Limited wins American International Quality Award
1999	Becomes the first horn manufacturer in Asia to obtain QS 9000
2000	Becomes the first horn manufacturer in Asia to obtain VDA 6.1 and the first in the world to win ISO/TS 16949
2000	The first to introduce digitally controlled air horns and low frequency, low decibel irritation free Jumbo Air Horns.
2003	Roots Industries Ltd., Horn Division is accredited with ISO 14001:1996
2003	Roots Industries LTD., upgraded its ISO/TS 16949 from 1999 version to 2002 version
2004	Roots Industries Limited (RIL) opens its 100% exclusive Export Oriented Unit at their Horn Division, Thoppampatti, Coimbatore to cater the needs of Ford, North America

2004	RIL's EOU commences its supplies to Ford, North America
2004	Roots Multiclean Limited(RMCL) inaugurates its 100% EOU Plant at Kovilpalayam, Coimbatore
2004	Roots Cast Private Limited(RCPL) inaugurates its Unit II at Arugampalayam, Coimbatore
2004	Roots Auto Products Private Limited(RAPPL) expands with its Machining Division at Arugampalayam, Coimbatore
2004	RIL successfully launches its Malaysian Plant
2004	The group company American Auto Service is accredited with ISO 9001:2000
2005	Roots Industries Limited., is certified with MS 9000, a pre-requisite for Q1 award for Ford Automotive Operations
2005	Roots Metrology & Testing Laboratory has been accredited by National Accreditation Board for testing & calibration in the field of mechanical-Linear & Angular
2005	Roots Industries Limited., is awarded Q1 by Ford Motor Company
2005	Roots Industries Limited., Horn Division upgraded its ISO:14001 from 1996 version to 2004 version

Raw Material Purchased

Raw Material purchased by the following industries,

- a) Accurate Springs Private Limited
- b) Alacrity Associates
- c) Elgi Ultra Private Limited
- d) Baalaji Electricals
- e) Sri Lakshmi Narayana Engineering
- f) T.F. Stalin Engineering Works
- g) Vels & Sons
- h) Axis Manufacturing Company

- i) Sun Tech Industrials
- j) Super Tech Industrials
- k) Moon Tech Industries
- l) Maheswari Engineering

These are the some companies which issue raw materials to the Roots Industries. And also there are some more companies which collect some raw materials and produce the product like Screw, Bolt and Trumplet. After producing those product it will again return to the Roots Industries.

PRESS SHOP

Press shop is the place where few parts of the horn like housing, diaphragm, point plate, point holder, tone disc, bracket and mounting bracket are manufactured. There are 43 machines in this department and they do a regular monthly maintenance for all the machines. Employees use protective equipments like ear plug, shoes, goggle and gloves for the safety at the workplace.

TOOLS USED

1. Conventional tool
2. Progressive tool
3. Compound tool

RAW MATERIALS

1. Aluminium zinc galvanized steel
2. Cold rolled carbon steel
3. Spring steel
4. Stainless steel

TYPES OF MACHINES

1. Power press
2. Hydraulic press
3. Feeder press
4. Pneumatic press
5. Lathe
6. Feeder press

TYPES OF PARTS

1. Housing with SCR assembly
2. Housing with E-core assembly
3. Diaphragm
4. Tone disc
5. Point holder
6. Point plate
7. Grill
8. Keeper ring
9. Mounting bracket
10. Mounting bracket assembly
11. Horn cover
12. Connector
13. Condenser
14. Clamp

TYPES OF PROCESSES

1. Blanking
2. Draw
3. Re strike
4. Piercing
5. Notching
6. Trimming
7. Forming
8. Embossing
9. Edge chamfering
10. Rib forming
11. Collar draw
12. Flattening
13. Turning
14. Riveting
15. Bending
16. Lancing
17. Knurling

18. Coining
19. Stress relieving

COMBINED PROCESSES

1. Piercing and Blanking
2. Piercing, Blanking and Notching
3. Piercing, Blanking and Bending
4. Piercing, Blanking and Cropping
5. SCR Riveting, Flattening and Lancing
6. SCR Riveting and Flanging
7. Edge Chamfering and Lancing
8. Hour glass cutting
9. Draw 1-2-3, Re strike
10. Collar draw, Piercing and Trimming
11. Blanking and Forming
12. Forming and Flanging
13. Piercing, lettering and Blanking.

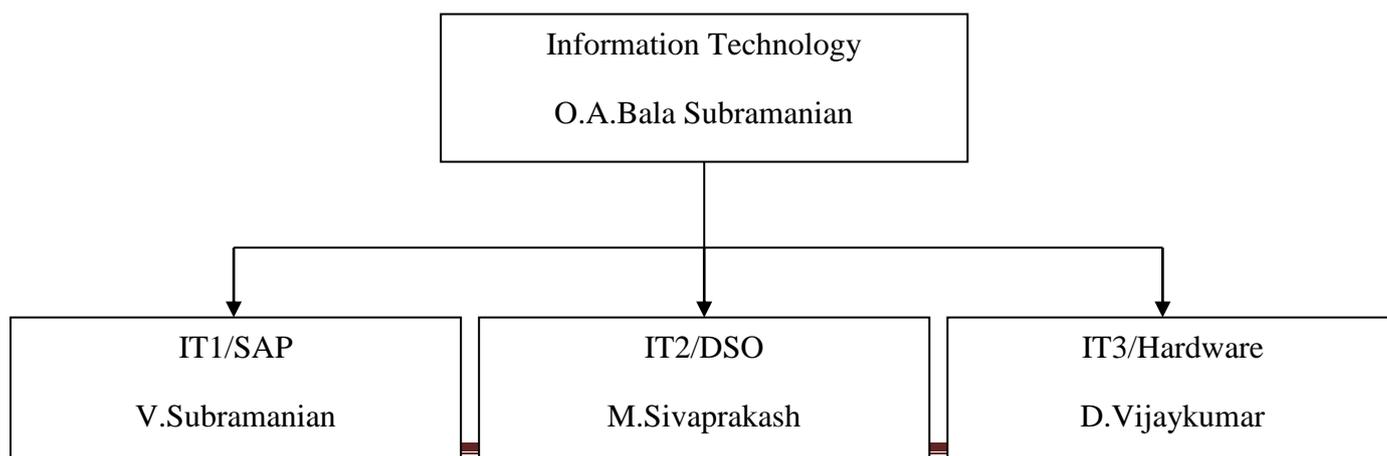
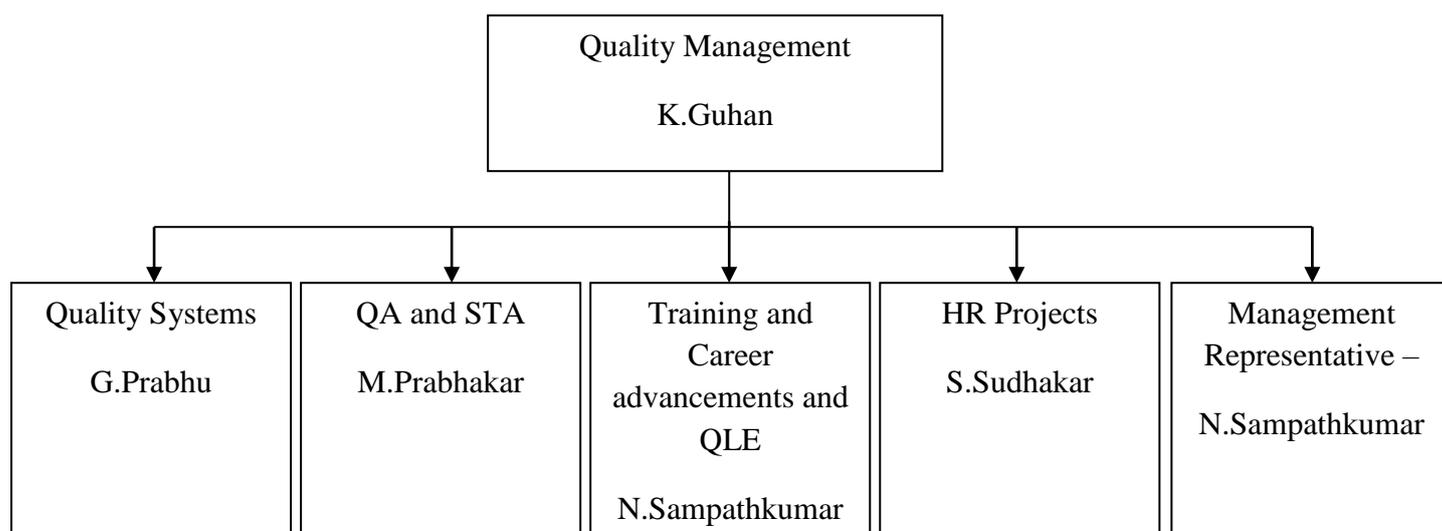
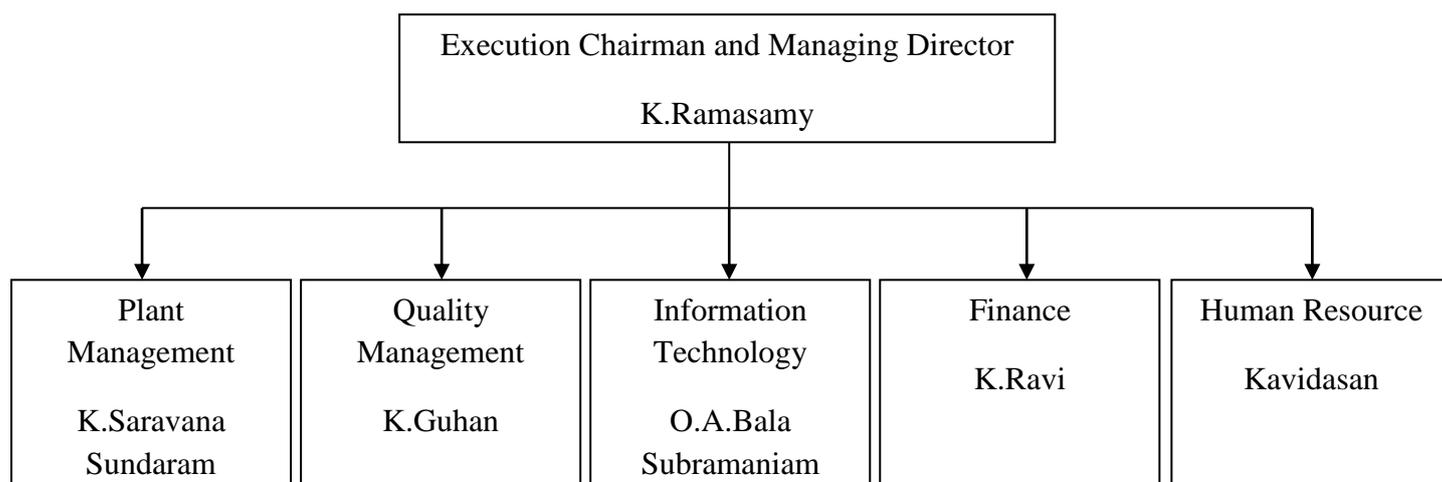
3. ORGANISATIONAL STRUCTURE

