



**Karnataka Soaps & Detergents Ltd.**  
(A Govt. of Karnataka Undertaking)



NO. KSDL/HRD/59[C]-A/2017-18/

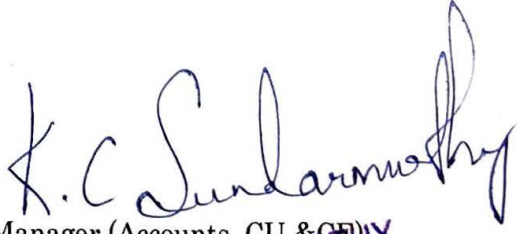
Date: 10/04/2018

## CERTIFICATE

This is to verify that MS. Aalekhya R S, MBA student, USN: 1AZ16MBA01 of Acharya Institute Of Technology, Acharya Dr. Sarvapalli Radhakrishna Road, Hesaraghatta Main Road, Bengaluru-560090. Affiliated to Visvesvaraya University, Belgaum, has done Project work on the "A Study On Material Management And Inventory Control "at Karnataka Soaps And Detergents Limited, Bengalur-560055, from 15-01-2018 to 10-04-2018.

During her Project work in the Organisation , We have found her Character & Conduct to be good

We wish her success in Life and Career.

  
Manager (Accounts, CU & CE)

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# ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 25/05/2018

## CERTIFICATE

This is to certify that **Ms. Aalekhya R S** bearing USN **1AZ16MBA01** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belagavi. Project report on “**A Study on Material Management and Inventory Control at Karnataka Soap and Detergents Limited, Bangalore**” is prepared by her under the guidance of **Prof. Mallika B K**, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

Signature of Internal Guide

Signature of HOD

Signature of Principal

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# ACHARYA

## DECLARATION

I, Aalekhya R S bearing USN 1AZ16MBA01 hereby declared that the project report entitled " A STUDY ON MATERIAL MANAGEMENT AND INVENTORY CONTROL " at KS&DL prepared by me under the guidance of Prof. Mallika B K, faculty of MBA Department, AIT and external assistance by Mr. Rajiv Manager of Accounts-KARNATAKA SOAPS AND DETERGENTS Ltd. I also declare that this project work is toward the partial fulfillment of the university Regulations for the degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum. I have undergone a summer project for the period of ten 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/diploma from any other University / Institution.

**Place: Bengaluru**

**Date: 25/05/2018**

  
**Signature of the Student**

## **ACKNOWLEDGEMENT**

I would like to thank my people who have helped and supported me while doing my Project report and work. There is not enough word to offer vote of thanks to Dr. **Nijaguna G**, Head of the Department of MBA, AIT Bengaluru for his help in initiating the project report in advance for the regular motivation, my guides Prof. Mallika B K faculty of MBA Department, AIT Bengaluru and Mr. Rajiv Manager of Accounts- KARNATAKA SOAPS AND DETERGENTS Ltd for their admirable help, suggestions and opinions on the contribution during and after the project report period. I would also like to thank Mr. Krishna Murthy HR at KS&DL for giving me the permission to carry my project work.

**Place: Bengaluru**

**Aalekhya R S**

**Date:**

**USN: 1AZ16MBA01**

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## **EXECUTIVE SUMMARY**

This project work was done in Karnataka Soaps and Detergents limited Bengaluru. The topic which was selected is to do a project report work on “ A Study on Material Management and Inventory Control at KS&DL”

India is rich in natural resources especially huge forest area containing vast amount of untapped Sandalwood trees. His majesty of Mysore took the initiative to utilize the natural cleansing nature and a beautiful aroma of sandalwood to be used as daily cleansing and beauty products .Thus KS&DL was established in 1916.Now KS&DL is one of the leading soap manufacturers whose product are also of export quality and are giving a tuff competition to the present private entities which manugacture cleansing product.

This report aims to analyze the various levels of inventory control and material management in KS&DL .And also to study the influence of inventory management techniques on the financial position of KS&DL.

The study was conducted for short period of 3 months where the data related to inventory and material management was analyzed through effective Analytical tools i, e Here the company uses ABC analysis and FNS technology to control the inventory ,Hence after a careful analysis .

The arrived conclusion is this , For better financial performance of KS&DL it should take the necessary measures to beat certain deficiencies. This can be achieved by reducing costs, effective labor time, proper use of funds and effective material management.



**CHAPTER 1**  
**INTRODUCTION**

## **INDUSTRY PROFILE:-**

Soap is one of the essential part of life in today's world. Since it is a non-powerful buyer product, it has a large market. The entire cleaning industry is undergoing changes for a number of reasons, such as the increase in raw material costs due to government relations and vitality issues. Constantly changing innovations and the constant desire of individuals and associations to create better products at more realistic speeds are also driving dynamic progress. More cleaner manufacturers are trying to capture the guideline of the entire industry by showing and keeping enough items. India's cleaning business faces vicious competition, and multinational companies overwhelm the market. Especially during 1992-1993, they also face extreme risks from a dynamic and ambitious new channel. We once again consider the historical background of detergents and cleaners. Almost 2,000 years ago, humans thought about detergents in the 1970s. Whenever Mr. Gao accidentally discovered the detergent, when the meat was flowing in the fiery haze. This kind of bulging like items is a detergent, and has the characteristics of foaming and cleaning. In 1193 the main business group of A.D. cleaners was manufactured and promoted in London by M/s Bristol Cleaner, and since then. The main patent for making cleaners was taken in London. The use of detergents in the world in 1886 is said to be 21,000 tons.

## **HISTORY OF THE SOAP**

Started manufacturing facial cleansers in North America. Some U.S. organizations have had a 200-year history. In middle age cleaners are manufactured in different places in Italy, France, the United Kingdom and different countries. France finally set up popular and numerous small production lines. In India, the main detergent industry was established by the Northwest Cleaners Organization after opening Swadeshi in Meerat in 1897. Since 1905, more manufacturing plants have been established.

## **THE INDIAN SOAP INDUSTRY PICTURE:**

The Indian cleanser industry has for quite some time been overwhelmed by handfull of organizations, for example,

1. Hindustan levers restricted.
2. Goodbye oil factories (assumed control by HUL)
3. Godrej cleansers private restricted.

The Indian cleanser industry kept on thriving extremely well until 1967-68, yet started to stagnate and soon it began to recoup and encountered a short rise in 1974. This expansion sought after can be ascribed due to;

Development of populace.

Pay and utilization increment.

Increment in urbanization.

Development in level of individual cleanliness.

Cleanser produce has 2 characterizations, composed and sloppy areas. KSDL goes under sorted out area

### **PRESENT STATUS:**

Market outlook:

India is the perfect market for cleaning products. The use of powder and bar per capita of the national cleaners was kept at 1.6 kg and the amount of detergent used was 543 g. Hindustan's liver stands above the cleansing business and it provides the smallest part of Indian settlements throughout the entire cleansing business.

In India, the annual amount of cleaners exhibited was 7.4 trillion carats, and the rate of decline was 4%. Our expectation is to increase the value of the rupee and its potential is high, on the grounds that the Indian cleaners display is false, and that incredibly unbelievable emotions are distributed according to the value of income, as well as the range of inner feelings laid out within the out structure.

### **1.3 COMPANY PROFILE:**

India is a fertile land known for its woods. Ivory, silk, shoes; precious jewelry is a mystery for centuries. The most fascinating aroma in the world came with their laces and their colorful spells. The richest sandalwood assets in the world come from a remote stretch of remote forest and arrive in Karnataka, South India.

Inspired by Her Majesty Queen Maharana, later Jayachamarajendra Wodeyar began exchanging sandalwood logs and sending them to Europe and new targets, but with the beginning of the First World War India faced with sandalwood problems. Serious crisis

## **VISION AND MISSION OF THE ORGANIZATION**

### **VISION STATEMENT:**

- Keeping pace with globalization, global models and countries in the use of innovation strategies in all parts of administrative management
- Making accessible innovation item and administrations and no more moderate cost to the general population everywhere, with regards to the approach of a welfare state.
- Making full scale endeavors to accomplish unfathomable benefits.
- Most critically to acquire the priceless remote trade, both to the state and to the nation.

### **MISSION STATEMENT:**

- To be an independent organisation.
- To maintain brand loyalty.
- To expand upon the notoriety of Mysore shoe cleanser in view of unadulterated shoe oil.

## **QUALITY POLICY**

### **AN ISO-9002 COMPANY**

With more than 80 years of flawless traditions, KS and DL are centered on the charisma of the customer, through a comprehensive quality organization and by considering the diligent changes of all experts. KS&DL has been confirmed by ISO 9002.

In order to improve the quality of the organizational structure and to provide impetus for total quality management during the use of chemicals and chemicals, the organization decided to acquire ISO-9002 by the end of March 1999. The mobile configuration was mapped in a similar manner and roadblocks were set up for this purpose. The mission statement was published in mid-October 1998.

## **COMPETITORS**

- Hindhustan UniLever Ltd.,
- Godrej Private Ltd.,
- ITC Limited,.
- Nirma Soaps Private Ltd.,
- .Jyothi Laboratories.

## **FUTURE GROWTH AND PROSPECTUS:**

- New high-performance laundry detergent sold in bulk using bulk packaging.
- Get market leadership.
- Introduce new trade plans to increase sales.
- Actively promote and promote as part of promotional activities.

