



ACHARYA INSTITUTE OF TECHNOLOGY

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

Date: 17/05/2018

CERTIFICATE

This is to certify that **Ms. Sahana D** bearing USN **1AY16MBA65** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belgaum. Project report on “**A Study on Receivable Management.**” At **KS&DL, Bangalore** is prepared by her under the guidance of **Dr. Ramanaiah G** in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belgaum, Karnataka.

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ಕರ್ನಾಟಕ ಸಾಬೂನು ಮತ್ತು ಮಾರ್ಜಕ ನಿಯಮಿತ
(ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಸ್ವಾಮ್ಯಕ್ಕೆ ಒಳಪಟ್ಟಿದೆ)
Karnataka Soaps & Detergents Limited
(A Government of Karnataka Undertaking)



KSDL/HRD/59[C]-A/2018-19/ **32**

Date:07.04.2018

CERTIFICATE

This is to certify that **Ms.Sahana.D**, Student of MBA, **USN:1AY16MBA65**, of Acharya Institute of Technology, Acharya Dr.Sarvepalli Radha Krishna Road, Soldavanahalli, Bengaluru-560 090. Affiliated to Visveswaraya Technological University, Belagavi, has done Project work “**A Study on Receivable Management**” at Karnataka Soaps & Detergents Limited, Bengaluru-560 055, from: **16.01.2018 to 24.03.2018.**

During her Project work in our Company, we found her Character & Conduct is Good.

We wish her success in Life and Career.

ASST.GENERAL MANAGER
[Human Resource & Development]

Karnataka Soaps & Detergents Limited
27, Industrial Suburb,
Bengaluru Highway,
Bengaluru, Bengaluru-560 055

DECLARATION

I **Sahana.D** hereby declare that the Project report entitled “**A STUDY ON RECEIVABLE MANAGEMENT**” at **KSDL, Bangalore**) prepared by me under the guidance of **Dr.G. RAMANAIAH** faculty of M.B.A Department Acharya Institute of Technology and external assistance by **Mr. RAVI at KSDL** . I also declare that this Project work is towards the partial fulfillment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum. I have undergone a summer project for a period of 10 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: Bangalore
Date: 24/05/2018


SAHANA.D

ACKNOWLEDGEMENT

The satisfaction and euphoria that accompany the successful completion of any work would be incomplete without the mention of the people who have made it possible whose constant guidance and encouragement served as a beacon of life and crowned my efforts with success.

I wish to pledge and reward my deep sense of gratitude for all those who have made this project come alive.

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I am gratefully indebted to my internal guide **Dr. G. RAMANAIAH**Professor, Department of MBA, ACHARYA INSTITUTE OF TECHNOLOGY, BANGALORE for encouraging me and for his constant support throughout the course of the project and helping me to complete it successfully.

I would like to thank the Manager **Mr. G. RAVI**(External Guide) for allowing me to undertake this project work at Karnataka Soap & Detergent Ltd. Last but not the least; I would like to thank all the employees of KSDL, Bangalore for their immense support and cooperation given to me during working on this project.

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EXECUTIVE SUMMARY

Partial fulfillment of MBA I was required to undergo internship of 10 weeks. With respect to that I have prepared this report on “A study on receivables management in KARNATAKA SOAP & DETERGENT LTD”, Bangalore.

Proper management of liquid assets and stock is necessary for sound managerial control, these assets part of working capital of the balance sheet. An efficient utilization of financial resources is necessary to avoid financial distress. Receivables results from credit from credit sales. Cash sales are not always possible sometimes sells the goods on credit basis, it cannot be avoiding without adversely affecting sales, credit sales increase the sales volume.

To analysis a study on receivable management in KARNATAKA SOAP & DETERGENT LTD. The financial data for 5 years has been measured. That is 2012-13 to 2016-17. The ratio analysis is approved out by calculating Current ratio, Solvency ratio, Debt collection period, Debt position ratio, Trends debtors, Sales trends, fixed assets to share holder fund ratio etc.. based on financial data of the organization.

CHAPTER -1
INTRODUCTION

INTRODUCTION

1.1 INTRODUCTION

This mission is a ten-week path and Project work is an crucial part of the VTU curriculum. The assignment mission is the fundamental a part of the prospectus. The MBA is an powerful getting to know study room concept and the handiest fashionable idea that this implementation implements to increase. This 10-week occasion will enable students to apprehend the industry's insights and publicity. The info of the industry and business enterprise might be provided on the day of the internship. In the following few weeks, the research will cover the regions of effects associated with the topic.

This record has taken the research-level financials. Based on Bangalore Karnataka Soaps & Detergents Limited's bills receivable control look at.

TOPIC CHOSEN FOR THE STUDY:

“Research on Management of Receivables from Karnataka Soap and Cleanser Co., Ltd. (KSDL)”, Bangalore.

1.2 INDUSTRY PROFILE

BACK GROUND OF INDUSTRY

The past year became used to boom people's awareness of purity and asepsis. The brilliant bathing area of the Indus Valley civilization is evidence of this. Roaming is considered to be a substantial consumer of cleaning soap. During this period, the Roman employer "Chen Liquor" was amassed as a source of ammonium carbonate for cleaning functions. Humans knew cleaning soap more than 2,000 years in the past. That changed into, within the Seventies, whilst Mr. Pellini and his chief by chance determined soap, the baked meals overflowed with ashes.

India is a sizable u .S .A . With a populace of extra than 10 billion rupees. The family penetration charge of cleaning soap is 98% of people belonging to special income ranges using unique

manufacturers, these brands belong to one of a kind market segments, however all income ranges use cleaning soap, making it the second one biggest category in India, detergent ranks first . Compared with city regions, rural call for is at the upward thrust because rural clients in India account for approximately 60-70% of the populace.

DEVELOPMENT IN MANUFACTURING OF SOAP

Nicolas Leblance, a French scientist, believes that making soap lower priced to the average individual is well worth it. Early settlers in North America made their own cleaning soap via pouring hot water on wooden ash to make a base referred to as potassium salt. Large potash is boiled with animal fats. Iron pots make cleaning soap. But it looks hard and scents terrible. It became for the duration of this century that the improvement of soap manufacturing led to the production of aroma, mildness and shade cleaning soap.

Mr. Twitched advanced a procedure called "lipolysis" in 1890. In 1899, Mr. Twitched took out the sodium salt of petroleum sulfonate from america manufacturing facility. In 1930, the Belgian scientist Reyhler had the time sodium chelation of sulphate and soap. Similar homes of cleaning soap cannot form precipitates in acidic solutions, and calcium and magnesium form precipitates in tough water because cleaning soap is right in diverse detergents. Italy, France, Spain and the UK and other international locations.

SOAP INDUSTRY IN INDIA

The Northwest Soap Company installed the primary soap industry in 1897. Following the marketing campaign in Sweden in 1905, there have been few sports activities activity factories hooked up after 1905.

The Indian soap industry began with MIS Godrej, hooked up a production department in Mumbai in 1918, and mounted the MIS TATA government soap manufacturing unit in Bangalore. In 1930, MIS Tata Oil Company. Establishing a restrained set of Hindustan levers to their manufacturing unit ant Mumbai and Calcutta industry maintains to thrive in excellent devices from 1967 to 1968, while the enterprise stagnated due to informal fee controls. In 1974, the enterprise speedy recovered and skilled extreme fluctuations.

Before the First World War, the demand for cleaning soap in India was imported from Western nations, in particular from the United Kingdom. Large organizations like Lever Brothers delivered cleaning soap, even in rural areas. The delivery of soap is of appropriate quality and cost.

World War II gave a cleaning soap industry in India, and by using 1994, the production capability turned into 126,000 tons, and the real output changed into 11,600 tons. By 1957, the capability reached 25,300 tons. Today's production capability is about 600,000 tons (the sanitary cleaning soap market is predicted at fifty-four,000 tons).

In India, per capita consumption of soap is 500 Gm, even as in line with capita intake in Brazil and other international locations is 1200 Gm. In terms of detergents, consistent with capita intake in India is 160 kg, whilst in European cities, 15 in Europe, five in Europe and 18.5 kg in Australia.

In the organized region, 88 devices produced cleaning soap, with an hooked up ability of 7,05,963 tons (46 gadgets most effective) per year. The cleaning soap production of the arena was 3,53,232 tons and three,88,087 tons in the course of the length from 1994 to 1995 in 1995-ninety six. Year duration. There are 33 devices in the organized branch for the production of detergents, with an established capacity of five,09,020 tons (22 devices simple) in keeping with yr.

HISTORY

It became now not until 1916 when Karnataka, the kingdom of Mysore, exported sandalwood to France and different European international locations for oil exploration. However, at some point of the First World War, a huge quantity of wooden became amassed within the nation, an oil extraction department became set up in Mysore, and the oil extraction branch became mounted in Shimoga. Since then, Mysore has turn out to be synonymous with sandalwood oil.

LEGENDS

One famous pronouncing is that no different tree can develop on sandalwood. The cause for this perception may be the reality that the basis of the tree desires to take in all of the essential vitamins it desires from nearby bushes. Say that the smell of timber is intoxicating, it's miles stated that the snake wrapped them within the tree.

USES

When extracting the oil used by the cosmetics and cleaning soap industry, the foundation of the tree with the best percentage of oil.

A Hindu own f historic Indian remedy for preventing warmth stroke was a tumbler of cold milk with a drop of sandalwood oil. According to statistics from the Indian Medical School, this beverage is also considered to prevent boils and different skin illnesses.

INTRODUCTION

amily generally has a chunk of timber rubbing on the stone. Dishes have been sprinkled with water and the ensuing paste turned into applied to the idol's brow at some point of pooja. One The entire soap industry is present process changes due to many factors consisting of authorities members of the family, the surroundings, hypersensitive reactions to toxicology, and extended uncooked cloth charges.

After Swadeshi in 1905, numerous factories have been set up. They had been:

- Bangalore Mysore Government Soap Factory
- Godrej soap opera in Mumbai

Changing technologies, even individuals and agencies, want to produce higher products at simplest financial velocity, and at the identical time come to be catalysts for the dynamic method of change. More and extra soap businesses are looking to introduce and keep suited products. The Indian cleaning soap industry faces extreme throat opposition whilst multinational groups dominate the marketplace.