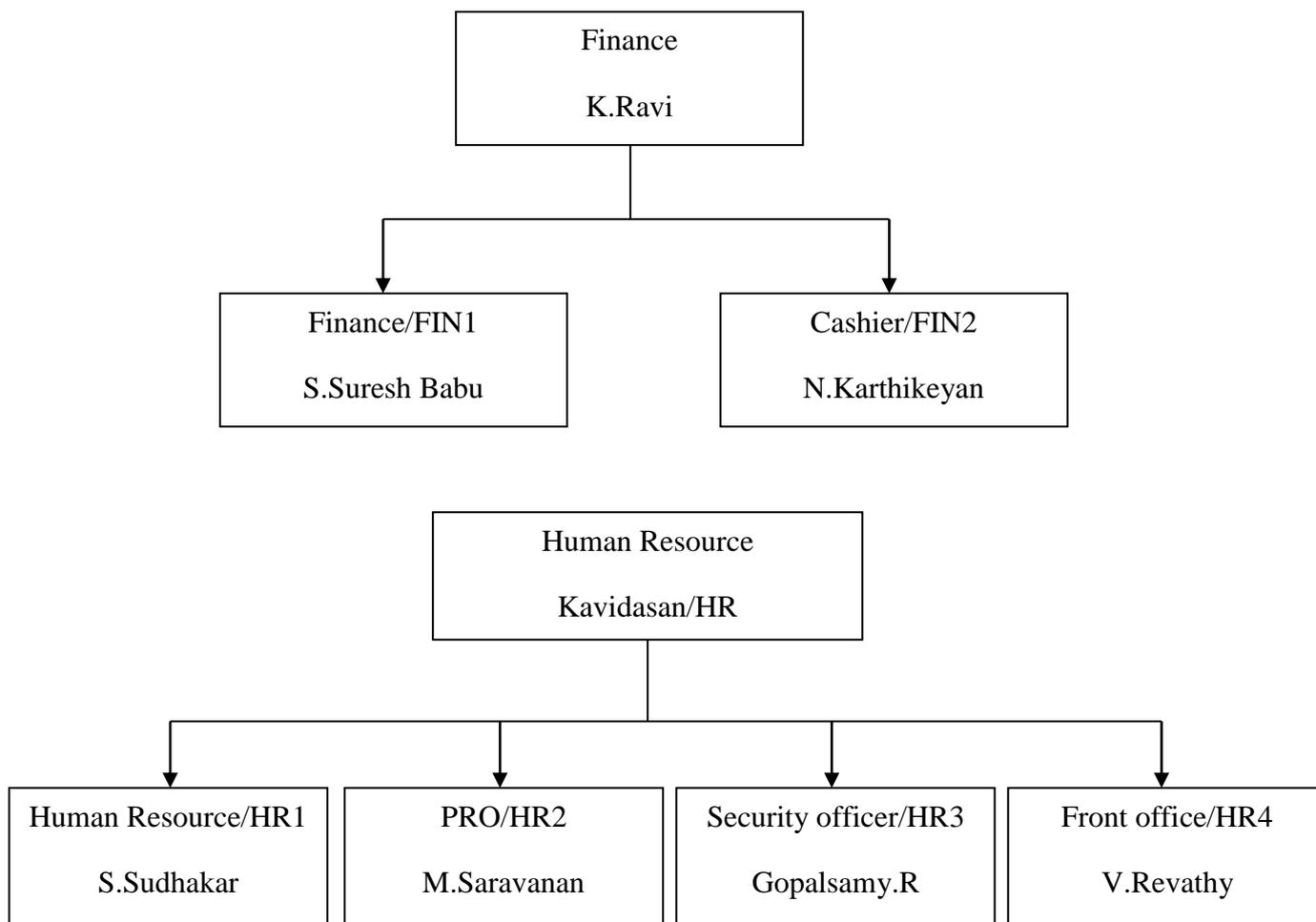
An organizational structure is a system that outlines how certain activities are directed in order to achieve the goals of an organization. These activities can include rules, roles and responsibilities.

The organizational structure also determines how information flows from level to level within the company. For example, in a centralized structure, decisions flow from the top down, while in a decentralized structure, the decisions are made at various levels.

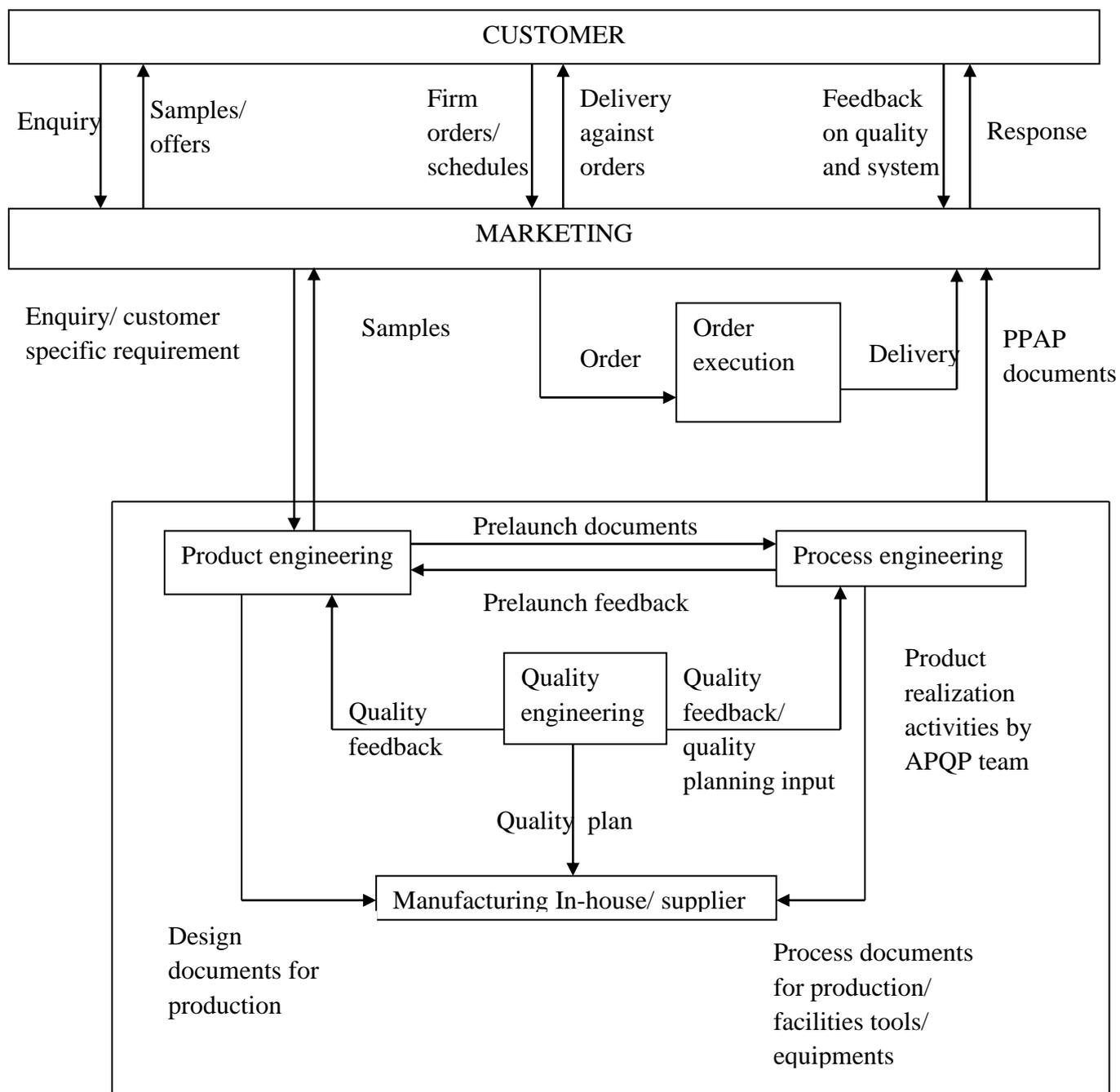
Organizational structure defines a specific hierarchy within an organization, and businesses of all shapes and sizes use it heavily. A successful organizational structure defines each employee's job and how it fits within the overall system. This structuring provides a company with a visual representation of how it is shaped and how it can best move forward in achieving its goals.

Organizational structures are normally illustrated in some sort of chart or diagram.





3.1. KEY PROCESS OF THE ORGANISATION



4. FUNCTIONAL AREAS

Functional Departments

- 1) Quality Department.
- 2) Human Resource Department.
- 3) Marketing Department..
- 4) Information Technology.
- 5) Production Department.
- 6) Export Department.
- 7) Accounts & Financing Department.

4.1. QUALITY DEPARTMENT

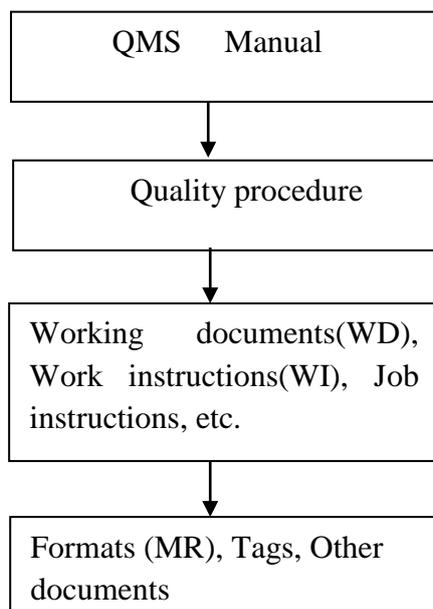
4.1.1. QUALITY MANUAL

Quality manual is established and maintained and includes the scope of Roots Industries India Limited and reference to documented procedures. The Quality Management System is in total conformance to the requirement of the standard ISO/TS 16949:2009 version and there are no exclusions.

4.1.2. QUALITY MANAGEMENT SYSTEM PROCEDURE

It has been established and maintained to ensure that the processes determined are monitored effectively. These procedures give reference to the related work instruction/working documents and formats used for providing evidence of implementation of the system in the form of records. All the functional heads ensure effective implementation of the documented procedures.

4.1.3. DOCUMENTATION STRUCTURE



LEVEL 1:

Defines approach and responsibility including assurance of customer needs.

LEVEL 2:

Defines the way to perform the various processes defined in QSM.