Reduce distribution costs.

- Reduce costs in all areas.
- Make immediate decisions in some procurement activities.
- Promptly launch and implement market-driven decisions.
- Ensure effective internal controls.

## **SWOT ANALYSIS:-**

### **STRENGTHS**

An ISO 14001 organization, which resolves to save the indigenous habitat in the generation of its quality items as per the general inclination of its clients.

- The industrial facility is situated in the core of the city and has all framework offices. They have brisk development of crude materials and completed items. Because of its closeness, residence development of men and material are simple.
- A great dealership arrange, which guarantees that the items achieve each circle.
- A next to no opposition for its real items shoe cleanser.
- An ISO 9002 guaranteed organization has its own image picture.
- Diversified item run stays with the stable.
- Abundant accessibility of crude materials.

### **WEAKNES**

Slow development rate 6.2 developments more than 40 years against the result 80%.

- High arranged reason because of extreme Labor drive.
- Low turn over bringing about low benefits.
- Defective showcasing methodology needs powerful publicizing and reputation.
- Needs refreshing with times as far as plant and hardware.

- R&D isn't viable in as much as it has not made any achievement in new items.
- The substantial extent of the objective zone is upper white collar class and privileged individuals, it has not very many offer to bring down working class.
- It has just 8% of the aggregate cleanser piece of the overall industry.
- Due to absence of direct deals, obligations with numerous merchants turning awful.
- Unskilled work combined with abundance work hampers gainfulness.

## **OPPORTUNITIES**

- 1.The toilet cleanser and the cleansers showcase is an over extending industry and a noteworthy organization likes KS& DL with its assembling skill can make major decisions on the off chance that it achieves crest producing limit.
- 2.Good fare market should tap outside market overwhelmingly.
- 3.At present it has good crude material sources to upgrade creation.

## **Threats**

1. Competition from other worldwide pioneers like hul.
2. Government obstruction may lessen development potential.
3. As the organization relies upon woods for its fundamental crude materials makes the organization to discover concoction contrasting option to sandalwood.
4. To ensure the monetary enthusiasm of the organization.



**Financial statements:-****Karnataka soaps and detergents limited****Profit and loss account for the year ending 31st march 2010 & 2011.**

Particulars	Amount for the year ending 31 <sup>st</sup> march 2011	Amount for the year ending 31 <sup>st</sup> march 2010
Income		
Sales	1,810,681,627	1,789,059,796
Less : excise duty	161,958,395	141,285,059
Net sales	1,649,723,232	1,647,774,737
Other income	24,378,057	22,288,309
	1,674,101,289	1,670,063,047
Increase / (-) decrease in stock	-24,703,198	53,286,174
	16,493,091	1,723,349,221
Expenditure		
Material consumed (including trading items)	818,064,390	775,383,439
Other expenditure	727,273,371	799,799,905
Depreciation	5,775,312	4,982,474
	1,551,413,073	1,580,165,818
Operating -profit	97,985,018	143,183,402
Interest and finance charges	5,239,449	8,297,546
PBT	92,745,569	134,885,857

Provision for taxation		
Current tax	34,000,000	48,000,000
Fbt	3,300,000	-
Deferred Tax	1,136,000	8,930,375
Dividend Tax	2,642,627	2,704,083
PAT	53,938,942	93,112,149
Prior period income/ expenditure	10,013,655	1,441,082
Tax of earlier years proposed dividend	15,911,050	15,911,050
Tax of previous years	48,041,547	75,760,017
Profit or loss brought forward from previous year	343,479,146	267,719,129
Profit or loss carried to balance sheet	391,520,693	343,479,146

**Balance sheet as on 31<sup>st</sup> march 2010 and 31<sup>st</sup> march 2011**

Particulars	Amount as on 31 <sup>st</sup> march 2011		Amount as an 31 <sup>st</sup> march 2010	
	Rs	Rs	Rs	Rs
Sources of fund				
1. Shareholders fund				
A. Share capital	-	318,221,000		318,221,000
B. Reserve & surplus		391,520,693		343,479,146
2. Loan funds				
A. Secured loans	-		80,092,400	
B. Unsecured loans	83,506,504	83,506,504	83,506,504	163,598,904
Total		793,248,197		825,299,050
Application of funds:				
1. Fixed assets				
A. Gross block	336,488,843		327,262,896	
Less : depreciation	243,504,890		241,431,939	
B. Net block		92,983,953		85,830,957
2. Investment		100		100
3. Deferred tax assets		62,571,241		61,435,241
4. Current assets, loans & advances				

A. Inventories	525,234,558		517,605,839	
B. Sundry debtors	165,859,183		172,641,760	
C. Cash & bank balance	240,314,138		285,359,727	
D. Loans & advance	18,932,241		212,953,267	
E. Investment in gratuity trust	80,000,000	1,201,140,120	50,000,000	1,239,560,593
Less : current liabilities & provisions				
A. Liabilities	273,532,995		292,361,773	
B. Provisions	289,914,262	563,447,217	269,166,068	561,527,841
Net current assets		637,692,903		678,032,752
5. A. Miscellaneous expense		-		-
B. Profit and loss		-		-
Total		793,248,197		825,299,050

**CHAPTER 2**  
**THEORETICAL BACKGROUND AND LITERATURE**  
**REVIEW**

## **Introduction to Materials**

As materials constitute an exceptionally noteworthy of aggregate cost of completed task in a large portion of the assembling ventures. Thus, an appropriate chronicle and control over the material expenses is basics. Material speaks to huge speculation of capital and a considerable level of cost of creation. Hence, there exists on clear requirement for compelling material administration in an association. Material administration considers both the hypothesis of costing materials and inventories and machines of cost figurings and record keeping.

## **TYPES OF MATERIALS**

A. Direct materials.

B. Indirect materials.

A. **Direct materials:** Direct materials are those materials, which can be recognized or promptly followed with the cost target which might be a venture, a gathering of items a client a request or an undertaking. An immediate material is equipped for being clearly connected with the cost objective. Materials are delegated coordinate due to their significance as opposed to physical conclusion is the final result. Coordinate materials have the accompanying highlights.

B. **Indirect materials:** Indirect materials are material traceable to completed item. Illustrations are oils, squander materials, blossoms, clothes, cleaning materials. At times the cost of materials is hard to dole out in this way it is dealt with as circuitous materials.

## **INTRODUCTION TO MATERIAL MANAGEMENT**

. Each material director should attempt to apply appropriate material arranging, obtaining, taking care of, putting away, materials in order to accomplish the coveted goal of stock holding costs. This has required proficient administration work which requests a capacity to unite clashing but then interrelated capacities viz, materials arranging, obtaining, getting and examination, stores, stock control, scrap and surplus transfer

### **Materials Management's scope:**

1. Pay attention to getting ideas.
2. Storage control and storage management.
3. Material coordination, development control and care perspectives.
4. Get, supply, transport, process materials, and more.
5. Supply administration or coordinations administration.
6. All the interrelated exercises worried about materials.

### **FUNCTIONS OF MATERIAL MANAGEMENT**

- A. Material requirement planning:
- B. Purchasing:
- C. Receiving and inspection of materials:
- D. Stores:
- E. Materials handling:
- D. Dispatch of finished products:

### **MATERIAL CONTROL IN KS &DL**

#### **Production planning and control:**

Arrangement of items and materials required to be bought keeping in mind the end goal to acknowledge connected creation projects or deals gauge endorsed by the best administration. Control of stacking and different exercises to be completed simultaneously to keep away from robberies underway.

**Storage exercises:**

Control of physical materials practicing control over materials in stock to counteract physical crumbling of robbery and so on.

**,Inventory planning and control:**

Control over policies and procedures to regulate systematically the materials kept in stock.

**External transport:**

Control of proficient use of outside transport exercises. These exercises are worried about the development of materials from providers to the fabricates and from the produces to clients.,

**Internal transport and materials handling:**

Control over the proficient utilization of materials transport and materials instruments. The inner transport and material taking care of devices are utilized for development of materials starting with one point then onto the next inside processing plant premises.

**INTRODUCTION TO INVENTORY**

Inventory is the largest existing resource in most organizations in India. Under normal circumstances, the inventory of each penny cash resource in India's open restricted organization is about 60. Due to the large scale of corporate inventories, it is necessary to focus a large number of assets on these assets. In this way, it is completely basic, able to supervise stocks proficiently and successfully, and has specific end goals that are far from meaningless risks. A company that ignores inventory management will jeopardize its long-term benefits and may eventually explode..



## **PROBLEMS OF INVENTORY:**

- Maintain a large number of raw materials inventory and the precise and smooth production of work in progress and complete the continuous trading activities of the products.
- □Maintain the basic benefits of inventory to increase revenue.

## **LEVEL OF INVENTORIES**

Keeping up and insufficient level of inventories is additionally perilous. The results of under-interest in inventories are (a) creation hold-ups and (b) inability to meet conveyance responsibilities. A powerful stock administration ought to

- Optimal records ought to be acquainted with control materials amid generation and amounts made for stock.
- The stockpiling of all materials ought to be very much arranged subject to sufficient shields and supervision.
- An proficient arrangement of inward review and interior check ought to be worked with the goal that all exchanges including materials are checked by solid and autonomous people.
- There ought to be consistent answering to administration with respect to buys, issues and supply of materials. Uncommon reports ought to be set up for old things, deterioration, comes back to providers, strange misfortunes, and so forth.