THE INDIAN SOAP INDUSTRY SCENARIO:-

The Indian soap industry has been dominated by using a few companies

- Hindustan Leverage Co., Ltd.
- Tata Petroleum (with the aid of HLL)
- Godrej Soap Private Limited.
- Recent contestants consist of - Colgate-Palmolive Ltd.

_Procter & Gamble Co., Ltd.

_ Nirma cleaning soap works,

_Vipro Corporation,

The Indian cleaning soap enterprise continued to flourish until 1967-1968, but it commenced to stagnate. It soon commenced to get better and rose in short in 1974. The growth in call for may be attributed to: -

- population boom.
- Increased profits and consumption.
- The manner of urbanization has extended.
- The increase of personal hygiene.

Soap makers are divided into organized and unorganized sectors. KS&DL is in an prepared branch.

HISTORY OF THE SOAP

Traditionally, soap is made from alkali (lye) and animal fats (butter), but vegetable commodities in addition to palm oil and coconut oil may be renewed. American colonists are wealthy in the fundamental ingredients of soaps, so soaps started out inside the earliest colonies within the United States. Butter is a spinoff of slaughter of animal meat or whaling. Farmers use alkali to

free up the land; until the 19th century, wood ash changed into the main source of lye. Soap manufacturing is very simple and maximum farmers could make cleaning soap at domestic.

The maximum vital use of soap is for homes in washing machines and toilets, specifically for filling, cleaning and shrinking wool. Appeared. However, at the eve of the American Revolution, the colonies superior a small export marketplace; in 1770 they added more than 86,000 pounds well worth of easy soap to the West Indies, really worth 2,550 kilograms. The revolution interrupted the deal and it has not been restored. At the beginning of the nineteenth century, the development of the metropolis and the fabric industry expanded the use of soap and stimulated the upward thrust of soap makers. By 1840, Cincinnati was the most important meat processing middle within the United States at the time and it became additionally a leader in cleaning soap production. The city boasts as a minimum 17 soap factories, such as Procter & Gamble (hooked up in 1837), destined to grow to be the united states's main corporation. In the Nineteen Forties, whilst manufacturers began to use alkali in place of wood ash to make lye, the lye made by way of chemical manner. Almost all cleaning soap makers also produce butter candles, which for plenty humans is their important enterprise. No brand, no marketing for purchasers, most soap makers are nevertheless few earlier than the civil warfare.

GROWTH OF INDIAN SOAP INDUSTRY

From the end of the civil war to 1900, the cleaning soap industry has undergone most important modifications. The candle market has decreased significantly and cleaning soap makers have stopped the enterprise. At the identical time, opposition has intensified. Many cleaning soap makers started out branding their merchandise and delivered new soaps crafted from special elements consisting of palm oil and coconut oil. Although it become first of all small however increasing, it became a main innovation. In 1893, P & G spent \$ 125,000 to sell ivory soap. By 1905, the product had a income price range of over \$ four hundred,000. Ads are correctly contained in newspapers. Drama. Procter & Gamble originated in 1933, the earliest, most a hit, and longest-lived one of the so-called cleaning soap opera genre, Mark Perkins, for its oxidized soap advertisements. By 1962, the primary trouble become expelled, and 250 million U.S. Greenbacks have been used for advertising each 12 months, 90% of which had been television

advertisements. In 1966, three of the pinnacle five television advertisers had been cleaning soap makers, and P&G turned into the largest sponsor of tv, spending \$161 million.

Advertisements positioned large cleaning soap makers at a competitive benefit. By the past due 1920s, the 3 companies began to dominate the enterprise: (1) Colgate-Palmolive-Pitt turned into incorporated in New York State in 1928 and obtained William Original 1807 Colgate; (2) Lever Brothers, a British employer, purchased factories in Boston and Philadelphia in the nineteenth and 1897 and 1899, developed a series of soaps that were marketed, and (three) Procter & Gamble.

A Procter & Gamble agency's soap maker did now not understand what new improvements he might have had in his lunch in 1879. He forgot to show off the soap mixer and supply extra than the same old amount of air to a batch of pure white soap that the organization sold underneath the call of The White Soap.

Due to fear that he would have problem, cleaning soap makers kept this mistake in mystery and shipped the inflated cleaning soap to clients throughout the us of a. Soon consumers demand extra "floating soap." When business enterprise officials found what had happened, they grew to become it into one of the company's maximum a hit products, ivory soap.

PROBLEMS AND PROSPECTS OF SOAP INDUSTRY

The ever-changing technology, and even the desire of people and organizations to produce better merchandise handiest at monetary velocity, has become a catalyst for a dynamic manner of trade. More and greater cleaning soap makers are looking to seize marketplace percentage through introducing and preserving suitable products. In terms of raw substances, the soap industry faces a few troubles. The principal components are cleaning soap ash, linear alkyl, benzene and sodium. Tripoli phosphate poses a few extreme problems in usability. The call for deliver gap for vegetable oil is 1.5. To 2 hundred,000 lots & meet via import. Lately, cleaning soap and soda in highly cheap soaps are quite excessive. India's cleaning soap industry is going through fierce competitive pressure, whilst multinational organizations dominate the marketplace.

MARKET FOR SOAPS IN INDIA:

- About 35% of the Rs.4700 soap market is in the splendor care market, 20% inside the healthcare market and 15% within the skin care marketplace.
- In the saturated market, the penetration price is high, reaching ninety eight%.
- After the growth within the past two years, it elevated by using about 4% from June to August 2004.
- Market boom can be divided into 4 identical rates (15%), occurrence (41.Five%), economy (24.Five%) and discount (19%).
- Only international brands show Dove & Camay within the Indian marketplace.
- From 1995 to 2003, the demand for sanitary soap expanded from 400,000 metric heaps to 620,000 metric tons.

THE WORLD MARKET FOR SOAPS:

- In 2000, the income amounted to approximately 400 billion rupees.
- The cumulative annual increase fee (CAGR) of soap from 1995 to 2000 extended by about 29%.
- There are few multinational businesses that dominate the global cleaning soap marketplace.
- Unilever, procter and gamble, Colgate and Palmolive and Johnson & Johnson are a few of the top players in the international.

FUTURE PROSPECTUS OF THE INDUSTRY:

5 years ago. The life cycle of innovation can reach five-10 instances. Today is not the case. In a short time, each trade will be replaced through alternative technology. There are many reasons. By investigating real calculation situations that help to occur, treasured predictions can be made to try and decide future cleanser trends.

Compared with earlier than, the sector's populace is increasing. UNESCO predicts that by means of 2050, the wide variety of people consistent with 10 billion inhabitants will increase. This

really approach that the sector's population has nearly doubled in 50 years. In the new millennium, India and China will offer human beings with greater efficient energy, and use their populace and survival benefits less than different primitive populations.

Almost all countries have expanded their disposable income. More and more money is being spent on the purchase of saved items. Per capita profits and affluence are at the upward thrust worldwide, and market checks of detergents and cleaning soap merchandise are conducted. It can be observed that inside the past 10 years, the product form has turn out to be more compact and consumer-pleasant. Compactness and weight are slowly changing convection spray drying detergents. Traditionally, heavy responsibility detergents are available as powders, bars/cakes.

1.3 COMPANY PROFILE

World lands, forests, ivory, silk, sandals are plentiful; precious stones are the charm of magic for centuries. The maximum captivating perfume within the global is distinctive with sandalwood. The global's richest source of sandalwood timber comes from an independent woodland land in southern India in Karnataka.

The origins of Sandalwood and its crude oil used to make Mysore sandal soap in Karnataka are famous Indian debris ambassadors, and Sandalwood Oil is virtually referred to as "LIQUID GOLD".

In the early 20th century, the Mysore Kingdom of India turned into one of the most important sandalwood manufacturers within the world. It is likewise one of the most important exporters of timber, maximum of which can be exported to Europe. During the First World War, a big quantity of sandalwood reserves couldn't be sold because of the warfare and have been left in the back of. In order to make higher use of those reserves, the king of Mysore Narwadi Krishna Rajawadial regularly occurring his proposal of Diwan, Sir M. Visweshwaraiah and hooked up a manufacturing unit to extract sandalwood oil from timber. It became installed in Mysore. Identical 12 months. In 1944, another sandalwood oil manufacturing facility turned into mounted in Shimoga. After the reunification of Karnataka, these factories have been ruled by using the Karnataka authorities. In 1980, the authorities decided to merge these protecting sellers and

consist of them in a organization known as Karnataka Soaps and Detergents Limited. Sharabha is a mythological creature with a lion body and an elephant's head and become decided on as the employer's logo. This is because this creature represents the commonplace virtues of wisdom, courage, and electricity, and symbolizes the business enterprise's philosophy.

The organisation has in view that various manufacturing of incense sticks, talcum powder and detergents; similarly to cleaning soap. Karnataka Soap and Detergent Co., Ltd. Has been established as a enterprise underneath the corporation's 1956 Act.

With more than 89 years of industry enjoy, KSDL is the real successor to India's golden historical past. The organisation is nowadays one of the earliest manufacturers of sandal soaps, which include global sandalwood oil, with annual sales of Rs. 125corers.

The whole Mysore sandal soap is a brand product synthetic by KSDL and has been synthetic since Mysore King mounted the government soap manufacturing unit in Bangalore in 1916.

Since then, there was no appearance back, and even nowadays, the employer is still able to stay as much as its call, and there are so many lavatory soaps and detergents available on the market.

He is an brilliant scientist running for the Tata Institute in Bangalore. He turned into despatched to England to master the elements of cleaning soap making.

The manufacturing unit turned into transferred to the Rajajinagar industrial district in Bangalore in July 1957 and is currently home to the factory. The manufacturing facility covers a place of 43 acres (masking soaps, detergents and fatty acids) at the Poon Highway in Bangalore, with convenient transportation, offerings and transportation. Another sandalwood oil area was set up in Shimoga in 1944. Shimoga ceased operation in 2000 due to the shortage of herbal sandalwood.

The factory started out to be in a modest size in 1916. The first product turned into to smooth cleaning soap in addition to soap in 1918. The agency's soap is crafted from sandalwood oil.

In 1950 the government determined to extend the factory to 2 tiers. The first segment of the growth venture became to growth manufacturing to seven hundred lots according to year and entire it inside the vintage building in 1952. The next segment of expansion has been

implemented. The enlargement of the mission includes the switch of the manufacturing unit to an business metropolis in Bangalore.

The manufacturing facility began operation on July 1st, 1957 in these new places (ie the contemporary one). From this 12 months onwards, the manufacturing unit has never seemed lower back. It has found out the boom and improvement of production and sales, and brought earnings.