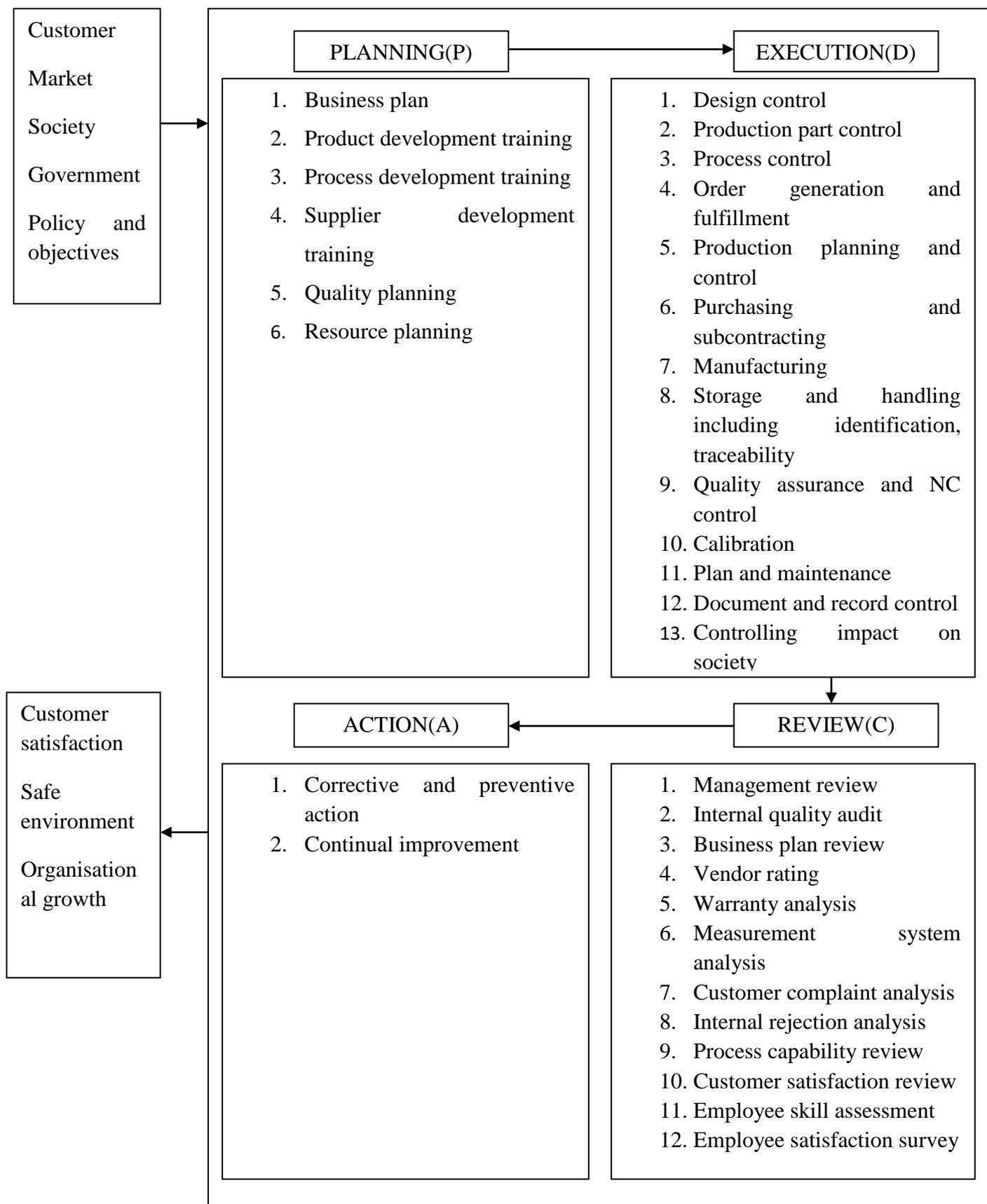
LEVEL 3:

Defines details of how a specific activity is to be performed.

LEVEL 4:

Prompt recording of information such as forms, tags, label

ROOTS QUALITY MANAGEMENT SYSTEM



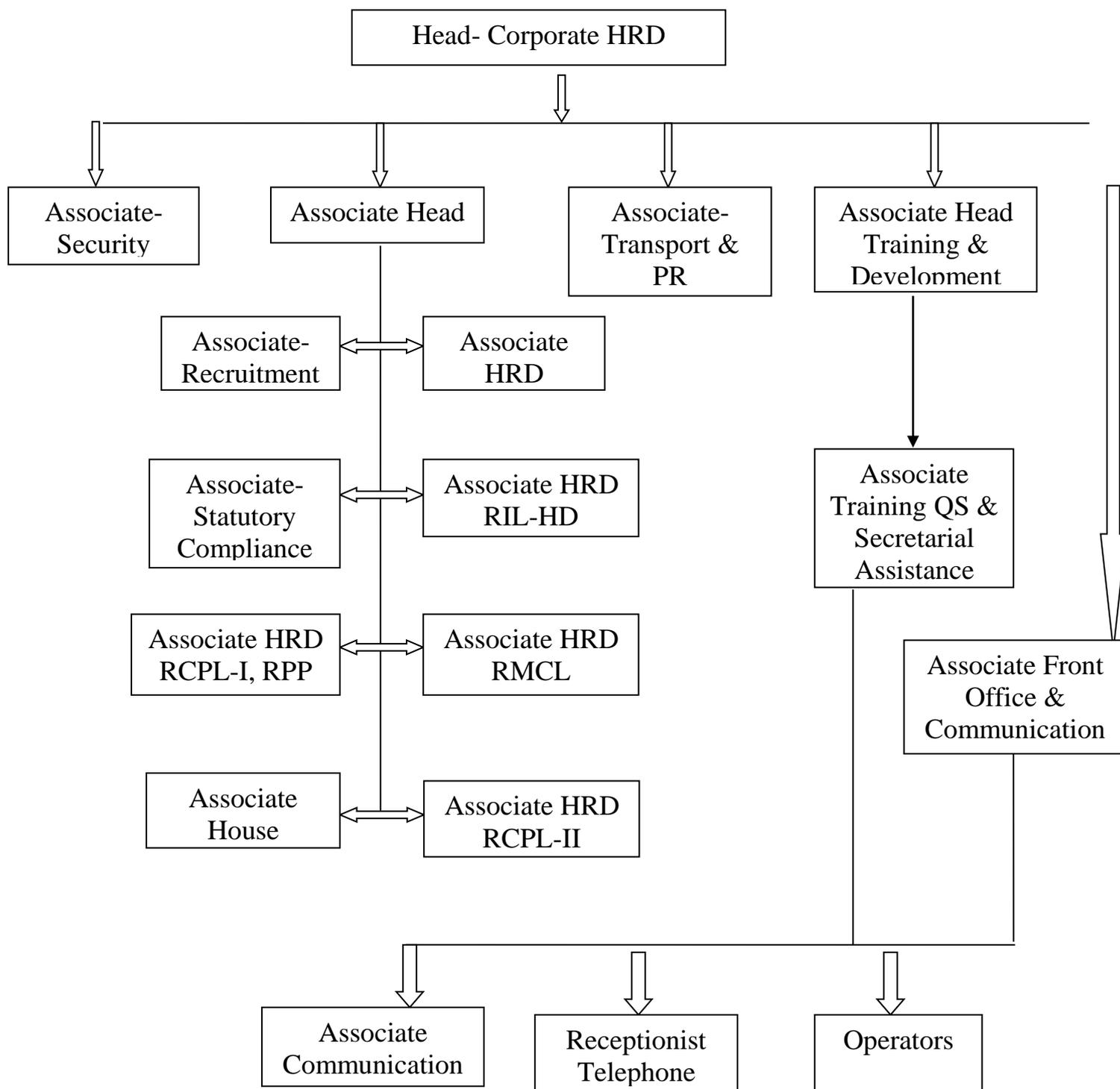
4.2. DEPARTMENT OF HUMAN RESOURCE

Human resources is a term used to describe the individuals who comprise the workforce of an organization, although it is also applied in labor economics to, for example, business sectors or even whole nations. Human resources is also the name of the function within an organization charged with the overall responsibility for implementing strategies and policies relating to the management of individuals (i.e. the human resources). This function title is often abbreviated to the initials 'HR'.

Human Resources may set strategies and develop policies, standards, systems, and processes that implement these strategies in a whole range of areas. The following are typical of a wide range of organizations:

- Recruitment, selection, and on boarding (resourcing)
- Organizational design and development
- Business transformation and change management
- Performance, conduct and behaviour management
- Industrial and employee relations
- Human resources (workforce) analysis and workforce personnel data management
- Compensation, rewards, and benefits management
- Training and development (learning management)

Department Structure



Duties & Responsibilities

- 1) To see that discipline and cordial Industrial Relationship are maintained
- 2) To see whether the standing orders are strictly followed
- 3) In case of any disputes it is the duty of the Head-Corporate HRD to see that the matter is settled amicably.
- 4) He wants to play a role of Liaison officer between the Management and Worker.

Recruitment

Employee recruitment forms a major part of an organization's overall resourcing strategies, which identify and secure people needed for the organization to survive and succeed in the short to medium-term. Recruitment activities need to be responsive to the ever-increasingly competitive market to secure suitably qualified and capable recruits at all levels.

- ✓ Application Blank
- ✓ Paper Advertisement
- ✓ Campus Interview
- ✓ Internal and External Sources
- ✓ Manpower Consultants

Selection

- ✓ Age
- ✓ Communication Skills
- ✓ Physical Stamina
- ✓ Leadership Skills
- ✓ Social & Human Relation Skills
- ✓ Formal Education
- ✓ Technical Education
- ✓ Practical/Previous Experience
- ✓ Social Status
- ✓ Suitability to the post

Promotion

- ✓ It is based on organisational needs

- ✓ It is based on skills required
- ✓ It is based on the Manpower Requirement

Training for Employees

- ✓ Identification of Training needs
- ✓ Identification of Skills Requirement
- ✓ Analysing present Assignment
- ✓ Analysing available potential
- ✓ Analysing Job Requirement

Skills Required for Manager

- ✓ Communication Skills
- ✓ Managerial Skills
- ✓ Experience and knowledge about the work
- ✓ Interpersonal Skills

Performance Appraisal

In order to improve performance on-the-job training / off-the-job, performance improvement trainings are given. They help to improve potentiality and resources, to meet future needs of the organisation also. In order to know training needs, performance appraisal is done by reporting officer manually and analysed. The analysis identifies the workers who need training then the training programs are organised. After completion of training the concerned department head observes the worker, and gives the feedback after 3 months and not less than 6 months. After the evaluation the Head-Corporate HRD will initiate them for retaining if needed.

Performance Appraisal is done a all levels (Executives, Staff, Workers, Trainees and Apprentices),

- ✓ Periodical Appraisal
- ✓ Reporting Officers
- ✓ Head of Departments
- ✓ HRD Intervention
- ✓ Implementation

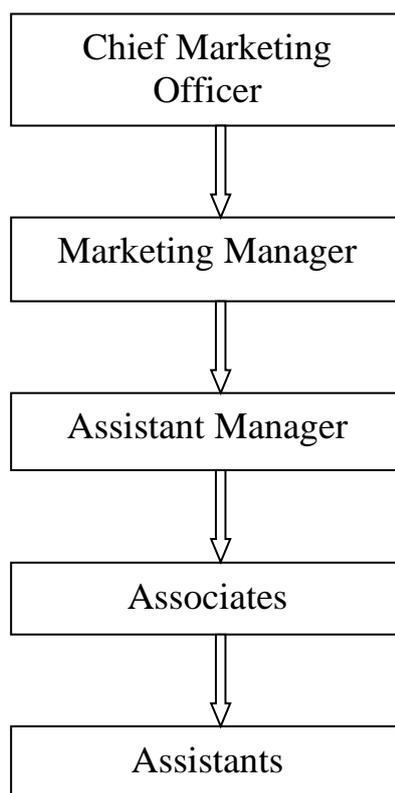
These are the procedures and the other type of appraisals

4.3. DEPARTMENT OF MARKETING

Marketing is the process by which companies create customer interest in products or services. It generates the strategy that underlies sales techniques, business communication, and business development. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves.