## **TYPES OF INVENTORY**

Inventories may be held for a variety of purposes, but general, there are five types of inventories that an organization can use for serving these purpose. There are:

### **Development of inventories:**

Movement of goods are additionally known travel inventory. Their reality possesses the way that exchange time is engaged with exchanging generous measure of assets.

### **Cushion inventory:**

cradle inventories are held to secure against the vulnerabilities of interest and supply. What's more, association for the most part knows the normal interest for different things that it needs..

### **Decoupling inventories:**

the possibility of the decoupling inventories is to decouple, separate, diverse parts of the creation framework. As we can watch effortlessly, extraordinary machines or gear and individuals ordinarily work at various rates-some slower and some speedier.

### **Cycle inventories:**

cycle inventories are held for the reason that buys are generally made in parts as opposed to for the correct sums which might be required at a state of time. Obviously if all buys are made precisely as and when the thing is required, there would be no cycle inventories.

## INVENTORY COSTS

**1. Purchase cost:** This alludes to the ostensible cost of stock. It is the price tag for the things that are purchased from outside sources, and the generation cost if the things are obtained inside the association. This might be steady per unit, or it might differ as the amount bought or delivered increments or declines.

**2. Conveying costs:** costs acquired for keeping up a given level of stock are called conveying costs. They incorporate capacity, protection, duties, weakening and oldness. The capacity costs involve cost of storage room (warehousing), stores dealing with costs and administrative and staff benefit costs (managerial expenses) caused in recording and giving extraordinary offices, for example, fencing, lines, racks and so on.

### 1.27 STOCK LEVELS

**Greatest level:** the most extreme stock level is the level above which stocks ought not ordinarily be permitted to rise. It is the most extreme amount of a material that might be in store..

Equation: = Re-arrange level + Re-arrange amount – (least utilization \* least re-arrange period)

**Least level:** least level is that beneath which stock ought not ordinarily be permitted to fall. On the off chance that any thing of materials fall beneath this level, there is a risk of stoppage underway and top need ought to be given tot the buy of new materials. I setting this level, the accompanying components must be considered.

Equation: = Re-arrange level – (Normal consumption\* Normal re-arrange period)

Re-arrange level: this is level of material at which another request for material is put. It is at this level buy order is made out. This level is above least level however underneath most extreme level. It is after a thought of the accompanying elements:

1. Rate of utilization of material,

2. Minimum level,

Lead time or conveyance time, i.e., the ordinarily taken from the season of raising buy order to receipt of materials.

Equation: = (Maximum utilization \* Maximum re-arrange period.

Recipe: = Average or ordinary utilization \* Maximum re-arrange period for crisis buys

Normal stock level: normal stock level is computed by the accompanying equation:

Normal stock level = least level + most extreme level

2 . Normal stock level may likewise be processed by the accompanying equation:

Normal stock level = least level +  $\frac{1}{2}$  (Re-arrange amount)

## **SELECTIVES APPROACHES TO INVENTORY CONTROL**

By and by, all things of stock can't, and require not, be controlled with meet consideration. A viable stock requires a comprehension and information of the idea of inventories. Here we might think about the accompanying sorts: ABC; JIT; Out sourcing; Computerized Inventory control frameworks; VED; HML; SDE; S-OS; FNS; XYZ;

### **1. Re-arrange amount (or Economic Order Quantity):-**

Re-arrange amount is the amount to be requested at whatever point materials are to be buy. By setting this amount, the purchaser is spared the assignment of re-ascertaining the amount

he should purchase each time he arranges. This amount may, obviously, be modified if conditions warrant it.

Monetary request amount might be controlled by the accompanying equation:

$EOQ = \sqrt{2.A.B/C.S}$  Where EOQ = Economic request amount

A = Annual utilization

B = Buying cost per arrange

C = Cost of unit of materials

S = Storage and conveying cost level of cost

Then again,  $EOQ = \sqrt{2.A.B/S}$  Where S = Storage cost per unit per annum

## **2. ABC Inventory Control System:**

The accompanying advances are engaged with actualizing the ABC investigation:

- Classify the things of inventories, deciding the normal use in units and the cost per unit for every thing.
- Determine the aggregate estimation of every thing by increasing the normal units by its units cost.
- Rank the things as per the aggregate esteem, giving first rank to the thing with most elevated aggregate esteem et cetera.
- Compute the proportions (rate) of number of units of every thing to add up to units of all things and the proportion of aggregate estimation of every thing to add up to estimation of all things.
- Combine things based on their relative incentive to frame three classes A, B and C.

## **3. VED Analysis:**

In VED investigation, the things are characterized based on their fundamentally to the creation processor different administrations. In the VED arrangement of materials, V remains for fundamental things without which the generation would reach a stop. E in the framework signifies fundamental thing whose stock out unfavorably influence the proficiency of the creation framework.

#### **4. HML investigation:**

This is like the ABC examination aside from that, in this investigation, the things are characterized based on unit cost as opposed to their use esteem. The things are ordered in like manner as their cost for unit is H-high, M-medium, or L-low.

#### **5. SDE ANALYSIS:**

This uses the basis of the accessibility of things. In this examination, S remains for rare thing which are hard to come by.

#### **6. S-OS examination:**

S-OS examination is base on the idea of providers, wherein S speaks to the opportune things and OS speaks to the Off-convenient things. This arrangement of thing is finished with the point of deciding appropriate obtainment systems.

#### **7. FSN Analysis:**

In light of the utilization example of the things, the FSN order calls for grouping of things, as Fast-moving, Slow-moving, non-moving.

#### **8. XYZ Analysis:**

XYZ examination depends on the end stock estimation of various things. Things, whose stock qualities are high, are classed as X things while those with low interest in them are named as Z things. Different things are the Y things whose stock esteem is neither too high not very low.

### **METHODS OF PRICING MATERIAL ISSUES**

It ought to be noticed that strategies talked about here are techniques for evaluating the issue of materials and not the techniques for physically issuing materials. A portion of the essential strategies for valuing issues are as per the following:

#### **1. To begin with IN-FIRST-OUT**

These strategy depends upon the presumption that materials who are obtained first are submitted first. It Uses the cost of the principal group of materials bought for all issues until

the point that all units from this clump have been issued. After the main bunch is completely issued, the cost of the following group got turns into the issue cost.

### **Favorable circumstances**

The accompanying favorable circumstances are asserted for FIFO strategy:

- This strategy depends on a practical suspicion that materials which are gotten first are issued first.
- Materials are issued at real cost. Along these lines, no hidden benefit or misfortune comes about because of the utilization of this strategy.
- Closing stock valuation is at fetched and at the most recent market costs.
- This technique is very easy to work and straightforward.

### **Impediments**

- Materials are not changed at the present market costs. Thusly, in the midst of rising costs, charge to generation is unduly low.
- This technique once in a while delivers out of line comes about as between one employment and another. For instance, materials obtained @ Rs. 10 might be issued to work A, yet materials issued t comparable hoard B might be from a later supply which is @ Rs. 12.

This makes examinations troublesome on the grounds that two comparable occupations began in the meantime may indicate diverse expenses.

- When exchanges are vast in number and the cost varies as often as possible, the technique includes more figurings and expands the likelihood of mistakes.

## **2.LAST-IN-FIRST-OUT(LIFO)**

The technique is simply invert of FIFO. It depends on the presumption that last buys of materials are issued first and prior receipts are issued in the last. LIFO technique utilizes the

cost of the last group got for all issues until the point that all units from this clump have been issued. From that point forward, cost of the past clump got is utilized.

The understudies should take note of that in genuine practices materials issued to creation may not be from the most recent part buy. This is just an accounting strategy and must not be mistaken for physical technique for issue utilized by the vendor who dependably tries to issue the most seasoned stock first. Two vital purposes of this strategy are:

- Issues are pieced at genuine cost and most recent costs paid.
- Closing stock is esteemed at the old costs and is totally out of line with current costs.

### **Preferences**

- This strategy has following favorable circumstances:
- The estimation of materials issued is firmly identified with current market costs.
- As materials are issued at genuine cost, it doesn't bring about any hidden benefit or misfortune.
- When costs are rising, the higher costs of the lost late buys are charged to creation.
- This diminishes benefit figure and results in salary charge sparing.

### **Detriments**

- Although stock is esteemed at taken a toll, the cost is that of the most punctual obtained, so stock esteem does not speak to its present esteem.
- This strategy isn't practical as it doesn't comply with the physical stream of materials.



- Like FIFO, in this technique additionally, the materials cost of comparable occupations may vary basically on the grounds that the earlier activity depleted the supply of lower costs stock. This renders correlations between employments troublesome.
- When costs vary all the time, the estimation convolutes the stores record and expands the likelihood of administrative blunders.

### **3. Normal COST METHODS**

These strategies depend on the supposition that when materials obtained in various parts are put away together, their character is parcels, and subsequently, these ought to be changed at a normal cost. Fundamentally, normal costs are of two sorts straightforward normal and weighted normal.

### **4. Straightforward AVERAGE METHOD**

Straightforward normal cost is ascertaining by including all the diverse costs and separating by the quantity of such costs. It doesn't account amounts of materials while registering normal cost. For example, when 100 units are buy @ Rs. 9 for every unit and 900 units are acquired @ Rs. 7 for each unit, the straightforward normal cost will be =  $(9+7)/2 = \text{Rs. } 8$ .