The industry also has departments, one in Shimoga and one in Mysore in which sandal oil is extracted. The Mysore department started operations in 1917 and till nowadays produced aromas of agabathies of preferred first-rate. Just from the primary timber of sandalwood rolling inside the boiler room in 1916, the organization has been pursuing.

1.3.2. VISION STATEMENT

-
- Synchronize with globalization, worldwide developments, and national policies that use generation in all elements of governance.
- Ensure the worldwide presence of Mysore sandalwood merchandise at the same time as leveraging its precise strengths to leverage contemporary technology solutions via clever and selective diversification.
- Ensure all technical assistance from all technical alliances and the primacy of the Indian authorities.
- In addition, make sure the reputation of Karnataka as a supporter and technical carrier company for the private and non-private sectors inside the international, nations and different countries.
- Provide technical products and services to the public on the most low-cost expenses according to the guidelines of the welfare kingdom.
- Make every attempt to attain an affordable earnings.
- The most essential thing is to win the priceless forex of this us of a and u .S .A ..

MISSION STATEMENT

- Serve the national economy.
- To acquire self-reliance.
- Promote purity and high fine products
- Maintain client loyalty.
- The popularity of Mysore Sandalwood soap based on pure sandalwood oil.
- Promote and preserve its photo as a mark of conventional products.

POLICY OF KS&DL

- Seek to purchase goods and offerings from environmental obligation suppliers.
- Communicate its environmental guidelines and best practices to all personnel.
- Identify dreams and screen progress thru inner and external audits.
- Work tough to design and increase merchandise that have a pleasant environmental effect in the production method.
- Reuse and recycle substances as tons as viable, and limit electricity consumption and waste.

1.3.3.PRODUCT PROFILE

KS&DL is the proper successor to the history of Indian gold. Continuing over eighty years of excellence in lifestyle, only use the fine East Indian sandalwood oil and sandalwood cleaning cleaning soap international. Products produced with the aid of KS & DL are soap, detergent, agar and sandalwood oil.

PRODUCT RANGE FROM THE HOUSE OF MYSORE SANDAL SOAP

Mysore Sandal Soap(75 gm,125gm&150 gm)



Mysore Sandal Baby Soap

(75 gm)



Mysore Sandal Gold Soap

(125 gm)



Mysore Rose Soap

(100 gm)



Three-In-One Gift Pack- 6 tabs



Six-In-One Gift Pack- 6 Tabs

(150 gm)



Mysore Sandal Classic Soap

(75 gm)



Mysore Sandal Millennium



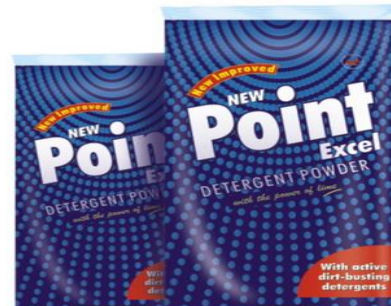
DETERGENTS:

KS&DL also manufactures high quality detergents applying the latest spray drying technology with well balanced formulation of active matters & other builders; they provide the ultimate washing powder.

Mysore Detergent Cake (125gms/250gms)

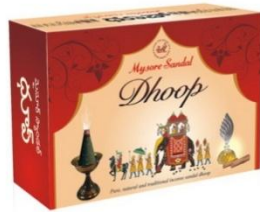
Mysore Detergent Bar (250gms)

Mysore Detergent powder (1kg/500gms)



AGARBATHIS:

- ❖ Mysore Sandal Premium
- ❖ Mysore Rose
- ❖ Suprabath
- ❖ Parijatha
- ❖ Venkateshwara
- ❖ Ayyappa
- ❖ Chandana
- ❖ Mysore Sandal
- ❖ Nagachampa
- ❖ Mysore Jasmine
- ❖ Durga
- ❖ AlifLaila
- ❖ Bodhisattva





SANDALWOOD OIL:

In 5ml, 10 ml, 20 ml, 100 ml, 500 ml, 2 kg, 5 kg, 20 kg, and 25 kg packing.



TALCUM POWDERS:

Mysore Sandal Talc: Cooling & Healing, Fragrant Freshness, Net.Wt 20gms, 60 gms, 300gms and 1 kg.

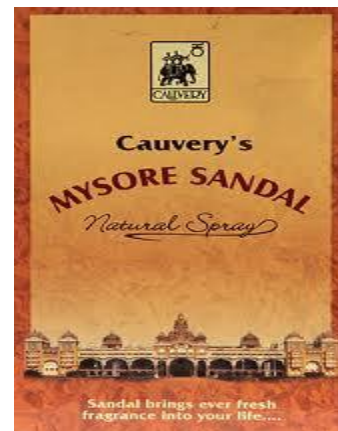


Mysore Sandal Baby Powder:

Tender loving care for baby....& Mummy. Net Wt 100-400gms.



Mysore Sandal Perfumes:



KS&DL is also exporting different varieties of Soaps to different Countries i.e. Middle East, European countries, Asian countries, American Countries, Australia, African Countries. KS&DL also markets Agarbathies, Talcum Powder, Baby Powder, Hand wash, Sandal Wood & Sandalwood.

1.3.4.AREA OF OPERATION

GLOBAL FAVOURITES FOR THEIR NATURAL GOODNESS

Its products are in high-quality demand worldwide and are regularly exported to the UAE, Bahrain, Kuwait and KS&DL. They have a protracted subculture of keeping the very best great requirements, from the choice of raw substances to processing and packaging to the very last product. , Qatar, Southeast Asian international locations, and North and South America.

Of course, sandalwood oil is loved by means of the world's pinnacle perfume companies. All KS&DL toilet soaps are made of vegetable oils and are completely free of animal fat.

1.3.5. INFRASTRUCTURE FACILITIES

- Canteen facility .
- Rest room
- Car parking
- Waiting room
- Good security
- Libarary
- Good house keeping

1.4.COMPITATORS OF KS&DL PRODUCTS

KS&DL in facing cut throat competition in national and international market. Some of its main competitors are:-

- M/S. HINDUSTAN UNILEVER Ltd.,
- M/S .GODREJ SOAPS PRIVATE Ltd.,
- M/S. PROCTOR&GAMBLE.,
- M/S. WIPRO.
- M/S. NIRMA SOAPS PRIVATE Ltd.,
- M/s. JOTHI LABORATORIES.

1.5.SWOT ANALYSIS OF KS&DL

STRENGTHS

- The most effective cleaning soap in India that carries natural sandalwood oil.
- Passed ISO certification
- The world's largest sandalwood oil manufacturing.
- Brand names for decades from the soap market.
- There is a very good supplier network within the South to ensure that products cover every patron.
- Diversified product line to hold the organization's balance.

WEAKNESS

- The distribution community within the north and east is vulnerable.
- Lack of tv advertising and marketing.

- Ignore freshness.
- Excessive exertions results in excessive expenses.
- Low turnover ends in low income.

OPPORTUNITIES

- Traditional benefits of sandals that are properly for the skin.
- Skin care is gaining the attention of customers.
- Government guide and huge manufacturing ability.
- Long-time period benefits inside the enterprise.
- There is a large marketplace and large demand.

THREATS

- Other competitor merchandise consisting of Rexona, Moti, Santoor, and so forth.
- Requires refurbishment of factories and machines.
- Government policies may additionally reduce boom potential.
- Other sandal soaps on the market.
- Enter the brand new crook enterprise of transnational organizations.

1.6. Future Growth and Prospects

- Competition within the FMCG enterprise is heating up. All main competition provide a massive range of client quotations, offering market stocks, incentives, and trading plans for buyers and purchasers.
- The State Forest Department of Karnataka does now not provide sandalwood, so it is vital to buy sandalwood from public actions and it is very steeply-priced.
- Get market leadership.
- Introduce new alternate plans to growth sales.
- This yr, the organization released a wave of talc containing cologne, liquid soap, sandal bathe gel and variants, and hopes to growth its income notably inside the coming days.
- Reduce prices in all regions.
- Make immediate decisions in a few procurement sports.
- Promptly release and implement marketplace-pushed choices.
- Ensure powerful inner controls.

KS&DL at Glance

Company Name: KARNATAKA SOAPS AND DETERGENTS LIMITED (KS&DL).

Address: Karnataka Soaps & Detergents Limited KS&DL,

The Bangalore-Pune Expressway Mailbox does not have 5531 Rajajinagar, Bangalore-560055.

PH: - 0803377691/3370469/23371103 to 06/22376902 to 24.

Email: Mysoresandal@vsnl.Com

Website: www.Mysore sandal.Com

Constitution Established: 1918

Products: Soap, Soap Detergent Cake, Powder, Agar, Cosmetics, Baby Products, Sandalwood Oil.

Renamed

Trademark: The trademark is "SHARABHA". The frame of a lion and the torso of an elephant mean that the understanding of a lion is included with the electricity of an elephant.

CHAPTER-2

CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

CHAPTER-2

CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

2.1. BACKGROUND OF THE STUDY

RECEIVABLES

Receivables are the sums owed to the firm because of exchange of products or services in the customary course of business. Claims of the company towards its clients form receivables of the firm. It forms a major part of a company's current assets. Receivables are otherwise called accounts receivables, trade receivables, customer receivables or book debts. The receivables are made for the clients' conveniences. The credit policy of the firm governs the terms given to customers and step of receivables. The reason behind keeping up or putting resources to the chances of rivalry, and to build the turnover and earnings.

RECEIVABLES MANAGEMENT

It is the decision of an organization to make investments in its credit sales or not. It involves huge cost considerations. It is a crucial consideration when it comes to increasing volume of firm. Since sales increases, simultaneously the profits show an upward trend as well. Bad debts are also another cost involved with receivables management. Hence, receivables management would calculate the decision a business takes with regard to its debtors.

COST INVOLVED IN MANAGING RECEIVABLES IN AN ORGANISATION

An organization incurs certain costs when receivables form the portion of current assets. These costs are follows:

- Receivable financing price
- Cost of collecting receivables
- Bad debts
- Capital cost
- Delinquency cost

- Default cost

FACTORS INFLUENCING RECEIVABLES

Scope of these receivables handled by concern is largely dependent on a few factors. They can be:

- Receivables influences is the volume of credit sale of the firm. The larger the size of acknowledgementsales, larger the receivables.
- Receivables are predisposed by the credit policies of the company.
- Positions of trade for the industry.
- Expansion plans by the firm.
- Profits of the business.
- Efforts made by the organization to bring together cash from the debtors.
- The company deals with nature of the customer.