Marketing plays a vital role in the Manufacturing Organisation. Roots products are marketed directly or through sales branches established in different parts of our country and in other countries. Customer requirements are captured, documented & deployed to the concerned functions by marketing.

Department Structure



Functions

- ✓ Procuring orders & ensuring that we have the capability to do things as committed to the customers.
- ✓ Preparing requirement plan and forwarding to production planning and control department
- ✓ Despatching the finished goods through the mode of transport as agreed in the contract
- ✓ Follow up of the payment collection
- ✓ Handling new methods for marketing our products

Duties of Marketing Manager

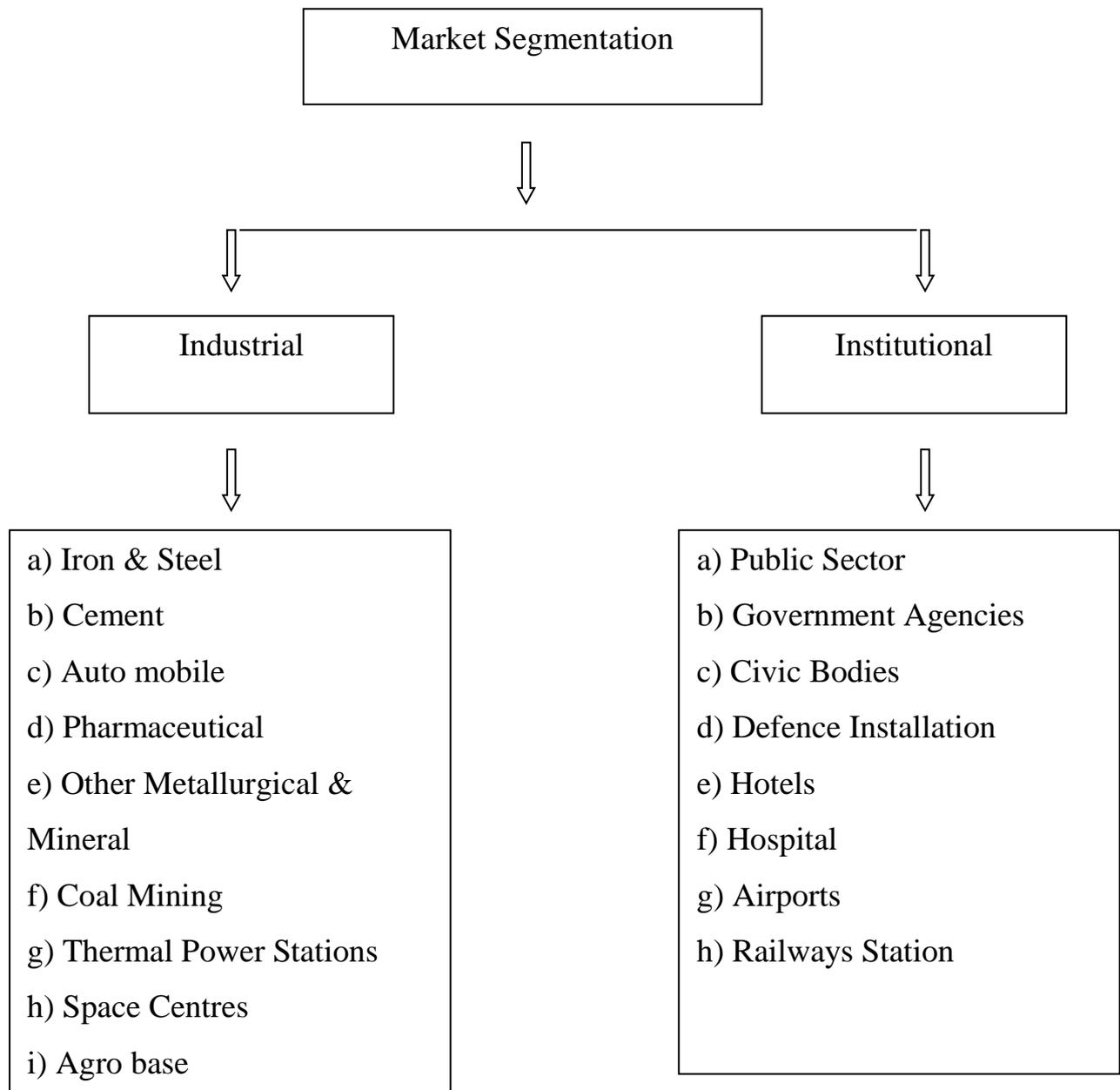
- ✓ The basic function of the marketing manager is to advertise the products of the companies and make them famous in the marketing using different techniques.
- ✓ The marketing manager makes the promotion for the product in order to increase the sale of the product in the market and define goals and supervise the juniors and monitor the trade activities of the company.
- ✓ The marketing manager has the responsibility to enhance the sales of the areas which are assigned to him in order to achieve the company target which are set by the top management of the company and the marketing manager has the right to fulfil the goals of the company.
- ✓ He has to supervise his juniors and monitor the expense of the region.

Skills Required for the Manager

- ✓ Managerial Skills
- ✓ Communication Skills
- ✓ Interpersonal Skills
- ✓ Good Social Relations with Employees and customers

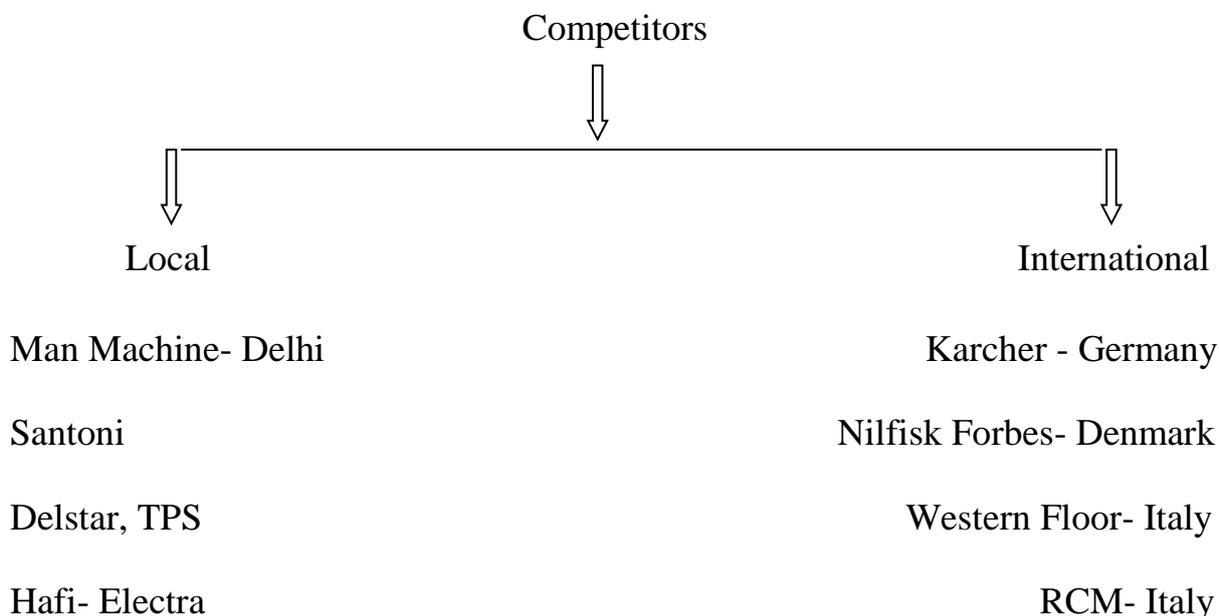
Market Segmentation

In Roots Industries the market is segmented as Industrial and Institutional. The following shows the market segmentation of this industry.



COMPETITORS

The Competitors for this company are in a world level.



4.4. DEPARTMENT OF INFORMATION TECHNOLOGY

The Information Technology Department plays an important role by Computerization. The ERP package and other in house and bought out software are controlled and monitored by this Department

Functions

- ✓ The control of data in Electronic Media
- ✓ Developing and procuring new software to facilitate the user
- ✓ Procuring Hardware according to requirement is part of their activities.
- ✓ Day-to-day backups of the details regarding Sales, Purchase & Materials Inventory.
- ✓ Backups will be taken daily, weekly, monthly, half yearly and annually to avoid the corruption to the software.

Software Used

- a) ERP
- b) SAP- System Application Software

c) RIMS – Roots Integrated Management System

- Before using SAP Software Roots Industries had used MRP 9000 Software. It is mostly used for materials only so to rephrase it SAP have introduced.
- SAP Software used in all the kind f the transactions. SAP is a German based Software Company they developed the software and named it as SAP.
- SAP Software is used only in Roots Auto Products Industries
- RIMS Software which is developed by the Roots Industries. And it is not interlinked between.
- RIMS are used in Roots Multiclean, Roots Polycraft, Roots Cast and Roots Precision Industries.

Skills Required For Manager & Other Employees

For Manager

- ✓ Managerial Skills
- ✓ Leadership Skills
- ✓ Communication Skills
- ✓ Domain Knowledge about the VB.NET, SQL SERVER, SGR, QGR, MM and DOT NET.

For Employees

Employees in this department want to have certain skills. In this department they were using both SAP and RIMS Software. According to that the employees work also differentiated according to the software.

Skill Required for SAP Software

Knowledge about the MM, SGR and QGR are required for the employees who working through SAP Software. Because these three packages used to control the job order processing and purchase order processing.