The main preferred standpoint of this strategy is that it is easy to comprehend and simple to work.

### **Burdens**

- Materials are not charged out at real cost. In this manner, hidden benefit or misfortune will more often than not emerge out of evaluating.
- This strategy is informal and ordinarily creates unsuitable outcomes. The estimation of shutting stock might be a negative figure which is very crazy.

## 5. Measured AVERAGE METHOD

This technique gives due weight to the characteristics held at each cost while ascertaining the normal cost. The weighted normal cost is figured by isolating the aggregate cost of material in stock from which the material to be estimated could have been drawn, by that aggregate amount of material in that stock. The basic recipe is that weighted normal cost whenever is the adjust esteem figure partitioned by the adjust units figure.

### Points of interest

- This technique levels out the impact of broadly shifting costs of various buys.
- The new issue cost is ascertained just at the season of each new buy and not at the season of each. This decreases crafted by making figurings.
- No undiscovered benefit or misfortune emerges.

### Inconveniences

Its principle hindrances are:

- Where receipts are various, this technique requires a decent arrangement of counts.
- Issue costs for the most part rushed to various decimal focuses.
- Materials are not issued at the present market costs.

## 2.2 LITERATURE REVIEW:-

Supply chain and inventory management information GP Cachon

Aggressive weights will drive real changes in stock administration in the following few a long time. Changes will come about because of organizations recognizing and profiting by the openings to deal with their whole supply chains as single substances. Inventory network administration.

.Production and inventory management DW Fogarty, The production network is an office system that changes the acquisition of materials, materials to the middle of the road and finished items, and distributes the completed items to the customer's supply chain as a single factor. Storage Network Management

Production and inventory management CW Yau

Late CII investigate has shown that formal material administration programs have the potential to yield critical development cost funds, yet little and medium-sized business temporary workers may not feel that an incorporated material administration program

Supply chain logistics management DJ Bowersox

An Order Based Materials Management (OBMM) strategy utilizing figures of genuine client requests to decide part stocking levels. There might be a few kinds of requests and a few sorts of client request figures for them

Theory of inventory management TM Whitin Substrate handling frameworks and techniques are portrayed for preparing substrates. The preparing incorporates exchanging electronic recognizable proof (ID) data of at least one materials contained in at least one handling subsystems.

Using inventory study for competitive advantage through supply chain management.

Ex-amples of work profitability drivers in the development business incorporate climate conditions, coordination of subcontractors, booked extra time, and material administration, and in addition worker motivation, preparing, background, and supervision, among numerous others

Decision for material management RG Brown

Store network management is often seen as a company that is located between fully vertically merged companies, where the entire logistics is required by independent companies, and where each channel is partially free to work

.Introduction to materials management JRT Arnold

Proficient and sparing innovation that can be utilized to store a lot of warmth or cool in an unequivocal volume is the subject of research for quite a while. Warm capacity assumes an essential part in building vitality preservation

Corporate inventory management with value maximization in view G Michalski

The adequacy of inactive cooling by stage change materials (PCM) is contrasted and that of dynamic (constrained air) cooling. Numerical reenactments were performed at various release rate

.Inventory management with asset-based financing JA Buzacott,

Lessen appropriation and store network expenses and increment precision and productivity with Rootstock's dependable and adaptable scanner tag and Mobile information gathering capacities.LB Toktay, LM Wein, SA Zenios

Definite zones (Location IDs and Location Numbers) give the premise to cutting edge picking and set away procedures. Simple incorporation with computerized distribution center frameworks is provided.

.Operations research in production planning, scheduling, and inventory control

Keep up and control stock through simple touch screens for refreshing thing stock amounts what's more, subtle elements

Inventory management optimization as part of operational risk management

Helpful approach setting by Product Groups and Item Commodity Code limit the exertion of introductory setup and continuous refreshing of strategies for Products and Items.

**CHAPTER – 3**  
**RESEARCH DESIGN**

## **TOPIC OF THE STUDY**

“A STUDY ON MATERIAL MANAGEMENT AND INVENTORY CONTROL” at Karnataka Soaps and Detergents Limited, Bangalore.

## **STATEMENT OF THE PROBLEM**

The problem selected to the analysis is “to study the effectiveness of material management and control” at KS&DL, Bangalore. The effectiveness of the prevailed inventory system is analyzing simultaneously efficiency of the manufacturing firm.

It is concerned with the management of inventories as well as efficiency in cost reduction. The variation of prices of raw materials are also seems very difficult for the smooth functioning in to account for the analysis as these two aspects relates to material management.

## **OBJECTIVES OF THE STUDY**

1. To examine the various levels of inventory maintenance at KS&DL.
2. To analyse the affect of inventory on liquidity position of KS&DL.
3. To find the various inventory control technique adopted by KSDL ,for inventory management.
4. To investigate the material control framework at KS&DL.

## **SCOPE OF THE STUDY**

Since the topic has a wide scope in every manufacturing sector, the research was undertaken at KSDL., Bangalore.

## **NEED OF THE STUDY**

Stock administration framework gives data to productively deal with the stream of material, viably use and hardware, coordination, inward exercises and informative with clients. Stock administration does not settle on choices or oversee activities they give the data to directors who settle on more exact and auspicious choices.

- To know the advance and procedure of Inventory position of the firm
- To know how to keep up ideal level of stock in an association
- The think about is required in light of the fact that the administration must see that intemperate interest in stock ought to be limited and in the meantime it ought to shield the organization from the issue of stock out.

## **SOURCES OF DATA COLLECTION**

Primary Data: The technique which was embraced to gather the essential information is "Close to home Interview". Keeping in mind the end goal to gather the data, coordinate individual meeting, yearly reports kept up by the firm and discourse was made with various work force of procurement divisions, stores office and different offices. So far data is gathered through exploratory research outline. There is no formal plan pr structure poll in the examination.

Secondary Data: For social event optional information different sources were utilized.

- Different bookkeeping records of the organization
- Text books and other contextual analyses
- The auxiliary information is acquired by alluding to few books in connection to the stock reports, yearly reports and so forth.
- Gathering data from the past records and shows of results of KS&DL and from Internet

## **TOOL USED FOR DATA ANALYSIS**

To break down the organization's yearly report which are applicable to stock, the Ratio investigation has been attempted as a device in this study. Different proportions identified with stock administration have been utilized, and the varieties of the proportions are appeared through the different diagrams.

## **LIMITATIONS OF THE STUDY**

The investigation of material administration and control at Karnataka Soaps and Detergents Limited, has a few Limitations as each examination has its own particular impediments.

Time confinement is the restriction, the exploration directed was for a limited ability to focus time.

- The data which was required couldn't be made open by association.
- Discussion with every single related authority was unrealistic.
- Financial explanations are basic between time reports for a superior investigation and stock examination are under chosen approach as it were.
- This venture is only a concise investigation of the company's stock administration.



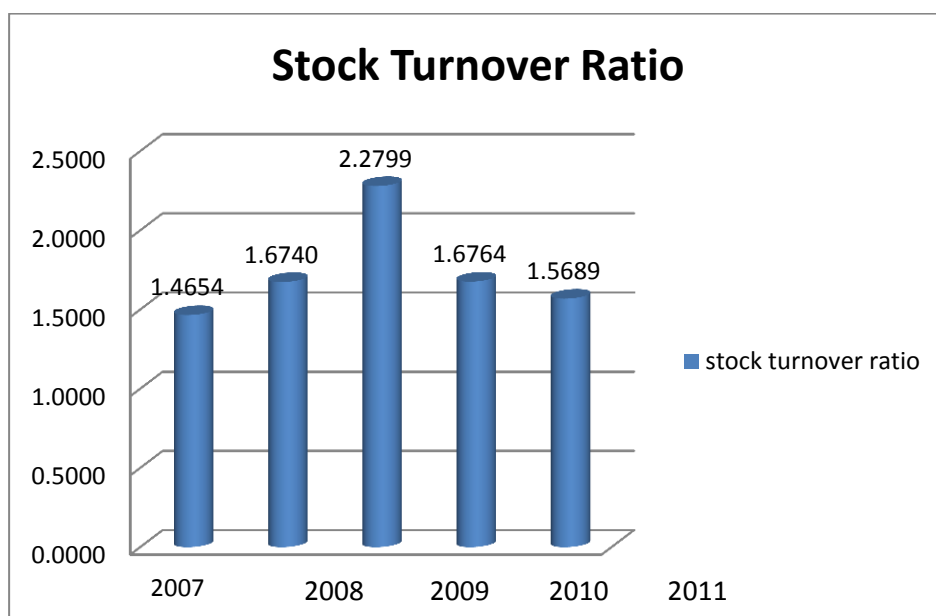
**CHAPTER 04**  
**DATA ANALYSIS AND INTERPRETATION**

**TABLE 4.1**

**Table showing the changes in stock turnover Ratio of the Karnataka soaps and Detergent Limited.** (Rs. In lakhs)

<b>Year Ending</b>	<b>Cost of Material consumed during the period</b>	<b>Average Stock of material</b>	<b>Ratio</b>
<b>2 007</b>	5070.94	3460.35	1.4654
<b>2008</b>	5414.33	3234.33	1.6740
<b>2009</b>	8019.28	3517.32	2.2799
<b>2010</b>	7753.83	4625.28	1.6764
<b>2011</b>	8180.64	5214.2	1.5689

#### 4.1 Graph showing Stock turnover ratio



## **ANALYSIS**

The above data and chart shows that the stock Turnover ratio for five financial years of the Karnataka Soap And Detergent Limited. When analysis the above table and chart, it has been absorbed that the stock turnover ratios of the company have been increased gradually, that is financial year 2006-2007, the stock earnings ratio of the KSDL was 1.4654 and in the year 2007-08 the Ratio has doubled up drastically to 1.6740 but in the next year that is in 2008-09 the stock Turnover Ratio of the company has increased slightly and ended up at 2.2799. But in the year the 2009-10, the stock Turnover Ratio at has a pointed 1.6764. At the last year of the analysis that is in 2010-11 the stock Turnover Ratio of the company has slightly decreased and pointed at 1.5689.