NEED FOR RECEIVABLES MANAGEMENT

The need for working capital can be summed up as follows:

- Accounts receivable in any organization is an asset and it is a crucial part of a company's current assets.
- Receivables are also a component of working capital of a company.
- It adds up to the sales of a company which means there is increase in profits.
- A certain level of receivables can be maintained by an organization because there is also certain risks involved in maintaining receivables.

BENEFITS OF RECEIVABLES MANAGEMENT

Receivables management can be beneficial to a greatmagnitude. These benefits are:

- Receivables increases volume of sales & revenue for an organization.
- Receivables protect a firm against competition.
- Receivables form a portion of the venture capital of a company.
- Receivables generate cash to finance every dayevents by the firm.
- Receivables are short term &extensiveperiod financing option.

2.2.REVIEW OF LITERATURE

According to the facts of BPP Press Financial Management (2009), accounts receivable is an organisation's claim for purchaser assets. Accounts receivable represents a big proportion of the cutting-edge belongings of several organizations and represents investment.

1. **Sims, C Paul, Jr: True Patrick, (1997):** It might be supplied on a practical and whole settlement foundation due to the fact its reasons commonly translate into any extra skills at the balance sheet. For the identical cause, it indicates extra threats.

Accounts receivable has 5 keys that can be used as feature springs: 1. Make sensible initial contributions to judgments, 2. Maintain perfect suit data, 3. Ensure forex regulators, four. Establish effective monitoring procedures, and five. Prevent changes within the credit surroundings.

2. **Paul, Salima Y, (2007):** If it impacts credit score control. Therefore, the control of this characteristic have to be the variety of typical desires, and should be suitable for professional methods.

It is widely universal in the credit management literature, such as the product surroundings, frequency of dissemination, and permitting businesses to benefit from monetary prudence.

The different influencing elements that have an effect on the credit control feature are that the time spent on each function of the credit score function funding and credit score control technique has been extensively typical for the control of business enterprise overall performance.

3. **Wallis, Lyle Paul. (August 2002):** The entire U.S. Economy is under excessive stress. Faced with this surroundings, receiver managers increasingly want to ensure the feasibility of their very own enterprise. Although there's no incentive to preserve revenues, implementing strict safety features in phrases of credit score authorization is essential, so powerful management of this asset (usually the biggest asset at the stability sheet) is a necessary condition in trendy monetary surroundings.

4. **Wimely, C J. (Mar/Apr 2012):** It represents the single largest capital investment on the balance sheet. While the age- old battle of whether or not long term debt should be considered part of the capital structure of an organization is commonly acknowledgment credit policy based on financial analysis and non-financial data, Lower credit standard boost credit are (5C): character, capital, capacity, conditions and collateral.
5. **Stevenson, Paul, (2005):** average collection period is uniform in the sample units. The integration on recognition function within another department may be desirable. Nevertheless, these must a struggle of awarenessamongst credit objectives and others. There would incentives for the sales department, for instance, to maximize the turnover and thus sales staff may offer more generous credit terms than the industry norm or offer credit to risky customers.
6. **RamaduJanki P. & Rao Durga S. (2007);** disclosed in their study - "Management of receivables within the Indian commercial automobile enterprise" - that the enterprise has appreciably reduced management, but a few person agencies scored far worse in this area.
7. **Deloof, M (2003) :**determined that there was a tremendous terrible correlation between general working profits and the Belgian corporation's debts receivable, stock, and payable days. These effects display that managers can create cost for their shareholders by way of lowering the amount of 1-day bills receivable and inventory to a reasonable minimum. The terrible relationship between accounts payable and profitability is inconsistent with the view that genes with terrible profitability are waiting longer to pay payments.
8. **Reddy &Patkar (2004) :**studied the scale of factoring agencies and their additives and liquidity management. They also attempted to take a look at the connection among the factoring business enterprise's liquidity and profitability. Their end is that the amount of

various borrowers and creditor payables is the three predominant components of present day belongings and current assets that determine the size of the operating capital.

9. **Sooke, H, Kim.SH and Rowland (1992):** performed a survey of ninety four Japanese organizations in the United States (1992) and determined that U.S. Groups' running capital management practices differed in phrases of low inventory levels and excessive stages of accounts receivable. . The examine indicates that U.S. Groups gather inventory; Japanese corporations have a higher proportion of total accounts receivable.
You can outline a hard and fast for each credit client. This should be achieved in an prepared way to accelerate cash earnings without compromising the debtor's relationship.
10. **Stoner (1997):** organizes organizational overall performance as an potential to perform correctly, profitably, continue to exist, expand, and cause opportunities and threats. Stoner (1997) successfully makes use of the manufacturing manner as a key thing in controlling enterprise performance. In addition, it additionally emphasizes profit innovation, asset management and average entrepreneurship to achieve sustained overall performance.
11. **Pandey (2001):** mentioned that during order to research customers and set standards, there are aspects to recollect: average fees and default rates. For him, the average profits paid refers to the length of superb debt, and the default price is the ratio of uncollected debts receivable to overall bills receivable.
Pandey (2001) used 5C credit score as a wellknown for placing standards. 5 C consists of; man or woman, capacity, situation, capital and collateral.
12. **Ramchandran and Janakiraman (2009):** analyzed the relationship between India's paper industry productivity and interest and pre-tax profits. Research shows that money conversion cycles and inventory days are negatively related to hobby and pre-tax profits, while payable repayment days and account compensation days are positively associated with interest and pre-tax earnings. Grzegor (2008) proposed a portfolio control technique in receivables control in his research. It makes use of portfolio control concept to

determine the extent of bills receivable within the employer. He observed that the level of accounts receivable has expanded, and the agency's internet working capital and the cost of preserving and managing accounts receivable have extended.

13. **In ksenija (2013):**, he investigated how listed organizations indexed at the regulated market of the Republic of Serbia managed their account burial decay times. A sample of 108 agencies become used. The accounts receivable coverage turned into checked at some point of the 2008-2011 crisis. A brief-term impact turned into examined and the observe confirmed that there has been a superb correlation but no massive relationship between the debts receivable and the 2 dependent variables (profitability, return on overall belongings and running margin). This suggests that the effect of accounts receivable on the profitability of the corporation is converting throughout the crisis.
14. **Bogges W.P (1967)** :pointed out that the book cost refers to the cost of capital calculated as a result of the company's internal required rate of return on receivables. The normal credit cost is the cost of supporting credit functions, such as legal collection.
15. **Rosse and Wasterfield (1988)** :distinguish between two kinds of costs; bearing costs and opportunity costs. They have the required rate of return for bad debts and the costs associated with credit analysis. , monitoring and collecting work. They further believe that the opportunity cost is the cost associated with the loss of sales and the result of refusal to grant credit.
16. **According to Horne Van (1989):** agencies should compare their credit rules based on returns and expenses. The charges involved include: fee of income, fee of control, value healing and horrific debt losses. However, Van Horn identified these costs as concerning the implementation of credit score income. He in addition burdened that a enterprise can obtain income due to credit score income, which leads to greater profits.
17. **Julius Kakuru (2001):** mentioned that prolonged calories are profits, which contain unavoidable expenses below sure circumstances. These charges include: series prices,

awful debt losses, control costs, and look costs. For him, the fee of series passed off whilst improving receivables. These may be inside the shape of receivables.

18. **Vadakarai (2007):** in his studies subject matter "Study on the Variables and Value of Accounts Receivable Management"Imperial Journal of Interdisciplinary Research (IJIR) Vol-three, Issue-four, 2017 ISSN: 2454-1362,

The investment in factories and machines "discovered that the receivables control variables rely upon the funding in the plant and machinery/device.

19. **Reddy Sudharsana G. Shri and Reddy Raghutha S. Shri (2005):** of their look at attempted to evaluate the accounts receivable management practices of selected small-scale industries inside the Peenya Industrial Zone in Bangalore. The predominant end result of the observe is: The principal reason for credit extension is that the power is a promotional tool and notes receivable are the principle shape of credit score sales. The consumer's reputation is judged based on their past courting with the consumer. The unit collects prices directly from customers, and each consultant and unit does no longer like courts for defaulting customers.

20. **Balstansky (1993)** :noted that series manner can be used to accelerate collections of customers who acquire slow bills and reduce awful debt losses. You can outline a collection activity for every credit consumer. This must be done in an organized way to accelerate coins income with out compromising the debtor's courting.

CHAPTER -3 :
RESEARCH DESIGN

CHAPTER-3

RESEARCH DESIGN

TITLE OF THE STUDY

“A study of receivables management” at KS&DL.

Study of systematic in environment this study analysis Receivable position, DCP, relationship between receivable & productivity on enterprise.

3.1. STATEMENT OF PROBLEM

Accounts receivables of a firm largely depends on the credit policy of the company which includes the size of credit sales and the collection period associated with receivables. The firm has to look into the ability to pay back of the customer before granting credit. This is because, receivables have a high amount of risks associated with them. Therefore, the study at KS&DL on how they manage the receivables, the analysis of the policies and procedures associated with it is carried out to give them suggestions on how efficiently they can improve the management of receivables.

3.2. OBJECTIVES OF THE STUDY

The study at KS&DL has the following objectives:

- To Analysis of the credit policy at KS&DL.
- To understand how receivables impact the profitability of the firm.
- Identification of the ratios that are mainly involved with receivables.
- To understand the DCP & liquidity position .

3.3. SCOPE OF THE STUDY

- This study is is conducted for Karnataka Soaps and Detergents Limited, Bangalore.
- It includes the study of the Receivables Management System at KS&DL.
- The impact of receivables on the profitability of KS&DL, estimation and planning working capital requirements and to analyse the liquidity position of the company.

- The source of information for this project is collected from the Accounts Department of KS&DL.
- The annual reports and financial statements of the company is studied.
- The information for this project is gathered by interviewing the executives at the Accounts Department at KS&DL.

3.4. RESEARCH METHODOLOGY

This study on receivable management is an analytical study because the facts and the information is readily available to make critical evaluation at KS&DL. The data collected are balance sheet and income statements of five years. Percentage and averages are used for calculating ratios like debtors turnover ratio, average collection period etc.