Skill Required for RIMS Software

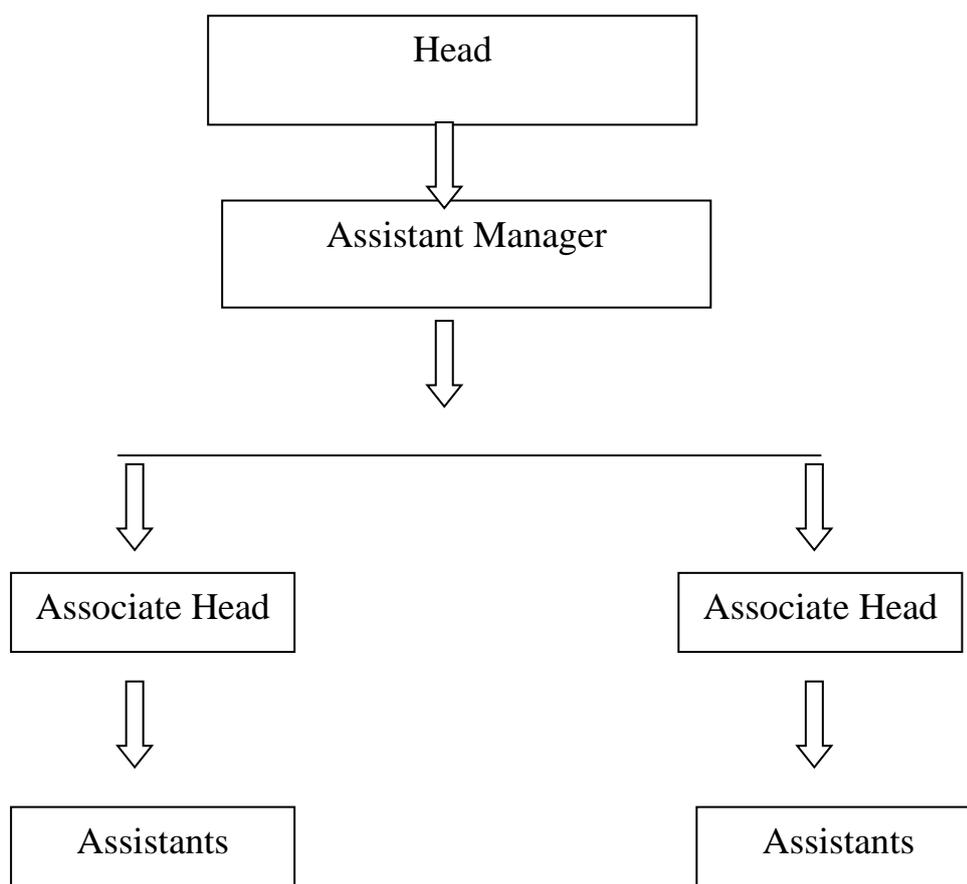
Knowledge about the DOT NET, SQL SERVER and VB.NET are required for the employees those working through RIMS Software.

4.5.QUALITY SYSTEM FOR INFORMATION TECHNOLOGY

Quality System personnel are equipped with necessary skills to implement a system and its maintenance. Functions are,

- ✓ Implementing Quality system in the organization.
- ✓ Documenting the procedures.
- ✓ Issuing the system documents to the relevant persons.
- ✓ Conducting internal quality audits to validate the results of system implemented.
- ✓ Developing the subcontractor's quality system.

Department Structure



This Department is divided into two wings,

- a) Quality Engineering- Deals with the Machinery activities
- b) Quality Assurance- its take of the day-to-day activities

Quality Assurance personal take cares are

- a) Incoming Inspection
- b) In process Inspection
- c) Final Inspection.

Functions

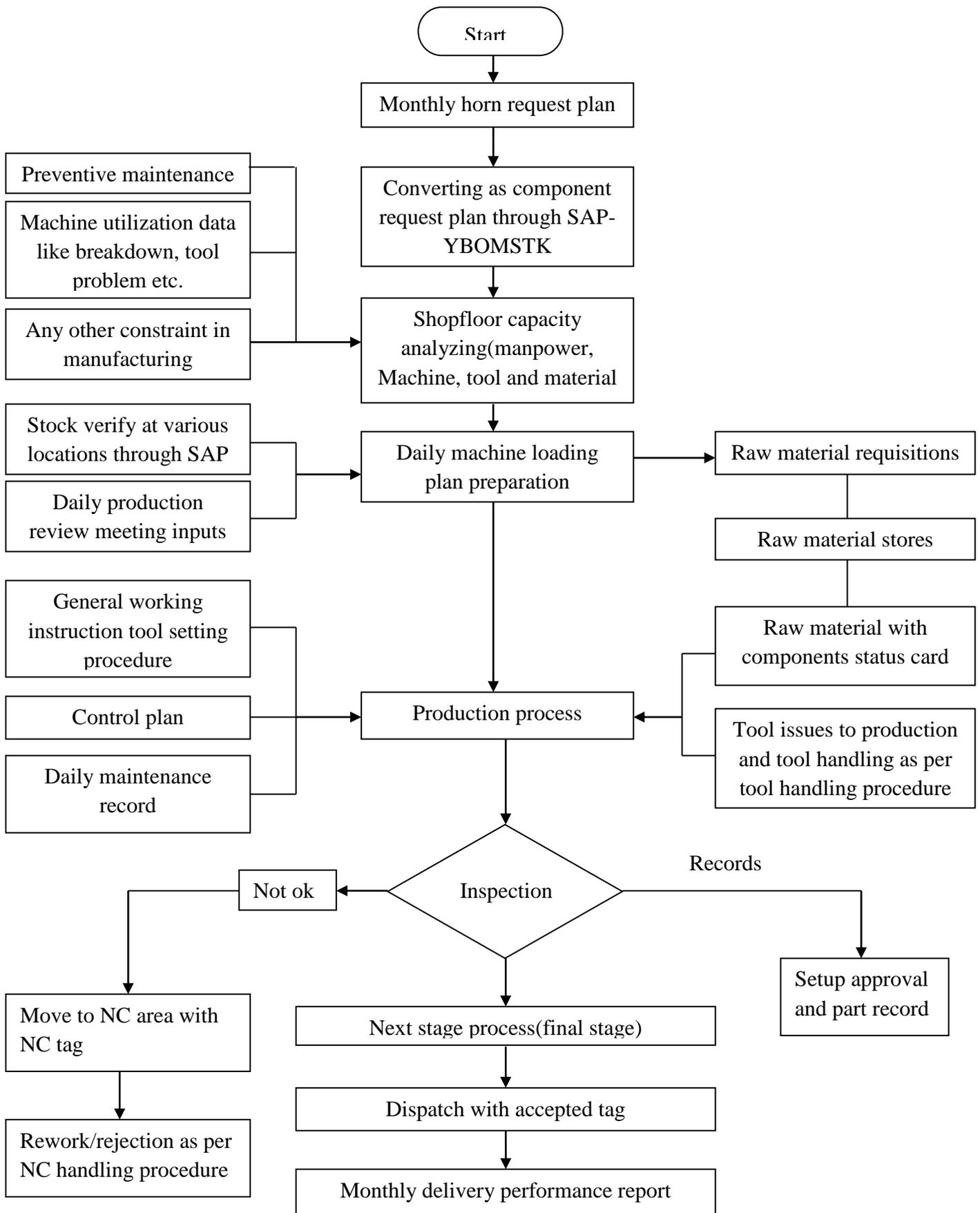
- ✓ Preparing control plan for incoming material
- ✓ Inspection for incoming material as per the control plan
- ✓ Conducting setup/patrol inspection as per control plan
- ✓ Inspecting and approving reworked components
- ✓ Inspecting the final product and components s per the control plan
- ✓ Raising non-conformance report for forwarding to the respective department to initiate action.
- ✓ Analysing of customer returned goods/customer complaints
- ✓ Providing input to product engineering for DFMEA and to manufacturing engineering for PFMEA.
- ✓ Conducting layout inspection as per plan
- ✓ Executing measurement system analysis
- ✓ Conducting Product Audit
- ✓ Conducting Pre-Despatch inspection
- ✓ Coordinating in tool approval and subcontracts approval
- ✓ Maintaining reference samples for production and inspection.

4.5. DEPARTMENT OF PRODUCTION

Duties of Production Manager

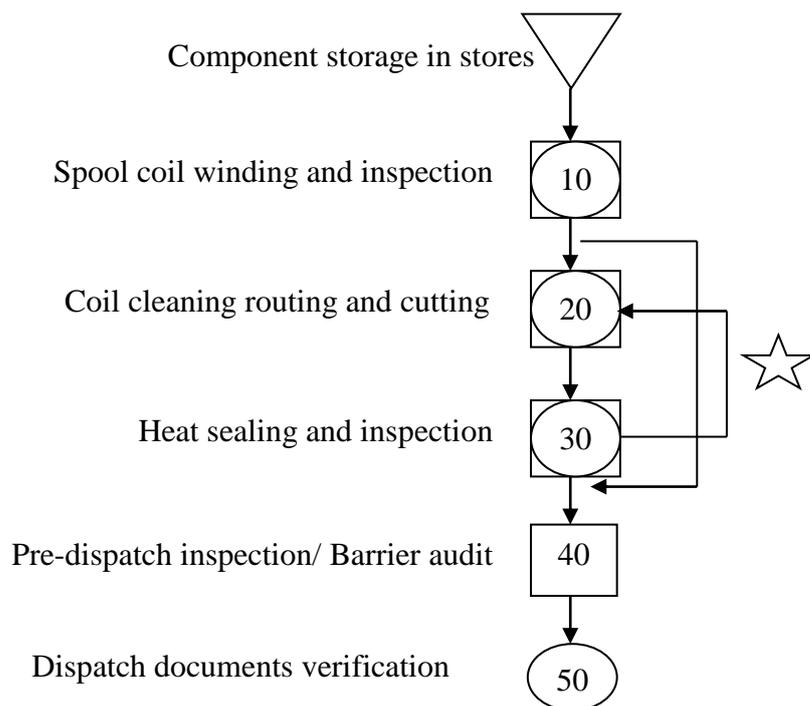
- ✓ The production management team (often consisting of a production manager and any number of assistants) is responsible for co-ordinating the various sub-disciplines (scenic, wardrobe, lighting, sound, etc.) of any large theatrical presentation, as well as overseeing the stage management team
- ✓ The production manager is the highest ranking person on the production staff and answers directing to the general manager and or/artistic director.
- ✓ The production manager's job is rather fluid, however, and may also include just about anything an enterprising producer or director may dream up.
- ✓ The production manager's job is mainly supervisory, although it requires excellent 'people skills' in order to smooth over disagreements that inevitably arise.

PRODUCTION FLOW CHART



Coil winding is a process where a copper wire will be coiled in spool. The material of that wire may be copper or copper coated Aluminium. The width of that wire is 26 micrometer. There are 11 machines in this section and it takes 275 turns to complete the coil winding process.

PROCESS FLOW CHART OF COIL WINDING



- ★ → Coil winding, Heat Sealing and coil cleaning process sequence for applicable
- ▽ → Storage
- → Operation
- → Inspection
- ◻ → Operation & Inspection
- ⊔ → Delay

ASSEMBLY

Assembly is the department where the parts of the horn from the press shop and from outside suppliers are brought together and assembled. There is a machine in each step of the assembly process assisted by a labor. They use ear plug, sensors, mask and glass as protective equipments.

PROCEDURE

STEP 1: Self tapping screw insertion.

STEP 2: Spool assembly locking and batch coding.

STEP 3: Point holder assembly and terminal base riveting.

STEP 4: Wire routing and capacitor fixing.

STEP 5: Diaphragm assembling and tightening.

STEP 6: Horn pre-crimping and final crimping.

STEP 7: Air gap measuring and adjusting.

STEP 8: Terminal connector bending and mounting bracket assembly.

STEP 9: Horn tuning and testing.