## **INTERPRETATION**

In the context of interpretation of Stock Turnover Ration, it may be noted that a high stock Turnover Ratio may also be taken to mean that the concern buys in small lots, and so its goods are turned over or sold out many a times during the year. And the low Stock Turnover Ratio may be taken to mean that the concern buys in bulk, and so, it's goods are turned over or sold only a few times during the year.

It is possible to find out whether the inventory comprises of obsolete stock of raw- materials or fast moving raw-materials. A proper understanding of the pattern of consumption of raw-materials can be ascertaining the following:

- ✚ The average cost of raw-materials consumed daily.
- ✚ The number of days for which the organization can continue its production activities with the help of the raw-materials held by it, and

The following two parameters are used to get an idea about the above aspects which are being used to analyse the data of the Karnataka Soaps and Detergent Limited.

## STOCK TURNOVER IN TERMS OF DAYS OR AVERAGE MATERIAL HOLDING

Formula:

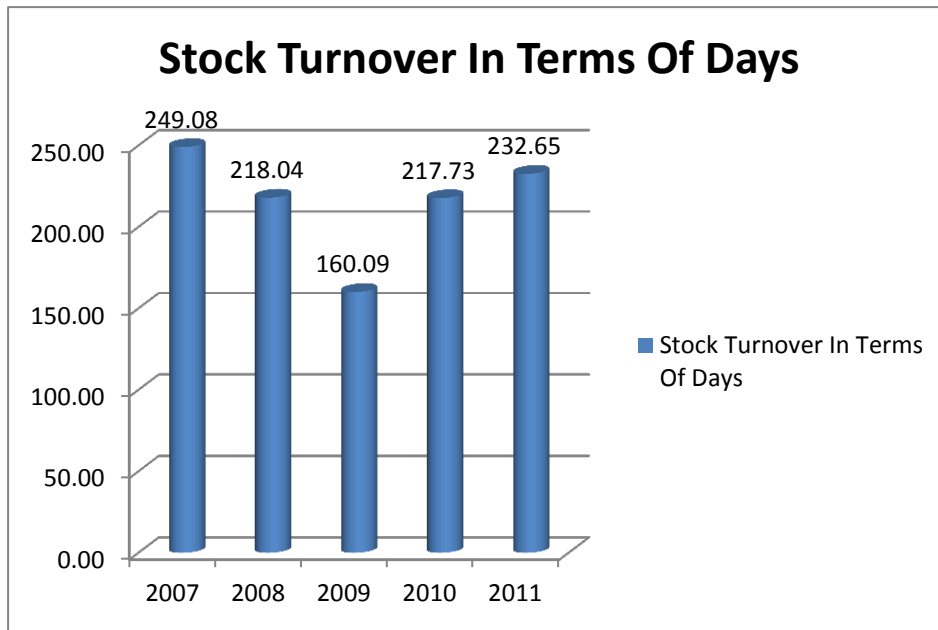
$$\text{Average material Holding (i.e., turnover period)} = \frac{365 \text{ days}}{\text{Raw material turnover ratio}}$$

**TABLE 4.2**

**Table showing the changes in average Material Holding period of the Karnataka soaps  
KS&DL (Rs. In lakhs)**

<b>Year</b>	<b>Days in the period</b>	<b>stock turnover ratios</b>	<b>Ratio</b>
<b>2007</b>	365	1.4654	249.08
<b>2008</b>	365	1.6740	218.04
<b>2009</b>	365	2.2799	160.09
<b>2010</b>	365	1.6764	217.73
<b>2011</b>	365	1.5689	232.65

### 4.2 Graph showing Stock turnover in terms of day



#### 4.2 Graph showing Stock turnover in terms of day

#### ANALYSIS

The above table and chart show the five-year average material holding period or turnover period of Karnataka Soap and Laundry Co., Ltd. In the analysis above, the average holding period of the company has been absorbed, ie the company's average holding period for 2006-07 was 249.08 days, and 2007-08, which is 218.04 days. . In 2008-09 it increased 160.09. However, during 2009-2010 and last year-2010, the company's average material holding period increased by 217.73 and 232.65 days, respectively

#### INTERPRETATION

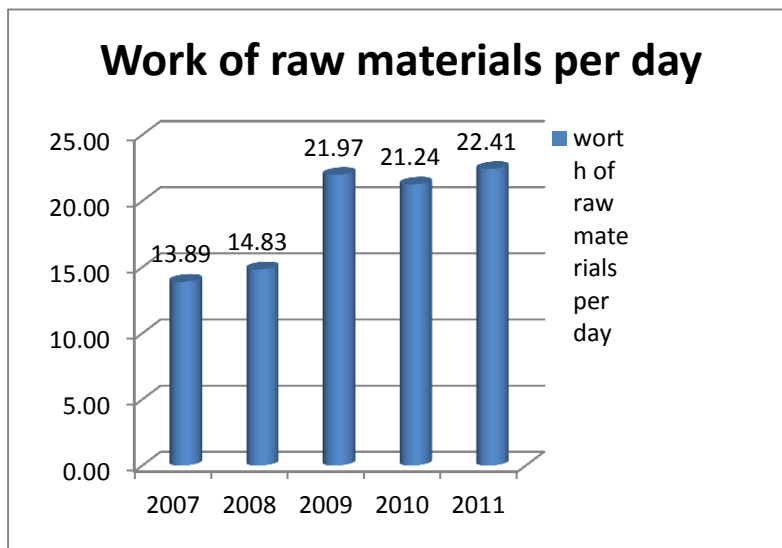
Compared with materials in other relevant years, the average inventory consumption of

materials for 2008-2009 was only 160.09 days, while the average inventory consumption in other years was higher than the average material holding period.

**4.3 Table showing the changes in Rupee value of a day’s consumption of raw-materials of the KSDL (Rs. In lakhs)**

Year	Cost of raw material consumed	Number of days in a year	Worth of raw materials per day
2007	5070.94	365	13.94
2008	5414.33	365	14.83
2009	8019.28	365	21.97
2010	7753.83	365	21.24
2011	8180.30	365	22.41

**4.3 Graph showing work of raw materials per day-**



## **ANALYSIS**

The table and chart above show the raw material value of Karnataka Soap and Laundry Co., Ltd. for five years each day. In analysing the above tables and charts, it has been recognized that the value of raw materials for daily use of materials gradually increases. In 2006-07, the daily value of raw materials was 138,900 rupees. In the second year of 2007-08, it has increased to 14.83 million rupees per day. In the new year of 2008-09 and 2009-10, they gradually increased to INR 21.9,700 and INR 212,100 respectively. However, in the analysis last year, the value of raw materials used per day had increased to 224,100 rupees in 2010-11.

## **INTERPRETATION**

As there is a high usage of raw-materials per day for production there is a high rate of sales as well as profit in the respected years above which states the improvements in the production process.

## **. WORKING CAPITAL TURNOVER RATIO**

**It is computed as follow:**

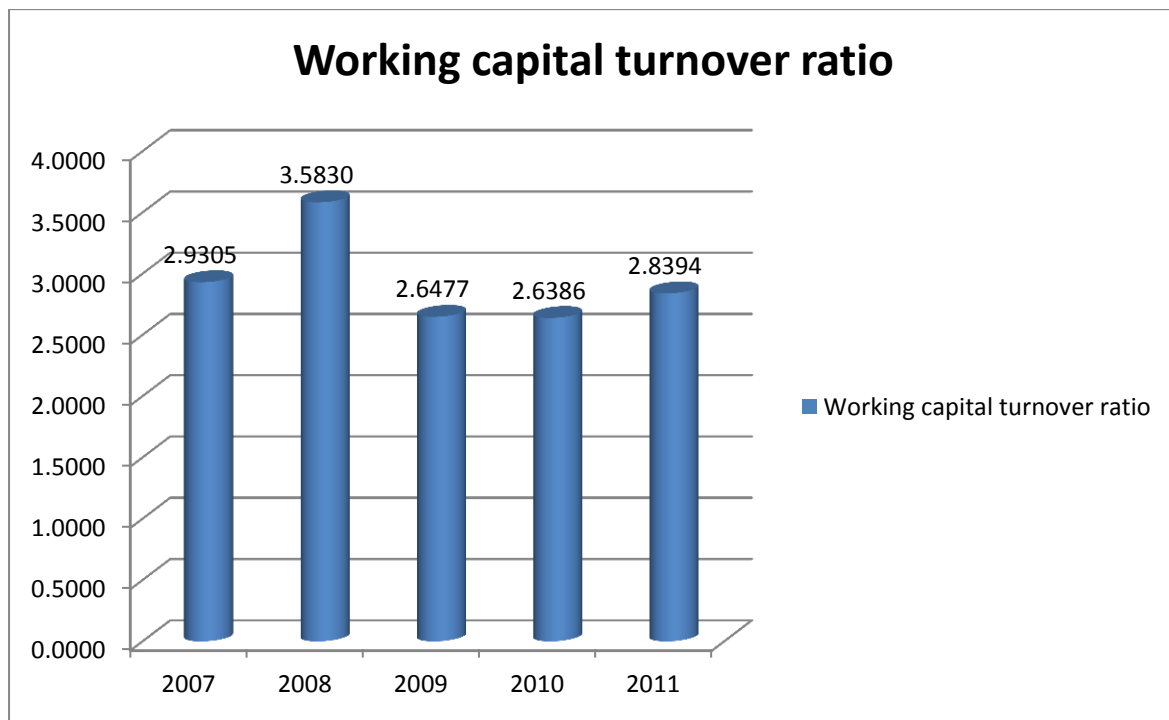
$$\text{Working Capital Turnover Ratio} = \frac{\text{Sales(or Cost of sales)}}{\text{Net Working Capital}}$$