DATA COLLECTION

Sources of Data

The sources for collecting the data include both primary and secondary. Mainly secondary data has been used for the study.

- **Primary Data:** Information collected by personal interaction with company managers in time period of 4 weeks.
- **Secondary Data:** The secondary data has been collected directly from the company annual reports and their websites and internet surveys, the secondary sources as follows:-
 - Web site of KS&DL
 - Audit reports
 - Annual reports
 - Handbooks and journals
 - Internal circulation booklets

3.5LIMITATIONS OF THE STUDY

The study of receivables management and KS&DL has a few limitations. They can be:

- The study is done by the information that is provided by the officials at KS&DL. Hence if they data is modified according to their convenience,there may be false representation of data then the results have a tendency to be deceptive.
- The data in this study is basically secondary data which is derived from the already available data from the Accounts Department at KS&DL. There has been no fresh collection of data. The available data has been utilized.
- This study is only for academic purpose and hence,the study has limitations of time and cost.

3.6. CHAPTER SCHEME

Chapter 1: Introduction

The introduction specifies the introduction to the topic by specifying its theoretical background.**Chapter 2: Conceptual background and Literature review**

The profile of the company includes its background,origin,how it has grown throughout the years and the status quo valuation of KS&DL.

Chapter 3: Research methodology

This chapter deals with the method used for the research study. The title of the study,itsscope,objectives,statement of problem and the limitations of the study and how the data is going to be collected.

Chapter 4: Analysis and interpretation of data

In this chapter,the data collected at KS&DL in analysed and interpreted accordingly. The results are presented in both sentences as well as in graphical form.

Chapter 5: Findings,suggestions and conclusions

After the analysis and interpretation of data,the findings of the research in jotted down and it is followed by the suggestions and conclusions.

CHAPTER-4
ANALYSIS AND INTERPRETATION OF DATA

CHAPTER-4

ANALYSIS AND INTERPRETATION OF DATA

TRENDS OF SALES

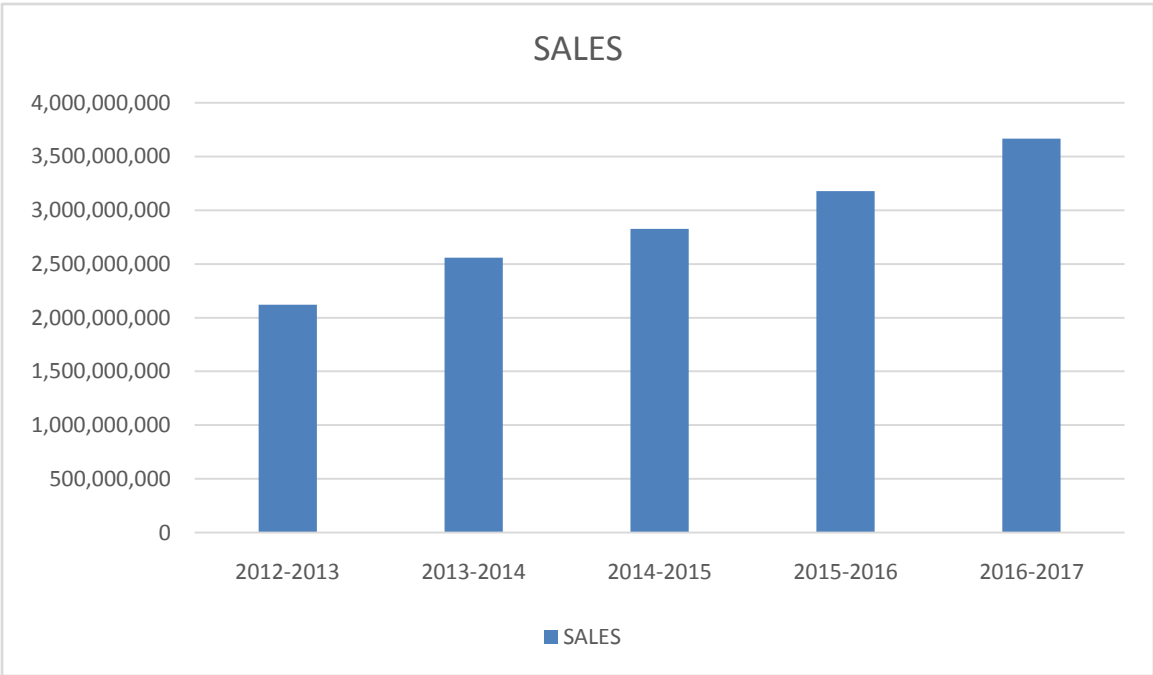
Table 4.1

Table showing trends of sales

YEAR	SALES
2012-13	2,12,16,90,990
2013-14	2,55,71,99,258
2014-15	2,82,53,63,739
2015-16	3,17,88,05,980
2016-17	3,66,75,69,547

Graph -4.1

Graph showing trends of sales



INTERPRETATION:The sales over the last 5 years have been continuously increasing. This is a good sign for the company that there is an upward trend of sales over the last 5 years.

TREND OF DEBTORS:

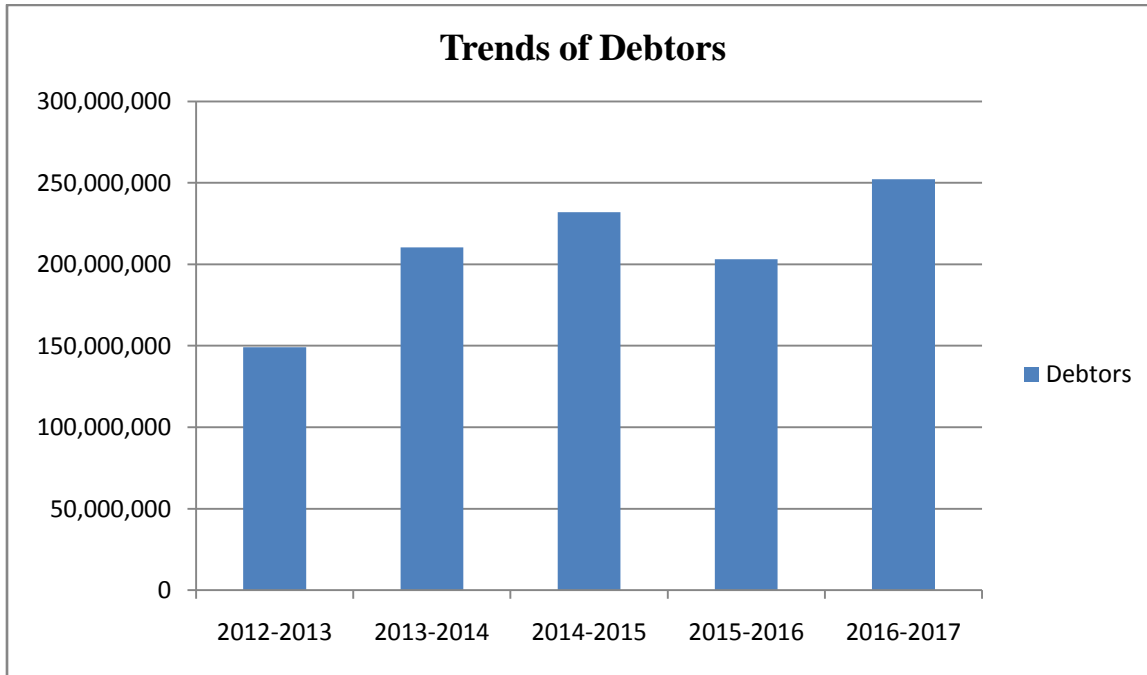
Table -4.2

Table showing trends of debtors

YEAR	DEBTORS
2012-2013	1490,62,722
2013-2014	2103,56,224
2014-2015	2320,25,566
2015-2016	2031,48,049
2016-2017	2522,60,569

Graph -4.2

GRAPH SHOWING TRENDS OF DEBTORS



INTERPRETATION

There is a rise in debtors from the year 2012-13 to 2014-15. It decreases in the next year. This could be due to various internal or external purposes. Also increases in the next year. Hence, the company has more receivables to manage as the debtors increase.

DEBT COLLECTION PERIOD

Table -4.3

Table showing debt collection period

Year	Debtors	Sales	Period
2012-13	149062722	2118438529	26 days
2013-14	210356224	2551767323	30 days
2014-15	232025566	3154367191	27days
2015-16	203148049	3568291996	21 days
2016-17	252260569	4118391386	22 days

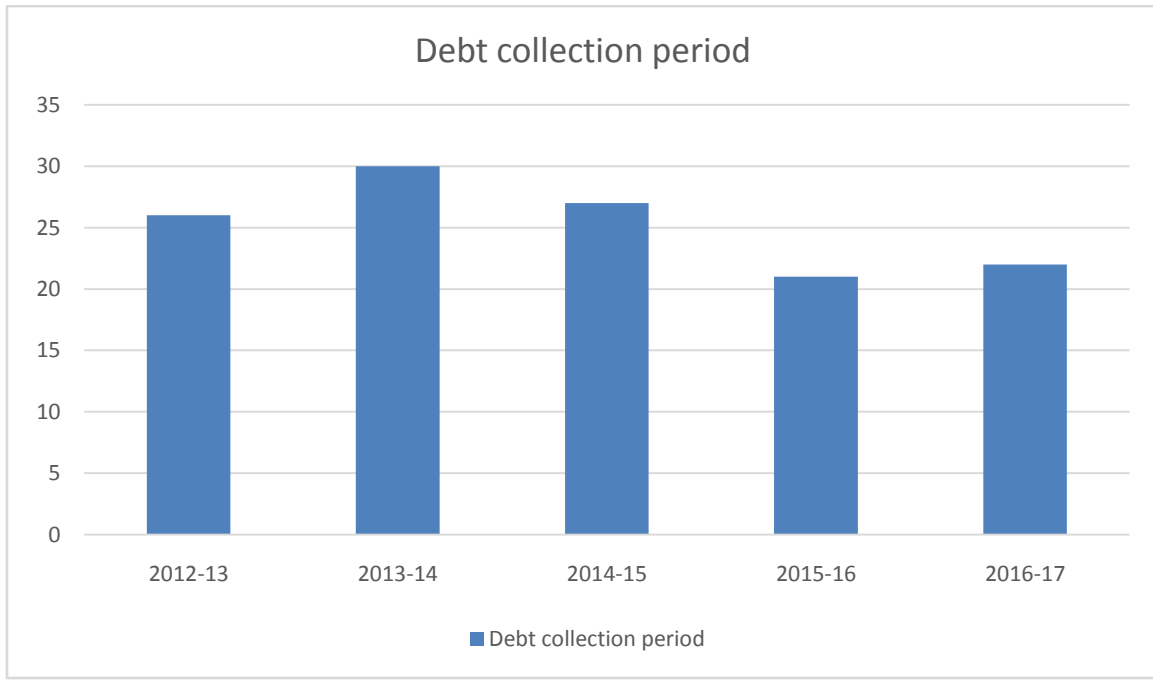
$$\text{Debt collection period} = \frac{\text{Debtors}}{\text{Sales}}$$

Analysis:

The debt collection period in the year 2012-2013 was 26 days and in the year 2013-2014 it increased to 30 days. After that it is showing a decreasing trend which is a good sign that the debtors amount is collected early.