STEP 10: Tuning range measuring and sealant dispensing.

STEP 11: Quality assurance.

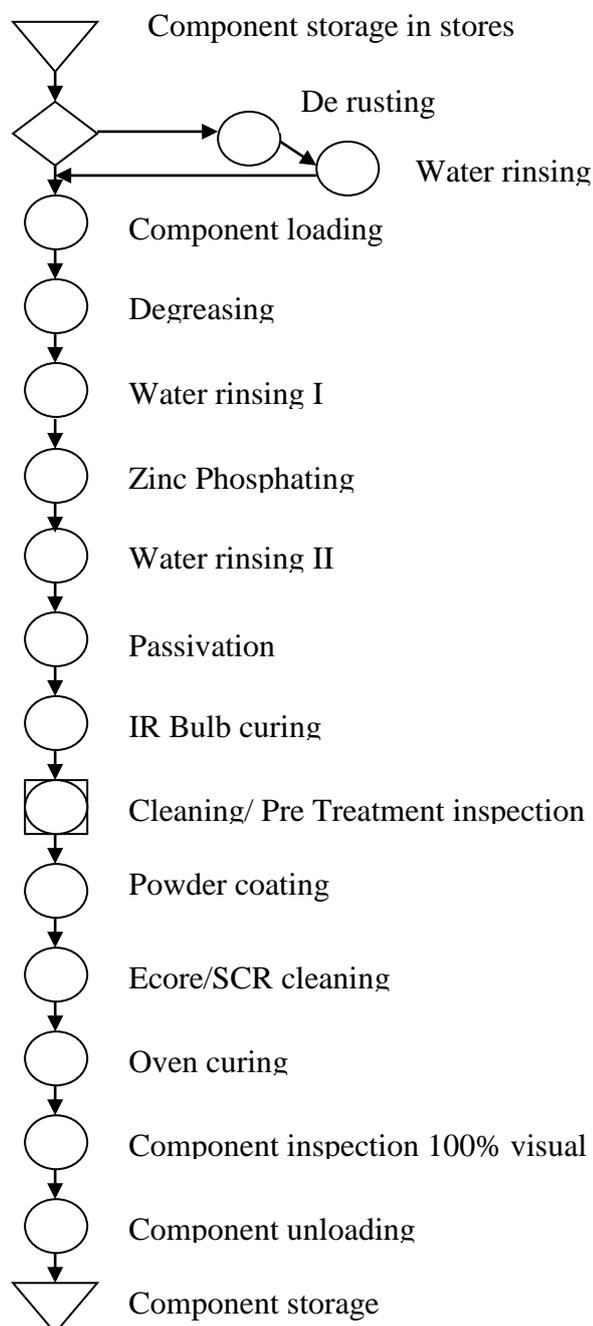
STEP 12: Primary packing.

STEP 13: Secondary packing.

POWDER COATING

Powder coating is a process in which parts of the horn like diaphragm, housing, tone disc, grill and bracket are powder coated. The process of powder coating is lengthy when compared to other processes. Powder coating is done only at the requirement of the customers.

PROCESS FLOW CHART



REWORK PROCESS

The following are the defects, for which rework process is done,

- Under coating
- Over coating

- Dots on the surface
- Poor surface finish
- Oil deposited on surface
- Powder coating peel off

DISPATCH

Once the horns are packed in the secondary level of assembly department, it will be taken over to dispatch section. In this section, all the goods will be kept together both the goods that have to be exported and the goods that has to be sent to the branches and other customers. So the goods from the assembly department will be bought with the help of forklifts and they will be placed on wooden pallets. The wooden pallet can carry goods up to 500 kilograms.

4.6 EXPORT DEPARTMENT

Roots Industries exports to more than 15 countries. Roots also supplies to Volkswagen, USA. Original Equipment Manufacturers: - The horns manufactured by Roots Industries India Limited are employed as Original Equipment by a number of vehicles manufacturers like Harley Davidson, Navistar and BMW. It has 'Roots industries Malaysia Sdn. Bhd, Malaysia and Russia it has a separate production unit over there. Roots Industries Exports to the following countries.

- 1) USA
- 2) Germany
- 3) UK
- 4) Italy
- 5) Vietnam
- 6) Belgium
- 7) Netherland
- 8) Japan
- 9) Canada
- 10) Sri Lanka

- 11) South Korea
- 12) Taiwan
- 13) Finland
- 14) Singapore
- 15) Malaysia
- 16) Iran
- 17) Russia
- 18) Philippines
- 19) China

4.6.1. IMPORTER EXPORTER CODE

IEC Code is unique 10 digit code issued by DGFT – Director General of Foreign Trade, Ministry of Commerce, and Government of India to Indian Companies.

To import or export in India, IEC Code is mandatory. No person or entity shall make any Import or Export without IEC Code Number.

Root Industries India Limited IEC Code: 3291000315

4.6.2 HARMONIZED SYSTEM (HS)

The Harmonized Commodity Description and Coding System, also known as the Harmonized System (HS) of tariff nomenclature is an internationally standardized system of names and numbers to classify traded products. It came into effect in 1988 and has since been developed and maintained by the World Customs Organization (WCO).

Root Industries India Limited HS Code for horn and their parts

Horn: 85123010

Parts: 85129000

3.5. TYPE OF EXPORTERS

- ❖ **Merchant exporter:** Merchant exporter does not have own manufacturing unit or processing factory.

Products: Flasher, Air Horns.

- ❖ **Manufacturer exporter:** The manufacturer exporter procures and processes raw materials at his factory and exports finished products.

Products: W 90, Wind tone Trio, W75, Vibromax, Vibrosonic Delux, Supersonic, Clear tone Delux, FC4, FD4 Delux, Roots 90,etc.

4.6.3. MAJOR INCOTERMS USED

- ❖ CIF – COST INSURANCE FRIEGHT
- ❖ CFR - COST AND FRIEGHT
- ❖ DDP – DELIVERED DUTY PAID
- ❖ FOB – FREE ON BOARD
- ❖ EXW – EX WORKS

Documents Required For Export:

- ❖ Invoice
- ❖ Packing List
- ❖ Form SDF
- ❖ Purchase Order/Sales Contract/Mail Communication
- ❖ Performa Invoice

4.6.4. DOCUMENTATION

Documentation process for both sea and air import/export.

Some of the basics documents are:

- ❖ **Agent Invoice**

Is the invoice raised by our agent abroad for the payment of freight and other charges

- ❖ **Agent Profit Share**

This is a statement send by their agent informing them the profit /loss for each shipment handled

- ❖ **Airway Bill**

This means the document made out by or on behalf of the shipper which evidences the contract between the shipper and carrier for the carriage of goods over routes of the

carrier. AWB is a non – negotiable document. AWB is non – negotiable document. It consists of 3 original and 6 to 11 copies. It is a documentary evidence of conclusion of the contract of carriage; it is a proof of receipt of the goods for shipment. It is a freight bill. It is a guide to carriers staff in handling dispatching and delivering the consignment

❖ **Bill Of Lading**

It is the most important document of

1. Title of goods shipped
2. Receipts for the goods shipped and an admission to their apparent and quantity at time of shipment
3. An evidence of contract of affreightment. It is transferable by endorsement.

Its possession is equivalent to the possession of goods.

PRE-SHIPMENT DOUMENTS

- ❖ Invoice (3 copies)
- ❖ Packing list (3 copies)
- ❖ Purchase order/sales contract
- ❖ IE-Code
- ❖ AD-Code registration details
- ❖ Annexure – A,B
- ❖ Export value declaration
- ❖ Shipper's Letter of Instruction

POSTSHIPMENT DOCUMENTS

- ❖ Bill of Lading
- ❖ Express Bill of Lading (without original copies consignee can get the goods)
- ❖ Shipped on board (negotiable instrument)
- ❖ Fumigation certificate (before stuffing)
- ❖ GSP certificate (generalised system of Preferances)
- ❖ Certificate of Origin
- ❖ Export Copy
- ❖ Exchange Control Copy (consignee bank)
- ❖ EP Copy

- ❖ TR Copy
- ❖ Form ARE (after let export)
 - Original
 - Duplicate
 - Triplicate

4.6.5. ROLE OF TRANSPORT

Transportation is a key process in the logistics chain, which is involved at every stage, right from the manufacturing of the product, to its final delivery at the required location. While the basic goal of transportation in the supply chain invariably remains ensuring that the good reaches the customer within the stipulated time, there are several subsidiary roles that are met with efficient transportation management. These range reduced inventory costs to better warehouse management.

DOCUMENTS REQUIRED

- ❖ Invoice
- ❖ Packing list
- ❖ LR- Lorry receipts to manufacturer

4.6.7. CUSTOM CLEARANCE/AIR IMPORT/EXPORT& SEA IMPORT/EXPORT

The important documents required for the custom clearance

- ✓ IE-Code issued from the DGFT
- ✓ AD (Authorised dealer code)

What is AD-CODE?

AD Code is Authorised Dealer Code provided by Bank where your Firm/Company's Current Account is. It is a 14 digit number which enhance your remittance and can be obtained after IEC code from DGFT.

TYPES OF BILLS:

❖ Free Shipping Bill

When a Shipper does not want to claim any export benefit, A Free Shipping Billing is filed for shipments. DF Form Appendix I: It is required for filing a Free Shipping Bill

❖ Draw Back

Whenever the Shipper wants to claim Drawback as an export benefit, a Drawback Shipping Bill is filed for shipments. The Shipper must have a valid current account.

❖ 100% EOU

EOU are units approved by board of approaches in the ministry of commerce exclusively for manufacture of goods for export

- ❖ NFEI-No Foreign Exchange Involved
- ❖ EPCG Licence
- ❖ Advanced Licence

Export Documents to Customs:

- ❖ TR1-Copy and TR2-Copy (Transparency Copy)
- ❖ Customs Copy
- ❖ Exchange Control Copy (Submitted to bank)
- ❖ EP Copy (Export Promotion copy)
- ❖ Exporter Copy
- ❖ Examination Report Copy

4.6.8. GOVERNMENT SUBSIDIES

Exports from India Schemes

There shall be following two schemes for exports of Merchandise and manufacturing respectively:

- (i) Merchandise Exports from India Scheme (MEIS).
- (ii) Duty Drawback Scheme.
- (iii) Export Promotion Capital Goods scheme (EPCG).

Merchandise Exports from India Scheme (MEIS):

Merchandise Exports 2 from India Scheme (MEIS) shall be payable as percentage of realized FOB value (in free foreign exchange). The debits towards basic customs duty in the transferable reward duty credit scrips would also be allowed adjustment as duty drawback. At present, only the additional duty of customs / excise duty / service tax is allowed adjustment as CENVAT credit or drawback, as per Department of Revenue rules.

Duty Drawback Scheme:

Duty Drawback is the rebate of duty chargeable on imported material or excisable material used in the manufacturing of goods in and is exported. The exporter may claim drawback or refund of excise and customs duties being paid by his suppliers. The final exporter can claim the drawback on material used for the manufacture of export products. In case of re-import of goods the drawback can be claimed.