**TABLE 4.4**

**Table showing the the changes in working capital turnover ratio of the Karnataka Soaps and Detergents Limited. (Rs. In lakhs)**

Year	Sales	Net working capital	Working capital turnover ratio
2007	11958.03	4080.53	2.9305
2008	14552.84	4061.66	3.5830
2009	16939.19	6397.65	2.6477
2010	17890.59	6780.32	2.6386
2011	18106.81	6376.92	2.8394

**4.4 Graph showing Working capital turnover ratio:-**





## **ANALYSIS**

The table and chart above show the five-year turnover of Karnataka soap and detergent company. In analysing the above tables and charts, it has been recognized that the five-year turnover rate changes every year. In 2006-07, the turnover rate was 2.9305. In the second year of 2007-08, it has increased to 3.5830. In the coming years, in 2008-09 and 2009-10, they gradually dropped to 2.6477 and 2.386 respectively. In the final year of the 2010-11 analysis, the job conversion ratio has increased to 2.8394.

## **INTERPRETATION**

The above analysis shows that the company is using more than net working capital because it shows the number of declines from 2008-09 to 2009-10. However, in 2007-08, the company's use of working capital to generate sales has been restored, and this ratio is high because it shows a ratio of 3.5830, which is beneficial to the company.

## **INVENTORY TO CURRENT ASSET RATIO**

Inventory to current asset ration =  $\frac{\text{Inventory}}{\text{Current assets}}$

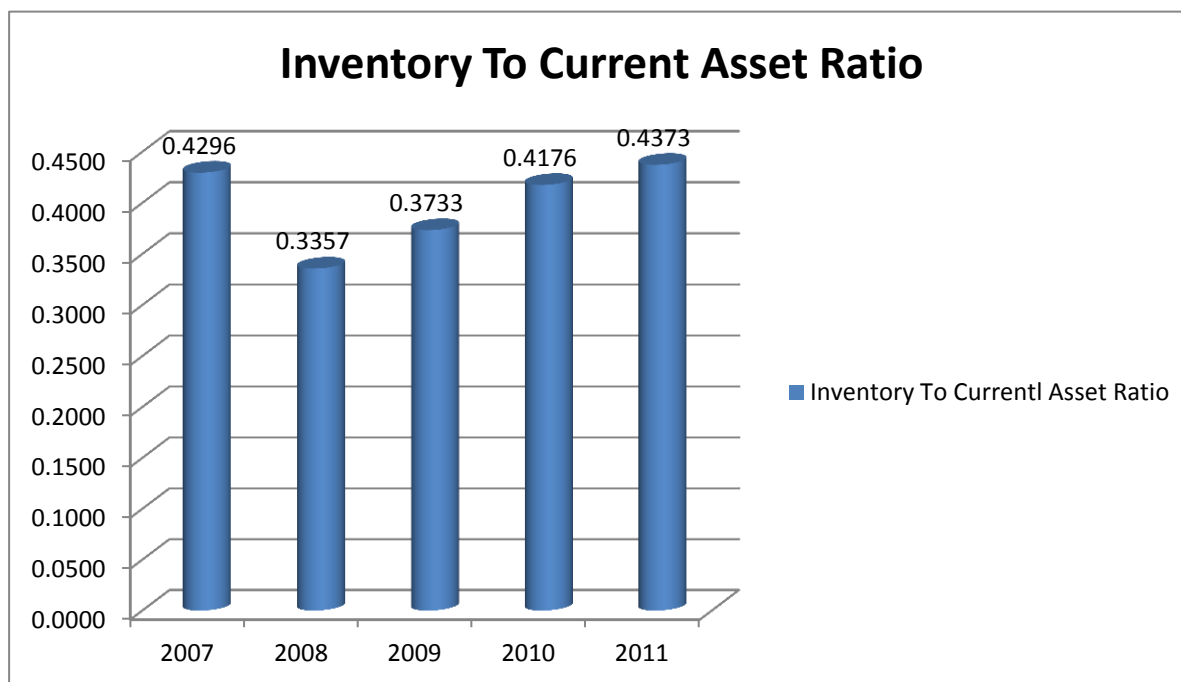
**TABLE 4.5**

**Table showing changes in Inventory to Current asset ratio of the KS&DL**

**(Rs. In lakhs)**

<b>Year</b>	<b>Inventory</b>	<b>Current asset</b>	<b>Percentage</b>
<b>2007</b>	3508.55	8166.21	0.4296
<b>2008</b>	2960.12	8816.89	0.3357
<b>2009</b>	4074.52	10913.72	0.3733
<b>2010</b>	5176.05	12395.6	0.4176
<b>2011</b>	5252.34	12011.4	0.4373

**4.5 Graph showing Inventory to current asset ratio**



## ANALYSIS

The table and chart above show the five-year inventory-to-current assets ratio of Karnataka Soap and Laundry Co., Ltd. In the analysis of the above tables and charts, the ratio of inventory to current assets of the company has changed year by year, that is, in 2006-07, the company's ratio of inventory to current assets was 0.4296. In 2007-08, this ratio has dropped to 0.3357. However, in 2008-09, next year, the company's inventory and current assets ratio will increase to 0.3733. In 2009-10, the ratio of inventory to current assets increased to 0.4176. In the analysis year of 2010-11, the proportion of the company rose slightly again, reaching 0.4373.

## INTERPRETATION

This ratio indicates the inventory components in the current assets. The inventory component in 2007-08 was least which shows fewer funds blocked as stocks

### INVENTORY TO WORKING CAPITAL ratio:-

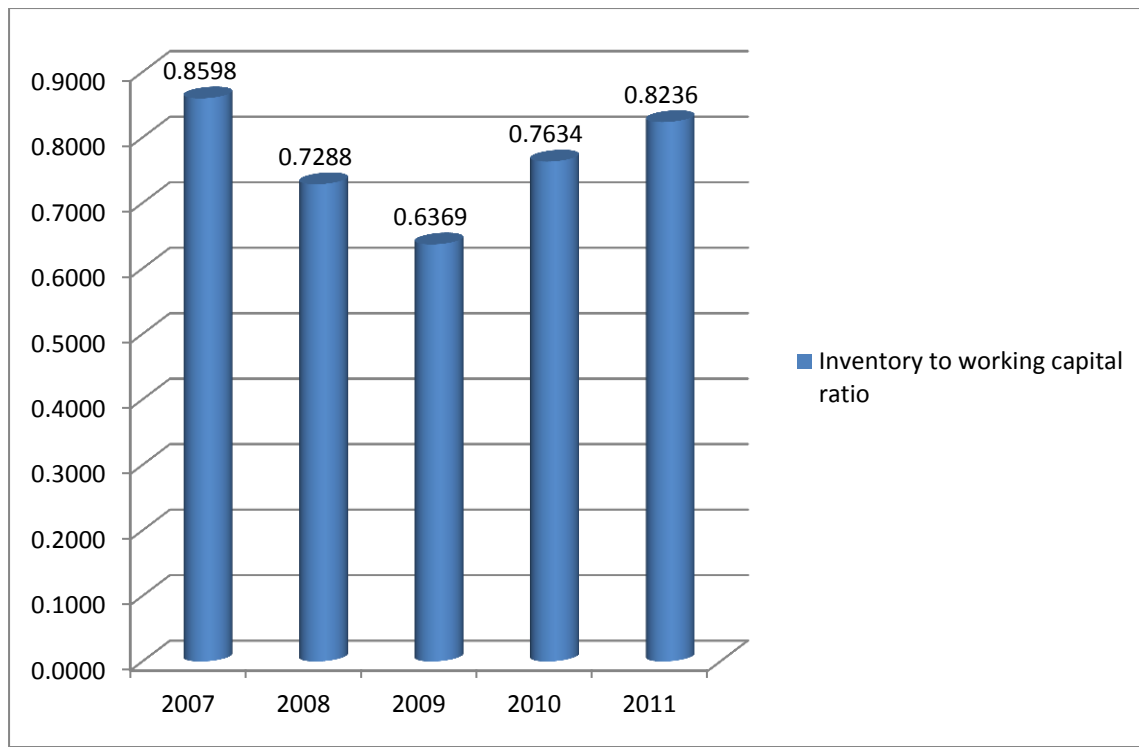
$$\text{Inventory to working capital ratio} = \frac{\text{Inventory}}{\text{Working capital}}$$

**TABLE 4.6**

**Table showing changes in inventory to working capital ratio of the KS&DL  
(Rs. In lakhs)**

Year	Inventory	Net working capital	Ratio
2007	3508.55	4080.53	0.8598
2008	2960.12	4061.66	0.7288
2009	4074.52	6397.65	0.6369
2010	5176.05	6780.32	0.7634
2011	5252.34	6376.92	0.8236

#### 4.6 Graph showing inventory to working capital ratio:-



#### ANALYSIS

The above table and chart show Karnataka Soap and Laundry Ltd.'s five-year inventory liquidity ratio. In the analysis of the above tables and charts, the company's inventory to liquid assets ratio has changed to 2006-07, and the company's inventory to liquidity ratio is 0.4296. In 2007-08, this ratio has dropped to 0.3357. However, in 2008-09 next year, the company's inventory and current assets ratio will rise to 0.3733. In 2009-10, the ratio of inventory to current assets rose to 0.4176. In the analysis year of 2010-11, the proportion of the company rose slightly again, reaching 0.4373.