Graph -4.3

GRAPH SHOWING DEBT COLLECTION PERIOD RATIO



Interpretation:

From the above data which is analysed, it is understood that the debt collection period was decreased from 30 days to 22 days in the past four years which is a good sign for the company. So, we can say that the debtors have been efficiently managed by the company.

DEBT POSITION RATIO:

Table -4.4

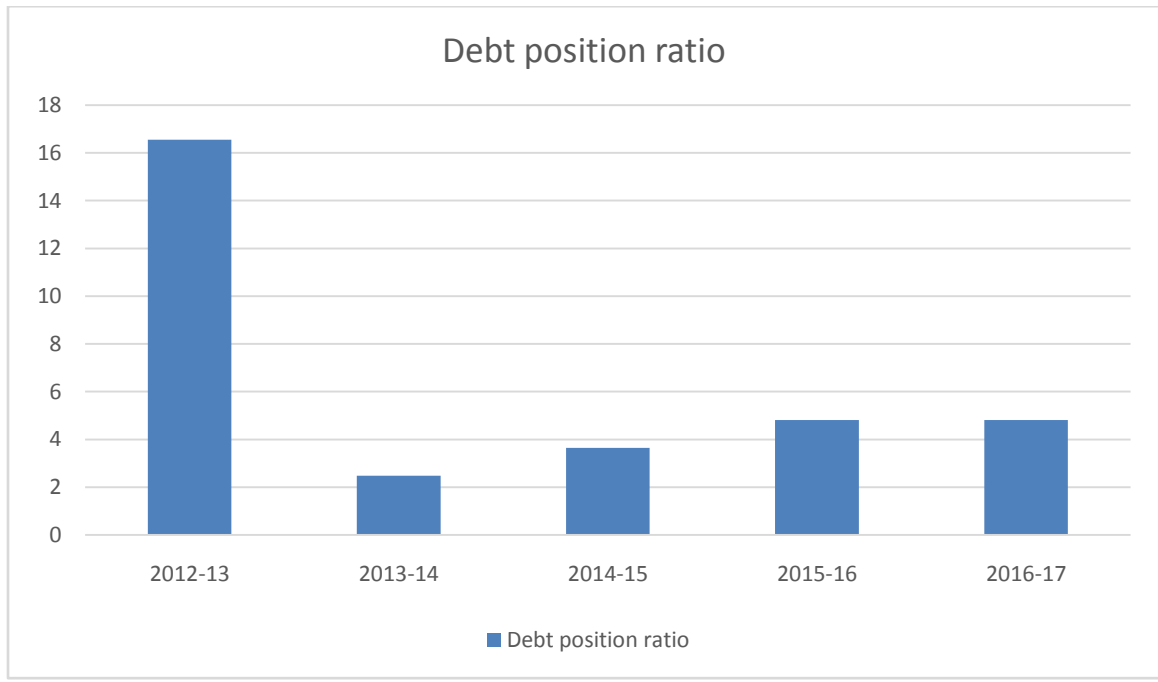
TABLE SHOWING DEBT POSITION RATIO

YEAR	LONG TERM LIABILITIES	SHARE HOLDERS' FUNDS	RATIO
2012-2013	835,06,504	8128,22,955	16.55
2013-2014	835,06,504	87633,97,046	2.48
2014-2015	350,00,000	90317,74,686	3.64
2015-2016	350,00,000	94042,31,552	4.81
2016-2017	350,00,000	98004,04,349	4.81

$$DebtEquityRatio = \frac{LongTermLiabilities}{Shareholdersfund}$$

Graph 4.4

GRAPH SHOWING DEBT POSITION RATIO



Analysis Interpretation:

The above graph represents the consistency of the debt equity ratio from the year 2015-2016. The debt has increased from 2012 onwards. This indicates obligation meeting the debt cost. Hence Company is required to manage the receivables effectively.

CURRENT RATIO

CURRENT RATIO= Current Asset \ Current liabilities

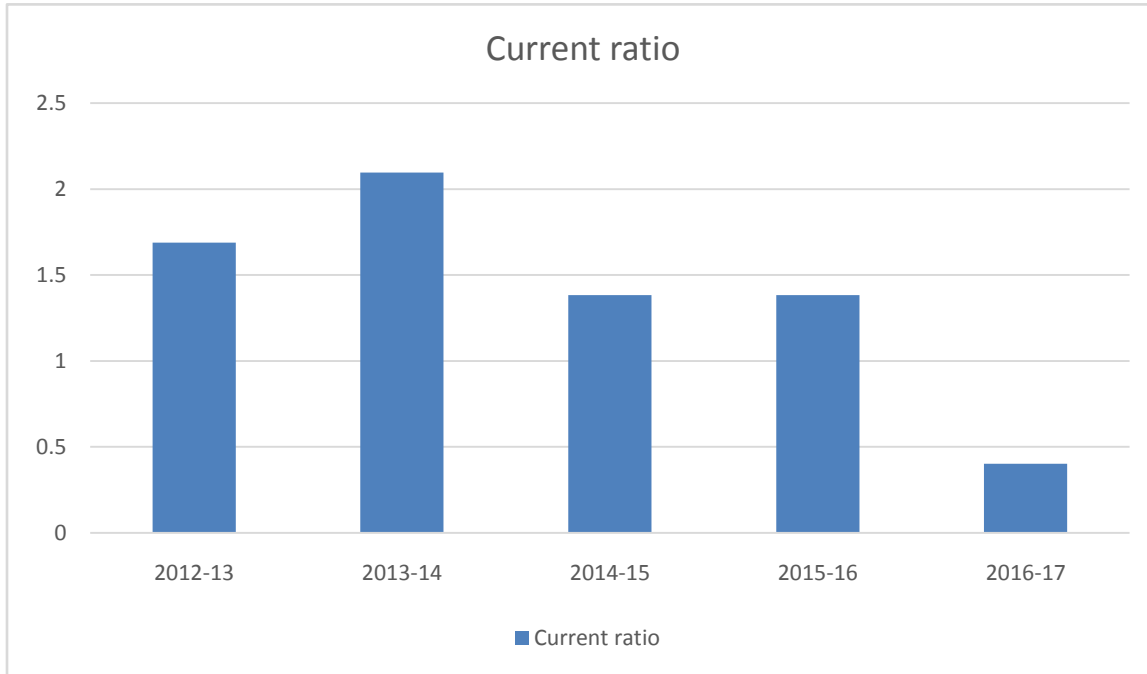
Table 4.5

TABLE SHOWING CURRENT RATIO

Particular	Calculations	Current Ratio
2012-2013	631126126 / 373557127	1.689
2013-2014	742916123 / 354397236	2.096
2014-2015	876546368 / 633442659	1.384
2015-2016	983184142 / 710206883	1.384
2016-2017	1575960607 / 3917933757	0.402

Graph 4.5

GRAPH SHOWING CURRENT RATIO



ANAYSIS AND INTERPRETATION

Standard current ratio 2:1. Higher ratio that is more than 2:1 indicates sound solvency position. Lower ratio indicates in inadequate working capital. Higher ratio 2013-2014 and Lower ratio in 2016-2017.

CONTRIBUTION OF EACH LIQUID ASSET COMPARISON WITH TOTAL ASSET

Contribution = current asset/total asset

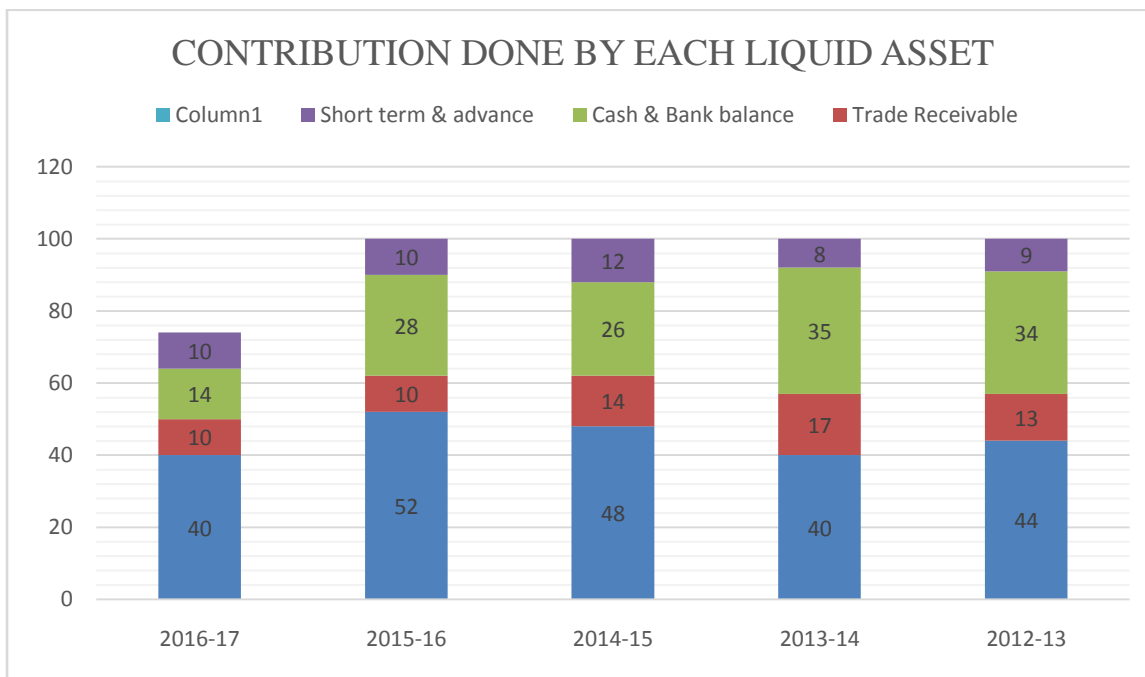
Table -4.6

TABLE SHOWING CONTRIBUTION TO EACH CURRENT TO TOTAL ASSETS

Current Assets	2016-2017	%	2015-2016	%	2014-2015	%	2013-2014	%	2012-2013	%
Inventories	1053863184	40	1059669174	52	808143158	48	496456170	40	489514320	44
Trade Receivable	252260569	10	203148049	10	232025566	14	213056224	17	149062722	13
Cash & Bank balance	1051439256	40	575242123	28	437757488	26	431911843	35	377803712	34
Short term loan & advance	272260782	10	204793970	10	206763314	12	100648056	08	104259692	09
Other current asset	-		-		-	-	-	-	-	-
Total	2629823791	100	2042853316	100	1684689886	100	1239372293	100	1120640446	100