The following are Drawbacks:

Customs paid on imported inputs plus excise duty paid on indigenous input.

- Duty paid on packing material.

Drawback is not allowed on inputs obtained without payment of customs or excise duty. In part payment of customs and excise duty, rebate or refund can be claimed only on the paid part.

In case of re-export of goods, it should be done within 2 years from the date of payment of duty when they were imported. 99% of the duty is allowable as drawback, only after inspection. If the goods imported are used before its re-export, the drawback will be allowed as at reduced percent.

Export Promotion Capital Goods scheme (EPCG).

EPCG scheme allows import of capital goods for pre production, production and post production (including CKD / SKD thereof as well as computer software systems) at 3% Customs Duty, subject to an export obligation equivalent to 8 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 8 years reckoned from Authorisation issue-date. In case of agro units, and units in cottage or tiny sector, import of capital goods at 3% Customs duty shall be allowed subject to fulfilment of export obligation equivalent to 6 times of duty saved on capital goods imported, in 12 years from Authorisation issue- date.

4.6.9. PACKING

- **Pallet**

A pallet is the structural foundation of a unit load which allows handling and storage efficiencies. Goods or shipping containers are often placed on a pallet secured

with strapping, stretch wrap or shrink wrap and shipped. Its use has dramatically supplanted older forms of crating like the wooden box and the wooden barrel, as it works well with modern packaging like cardboard boxes and Intermodal containers commonly used for bulk shipping.

- **Carton Box**

A carton is a box or container usually made of paperboard and sometimes of corrugated fiberboard. Many types of cartons are used in packaging. Sometimes a carton is also called a box.

4.7. DETAILED STUDY ABOUT THE DEPARTMENT OF FINANCE & ACCOUNTS

4.7.1. Overview

Finance is the science of funds management. The general areas of finance are business finance, personal finance, and public finance. Finance includes saving money and often includes lending money. The field of finance deals with the concepts of time, money, and risk and how they are interrelated. It also deals with how money is spent and budgeted. One aspect of finance is through individuals and business organizations, which deposit money in a bank. The bank then lends the money out to other individuals or corporations for consumption or investment, and charges interest on the loans.

Loans have become increasingly packaged for resale, meaning that an investor buys the loan (debt) from a bank or directly from a corporation. Bonds are debt instruments sold to investors for organizations such as companies, governments or charities. The investor can then hold the debt and collect the interest or sell the debt on a secondary market. Banks are the main facilitators of funding through the provision of credit, although private equity, mutual funds, hedge funds, and other organizations have become important as they invest in various forms of debt. Financial assets, known as investments, are financially managed with careful attention to financial risk management to control financial risk. Financial instruments allow many forms of securitized assets to be traded on securities exchanges such as stock exchanges, including debt such as bonds as well as equity in publicly traded corporations.

Central banks, such as the Federal Reserve System banks in the United States and Bank of England in the United Kingdom, are strong players in public finance, acting as lenders of last resort as well as strong influences on monetary and credit conditions in the economy.

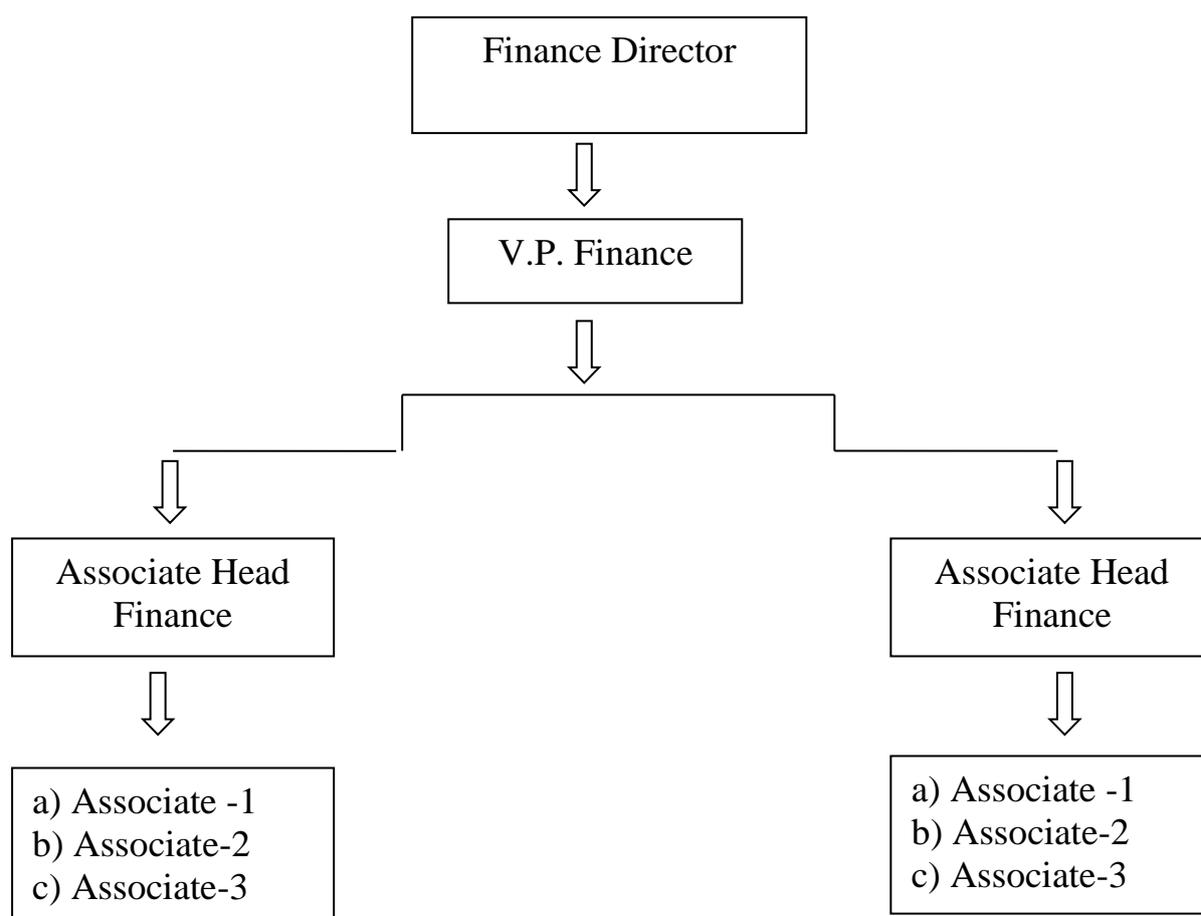
This department consists of Finance & Accounts Department of Roots Group of Companies. Account Department takes care of the day-to-day accounts and preparing monthly, quarterly, half-yearly and annual performance details. According to the monthly appraisal, the subsequent monthly sales, purchases, inventory control, over expenses will be reviewed. The cash balance is controlled by the Account Department. Regarding to Finance and Monitoring funds inflow and outflow and required funds will be arranged from the Bank of Payment. Data collection is the main part of the finance department to control the Cash Out-Flow.

The main techniques and sectors of the financial industry

- ✓ An entity whose income exceeds its expenditure can lend or invest the excess income. On the other hand, an entity whose income is less than its expenditure can raise capital by borrowing or selling equity claims, decreasing its expenses, or increasing its income. The lender can find a borrower, a financial intermediary such as a bank, or buy notes or bonds in the bond market. The lender receives interest, the borrower pays a higher interest than the lender receives, and the financial intermediary earns the difference for arranging the loan.
- ✓ A bank aggregates the activities of many borrowers and lenders. A bank accepts deposits from lenders, on which it pays interest. The bank then lends these deposits to borrowers. Banks allow borrowers and lenders, of different sizes, to coordinate their activity.
- ✓ Finance is used by individuals (personal finance), by governments (public finance), by businesses (corporate finance) and by a wide variety of other organizations, including schools and non-profit organizations. In general, the goals of each of the above activities are achieved through the use of appropriate financial instruments and methodologies, with consideration to their institutional setting.
- ✓ Finance is one of the most important aspects of business management. Without proper financial planning a new enterprise is unlikely to be successful. Managing money (a liquid asset) is essential to ensure a secure future, both for an individual and for an organization.

- ✓ In corporate finance, a company's capital structure is the mix of financing methods it uses to raise funds. One method is debt financing, which includes bank loans and bond sales.
- ✓ Another method is equity financing - the sale of stock by a company to investors. Possession of the stock gives the investor part ownership in that company, in proportion to the number of shares the investor owns. In return for the stock, the company receives cash, which it may use to expand its business or to reduce its debt.
- ✓ The investors, in both bonds and stock, may be institutional investors – financial institutions such as investment banks and pension funds - or private individuals, called private investors or retail investors.

4.7.2. Department Structure



4.7.3. Functions

- ✓ All Banking action like Letter of Credit, Money Transaction and Normal Banking activities are controlled and functioned.
- ✓ In case of Long Term Expansion the Finance Department helps the organisation in arranging a Term Loan.
- ✓ The creditor's payment are calculated and issued to them within the 60 days after the material purchased.
- ✓ The Collection from the Debtors are calculated and collected within the 60 days from the date which material issued to them.
- ✓ Duties like Central Excise, Sales & Income Tax and Insurance are calculated and issued to the Government at the proper time and date.
- ✓ Custody and safeguarding of Securities, Insurance Policies and other Valuable Papers.
- ✓ Taking care of the mechanical details of new outside financing
- ✓ Record keeping and reporting

4.7.4. Roles of Finance Manager

- ✓ Finance Manager is one of the members of the top management team, and his or her role, day-by-day, is becoming more pervasive, intensive and significant in solving the complex funds management problems.
- ✓ The finance manager is now responsible for shaping the fortunes of the enterprise, and is involved in the most vital decision of the allocation of capital.
- ✓ The finance manager must have a clear understanding and a strong grasp of the nature and scope of the finance functions.
- ✓ The Finance Manager must realise that his action have far-reaching consequences for the firm because they influence the size, profitability, growth, risk and survival of the firm, and as a consequence, affect overall value of the firm.

4.7.5. Financial Risk & Management Policies

The company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's Business whilst managing its risks. The company operates within clearly defined guidelines that are approved by the Board and the Company Policy is not engage in the speculative transactions.

The main area of financial risk faced by the company and the policy in respect of the major areas of treasury activity are set out as follows,

a) Foreign Currency Risk

The company is exposed to foreign currency risk as a result of its normal trading activities where the currency denominations differ from the local currency, Ringgit Malaysia (RM)

b) Credit Risk

The credit risk is controlled by monitoring procedures and by internal credit review where credit risk is material.

c) Liquidity & Cash Flow Risks

The company ensures that there are adequate funds to meet all their obligations in a timely and cost effective manner.

d) Interest Rate Risk

The company's interest rate exposure arises principally from borrowings. The interest rate risk is managed through the use of fixed and floating rate financial instruments.