#### INTERPRETATION

It tells that the company is maintaining lack of working capital for the above following years except the first year that is 2006-07. Reducing working capital turnover indicates that management is inefficient in working capital use.

## CURRENT RATIO

### Formula:

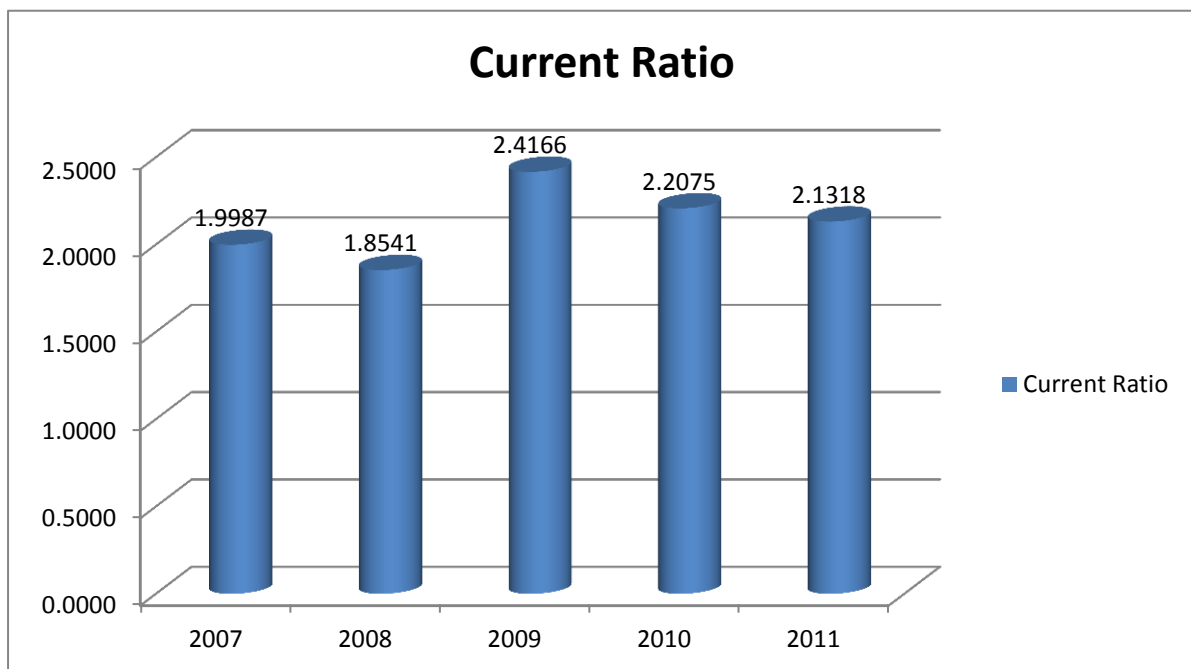
$$\text{Current ratio} = \frac{\text{current Assets}}{\text{Current liabilities}}$$

**TABLE 4.7**

**Table showing changes in the current ratio of the Karnataka Soaps and Detergents Limited. (Rs. In lakhs)**

Year	asset	liabilities	Ratio
2007	8166.21	4085.67	1.9987
2008	8816.89	4755.23	1.8541
2009	10913.72	4516.07	2.4166
2010	12395.6	5615.27	2.2075
2011	12011.4	5634.47	2.1318

**4.7 Graph showing Current ratio**



## **ANALYSIS**

The table above shows the current annual proportion of Karnataka Soap and Detergent Co., Ltd. When analyzing the above tables and charts, it did not show liquidity nor was it capable of fulfilling its current obligations in a timely manner. At Karnataka Soap and Detergent Co., Ltd., it only faces high liquidity problems, not liquid assets, but it may be in a liquidity position last year. That is, in 2006-07, the current ratio of the company was 1.9987. In 2007-08, the ratio fell again, which was 1.8541. In the second year of 2008-09, the company's current ratio increased slightly to a maximum of 2.4166. In 2009-10 and 2010-11, the company's current ratio gradually increased to 2.2075 and 2.1318 respectively.

## **INTERPRETATION**

It indicates that the improvements have been taken place in the liquidity position of the ksdL, till the year 2008-2009. Through the company's liquidity position has been increased gradually, the company is not able to pay its liabilities as and when it requires because the liquidity position is not sufficient as far as seen.

## **INVENTORY TO SALES RATIO :-**

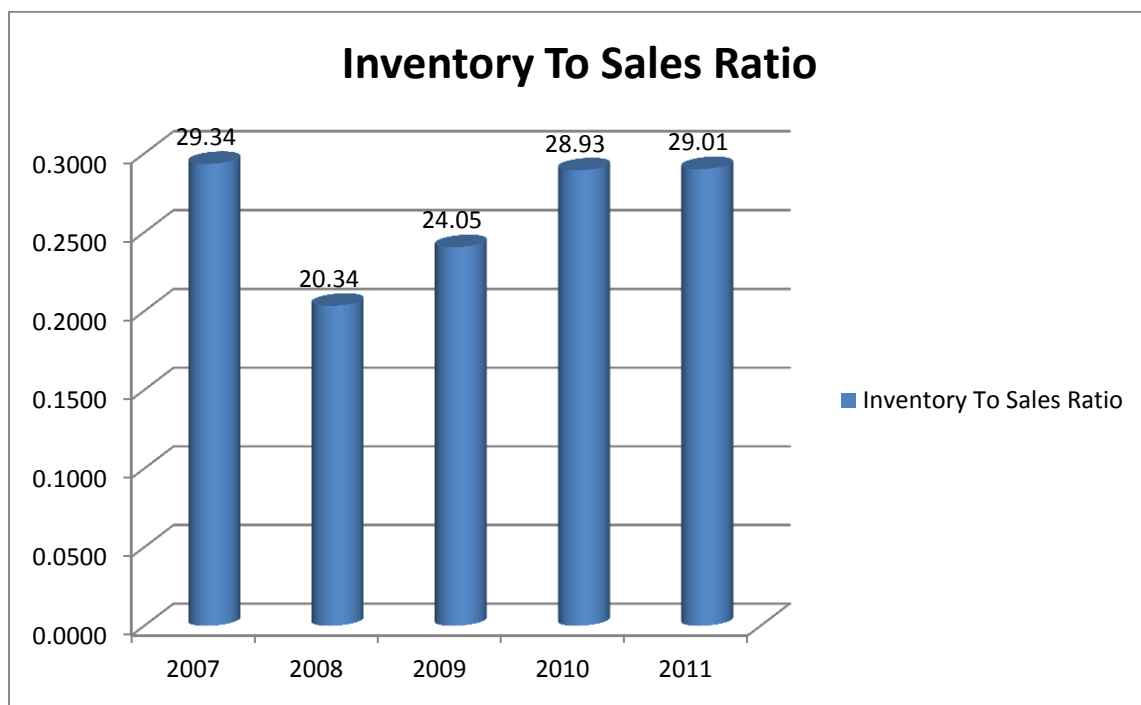
Inventory to sales ratio =  $\frac{\text{Inventory}}{\text{Sales}}$

**TABLE 4.8**

**Table showing changes in inventory to sales ratio of the KSDL  
(Rs. In lakhs)**

<b>Year</b>	<b>Inventory</b>	<b>Sales</b>	<b>Ratio</b>
<b>2007</b>	3508.55	11958.03	29.34
<b>2008</b>	2960.12	14552.84	20.34
<b>2009</b>	4074.52	16939.19	24.05
<b>2010</b>	5176.05	17890.59	28.93
<b>2011</b>	5252.34	18106.81	29.01

**4.8 Graph showing Inventory to sales ratio**



**ANALYSIS**

The table and chart above show the five-year inventory and sales ratio of Karnataka Soap and Detergent Co., Ltd. Here, the increase in inventory is due to an increase in inventory. More inventory, more sales and higher returns will be better. In 2006-07, the sales ratio was 0.2934. The second year, the 2007-08 sales ratio, fell to 0.2034. In 2008-09, the sales ratio increased to 0.2405, and in 2009-09, the sales ratio increased to 0.2893. In the last year of 2010-11, this proportion increased to 0.2903.