Graph -4.6

**GRAPH SHOWING CONTRIBUTION OF EACH LIQUID ASSET
COMPARISON WITH EACH TOTAL ASSETS**



Analysis and interpretation

- Inventories in the range 40%-52%
- Trade Receivable from 10%-17%
- Cash & bank balance range 14%- 35%
- Short term loan & advances 8%-12%

SALES PER DAY

Sales per day = net sales / no of working days

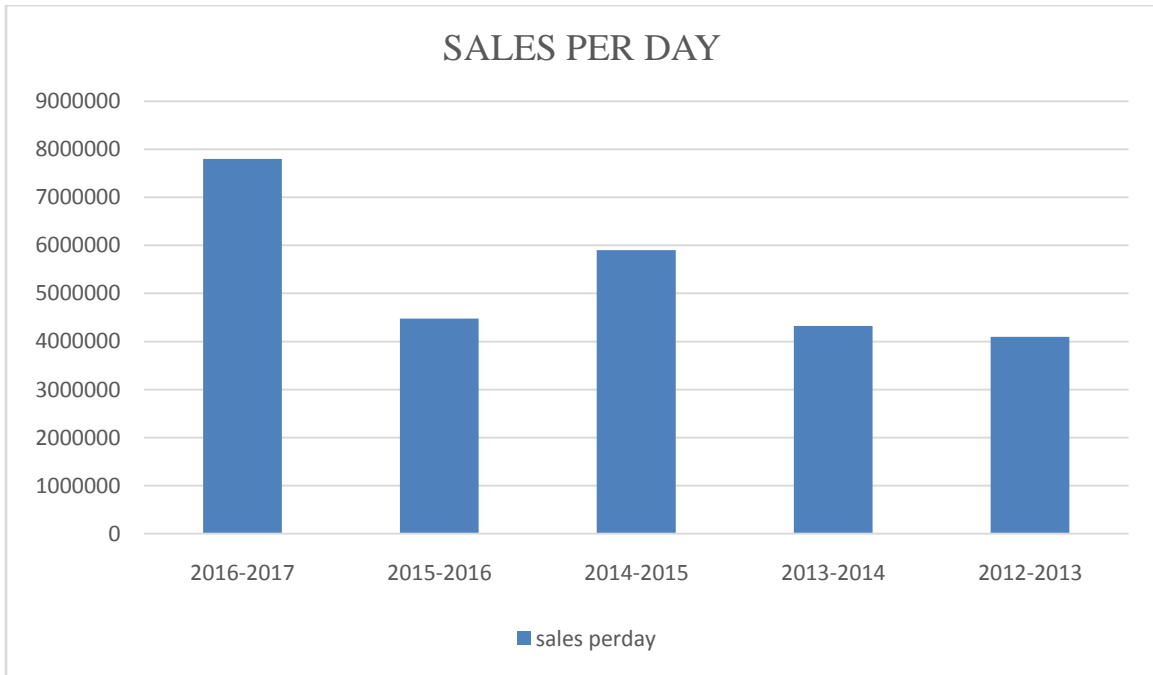
Table 4.7

TABLE SHOWING SALES PER DAY

year	Net sales	No of working days	Sales per day
2016-2017	2807718567	360	7799218
2015-2016	1611820173	360	4477278
2014-2015	2124027234	360	5900076
2013-2014	1557336147	360	4325934
2012-2013	1473754991	360	4093764

Graph -4.7

GRAPH SHOWING SALES PER DAY



ANALYSIS & INTERPRETATION

- Net sales in the range of 2,807,718,567 to 1,473,754,991.
- Number of working day is 360days.
- Sales per day in the range of to 7,799,218 to 4,093,764.
- The company norms of working days in a year is fixed to 360 days.

INTEREST RATIO

Interest ratio = Average account receivables *12/100

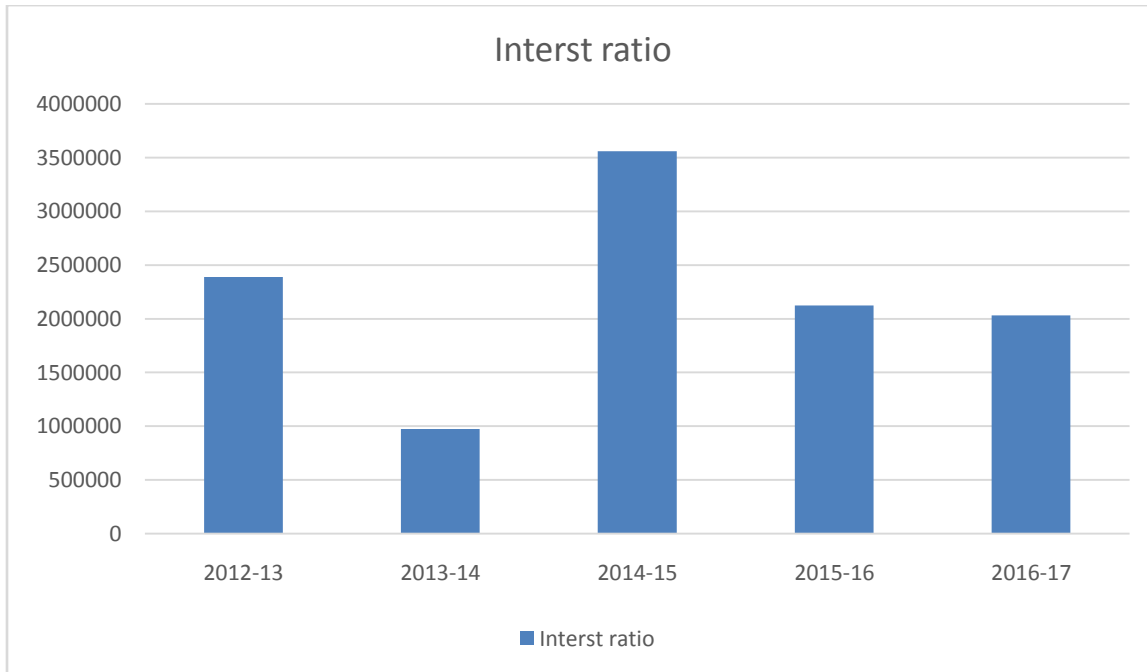
Table -4.8

TABLE SHOWING INTEREST RATIO

Year	Average receivables	12/100	Interest ratio
2012-13	19905141	0.12	2388617
2013-14	8112093	0.12	973451
2014-15	29649908	0.12	3557989
2015-16	17688120	0.12	2122574
2016-17	16923848	0.12	2030862

Graph -4.8

GRAPH SHOWING INTEREST RATIO



Analysis & interpretation

Above the information states interest ratio is highly increased in the year 2014-2015 3557989 and from 2015-16 was decreased.

RECEIVABLE OUTSTANDING

Receivable outstanding = Receivables \ sales *no of days

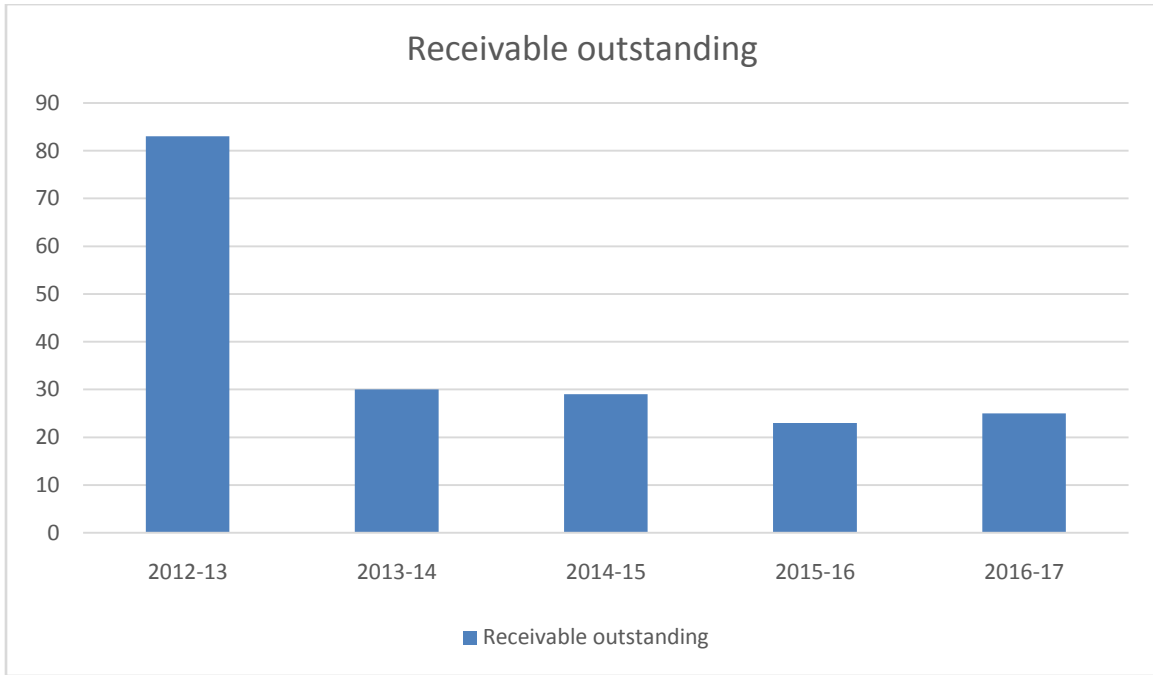
Table -4.9

TABLE SHOWING RECEIVABLE OUTSTANDING

Year	Receivables	Sales	No of days	Days sales outstanding
2012-13	48,95,62,722	2,12,16,90,990	360	83
2013-14	21,03,56,224	2,55,71,99,258	360	30
2014-15	23,20,25,566	2,82,53,63,739	360	29
2015-16	20,31,48,049	3,17,88,05,980	360	23
2016-17	25,22,60,569	3,66,75,69,547	360	25

Graph -4.9

GRAPH SHOWING RECEIVABLE OUTSTANDING



ANALYSIS & INTERPRETATION

Receivables range of Rs. 20,31,48,049 – Rs.48,95,62,722

Sales are in range of Rs 2,12,16,90,990 – Rs 3,66,75,69,547

No of working days is fixed to 360 days

Days sales outstanding are range of 23-83

CHAPTER -5:
FINDINGS, SUGGESTIONS AND CONCLUSIONS

CHAPTER -5:

FINDINGS, SUGGESTIONS AND CONCLUSIONS

5.1. SUMMARY OF FINDINGS

In the analysis of the growth of sales it is found that the sales of KS&DL is been increasing year by year which may result in good profit for the company.