Accounting Policies

1) Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated

2) Revenue Recognition

Revenue is recognised on invoiced sale of goods;

3) Property, Plant and Equipment

Property, Plant and equipment are stated at cost less accumulated depreciation and less any impairment losses. Depreciation is provided on the straight line method to write off each asset over its estimated useful life. The principal rates used are as follows:

- Furniture and Fittings - 10%
- Loose tools - 10%
- Motor Vehicles - 20%

- Office Equipment - 10%
- Plant and Machinery - 10%
- Renovation - 10%

4) Inventories

Inventories comprising raw materials, work- in- progress and finished goods are stated at the lower of cost and net realisable value. Cost is determined on a First- in- First- Out basis. Cost of finished goods and work-in- progress includes the cost of raw materials, direct labour and an appropriate proportion of production and other overheads.

5) Cash and Cash Equivalents

Cash comprises cash at bank and in hand including bank overdraft and deposits. Cash equivalents comprises investments maturing within three months from the date of acquisition and which readily convertible to known amount of cash which are subject to an insignificant risk of change in value.

6) Trade Receivables

Trade receivables are carried at anticipated realisable value. Bad Debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the period end.

7) Related Parties

Related parties refer to person connected to the directors and/or shareholders of the Company, and companies in which the directors and/or shareholders or persons connected to the said directors and/or shareholders have substantial equity interest.

8) Provisions

Provisions are recognised when the company has a present legal and constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

9) Financial Instruments

Financial Instruments carried on the balance sheet include cash and bank balances, trade and other receivables and payables and borrowings. The accounting policies on

recognition and measurement of these items are disclosed in the individual accounting policies with each item.

Financial Instruments are classified as liabilities or equity in accordance with the substance of the respective contractual arrangements. Interest, Dividends, Gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

10) Foreign Currency transactions and balances

Transactions in foreign currencies are recorded in Ringgit Malaysia at rates of exchange ruling at the time of the transactions. Foreign Currency monetary assets and liabilities are translated at the exchange rate ruling at the balance sheet date.

11) Income Tax

Income tax on the profit or loss for the year comprises current and deferred taxes. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year. It is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amount of assets and liabilities and their tax bases at the balance sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are not recognised on temporary differences arising from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled. The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity. In his case the deferred tax is charged or credited directly in equity. When the company deferred tax arises from a business combination that is an acquisition, t is included in the resulting goodwill or negative goodwill.

12) Employee Benefits

Wages, Salaries, Bonuses and Social Security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Company. Short Term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and shot term non- accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined Contribution Plans

Obligation for contributions to defined contribution plans such as Employees Provident Fund (EPF) is recognised as an expense in the income statement as incurred.

Skills Required for Manager and other Members

For Manager

- ✓ General Administration Skills
- ✓ Interpersonal Skills
- ✓ Communication Skills
- ✓ Knowledge about the subject
- ✓ Knowledge about the nature of work

Other Employees

- ✓ Working and subject Knowledge
- ✓ Interpersonal Skills

4.5.6. Techniques Used

a) Capital Structure

In finance, capital structure refers to the way a corporation finances its assets through some combination of equity, debt, or hybrid securities. A firm's capital structure is then the composition or 'structure' of its liabilities. For example, a firm that sells \$20 billion in equity and \$80 billion in debt is said to be 20% equity-financed and 80% debt-financed. The firm's ratio of debt to total financing, 80% in this example is referred to as the firm's leverage. In reality, capital structure may be highly complex and include tens of sources. Gearing Ratio is the proportion of the capital employed of the firm which come from outside of the business finance, e.g. by taking a short term loan etc.

Leverage

In finance, leverage is a general term for any technique to multiply gains and losses. Common ways to attain leverage are borrowing money, buying fixed assets and using derivatives. Important examples are: A public corporation may leverage its equity by borrowing money. The more it borrows the less equity capital it needs, so any profits or losses are shared among a smaller base and are proportionately larger as a result.

- ✓ Operating leverage is an attempt to estimate the percentage change in operating income (earnings before interest and taxes or EBIT) for a one percent change in revenue.
- ✓ Financial leverage tries to estimate the percentage change in net income for a one percent change in operating income.
- ✓ The product of the two is called Total leverage, and estimates the percentage change in net income for a one percent change in revenue.

This technique is mostly used at the time of annual report preparation. Capital Structure technique helps in calculating the leverage values and to calculate the Earnings per Share Amount it is used. In Roots Industries they were using this technique for those purposes. It benefits the company to identify their Share value in the market.

b) Capital Budgeting

Capital budgeting (or investment appraisal) is the planning process used to determine whether a firm's long term investments such as new machinery, replacement machinery, new

plants, new products, and research development projects are worth pursuing. It is budget for major capital, or investment, expenditures. Many formal methods are used in capital budgeting, including the techniques such as

- ✓ Accounting rate of return
- ✓ Net present value
- ✓ Profitability index
- ✓ Internal rate of return
- ✓ Modified internal rate of return
- ✓ Equivalent annuity

These methods use the incremental cash flows from each potential investment, or project. Techniques based on accounting earnings and accounting rules are sometimes used - though economists consider this to be improper - such as the accounting rate of return, and "return on investment." Simplified and hybrid methods are used as well, such as payback period and discounted payback period.

In Roots Industries the Capital Budgeting technique is used at the time of new project development only. This technique helps them to identify the Payback Period, Rate of Return and to calculate the Net Present Value this type of technique is mostly used.

c) Dividend Policy

Dividends are payments made by a corporation to its shareholder members. It is the portion of corporate profits paid out to stockholders. When a corporation earns a profit or surplus, that money can be put to two uses: it can either be re-invested in the business (called retained earnings), or it can be paid to the shareholders as a dividend. Many corporations retain a portion of their earnings and pay the remainder as a dividend.

For a joint stock company, a dividend is allocated as a fixed amount per share. Therefore, a shareholder receives a dividend in proportion to their shareholding. Retained earnings (profits that have not been distributed as dividends) are shown in the shareholder equity section in the company's balance sheet - the same as its issued share capital. Public companies usually pay dividends on a fixed schedule, but may declare a dividend at any time, sometimes called a special dividend to distinguish it from a regular one.

Cooperatives, on the other hand, allocate dividends according to members' activity, so their dividends are often considered to be a pre-tax expense.

Dividends are usually settled on a cash basis, store credits (common among retail consumers' cooperatives) and shares in the company (either newly-created shares or existing shares bought in the market.) Further, many public companies offer dividend reinvestment plans, which automatically use the cash dividend to purchase additional shares for the shareholder.

In Roots Industries the Dividend to the Share Holders is declared according to the Net Profit of the company. If the company earns more profit, they will issue 15%-25% as the dividend to the shareholders. In the year 2009 the company earned Rupees 665 Lakhs, so they issued 25% as a dividend to the shareholders. If it earns less means then it will issue 5%-10% as a Dividend to the shareholders.

5. SWOC ANALYSIS

SWOC analysis is a framework used to evaluate a company's competitive position by identifying its strengths, weaknesses, opportunities and challenges. Specifically, SWOC analysis is a foundational assessment model that measures what an organization can and cannot do, and its potential opportunities and threats.

SWOC analysis is a basic, analytical framework that assesses what an entity — usually a business, though it can be a place, industry or product — can and cannot do, for factors both internal and external. Using environmental data to evaluate the position of a company, a SWOC analysis determines what assists the firm in accomplishing its objectives, and what obstacles it must overcome or minimize to achieve desired results: where the organization is today, and where it may go.

STRENGTH	WEAKNESS
OPPORTUNITIES	CHALLENGES

STRENGTH

- It is a reputed company which involves all the process functioning from manufacturing, production, quality management, finance and accounting till exportation.
- The first Indian Company and first horn manufacturing company in the world to get ISO/TS 16949 certification.
- They provide good customer satisfaction.

- It is a multi-faced corporate entity.
- Their export market covers above 15 countries, which include United States, Japan, Germany, Russia, China, Italy and Africa, now the Roots has expanded and concentrated on industrial cleaning machines.
- The entire accounting and infrastructure control has been computerized.
- The group comprises of server important manufacturing units with the state of the art CAD/CAM/EDP/quality assurance centers with advanced equipments.
- There is a study increase in the growth of turnover.

WEAKNESS

- As it's a multi-faced limited there is a heavy workload.
- There are more labour requirement for many process completion.
- Lack of advertisement and media communication.

OPPORTUNITIES

- They can extend their service in many countries.
- They can enter into various parts manufacturing in automobile industry.
- They can open their own branches in various countries.
- They can tie up with international industries.

CHALLENGES

- They must ensure to have complete visibility throughout their supply chain for their own compliance and that of their suppliers.
- It should be more structured in approach to managing innovation.
- Regular preventive maintenance should be taken care.
- Research and development plays vital role for development and keeps ahead of competitions.

6. FINDINGS AND SUGGESTION

6.1 FINDINGS

- It is one of the iconic manufacturers of only automobile horn in India.
- It which is a multi-faced company so which doesn't mainly focus on a particular company.
- Roots have been exporting horn in only limited country.
- The company has limited its buyer after reaching their own specified limit.
- The company enjoys 60% percent of market share, but it which can be developed more.
- The technological improvisation is comparatively less..
- Manual requirement is considerably high and which is always in shortage.
- It has been observed that nature of the manufacturing process can be improvised.
- It is t be considered that the raw material had been buyed from our country even though cost of production is high.
- The infrastructural facilities are comparatively less.
- Comparing the requirement and demand it can drastically improve its turnover.

6.2. SUGGESTIONS

- It is suggested that raw material should be readily available with the better quality for the production advancement
- It is suggested that necessary steps be taken to a significant difference the price of selling and cost of production.
- The various processes should be atomised as a solution for labour shortage.
- The machinery and tools should often be improvised and updated for the development and efficiency.
- It can also export to various other country and develop the company without limiting the orders.

7. CONCLUSION AND BIBLIOGRAPHY

CONCLUSION

The implant training is an essential academic requirement for all graduate students. The training that I have under gone has helped me in fetching practical knowledge about overall functioning of the organization.

Roots Industries India Limited is an Indian company which competes with various international companies like RCM-Italy, Karcher- Germay and Nilfisk Forbes- Denmark. Thus the company plays a vital role for the development of our country. Thus the Roots Industries wants to starts various branches and Production plant in various countries across the world. Through that it can become a leading Horn Manufacturing company and also it want to create more employment opportunities for the coming generation.

BIBLIOGRAPHY

Books referred

- ✓ COMPANY REPORTS (ANNUAL REPORT).
- ✓ By Robert H. Hollier “THE DISTRIBUTION OF SPARE PARTS”.
- ✓ By Velury Vijay Bhasker “INDIAN AUTO COMPONENT INDUSTRY: A DECADE OF GROWTH AND WAY FORWARD”.
- ✓ By Kim Young, Joon Hong Park, Hong Tae Yeo, Jae Hun Kim, Sang Woo Park “A STUDY ON PROCESS DESIGN OF AUTOMOBILE PARTS”.

Websites

- ✓ www.rootsindia.com
- ✓ www.google.co.in
- ✓ www.nap.edu