### **INTERPRETATION**

In the context of interpretation it can be said that the company is not selling more quantities of its products as the inventories are being increased at a high rate, so that it could minimize its profit and undergone for some loss.



**CHAPTER 5**  
**FINDINGS, SUGGESTION AND CONCLUSION**

Based on the study “Material Management and Control” the following observations were made.

The different inventory holding points at KS&DL are:

- Raw materials: company store.
- Spares goods: Stores and Shop.
- Work-in-progress: Shop.
- Finished goods: Carry and forward godowns.

1. Material is purchased by placing an order from a registered supplier. Materials are issued by the store department when they receive the authorization request.

2. KS&DL adopts centralized procurement.

3. The physical verification of the inventory will be conducted periodically.

4. The store department will ensure continuous flow of materials to the production department. Raw materials are issued using the FIFO method (first-in, first-out method).

5. The store department uses ABC analysis and FNS technology to control raw materials inventory. ABC analysis was performed on raw materials such as oils, spices, chemical raw materials, and packaging materials. FNS technology is particularly suitable for chemical raw materials such as sodium sulfate, silicon heat, oil red AB, potassium sulfate, potassium and so on. .

6. Inventory of raw materials, chemicals, fragrances, packaging materials, fuels, stores and spare parts is priced by weighted average cost.

7. Work-in-progress costs include materials, labor, and administrative expenses incurred to bring inventory up to date.

8. The value of the finished product includes the consumption tax of the goods at the factory. Damaged goods will be valued as 50% of the production cost of the finished product that year.

9. The electricity of waste, bitumen and sandalwood is valued at realizable value. 11. Sales In the case of domestic sales, the point in time when the finished product is sent to the manufacturer and the export sales are calculated on the same day as the calculation of the bill of lading.

### **SUGGESTIONS:-**

The following suggestions may help the organization to turn around.

1. Even through company teamwork, each team member should be motivated to complete the work more effectively.

2. The KS&DL should maintain coordination between labor and senior management.

3. Companies should expect to increase the effectiveness of their R&D activities. 4. The effectiveness of the plant's resources for performance performance is mainly due to the high cost of oil, which exceeds Rs. 2,00,000 per barrel of fat, and varies depending on the type of oil required. Even with the power of sandalwood, the tar received in metric tons must be properly used because of its limited supply of plants.

5. Adopt an open procurement system for all competitive suppliers and choose the best supplier that can supply a better quantity of materials at a lower price.

6. The store department should be computerized so that other departments, namely the production department and material department, can understand the supply of materials in the store.

7. The name, cost, date of issue, date of next replacement, and order quantity should be indicated on the record card for each material.

8. The store department should periodically assess the level of reordering.
9. If they adopt a "just-in-time" approach in their organization, they may reduce costs.
10. KS&DL should replace obsolete technology used in the production process to reduce production costs.
11. The time limit should be determined for each batch to reduce wasted time.
12. Separate reports should be maintained and reviewed to control waste and waste.

## **CONCLUSION**

The conclusion from the analysis is that material management is very important for all manufacturing problems because materials are an important part of the product. The cost of production is influenced by many factors, among which material is also one of the elements. The study has been extended to other sectors where some of the shortcomings have been noted poor marketing services, misunderstandings between workers and management, idle capacity, delayed payment payments, keeping records of accounting manuals, delays in the allocation of finished products, manual record collection And issue raw materials that consume more time. The conclusion is that, to do better, KS&DL should take necessary measures to overcome these deficiencies. This can be achieved by reducing costs, effective labor time, proper use of funds and effective material management.

## 5.1 BALANCE SHEET FOR THE YEARS 2011, 2010, 2009

Particulars	Amount as on 31- 3-11		Amount as an 31-3-10		Amount as an 31- 3-09	
	Rs	Rs	Rs	Rs	Rs	Rs
Sources of fund						
1. Shareholders fund						1
A. Share capital	-	318,221,000		318,221,000		318,221,000
B. Reserve & surplus		391,520,693		343,479,146		267,719,129
2. Loan funds						1,769,358
A. Secured loans	-		80,092,400			
B. Unsecured loans	83,506,504	83,506,504	83,506,504	163,598,904	107,204,608	
Total		793,248,197		825,299,050	83,506,504	190,711,112
Application of funds:						778,420,599
1. Fixed assets						
A. Gross block	336,488,843		327,262,896			
Less : depreciation	243,504,890		241,431,939			
B. Net block		92,983,953		85,830,957	309,623,620	
2. Investment		100		100	239,847,860	
3. Deferred tax assets		62,571,241		61,435,241		69,775,760
4. Current assets, loans &						100

advances						
A. Inventories	525,234,558		517,605,839			52,504,866
B. Sundry debtors	165,859,183		172,641,760			
C. Cash & bank balance	240,314,138		285,359,727		407,452,487	
D. Loans & advance	18,932,241		212,953,267		163,529,618	
E. Investment in gratuity trust	80,000,000	1,201,140,120	50,000,000	1,239,560,593	255,132,910	
Less : current liabilities & provisions					215,257,572	
A. Liabilities	273,532,995		292,361,773		50,000,000	1,091,372,587
B. Provisions	289,914,262	563,447,217	269,166,068	561,527,841		
Net current assets		637,692,903		678,032,752	246,650,794	
5. A. Miscellaneous expense		-		-	204,956,560	451,607,354
B. Profit and loss		-		-		639,765,233
Total		793,248,197		825,299,050		16,374,640
						-
						778,420,599

## 5.2 Balance sheet For year 2008 and 2007

Particulars	Amount as an		Amount as an	
	31-3-2008		31-3-2007	
	Rs	Rs	Rs	Rs
Sources of fund				
1. Shareholders fund				
A. Share capital		318,221,000		318,221,000
B. Reserve & surplus		136,826,041		15,070,293
2. Loan funds		-		-
A. Secured loans				
B. Unsecured loans	10,365,536		16,629,120	
Total	89,995,436	100,360,972	129,995,436	146,624,556
Application of funds:		555,408,013		479,915,849
1. Fixed assets				
A. Gross block				
Less : depreciation				
B. Net block	296,106,154		292,406,486	
2. Investment	237,050,829		233,475,517	
3. Deferred tax assets		59,055,235		58,930,969
4. Current assets, loans & advances		30,000,100		100
A. Inventories		32,146,548		-
B. Sundry debtors				
C. Cash & bank balance	296,012,822		350,588,273	
D. Loans & advance	146,346,670		80,873,641	
E. Investment in gratuity trust	334,385,423		312,345,581	
Less : current liabilities & provisions	104,944,640		72,546,525	
A. Liabilities	-	881,689,555		816,621,470
B. Provisions				



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Net current assets	308,752,365		292,624,243	
5. A. Miscellaneous expense	166,770,640	475,523,005	115,943,508	408,567,751
B. Profit and loss		406,166,550		408,053,719
Total		28,039,490		12,931,061
		-		
		5,554,080,113		479,915,849

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## BIBLIOGRAPHY

### Reference books

S.no	Books	Author publication
1	Financial management	I m pandey, vikas publishing house
2	Accounting standard	Agarwal, mccaughy company
3	Cost Accounting	M.N.Arora, Himalaya Publishing House
4	Website	<ul style="list-style-type: none"><li>➤ <a href="http://www.mysoresandal.co.in">www.mysoresandal.co.in</a></li><li>➤ <a href="http://www.google.com">www.google.com</a></li><li>➤ <a href="http://www.wikipedia.com">www.wikipedia.com</a></li></ul>



ACHARYA INSTITUTE OF TECHNOLOGY  
DEPARTMENT OF MBA  
INTERNSHIP WEEKLY REPORT (16MBAPR407)

Name of the Student: Aalekhya R S

Internal Guide: Professor. Mallika B K

USN No: 1AZ16MBA01

Specialization: Finance & Marketing

Title of the Project: A Study On Material Management and Inventory Control

Company Name: Karnataka Soaps and Detergents Limited, Bengaluru.

Week	Work undertaken	External Guide Signature	Internal Guide Signature
15-01-18 to 20-01-18	Orientation with the company. Collection of secondary data relating to industry and organization.		1
22-01-18 to 27-01-18	Orientation with functional department of the organization and detailed study of department.		2
29-01-18 to 03-02-18	Finalization of problem area of the study and finalization of research objectives and methodology.		3
05-02-18 to 10-02-18	Finalization of data collection questionnaire instruments and formats. Etc...		4
12-02-18 to 17-02-18	Collection of primary data from the restaurants by administering the questionnaire.		5
19-02-18 to 24-02-18	Discussion with the external guide and internal guide. Formation of hypothesis. Classification and analysis of collected data.		6

26-02-18 to 03-03-18	Compilation of research data and interpretation of data.	<i>[Signature]</i>	7	<i>[Signature]</i>
05-03-18 to 10-03-18	Data analysis and Finalization Of report.	<i>[Signature]</i>	8	<i>[Signature]</i>
12-03-18 to 17-03-18	Finalization of project report and approval of draft by company and college guide.	<i>[Signature]</i>	9	<i>[Signature]</i>
19-03-18 to 24-03-18	Report submission to the Institution.	<i>[Signature]</i>	10	<i>[Signature]</i>

*[Signature]*  
HOD

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