Debtor's turnover ratio is in the decreasing trend in which it is an indication of decreasing the credit sales. Henceforth, we can observe that the company is in a right way.

The average collection period is been increased in 2013-14 & thereafter it is in decreasing trend

The cash ratio is been decreased in 07-08 and been increased at a decreasing trend

The quick assets are been more when compared to current liabilities & therefore in 2013-14 the QR is been increased to 2.86 & gradually decreased in the following years.

The cash & cash equivalents is less when compared to current liabilities & therefore current ratio is been decreasing trend.

Net profit is increased in 2012-13 to 16.00 & been decreased in the following years & the net sales is been increased after 2013-14. The debtors to current assets ratio is been increased in 2013-14 from 1.9 to 2.9 & been decreased in the following years.

Receivable outstanding is been decreased after 2013-14 & following year.

Sales per day has been increased in 2014-15 & 2015-16 is been decreased , following years increased.

5.2.CONCLUSIONS

Accounting is one of the vital functions of today's business world. Accounting, analysis and interpretation done through scientific way can enlighten the present uncertain business environment.

Account receivables analysis is one of the most widely used to control the debt blockings. It is also helpful in controlling of bad debts.

Accounts receivable is one of the device which can be used to control the funds management and also to assign certain responsibilities to the management to control the funds that are misused and blocking of funds.

The company is also advised to tighten its credit periods, so that the company's credit policy can be enhanced and can receive its debt amount easily. The organization has released a brand new form of cleaning soap, which changed into launched on January 25, 2012 "India's maximum luxurious Mysore Sandals Millennium Soap: Mysore Sandals Millennium, Super Premium Soap, 150 grams in keeping with pill, for 720 rupees, owns Karnataka Soap and Detergent Co., Ltd. (KS&DL) expects that the organization's photo and regulations may be bolstered in order that the company's profits may additionally boom, so the agency's growth inside the cleaning soap and detergent industry may be rewarded with the nice Produce its merchandise.

5.3. SUGGESTIONS

- ❖ Firstly the company should set up some restrictive credit standards, credit terms and credit policy regarding the credit to its any type of customer.
- ❖ The management has to take initiative to collect the funds from the debtors without any interference.
- ❖ The company has to first analyse the credit worthiness of its customers before giving credit facilities.
- ❖ After providing the credit facilities to its customers, the company has to take corrective measures in realizing its debt, so the company profitability can be better improved.
- ❖ The company has to maintain the ideal cash ratio i.e. 1.5:1
- ❖ Companies have to undertake an green coins control system in an effort to be capable of put money into profitable companies.
- ❖ The company has to achieve the operational efficiency by increasing the sales of the company.
- ❖ The company has to identify the incremental return which a firm may gain by changing its credit policy and should be compared with the cost of funds invested in receivables.
- ❖ The company can be more effective in utilisation of available resources.
- ❖ The company can also appoint an committee in which to have a clear idea about the receivables management and take suggestions accordingly and to be incorporated in the company.

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2. Company Annual Reports of 5 years.

ANNEXURES:

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2013,
31-3-2014, 31-3-2015, 31-3-2016 and 31-3-2017.**

particulars	Amount as at 31-3-2013	Amount as at 31-3-2014	Amount as at 31-3-2015	Amount as at 31-3-2016	Amount as at 31-3-2017
	(Rs)	(Rs)	(Rs)	(Rs)	(Rs)
Revenue from Operations	2,31,44,85,258	28,61,32,818	31,571,67,354	35,702,63,347	41,186,92,228
Less: Excise Duty	19,27,94,268	30,49,33,560	33,18,03,615	39,14,57,367	45,11,22,681
Net Revenue from Operations	2,12,16,90,990	2,55,71,99,258	2,82,53,63,739	31,78,80,980	36,67,56,954
Other Income	3,47,92,537	3,06,40,704	9,15,50,963	4,20,14,368	6,61,85,101
	2,15,64,83,526	2,58,78,39,962	2,91,69,14,702	32,20,82,034	37,33,75,464
Expenses:					
Cost of Materials Consumed	98,06,28,009	12,53,21,829	1,27,55,74,042	1,60,44,03,610	1,56,54,20,225
Purchase of Stock in Trade	9,05,90,549	4,34,91,858	3,16,80,271	1,96,51,109	2,81,26,768
Changes	(9,33,92,325)	(7,05,68,751)	(1,23,53,006)	(1,29,21,148)	9,14,97,342

inventory of Finished Goods, work in progress and stock in trade					
Employee Benefit Expenses	35,79,34,704	44,55,90,312	49,39,87,163	487220141	553741174
Finance Cost	11,57,983	-	31358	-	-
Depreciation	64,14,948	73,41,146	80,62,541	11688967	13824174
Other Expenses	42,46,17,551	51,04,35,222	55,81,61,384	561953527	625711494
Total Expenses	1,95,47,36,069	2,18,95,09,615	2,35,41,43,753	2555705866	3016685042
Profit Before Exceptional and Extraordinary items and tax	20,17,47,457	39,38,30,347	56,27,70,949	665114481	717069606
Provision for taxation					
Current tax	5,87,00,000	10,83,28,122	18,96,36,054	221002485	239573687
Prior period tax	-	3,83,56,890	5,53,30,221	-	20600537
Deferred tax liability	85,29,450	3,42,25,591	1,05,70,025	(7764455)	(14109355)
Profit/(Loss) After Tax	13,45,18,037	21,74,19,744	32,83,74,699	451876451	471004737
Earnings per share (Rs) Basic & Diluted	423	683	1032	1420	1480

BALANCE SHEET OF KS&DL

Particulars	Amount as at 31-3-2013 (Rs)	Amount as at 31-3-2014 (Rs)	Amount as at 31-3-2015 (Rs)	Amount as at 31-3-2016 (Rs)	Amount as at 31-3-2017 (Rs)
LIABILITIES:					
Shareholders Fund					
Share Capital	31,82,21,000	31,82,21,000	31,82,21,000	31,82,21,000	31,82,21,000
Reserves & Surplus	49,46,01,955	68,65,84,676	95,49,62,316	132,74,19,182	172,35,91,979
Revaluation of Land	-	7,75,85,91,370	7,75,85,91,370	7,75,85,91,370	7,75,85,91,370
Non-Current Liabilities:					
Long term Borrowings	8,35,06,504	8,35,06,504	3,50,00,000	3,50,00,000	3,50,00,000
Other Non-current liabilities	4,27,45,429	2,91,18,117	4,58,98,443	809,80,655	4,78,36,024
Long term Provisions	17,54,05,233	26,00,13,594	25,68,22,474	26,38,03,932	28,72,96,043
Current Liabilities:					
Short term Borrowings	-	-	-	-	-
Trade Payables	5,98,29,357	2,93,76,509	4,92,47,570	4,10,78,706	7,97,04,737
Other current Liabilities	16,70,55,833	16,37,48,690	31,49,79,855	35,17,52,094	35,40,04,874
Short term borrowings	14,66,71,937	16,12,72,037	26,92,15,234	31,73,76,083	33,82,24,146
TOTAL	1,48,80,37,248	9,49,04,32,497	10,00,29,38,262	10,49,42,23,022	10,94,24,70,173
ASSETS:					
Non-Current Assets:					
Fixed Assets	9,69,57,604	7,85,53,06,061	7,85,27,71,403	7,85,47,03,587	7,88,01,64,745
Non-current Investments	11,00,00,100	20,00,00,100	23,00,00,100	23,96,00,100	7,17,29,359
Deferred Tax assets	5,40,41,821	1,98,16,230	3,03,86,255	3,81,50,710	5,22,60,065
Long Term Loans and	8,64,92,136	10,78,25,720	17,54,41,070	30,12,27,189	29,15,68,365

Advances					
Trade Receivables	1,99,05,141	81,12,093	2,96,49,908	176,88,120	16923848
Current Assets:					
Inventories	48,95,14320	49,64,56,170	80,81,43,158	105,96,69,174	1053863184
Trade Receivables	14,90,62,722	21,03,56,224	23,20,25,566	20,31,48,049	252260569
Cash and cash Equivalentents	37,78,03,712	43,19,11,843	43,77,57,488	57,52,42,123	1051439256
Short Term Loan & Advances	10,42,59,692	10,06,48,056	20,67,63,314	20,47,93,970	272260782
Other Current Assets	-	-	-	-	-
TOTAL	1,48,80,37,248	9,49,04,32,497	10,00,29,38,262	10,49,42,23,022	10942470173



ACHARYA INSTITUTE OF TECHNOLOGY
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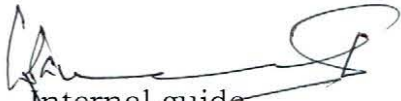
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Week	Work undertaken	External Guide Signature	Internal Guide Signature
1 Week	Understanding structure, culture and functioning of the organization		
2 Week	Training period: understanding the financial products and services of the company		
3 Week	Training period: Knowledge about the performance of the live stock market		
4 Week	Presentation of the research instrument		
5 Week	Collecting the primary and secondary data required for the research		
6 Week	Data collection		

7 Week	Analysis of data collected by various statistical tools	T/K	G/i
8 Week	Analysis interpret, findings, giving conclusion, suggestions	T/K	G/i
9 Week	Preparation of the final report	T/K	G/i
10 Week	Submission of final report	T/K	G/i


Internal guide


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